

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

QBE INSURANCE GROUP LIMITED

ABN

28 008 485 014

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 *Class of *securities issued or to be issued

Ordinary Shares

2 Number of *securities issued or to be issued (if known) or maximum number which may be issued

11,824,118

3 Principal terms of the *securities (eg, if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion)

New shares issued under DRP/DEP underwriting arrangements – settlement due 23 March 2007

4	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?	<p style="text-align: center;">Yes</p>				
	<p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
5	Issue price or consideration	A\$30.90 11,824,118				
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>See letter to ASX dated 21 March 2007 entitled 'QBE Raises Further Equity'.</p> <p>Shares issued in respect of dividend underwriting arrangements previously announced.</p>				
7	Dates of entering *securities into uncertificated holdings or despatch of certificates	23.03.07				
8	Number and *class of all *securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="699 1330 991 1366">Number</th> <th data-bbox="999 1330 1279 1366">*Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 1377 991 1435">845,413,955</td> <td data-bbox="999 1377 1279 1435">Ordinary Shares</td> </tr> </tbody> </table>	Number	*Class	845,413,955	Ordinary Shares
Number	*Class					
845,413,955	Ordinary Shares					

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Various options and conditional rights over un-issued shares at various prices totalling 10,159,354 (see attached Annexure 'A')
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	

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|----|---|--|
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders | |
| 25 | If the issue is contingent on *security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do *security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do *security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | *Despatch date | |

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36 If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional *securities

(now go to 43)

Entities that have ticked box 34(b)

38 Number of securities for which
*quotation is sought

39 Class of *securities for which
quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

(now go to 43)

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date: 22 March 2007

(Company secretary)

Print name:

Duncan Ramsay

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+ See chapter 19 for defined terms.

This is Annexure "A" of 1 page referred to in Appendix 3B, Form of Application for Official Quotations of Additional Securities, signed by me and dated 22 March 2007.

Duncan Ramsay
COMPANY SECRETARY

9.	Number of Options/ Conditional Rights	Class	Final Exercise Date
	60,000	Options	31 March 2007
	230,000	Options	31 March 2007
	440,000	Options	31 March 2007
	17,335	Options	12 March 2008
	38,750	Options	2 March 2024
	285,015	Options	2 March 2008
	114,694	Options	1 April 2008
	2,225,806	Options	2 March 2011
	173,739	Options	2 March 2011
	186,500	Options	2 March 2011
	115,426	Options	2 March 2009
	118,587	Options	7 April 2011
	104,025	Options	2 March 2010
	60,000	Options	29 December 2009
	86,922	Options	1 March 2010
	177,042	Options	1 March 2011
	2,072,958	Options	1 March 2012
	94,771	Options	6 April 2012
	969	Options	01 March 2012
	47,314	Conditional Rights	1 April 2007
	1,089,113	Conditional Rights	2 March 2008
	47,013	Conditional Rights	7 April 2008
	837,214	Conditional Rights	1 March 2009
	36,161	Conditional Rights	6 April 2009
	500,000*	Options	30 November 2007
	500,000*	Options	30 November 2007
	500,000*	Options	30 November 2007
	10,159,354		

*Options issued to a third party subject to a number of performance hurdles.