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2 December 2014

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

Dear Sir/Madam

Market Release – Tender Offer for up to £200 Million of its £550 Million 6.125% Senior Notes due 2015 (Notes)

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.



MARKET RELEASE

2 December 2014

Tender Offer for up to £200 Million of its £550 Million 6.125% Senior Notes due 2015 (Notes)

QBE is pleased to announce that it has launched an invitation to Noteholders to tender their Notes for purchase for cash. The invitation is in furtherance of QBE's plan to retire up to US\$400 million of QBE's senior indebtedness as outlined in its capital plan announced on 19 August 2014.

QBE will pay a cash purchase price of £1,043 for each £1,000 in principal amount of Notes validly tendered and accepted as well as accrued and unpaid interest.

QBE proposes to accept for purchase a maximum aggregate principal amount of Notes equal to £200 million (**Maximum Amount**) though reserves the right, in its sole and absolute discretion, to increase or decrease this amount, or to not purchase any Notes, subject to applicable law.

If the aggregate principal amount of Notes validly tendered in the Tender Offer exceeds the Maximum Amount, QBE intends to accept such Notes on a pro-rata basis.

The Tender Offer is subject to the terms and conditions (including offer and distribution restrictions) set out in the tender offer memorandum dated 2 December 2014.

No shares will be issued as part of the tender process.

Mr Patrick Regan, QBE Group Chief Financial Officer said "*The announcement of the Tender Offer is a further component of our capital plan that we have been consistently implementing since its announcement in August...*"

Timetable for the Offer

The Tender Offer will expire on 10 December 2014. QBE expects that the results of the Tender Offer will be announced on 11 December 2014, with settlement expected to occur on 15 December 2014.

This market announcement has been prepared for publication in Australia only and may not be released elsewhere. This market announcement does not constitute an offer of securities for sale or an offer to buy securities in Australia, the United States or any other jurisdiction. Any securities described in the market announcement may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933 or an exemption from registration.

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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.