

QBE Insurance Group Limited ABN 28 008 485 014
Level 27, 8 Chifley Square, SYDNEY NSW 2000 Australia
GPO Box 82, Sydney NSW 2001
telephone + 612 9375 4444 • facsimile + 612 9231 6104

www.qbe.com



20 August 2014

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

Dear Sir/Madam

QBE announces major terms of Share Purchase Plan ("SPP")

Please find attached an announcement for release to the market.

Yours faithfully

A handwritten signature in blue ink that reads "Peter Smiles".

Peter Smiles
Deputy Company Secretary

Encl.



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

MARKET RELEASE

20 August 2014

QBE announces major terms of Share Purchase Plan ("SPP")

QBE announces the major terms upon which eligible QBE shareholders will have the opportunity to participate in an equity raising by way of a SPP to raise approximately A\$160 million (equivalent to US\$150 million). Under the SPP, eligible QBE shareholders are invited to invest up to a maximum of A\$15,000 per shareholder (subject to discretionary scale back) at the lower of:

- 1) A\$10.10, the same price per share as institutional investors were offered new shares under the institutional placement; or
- 2) a 2% discount to the volume weighted average price of QBE ordinary shares during the five trading days before the closing date for applications under the SPP,

in either case, without brokerage or other transaction costs.

QBE reserves the right (in its absolute discretion) to scale back the maximum participation amount per shareholder if total demand exceeds A\$160 million. QBE in particular may take into account the size of an applicant's shareholding on the SPP record date (18 August 2014) in determining the amount (if any) by which to scale back that applicant.

The SPP will only be offered to eligible QBE shareholders resident in Australia and New Zealand. Further details of the SPP will be provided to those eligible shareholders in due course.

Share Purchase Plan Timetable

Record Date for SPP	18 August 2014
SPP Offer documents distributed	On or before 29 August 2014
SPP Offer Period	1-12 September 2014
SPP Pricing Period	8-12 September 2014
SPP Allotment Date	1 October 2014

For further information, please contact:

Investor Relations

Group Head of Investor Relations

Tony Jackson

Tel: +61 (2) 9375 4364

investor.relations@qbe.com

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ABN 28 008 485 014

8 Chifley Square

SYDNEY NSW 2000

Australia

Media Enquiries

David Symons

Tel: +61 (2) 8306 4244

Cell: +61 (0) 410 559 184

Email: david@catocounsel.com.au

www.qbe.com

No offer in the United States

This market release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The shares to be offered and sold in the SPP have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.