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4 November 2013

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

Dear Sir/Madam

Senior Convertible Securities Tender and Redemption Notice

Please find attached an announcement for release to the market.

This tender follows QBE's Senior Convertible Securities (SCS) tender offer in June 2013, which resulted in the repurchase of approximately US$317 million of SCS.

Yours faithfully,

D Ramsay

Duncan Ramsay
Company Secretary

Encl.

MARKET RELEASE

4 November 2013

Senior Convertible Securities Tender & Redemption Notice

Further to QBE's ongoing debt and capital management program, QBE today announced that it is conducting a tender offer and issuing a redemption notice for the Senior Convertible Securities due 2030 ("SCS") issued by QBE Funding Trust V in May 2010. Following the tender settlement on 23 December 2013 and redemption on 24 December 2013, no SCS will remain outstanding.

This tender follows QBE's SCS tender offer in June 2013, which resulted in the repurchase of approximately US$317 million of SCS.

SCS holders that participate in the tender offer will be able to elect to receive the tender purchase price as:
(i) cash only; or
(ii) cash and/or QBE ordinary shares.

The option of cash and/or shares is subject to a cap of no more than approximately A$240 million (subject to US$ exchange rate movements) of QBE ordinary shares being issued in the tender process. QBE retains absolute discretion for determining the proportion of either cash or shares that will be used to pay the tender purchase price.

The tender purchase price for each SCS will be US$686.4645, which is equal to its Issue Price, any Extraordinary Cash Dividend Pass Through due on the SCS and the original issue discount that it has accrued to the date of settlement of the tender, being 23 December 2013.

On 24 December 2013, any SCS not tendered under the tender offer will be redeemed for cash. The redemption price for each SCS will be US$686.5099, equal to its Issue Price plus any Extraordinary Cash Dividend Pass Through due on the SCS and the original issue discount that it has accrued to the redemption date of 24 December 2013.

The number of QBE ordinary shares to be issued for the tender consideration will be determined by reference to the purchase price divided by a US dollar conversion of the price per QBE ordinary share, in turn determined from a volume weighted average price of QBE ordinary shares over a period prior to 18 December 2013.

The tender offer is subject to the terms and conditions set out in the tender offer memorandum, which has been sent separately to SCS holders.

The tender offer is due to close on Wednesday, 20 November 2013 (London time). An announcement of the results of the tender will be made on Friday, 22 November 2013 (London time).

John Neal, QBE's Group Chief Executive Officer said "The tender offer is the next step in our ongoing capital and debt management program and will assist in achieving our target debt to equity ratio of around 40% or lower by the end of 2013."

QBE

MARKET RELEASE

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QBE Insurance Group Limited is listed on the Australian Securities Exchange, is recognised as one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 46 countries.