



Press Release

SPECULATION ON ACQUISITIONS IN AUSTRALIA

To avoid further speculation in the media and by analysts, QBE advises that it is not currently carrying out due diligence on either Lumley Australia or Lumley New Zealand and that it is not currently in negotiations with ING on its 50% holding in the QBE Mercantile Mutual joint venture.

Mr Frank O'Halloran, Chief Executive Officer of QBE, said "We have exceeded our expectations for premium rates and business written for the major renewal date of 31 December 2002 which gives us confidence that QBE is on track to achieve its gross premium target for 2003 of \$8.5 billion without further acquisitions." He added "QBE regularly examines acquisition opportunities and will only proceed at a price which is in the interest of its shareholders".

QBE plans to announce its results for 2002 on 6th March 2003.

17 January 2003