



Bank of Queensland Limited
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ASX RELEASE

Friday, 27 August 2010

Conversion of RePS (BOQPA)

Bank of Queensland (BOQ) has elected, under the terms of issue of the Reset Preference Shares (ASX: BOQPA), to convert the RePS into ordinary shares on the next dividend payment date, 15 October 2010.

Attached is a letter and Issuer Conversion Notice to be sent by BOQ today to RePS holders to advise them of the conversion of all issued RePS for ordinary shares on 15 October 2010, in accordance with the terms of issue.

For more information please contact

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Bank of Queensland Limited

ABN 32 009 656 740

All correspondence to:

Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235
Australia

Telephone: 1800 779 639
(outside Australia) +61 2 9287 0303
Email: bog@linkmarketservices.com.au
Web: www.linkmarketservices.com.au

27 August 2010

Dear Shareholder

BOQ Reset Preference Shares (RePS) – ASX Code: BOQPA – Conversion to Ordinary Shares

I am writing to inform you that Bank of Queensland's Reset Preference Shares (**RePS**), quoted on the Australian Securities Exchange (**ASX**) as BOQPA, will convert to fully paid ordinary shares in BOQ (**Ordinary Shares**) on the next Dividend Reset Date of Friday, 15 October 2010 (**Conversion Date**).

The Bank's Board has elected to convert RePS into Ordinary Shares in accordance with the RePS Terms and Conditions, which allow BOQ to effect such a conversion by serving a notice (**Issuer Conversion Notice**) on the holders of the RePS on or before the 30th Business Day immediately preceding a Dividend Reset Date.

Please find enclosed a formal Issuer Conversion Notice in accordance with the RePS Terms and Conditions.

RePS have a Face Value of \$100 each. Upon conversion, each holder of RePS will receive Ordinary Shares equivalent to the Face Value of their RePS. The issue price which will determine the number of Ordinary Shares you will receive is a 2.5% discount to the adjusted Volume Weighted Average Price of Ordinary Shares sold on the ASX over the period of 20 Business Days on which trade in Ordinary Shares takes place before the Conversion Date.

The Ordinary Shares issued on conversion of the RePS will rank equally to all other Ordinary Shares on issue and will be eligible to participate in the Bank's final ordinary dividend for the year ending 31 August 2010.

BOQ will apply for quotation on the ASX of the Ordinary Shares issued on conversion in accordance with the RePS Terms and Conditions.

You will be notified of the number of Ordinary Shares you receive on the Conversion Date in a holding statement to be sent following conversion.

The anticipated timetable in relation to the RePS conversion is as follows:

8 October 2010	BOQPA cease quotation on ASX at the close of trading
14 October 2010	Record date for conversion of RePS
15 October 2010	Conversion Date - RePS convert to Ordinary Shares
19 October 2010	Holding statements expected to be despatched

If you would like to view the full RePS Terms and Conditions, please visit the BOQ website: http://www.boq.com.au/shareholder_services_preferences.htm.

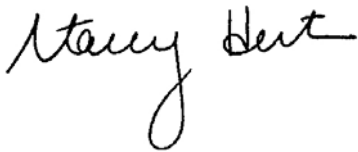
If you have any questions regarding the conversion, please contact the Bank's share registry, Link Market Services, on 1800 779 639 or via boq@linkmarketservices.com.au.

A final RePS dividend will be paid in the usual way, with the following key dates applying to this dividend:

20 September 2010	Announcement date
23 September 2010	Ex-dividend date
29 September 2010	Record date for final RePS dividend
15 October 2010	Payment date

We thank you for your support and look forward to BOQ continuing to be a rewarding investment for you.

Yours faithfully

A handwritten signature in black ink that reads "Stacey Hester". The signature is written in a cursive style with a large, looped initial 'S'.

Stacey Hester
Company Secretary

Issuer Conversion Notice
Bank of Queensland Limited
(ACN 009 656 740, ABN 32 009 656 740)
ISSUE OF NON-CUMULATIVE RESET PREFERENCE SHARES

ISSUER CONVERSION NOTICE

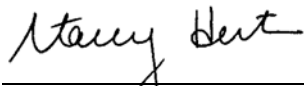
To: [Name and address of holder(s)]

The Issuer hereby gives notice, pursuant to and in accordance with clause 4.5 of the terms of issue of the non-cumulative RePS in the Issuer ("**Issue Terms**"), of its intention to convert into Ordinary Shares 100% of the RePS registered in your name at 5.00 pm (Brisbane time) on the Conversion Date.

For the purposes of this notice, the Conversion Date will be 15 October 2010.

Words and expressions defined in and for the purposes of the Issue Terms have the same meanings where used in this notice.

EXECUTED by **Bank of Queensland Limited** :



Company Secretary
Name: Stacey Hester



Chairman
Name: Neil Summerson

Dated: 27 August 2010