



QBE INSURANCE GROUP LIMITED
ABN 28 008 485 014

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31 December 2004

The Manager
Company Announcements
Australian Stock Exchange Limited
Level 6
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

re: Further conversion of Liquid Yield Option securities ("LYONs")
to QBE ordinary shares

We refer to our previous announcements regarding the conversion of LYONs.

A further portion of QBE LYONs was converted into 32,364 ordinary shares of the Company today ("Conversion Shares"). The total number of QBE shares on issue becomes 745,332,880.

So far, 53,982,994 QBE shares have been issued as a result of LYONs conversions. 398,736 LYONs remain to be converted.

The Conversion Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act 2001 ("Act"). As at the date of this notice, the Company has complied with:

- (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (ii) section 674 of the Act.

This notice is given under paragraph 5(e) of section 707A of the Act.

Yours faithfully,

A handwritten signature in cursive script that reads 'D Ramsay'.

Duncan Ramsay
Company Secretary