

# BABCOCK & BROWN POWER

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as responsible entity for Babcock & Brown Power Trust · ARSN 122 375 562  
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## ASX Release

31 July 2007

### RESPONSE TO DUET ANNOUNCEMENT

Please see attached an announcement by Babcock & Brown Limited (ASX:BNB) on behalf of the Consortium bidding for Alinta Limited.

### ENDS

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#### About Babcock & Brown Power

Babcock & Brown Power (ASX:BBP) is a power generation business, with assets diversified by geographic location, fuel source, customers, contract types and operating mode. Its aim is to grow returns to its securityholders through optimisation of its existing power generation business and the addition of further power assets via a combination of new construction and strategic acquisitions.

The portfolio has interests in seven operating power stations and one power station under construction and due for completion in late 2008. The portfolio has a total electricity generation capacity of approximately 2,900 MW.<sup>1</sup> Babcock & Brown has been developing, operating and acquiring the generation portfolio over a period of 10 years. Four of the power stations have been co-developed by Babcock & Brown from green field development opportunities and four have been acquired from other operators.

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<sup>1</sup> Some assets have minority shareholders.

## Portfolio Summary

| Power station                                    | Location          | Equity interest <sup>(1)</sup> | Fuel               | Operations Start Date | Capacity       | Operating Mode | Offtake         |
|--|-------------------|--------------------------------|--------------------|-----------------------|----------------|----------------|-----------------|
| <b>Operating power stations</b>                  |                   |                                |                    |                       |                |                |                 |
| Braemar  | Queensland        | 85%                            | Gas                | September 2006        | 450MW          | Intermediate   | Origin/Market   |
| Oakey  | Queensland        | 50%                            | Gas                | January 2000          | 286MW          | Peak           | Enertrade       |
| Redbank  | NSW               | 100%                           | Coal               | April 2001            | 148MW          | Base load      | EnergyAustralia |
| Ecogen (Jeeralang)                               | Victoria          | 73%                            | Gas                | 1980                  | 449MW          | Peak           | TRUenergy       |
| Ecogen (Newport)                                 | Victoria          | 73%                            | Gas                | 1980                  | 510MW          | Peak           |                 |
| Flinders (Playford)                              | South Australia   | 100%                           | Coal               | 1960-1964             | 240MW          | Intermediate   | Various/Market  |
| Flinders (Northern)                              | South Australia   | 100%                           | Coal               | 1985                  | 527MW          | Base load      | Various/Market  |
| <b>Under construction</b>                        |                   |                                |                    |                       |                |                |                 |
| NewGen Kwinana                                   | Western Australia | 70%                            | Gas                | Late 2008 (projected) | 320MW          | Base load      | Synergy         |
| Uranquinty                                       | NSW               | 70%                            | Gas                | late 2008 (projected) | 640MW          | Peak           | Various/Market  |
| <b>Total of operating and under construction</b> |                   |                                |                    |                       | <b>3,575MW</b> |                |                 |
| <b>Contracted power offtake</b>                  |                   |                                |                    |                       |                |                |                 |
| Osborne contracts                                | South Australia   | 100%                           | Gas / cogeneration |                       | 180MW          | Base load      | Various/Market  |

<sup>(1)</sup> Direct and Indirect equity interest

For further information please visit our website: [www.bbpower.com](http://www.bbpower.com)



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31 July 2007

### RESPONSE TO DUET ANNOUNCEMENT

The Babcock & Brown/Singapore Power International Consortium (the Consortium<sup>1</sup>) proposing to acquire Alinta Limited (Alinta) by way of a Scheme of Arrangement (Scheme) announced on 11 May 2007, notes the ASX release made by AMP Capital Investors, Macquarie Bank and the DUET Group (DUET) to the Australian Securities Exchange earlier today.

The Consortium is willing to seek to resolve the issues that DUET has raised in its announcement and as DUET is well aware has to date provided a substantial amount of information in order to satisfy the queries raised by DUET.

Both Babcock & Brown Infrastructure (ASX: BBI) and Singapore Power International are entities with substantial financial resources and operational capability and are well qualified to continue to operate the assets in an appropriate manner to historical or better standards.

The Scheme is not conditional on any counter party approval or consent and the Scheme will proceed on the timetable previously announced irrespective of the commercial position that DUET has announced to the market. The timetable remains as per the attached schedule.

The Consortium anticipated these issues and believes that a failure to obtain any necessary consents sought from DBP and DUET will not have a material effect on the participants in the Consortium or their plans for Alinta.

The Consortium does not agree with a number of the specific claims made by DUET that it has additional rights as a result of the scheme and subsequent transactions. In particular, BBI is under no obligation to agree to the revised DBNGP OSA terms proposed by DBP (and considers that as separate from the consent process). The Consortium also disagrees with DUET's assertions that

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<sup>1</sup> The Consortium Includes Babcock & Brown Infrastructure, Babcock & Brown Power and Babcock & Brown Wind Partners

Sydney  
Melbourne  
Brisbane  
Auckland  
Vancouver  
San Francisco  
San Diego  
Dallas  
Houston  
Toronto  
New York  
Greenwich  
Dublin  
Madrid  
London  
Paris  
Luxembourg  
Milan  
Munich  
Rome  
Vienna  
Johannesburg  
Israel  
Dubai  
Kuala Lumpur  
Singapore  
Hong Kong  
Perth  
Tokyo

DUET, DBP or Alcoa's consent is required to offer the proposed ACCC undertaking relating to the DBNGP, and does not consider that the proposed transaction steps will result in DUET having a pre-emptive right to acquire Alinta's shareholding in United Energy.

To date the Consortium has co-operated with DUET to satisfy their requests for information and will continue to do so in order to reach a timely conclusion to this matter.

## **ENDS**

### **Further Information:**

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### **Expected Transaction Timetable**

|  |                |
|--|----------------|
| Scheme Meeting to approve Share and Option Schemes | 15 August 2007 |
| 2 <sup>nd</sup> Court date                         | 17 August 2007 |
| Scheme Implementation Date                         | 31 August 2007 |

### **About Babcock & Brown**

Babcock & Brown is a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Stock Exchange.

Babcock & Brown operates from 29 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 1000 employees worldwide. Babcock & Brown has five operating divisions including real estate, infrastructure and project finance, operating leasing, structured finance and corporate finance. The company has established a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles in areas including real estate, renewable energy and infrastructure.

For further information about Babcock & Brown please see our website: [www.babcockbrown.com](http://www.babcockbrown.com)