

30 September 2005

Manager, Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000



Dear Sir/Madam

**INSURANCE AUSTRALIA GROUP LIMITED ('IAG')**

**ANOTHER UNSOLICITED OFFER TO IAG SHAREHOLDERS FROM  
MR DAVID TWEED**

Please find attached a Media Release alerting IAG shareholders that a company associated with Mr David Tweed, Direct Share Purchasing Corporation Pty Ltd, has launched another unsolicited offer for IAG shares.

Yours sincerely

A handwritten signature in black ink that reads 'Anne O'Driscoll'.

Anne O'Driscoll  
**Group Company Secretary &  
Head of Investor Relations**

Attached: 1 page



# MEDIA RELEASE

30 September 2005



## Tweed launches new offer for IAG shares through a different company

**Insurance Australia Group Limited (IAG) is aware that Mr David Tweed has launched another unsolicited offer for IAG shares through a different company, Direct Share Purchasing Corporation Pty Ltd (DSPC). This follows a separate offer made earlier this month through another company owned by Mr Tweed, National Share Purchasing Corporation.**

**Insurance Australia Group Limited**  
ABN 60 090 739 923

388 George Street  
Sydney NSW 2000 Australia  
iag.com.au

**IAG does not endorse any unsolicited offer from Direct Share Purchasing Corporation Pty Ltd or any other company to buy IAG shares from our shareholders.**

IAG Group Company Secretary & Head of Investor Relations, Ms Anne O’Driscoll, said this offer significantly undervalues IAG shares and shareholders should seek advice before deciding whether to accept the offer.

“DSPC is offering shareholders \$3.50 per share, which is more than \$1.50 below the lowest price at which IAG’s shares have traded in the past year. Shareholders who sell at this price will be doing so at a significant financial disadvantage relative to what they could obtain in the open market,” Ms O’Driscoll said.

“The offer also includes a grant of power of attorney from the shareholder to DSPC, which has significant legal consequences.

“This is the fourth unsolicited offer to acquire shares in IAG by different companies associated with Mr Tweed in three years.

“Earlier this month, Mr Tweed, through National Share Purchasing Corporation, offered shareholders \$8.10 per share, paid out over 18 annual instalments of 45 cents per share. In 2002 and 2003, National Exchange, another company associated with Mr Tweed, made two unsolicited offers. Although IAG wrote to shareholders individually on each occasion, thousands of holders accepted the offers even though they were for less than the market price of the shares,” Ms O’Driscoll said.

IAG has informed the Australian Securities & Investments Commission (ASIC) of the situation.

Shareholders who receive any unsolicited offer are urged to read the document carefully and obtain professional advice before deciding whether or not to accept the offer.

Please note that the advice in this media release has been prepared without taking into account the objectives, financial situation or needs of particular shareholders. Before acting on this advice, shareholders should consider whether it is appropriate to their particular circumstances. Shareholders should also read any offer document carefully and consult a professional advisor before making a decision.

**-ends-**

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#### Investor Relations

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