

Atlas Announces Financial Results for Third Quarter 2011

Chicago, Illinois (November 28, 2011) – (TSX.V:AFH) Atlas Financial Holdings, Inc. (“Atlas” or the “Company”) today announced its financial results for the third quarter 2011. All amounts are in U.S. dollars.

- Q3 2011 net income was \$984,000 or \$0.05 per common share diluted
- Core commercial auto lines gross premium written for Q3 2011 increased 57.7% over Q3 2010 reflecting a continuing positive market reaction to the transaction which formed Atlas
- Quarter over quarter expenses in 2011 have remained flat, and are consistent with Atlas’ expected ability to grow core business without materially increasing infrastructure costs
- Atlas expanded its underwriting into five additional states during Q3 2011
- Book value per common share diluted at September 30, 2011 was \$2.18
- Atlas carries a provision, in the amount of \$0.64 per common share diluted at September 30, 2011, against its deferred tax asset.

Total gross premium written for the third quarter 2011 was \$10.9 million reflecting a 7.5% increase from the third quarter 2010 and a 39.1% increase from the second quarter 2011. In Atlas’ core lines of business, commercial automobile insurance, gross premium written in the third quarter 2011 was \$5.4 million, an increase of 57.7% over third quarter 2010 and an increase of 115.1% as compared to the second quarter 2011. The increased volume in the third quarter as compared to the second is the result of growth in Atlas’ core business activity coupled with seasonality in these lines of business.

Net premium earned was \$8.8 million in the third quarter 2011, a 13.7% decrease compared with the third quarter of 2010 and a 2.9% decrease compared to the second quarter 2011. Premiums are earned ratably over the term of underlying policies; therefore, changes in earned premiums follow any changes in written premium during the trailing twelve month period based on Atlas’ typical policy term.

Atlas’ loss and loss adjustment expense ratio was 79.4% in the third quarter 2011 as compared with 76.1% in the third quarter 2010 and 74.2% in the second quarter 2011. The increase was primarily due to higher ULAE in the third quarter 2011. Atlas reduced claim inventories substantially in 2011 and is committed to retaining its claim handling expertise as a core competency, expecting ULAE as a percentage of earned premium to return to scale levels as the volume of business continues to increase. The Company’s loss ratio is also expected to improve as premium earnings related to terminated non-core and non-profitable lines wind down.

Other underwriting expense in the third quarter 2011 was \$1.9 million, representing a 32.8% reduction from the third quarter of 2010 and a 4.4% reduction from the second quarter 2011. These expense levels reflect the strategic activities and contract renegotiations undertaken to align Atlas’ infrastructure with its business plans.

Atlas' combined ratio, which measures underwriting performance, was 120.0% for the third quarter 2011 as compared with 123.4% in the third quarter 2010 and 114.4% in the second quarter 2011. As net earned premium begins to grow following increased premiums written in core lines, Atlas' expense ratios will move towards scale levels, improving the Company's combined ratio.

In the third quarter 2011 Atlas achieved net income of \$0.05 per common share (fully diluted), compared to a loss of \$0.04 per common share (fully diluted) in the third quarter 2010 and earnings of \$0.01 per common share (fully diluted) in the second quarter 2011.

Atlas assumed substantial loss carryforwards upon becoming the owner of its insurance subsidiaries. The \$0.64 per common share (fully diluted) provision carried by the Company is against both capital loss and net operating loss carryforwards at September 30, 2011 and may be utilized over the next twenty-year period based on profitability.

“The continued improvement in our earnings per share in the third quarter is consistent with business plans,” said Scott D. Wollney, Atlas President & CEO. “Although we did not generate an underwriting profit in the third quarter 2011, on a year to date basis we did make substantial improvement over the results from 2010. Our current infrastructure is appropriately scaled for expected volume in the coming year. The continued execution of our strategic plans is expected to deliver increasingly positive results in 2012.”

Atlas expanded into five additional states subsequent to the end of the second quarter and is currently writing business in twenty four states. Atlas' active states can be found on the Company's website. Continued expansion where Atlas' research supports a strong comparative value proposition utilizing existing licenses will continue into 2012.

Financial Information

Additional information about Atlas, including a copy of Atlas' third quarter 2011 condensed interim consolidated financial statements and Management Discussion & Analysis, can be accessed on the Canadian Securities Administrators' website at www.sedar.com or through Atlas' website at www.atlas-fin.com.

Conference Call

Atlas will hold a conference call at 8:30 a.m. (Eastern Time) on November 28, 2011 to review third quarter 2011 results. To access the call, approximately five minutes before the start time please dial 800-593-0693 and, when asked, provide the operator with passcode "Atlas". Questions will be taken at the end of the call.

Following the call, an audio webcast will be available and can be accessed at www.atlas-fin.com/atlas_investor_relations.html.

Continuation Accounting

Atlas was formed on December 31, 2010 through a reverse triangular merger and the consolidated financial statements for 2010 are those of Atlas and its two insurance

subsidiaries, American Country Insurance Company and American Service Insurance Company, Inc., which have been prepared in accordance with continuation accounting concepts included in IFRS 3 – Business Combinations and IAS 27 Consolidated and Separate Financial Statements. Accordingly, and as a result of the merger date, shareholder's equity and earnings per share information provided herein for 2010 reflect the ordinary voting shares outstanding at the date of the merger as well as the ordinary voting shares, restricted voting shares and preferred shares that were issued in connection with the merger, as if such capitalization structure were in place during all 2010 periods for which financial information is being provided.

Financial Statement Presentation

As noted above, Atlas' financial statements reflect consolidated results including prior periods based on historical financial statements of Atlas' subsidiaries: American Insurance Acquisition Inc., American Country Insurance Company and American Service Insurance Company, Inc. while under the management of its previous owners. The 2010 financial statements and the historic results reflected therein contain certain expenses and fees that supported the infrastructure of the previous parent of these subsidiaries. Atlas does not expect to incur similar expenses, which included management fees, allocated overhead cost, and shared infrastructure expenses, after the December 31, 2010 date of the reverse triangular merger which created Atlas.

About Atlas

The primary business of Atlas is commercial automobile insurance in the United States, with a niche market orientation and focus on insurance for the "light" commercial automobile sector including taxi cabs, non-emergency paratransit, limousine/livery and business auto. The business of Atlas is carried on through its insurance subsidiaries American Country Insurance Company and American Service Insurance Company, Inc. Atlas' insurance subsidiaries have decades of experience with a commitment to always being an industry leader in these specialized areas of insurance.

Notice regarding forward-looking statements:

This release includes forward-looking statements regarding Atlas and its insurance subsidiaries and businesses. Such statements are based on the current expectations of the management of each entity. The words "anticipate", "expect", "believe", "may", "should", "estimate", "project", "outlook", "forecast" or similar words are used to identify such forward looking information. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the Companies, including risks regarding the insurance industry, economic factors and the equity markets generally and the risk factors discussed in the "Risk Factors" section of the Company's Management Discussion & Analysis and Annual Report for the year ended December 31, 2010. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are

made and Atlas and its subsidiaries undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information please contact: Scott Wollney, Chief Executive Officer of Atlas Financial Holdings, Inc. at 847-700-8600.

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