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24 February 2015

The Manager
Market Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

QBE announces sale of Argentine workers' compensation business

Please find attached an announcement for release to the market.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "P Horton", is placed above the typed name.

Peter Horton
Company Secretary

Encl.

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QBE

MARKET RELEASE

24 February 2015

QBE ANNOUNCES SALE OF ARGENTINE WORKERS' COMPENSATION BUSINESS

QBE today announced that it has entered into an agreement with WST S.A for the sale of QBE's workers' compensation business in Argentina. WST S.A is a company wholly owned by the Wertheim Group, which has had a significant presence in the Argentine insurance market over the last two decades.

Total potential sale consideration is ARS\$760M or US\$95M based on the exchange rate at 31 December 2014, which represents around 1.7x book value.

While the sale agreement was only signed in Buenos Aires at 5.00PM on Monday (7.00AM AEST today), the asset was classified as "held for sale" in the Group's financial statements also released today.

QBE Group CEO John Neal said "As previously announced, we conducted a strategic review of our operations in Latin America. This included a thorough evaluation of our Argentine workers' compensation business, the rapidly changing litigation landscape and the ongoing impact of economic volatility."

"The sale to a well-known local operator with the requisite infrastructure and scale means QBE can now focus on building our remaining, largely short-tail, P&C business in Argentina and in the Latin American region more broadly."

The transaction is expected to close during the third quarter of 2015 and is subject to local regulatory approval.

For further information, please contact:

Investor Relations

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