

BABCOCK & BROWN POWER

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ASX Release

4 September 2007

WAIVER OF ASTC RULE 8.20.1

Please see the attached waiver from ASTC Settlement Rule 8.20.1, waiving the requirement for CHESS to produce and send a Holding Statement to any Participant Sponsored Holder of BBP Stapled Securities for the month of August 2007 if the Holder only became a Holder under the recent Alinta Limited scheme of arrangement (which was implemented on 31 August 2007).

The waiver is subject to conditions which are set out in it, one of which is that notices detailing the allotment of the scheme consideration securities be sent to the relevant Holders in lieu of Holding Statements by 7 September 2007. The waiver means that the relevant Holders will not receive two different notifications of the same information within days of one another, reducing the potential for shareholder confusion.

ENDS

Further Information:

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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

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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.



3 September 2007

Philippa Stone
Partner
Freehills

By email only

Dear Philippa

Babcock & Brown Power – Waiver of ASTC Rule 8.20.1

I refer to your letter dated 28 August 2007 concerning Babcock & Brown Power (the "Group").

Based solely on the information provided by you, ASX Settlement and Transfer Corporation Pty Ltd ("ASTC") hereby grants the Group a waiver of ASTC Settlement Rule 8.20.1 subject to the Conditions below:

1. The waiver only applies for the calendar month of August 2007 ("the relevant period") to the effect that ASTC will not produce and send (and will not be required to produce and send) a Holding Statement to any Participant Sponsored Holder of the Group's securities, setting out any Holding movement in respect of Group Holdings pursuant to the Alinta Limited Scheme of Arrangement (the "Scheme") where that Participant Sponsored Holder is a holder of the Group's securities only by reason of having been allotted those securities as scheme consideration pursuant to the Scheme;
2. The Group issues a market release informing investors of the waiver;
3. By no later than 7 September 2007, the Group sends each Holder a Notice in compliance with ASTC Settlement Rule 8.9.1 bearing the statement that: "This transaction confirmation is provided in lieu of a CHES Holding Statement detailing the allotment of consideration securities in August 2007"; and
4. This waiver is subject to any amendments to ASTC Rule 8.20.1 or changes in the interpretation or administration of the relevant Rule and policies of the ASX Group.

The ASX Group has considered the application of ASTC Rule 8.20.1 only and makes no statement as to the Group's compliance with other Rules.

Yours sincerely,

(sent electronically without signature)

Marta Kielich
Adviser, Issuers