Bank of Queensland Limited
ABN 32 009 656 740
259 Queen Street, Brisbane 4000
GPO Box 898, Brisbane 4001
Telephone (07) 3212 3333
Facsimile (07) 3212 3409
www.boq.com.au

ASX RELEASE

18 December 2012

BOQ announces details of Perpetual Equity Preference Shares (PEPS) Reinvestment Offer

Bank of Queensland Limited (**BOQ**) today announced that the Reinvestment Offer for Perpetual Equity Preference Shares (**PEPS**) to be reinvested in Convertible Preference Shares (**CPS**) has closed.

All Eligible PEPS Holders who submitted a valid application, either through the Reinvestment Offer, the Broker Firm Offer or the Institutional Offer, have been allocated one new CPS for each Reinvested PEPS. As a result, approximately 1,801,339 PEPS ($180,133,900) will be bought back by BOQ, cancelled, and the proceeds reinvested in CPS.

BOQ's Chief Financial Officer, Mr Anthony Rose, said it was important to the Bank to provide PEPS holders with the opportunity to reinvest in a new instrument on current market terms.

"We are pleased with the number of PEPS investors who have taken the opportunity to switch to CPS and that the level of investor support across the entire Offer has been strong," Mr Rose said.

Pro Rata Dividend

Eligible PEPS Holders who have elected to participate in the Reinvestment Offer will receive a pro rata dividend on the Reinvested PEPS of $0.689 per $100, being the 70 days dividend which will accrue at 3.5910% per annum, from and including 15 October 2012 to and including 23 December 2012, and calculated in accordance with the PEPS terms. This dividend will be paid on 24 December 2012.

Cancellation and Delisting of 1,801,339 PEPS

As outlined in the Prospectus, BOQ will buyback all Reinvested PEPS. Accordingly, 1,801,339 PEPS (**ASX: BOQPC**) reinvested under the Reinvestment Offer, the Broker Firm Offer and the Institutional Offer will continue to be subject to a holding lock to prevent trading on the ASX but remain quoted until their buy back and cancellation on or about 24 December 2012.

PEPS Holders that have elected not to participate in the Reinvestment Offer will continue holding PEPS. After the buy back of Reinvested PEPS under the Reinvestment Offer, the Broker Firm Offer or the Institutional Offer, 198,661 PEPS will remain on issue.

CPS Offer results

BOQ will announce the total results of the CPS Offer on 24 December 2012 once allocations to other applicants are completed.

Unless otherwise defined, capitalised words used in this announcement have the meaning given to them in the Prospectus.

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For more information:

BOQ Offer Information Line:	**Media:**	**Analysts:**
1800 779 639 (within Australia) +61 2 8280 7626 (outside Australia) 8:30am to 7:30pm Sydney time Monday to Friday www.boq.com.au	Andrea Sackson Head of Corporate Affairs Phone: +61 7 3212 3018 Mobile +61 400 480 866 Email: andrea.sackson@boq.com.au	Sally Wehl Investor Relations Manager Phone: +61 7 3212 3463 Mobile: +61 434 583 611 Email: sally.wehl@boq.com.au