



QBE

Insurance
Group

9 January 2009

Manager
Company Announcements
Australian Securities Exchange
Level 6
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Re: Share Purchase Plan ("SPP") - Update

We refer to our letters of 3 and 9 December 2008.

QBE is pleased to advise that it has received subscriptions from more than 48,000 retail shareholders, including those holding through nominee companies, for over double the \$100 million sought under the SPP. This means a scale back will be required, with the likely result that QBE will issue a maximum of 6 million shares at an issue price of \$20.50, raising \$123 million.

The over subscription by and the scale back for retail shareholders is consistent with the over subscription and the scale back of institutional investors in late November 2008.

QBE has decided that the scale back will be based on the number of shares held by retail shareholders on 25 November 2008 (being the record date under the SPP).

A further update will be provided to the market prior to the proposed allotment date of 16 January 2009.

Yours faithfully

Duncan Ramsay
Company Secretary

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