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ASX Release

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SUCCESSFUL COMPLETION OF ALINTA CASH OUT BOOKBUILD AND CONFIRMATION OF FINAL ALLOTMENT UNDER SCHEME OF ARRANGEMENT

Babcock & Brown Power (ASX:BBP) is pleased to announce the completion of the book build for 19,088,825 BBP stapled securities as part of the implementation of the scheme of arrangement between Alinta Limited ("Alinta") and its securityholders.

These stapled securities were originally issued to:

- ineligible overseas shareholders; or
 - Alinta shareholders who validly elected "cash out" or "sell unmarketable parcels",
- and also includes 3,583,916 new BBP stapled securities issued to fund BBP's share of the payments to Alinta option holders (as foreshadowed in the Scheme Booklet).

The book build for BBP stapled securities was completed at \$2.92, being a 0.34% premium on the five day VWAP to 3 September 2007 of \$2.91. These stapled securities will be transferred or allotted on 6 September 2007, with the new stapled securities expected to be quoted on a normal settlement basis on and from 7 September 2007 (the stapled securities sold for Alinta shareholders are already quoted on a normal settlement basis).

Paul Simshauser, Chief Executive Officer of BBP said, "We are very pleased that the final transaction relating to the payment of the consideration under the Alinta Scheme has been completed. The business will now focus its energy and attention on the integration and transition management of the Alinta assets into the BBP portfolio."

The total number of BBP stapled securities on issue following settlement will be 694,177,176.

Investors requiring further information should contact the Alinta Offer Information Line on 1800 774 356.

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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.¹ 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.

Portfolio Summary

Power station	Location	Equity interest ⁽¹⁾	Fuel	Operations Start Date	Capacity	Operating Mode	Offtake
Operating power stations							
Braemar	Queensland	85%	Gas	September 2006	455MW	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
Under construction							
NewGen Kwinana	Western Australia	70%	Gas	Late 2008 (projected)	320MW	Base load	Synergy
Uranquinty	NSW	70%	Gas	late 2008 (projected)	640MW	Peak	Various/Market
Total of operating and under construction					3,575MW		
Contracted power offtake							
Osborne contracts	South Australia	100%	Gas / cogeneration		180MW	Base load	Various/Market

⁽¹⁾ Direct and Indirect equity interest

For further information please visit our website: www.bbpower.com

¹ Some assets have minority shareholders.