

**PRESS RELEASE**

Zug, June 7, 2006

**AIG Private Equity Ltd. Capital Increase**

As indicated in its preliminary announcement on May 8, 2006, AIG Private Equity Ltd. will raise additional equity through a capital increase. With over six years of operating history in various market cycles, AIG Private Equity Ltd. has compiled a solid track record. Since the commencement of its operations, AIG Private Equity Ltd. has outperformed the LPX50® Index, which includes the fifty largest and most liquid listed private equity investment companies worldwide. With the capital increase, AIG Private Equity Ltd. is seeking to broaden its investor base and to raise reserves to enable it to participate in attractive investment opportunities in private equity funds and direct investments.

Existing shareholders will receive subscription rights that will entitle them to subscribe for one new share for each two existing shares held by them during the subscription period, which is expected to run from June 12 through June 19 (12.00 MET) (the "Rights Offering"). Other interested investors will also have the opportunity to subscribe for new shares during the bookbuilding period, which is expected to run from June 12 through June 21 (12.00 MET) (the "Share Offering"). The capital increase will be jointly managed by AIG Private Bank and Zürcher Kantonalbank. It is anticipated that the offering price for the Rights Offering and the Share Offering will be published on June 22 before the beginning of trading. The offering price will be based on the market price at the time of placement. The number of shares to be issued will depend on investor demand at the offering price. AIG Private Equity Ltd. will be using its authorized capital to effect the capital increase and, consequently, the maximum number of shares that can be issued is 1.5875 million., or 50% of the existing shares. The Preliminary Listing Prospectus and subscription instructions will be available on AIG Private Equity Ltd.'s homepage beginning June 12, 2006.

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AIG Private Equity Ltd. is a Swiss investment company with an objective to achieve long-term capital growth for shareholders by investing in a diversified portfolio of private equity funds and privately held operating companies. The same team that manages private equity investments for American International Group, Inc. acts as investment advisor for AIG Private Equity Ltd. With five years of operating history in a variety of market conditions, AIG Private Equity Ltd. has a solid track record and a mature portfolio of funds and direct investments. AIG Private Equity Ltd. is listed on the SWX Swiss Exchange under the ticker symbol "APEN".

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This press release constitutes neither an offer to sell securities nor the solicitation of an offer to purchase or subscribe for securities, and is not a prospectus or similar communication in connection with an offering or listing of securities as defined in Articles 652a and 1156 of the Swiss Code of Obligation and the listing rules of the SWX Swiss Exchange. Furthermore, this press release and the information contained herein shall neither actively be distributed or transmitted to the United States of America (U.S.A.), nor be allocated or transmitted to (i) US persons (including legal entities), or (ii) media with a nationwide distribution in the U.S.A. Each violation of these restrictions can result in a non-compliance with US securities law. In addition, any active distribution of this press release or the information contained herein outside of Switzerland shall be carried out in compliance with the relevant national law(s) (see the selling restrictions in the relevant Offering Circular and Listing Prospectus for further details).

Finally, investing in investment companies involves specific risks. Any potential investor shall consult carefully the respective Offering Prospectus and the risk factors and investment considerations set forth therein prior to any investment in AIG Private Equity Ltd.

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