



QBE Insurance Group Limited

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25 January 2010

The Manager
Company Announcements
ASX Limited
Level 6
Exchange Centre
20 Bridge Street,
SYDNEY NSW 2000

Dear Sir/Madam,

re: Variation to rules of QBE's Dividend Reinvestment Plan (DRP) and Bonus Share Plan (BSP)

QBE is scheduled to announce its 2009 annual results on Friday, 26 February 2010.

With effect from 5.00pm (Sydney time) on Thursday, 25 February 2010, QBE varies the rules of both its DRP and BSP by inserting rules 1.2.1 and 1.2.2 in each of the Plans as follows:

"1.2.1 - In determining who is an eligible shareholder with an eligible holding, QBE will be entitled to:

- a) have regard to the beneficial ownership, if any, of any shares held by a person who is recorded in QBE's share register at the relevant dividend record date as having an address in either Australia or New Zealand; and
- b) call for such evidence and in such form as QBE may require including, but without limitation, by way of statutory declaration to establish such beneficial ownership.

1.2.2 - Despite anything else in these Rules, a person who at the relevant dividend record date holds any shares and is recorded in QBE's share register as having an address in:

- a) the United States of America or its territories; or
- b) Canada or its territories; or
- c) any jurisdiction where, in the opinion of QBE's Directors, it must comply with any regulatory requirement or obtain an exemption from the same before QBE makes a legal offer or invitation or allows that person to legally participate in the [BSP/DRP],

is not an eligible shareholder.

For the purpose of this Rule, a person who at the relevant dividend record date holds any shares and who would otherwise be an eligible shareholder will not be an eligible shareholder if those shares are held by that person on behalf of any other person who, if that latter person held those shares legally rather than beneficially and was recorded in QBE's share register at the address where that latter person resides, would not be an eligible shareholder."

Please note this variation is for clarification following requests from various shareholders.

This announcement is given under the rules of the Plans which require at least one month's notice of any variation.

Yours faithfully,

A handwritten signature in blue ink that reads "D Ramsay". The signature is written in a cursive style with a large initial "D".

Duncan Ramsay
Company Secretary