



4 April 2012

The Manager  
Company Announcements  
ASX Limited  
Level 6  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**Re: Share Purchase Plan (“SPP”) – Australia/New Zealand - further update**

We refer to our letter of 28 March 2012 on the SPP.

We confirm that the subscription price for the SPP will be A\$10.70, the same price at which shares were issued in the recent placement to institutional holders.

Over 87,000 applications for the SPP have been received, totalling more than the A\$150 million sought by the Directors.

As previously announced, due to the oversubscription, scaleback is necessary. The SPP terms and conditions provide QBE with the discretion to scaleback the number of shares allotted to the extent and in the manner it determines. As indicated in our announcement of 29 February 2012 and in the Chairman’s letter that accompanied the application forms, the scaleback methodology that has been selected reflects the number of shares held on the record date of 27 February 2012 (“Record Date”).

The scaleback will be undertaken on the basis that each eligible applicant will be limited to a potential allotment (“Potential Allotment”) of 8.34% of the value of their shareholding on the Record Date (using a A\$10.70 per share price) subject to:

- a maximum allocation (as required by law) of A\$15,000 (being 1,402 shares at the A\$10.70 subscription price); and
- their shareholding being at least ten shares on the Record Date. Holdings with less than ten shares will not be allocated a share but will receive a full refund.

The 8.34% figure has been based on apportioning the shares available for the SPP (approximately 14 million) according to the shareholding at the Record Date of the eligible participants who applied for the SPP, taking into account the two limits above. The figure reflects the extensive participation of existing shareholders in the SPP.

Some examples of the “Potential Allotments” are as follows:

**QBE Insurance Group Limited**  
ABN 28 008 485 014

Head Office  
82 Pitt Street  
SYDNEY NSW 2000  
Australia

**Postal Address**  
Box 82 GPO SYDNEY 2001  
Telephone: +61 (2) 9375 4444  
Facsimile: +61 (2) 9231 6104  
DX 10171, Sydney Stock Exchange



Number of Shares On Record Date	"Potential Allotment"
20,000 or more	1,402 (maximum allocation)
16,813	1,402 (maximum allocation)
10,000	834
5,000	417
2,000	167
1,000	83
200	17
50	4
20	2
10	1

Each eligible application will receive the lower of the:

- value of shares applied for; or
- Potential Allotment,

in each case, rounded to the nearest share.

As part of the scaleback, we are reviewing applications to consolidate multiple applications for scaleback purposes. Where such consolidated applications exceed the maximum allocation, we are excluding the application to the extent of the excess.

Due to the extra processing required by the large number of SPP applications, QBE now expects that the timetable for the remainder of the SPP will be:

<b>Allotment Date</b>	Wednesday, 11 April 2012
<b>Refunds</b>	Starting on Wednesday, 11 April 2012
<b>Trading Date</b>	Thursday, 12 April 2012
<b>Despatch of Allotment and Refund Advice</b>	Friday, 13 April 2012

QBE shareholders who wish to check their allocations should be able to do so from 11 April online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by contacting our share registrar, Link Market Services by telephone on 1800 645 237 if calling from Australia or 0800 767 556 if calling from New Zealand.

Yours faithfully

Duncan Ramsay  
**Company Secretary**

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