

ALLEGHANY CORPORATION

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FOR IMMEDIATE RELEASE

ALLEGHANY ANNOUNCES ACQUISITION OF BOURN & KOCH

NEW YORK – May 2, 2012 – Alleghany Corporation (NYSE: Y) (“Alleghany”) today announced that its subsidiary, Alleghany Capital Corporation (“ACC”), has acquired a majority interest in Bourn & Koch, Inc. (“Bourn & Koch”), a privately-held manufacturer and remanufacturer/retrofitter of precision machine tools and supplier of replacement parts for 27 different product lines headquartered in Rockford, IL.

Weston Hicks, CEO of Alleghany, stated, “Over the last thirty-five years, Bourn & Koch has built a portfolio of some of the most well-known machine tool brands in the United States. The company has a long history of providing top quality products and services to its customers and we believe that Bourn & Koch’s outstanding management team has positioned the company for a bright future. Alleghany looks forward to supporting Bourn & Koch’s management and employees as they continue to grow their business.”

Tim Helle, President of Bourn & Koch, said, “Bourn & Koch has grown a great deal in recent years and we believe that our relationship with Alleghany will support the next step in our growth and development while helping us continue to provide superior products and services to our global customer base.”

Hunter Wise Securities, LLC acted as financial advisor and Olshan Grundman Frome Rosenzweig & Wolosky LLP acted as legal counsel to Alleghany.

About Bourn & Koch, Inc.

Bourn & Koch, Inc. is a manufacturer and remanufacturer/retrofitter of gear hobbing, gear shaping, gear grinding, vertical turning centers, vertical grinding centers, boring, rotary transfer, multispindle, inspection and specialty machine tools. Bourn & Koch owns brands including Acme, American Tool, Barber Colman, Blanchard, Brown & Sharpe, Bullard, Conomatic, DeVlieg, Fellows, Ferguson, Futuremill, J&L, Mattison, Motch, MWMC, New Britain, Springfield, Rockford Machine Tool, Roto-Tech, and White-Sundstrand. Visit www.bourn-koch.com for additional information about Bourn & Koch.

About Alleghany Capital Corporation

Alleghany creates stockholder value through the ownership and management of operating subsidiaries and investments, anchored by a core position in property and casualty insurance and reinsurance. Alleghany’s current operating subsidiaries include: Transatlantic Holdings, Inc., a leading international reinsurance organization headquartered in New York; RSUI Group, Inc., a national underwriter of

property and liability specialty insurance coverages; Capitol Transamerica Corporation, an underwriter of property and casualty insurance coverages with a focus on the Midwest and Plains states and a national underwriter of specialty property and casualty and surety insurance coverages; Pacific Compensation Corporation, an underwriter of workers' compensation insurance primarily in California; Alleghany Capital Partners LLC, a limited liability company that manages Alleghany's equity investments, including those held by Alleghany's insurance and reinsurance operating units; and Alleghany Properties LLC, a significant landowner in Sacramento, California.

ACC is a wholly-owned subsidiary of Alleghany that engages in and oversees strategic investments and acquisitions. ACC's current investments include Stranded Oil Resources Corporation, an exploration and production company focused on enhanced oil recovery; ORX Exploration, Inc., a regional oil and gas exploration and production company; Homesite Group Incorporated, a national, full-service, mono-line provider of homeowners insurance; and Article One Partners, the world's largest patent research community.

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Forward-looking Statements

This release contains disclosures which are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as "may," "will," "expect," "project," "estimate," "anticipate," "plan," "believe," "potential," "should," "continue" or the negative versions of those words or other comparable words. These forward-looking statements are based upon Alleghany's current plans or expectations and are subject to a number of uncertainties and risks that could significantly affect current plans, anticipated actions and Alleghany's future financial condition and results. These statements are not guarantees of future performance, and Alleghany has no specific intention to update these statements. As a consequence, current plans, anticipated actions and future financial condition and results may differ from those expressed in any forward-looking statements made by Alleghany or on Alleghany's behalf.