



23 December 2005

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

QBE INSURANCE GROUP LIMITED
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Sydney NSW 2000

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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 38,836 ordinary shares of the Company today ("Conversion Shares"). The total number of QBE shares on issue becomes 793,510,465.

The total number of shares issued as a result of LYONs conversions to date is 82,096,072 QBE shares. In the event of conversion of the remaining LYONs, up to 26 million shares will be issued.

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 708A of the Act.

Yours faithfully,

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

Duncan Ramsay
Company Secretary