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ASX ANNOUNCEMENT

Friday, 10 August 2012

BOQ Convertible Notes Tranche 2 Redemption

Bank of Queensland Limited ("**BOQ**") has, with APRA's approval, given notice to the holders to redeem the A$45 million second tranche of its privately placed A$150 million Lower Tier 2 Convertible Notes ("**Convertible Notes**") issued in June 2010.

The Convertible Notes are unlisted and were issued by BOQ in three tranches of A$60 million ("**Tranche 1 Notes**"), A$45 million ("**Tranche 2 Notes**") and A$45 million ("**Tranche 3 Notes**").[1]

The Tranche 2 Notes are redeemable at the option of BOQ on any interest payment date on or after the 10th of December 2011 and BOQ has given notice to redeem the notes at face value on the 10th of August 2012.

The Tranche 3 Notes were redeemed on the 10th of February 2012. The Tranche 1 Notes continue to be outstanding in accordance with their terms.

For further information please call:

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[1] Representing 120 Tranche 1 Convertible Notes, 90 Tranche 2 Convertible Notes and 90 Tranche 3 Convertible Notes, each with a face value and issue price of $500,000. The issue of Convertible Notes was not an issue to a class of security holders and shareholder approval was not required for the issue.