

Flagstone Reinsurance Holdings Ltd
 Form 4
 May 11, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 THORN WRAY T

(Last) (First) (Middle)

FLAGSTONE REINSURANCE HOLDINGS LIMITED, CRAWFORD HOUSE, 23 CHURCH STREET

(Street)

HAMILTON, D0 HM 11

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Flagstone Reinsurance Holdings Ltd [FSR]

3. Date of Earliest Transaction (Month/Day/Year)
 05/10/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Amount	Price	
			Code	V			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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- (3) The Restricted Share Units ("RSUs") vest 100% on the date of the grant.

Each RSU represents the right to receive without payment to the Company, one newly-issued, fully paid and non-assessable common share of the Company, subject to the terms and conditions of the RSU Plan and the grant certificate evidencing each grant. In the

- (4) discretion of the Compensation Committee, upon vesting the value of the RSU grant alternatively may be paid in cash, or partly in cash and partly in common shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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