



2 December 2014

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

Dear Sir/Madam,

**RETIREMENT OF US\$500 MILLION OF CONVERTIBLE SUBORDINATED DEBT
SECURITIES DUE 23 DECEMBER 2038 (Convertible Notes)**

QBE announces that it has successfully negotiated the repurchase of all of the Convertible Notes for cash. Settlement of the repurchase is expected to occur on 5 December 2014.

The repurchase is a further step by QBE towards completing the capital plan it announced on 19 August 2014.

Yours faithfully

A blue ink signature of Peter Smiles, written in a cursive style, enclosed within a thin black rectangular border.

Peter Smiles
Deputy Company Secretary