

Atlas Issues Stock Options

Chicago, Illinois (January 18, 2011) - Atlas Financial Holdings, Inc. ("Atlas" or the "Company"; TSXV: AFH) announced today that it granted options to purchase 369,749 ordinary shares under the Company's stock option plan, all of which are to be granted to directors and officers. The granted options have an exercise price of \$2.00 and vest 1/4 on the grant date and 1/4 on each of January 18, 2012, 2013 & 2014, and expire on January 18, 2021.

Notice regarding forward-looking statements:

This release includes forward-looking statements regarding the Company and its subsidiaries and businesses. Such statements are based on the current expectations of the management of each entity. The forward-looking events and circumstances discussed in this release, including acceptance of the transaction, 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. 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 the Company 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.

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 subsidiaries American Country Insurance Company and American Service Insurance Company, Inc.

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.