

## BABCOCK & BROWN POWER

Babcock & Brown Power Limited · ABN 67 116 665 608  
Babcock & Brown Power Services Limited · ABN 37 118 165 156  
as responsible entity for Babcock & Brown Power Trust · ARSN 122 375 562  
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia  
T +61 2 9229 1800 · F +61 2 9235 3496 · www.bbpower.com



### ASX Release

7 May 2007

#### **BBP CONTINUES TO DELIVER VALUE TO SECURITYHOLDERS**

Since listing on 11 December 2006, BBP has delivered Total Securityholder Returns (TSR) of approximately 37% compared to a benchmark return of approximately 18% for the ASX200 Accumulation Index.

Paul Simshauser, CEO said “BBP’s exposure to the spot electricity market together with higher than expected generation capacity from the BBP portfolio in QLD and SA has resulted in favourable operating conditions. BBP is well placed to participate in medium term generation capacity requirements due to its superior sites - Braemar in QLD, Newport in VIC and Uranquinty<sup>1</sup> in NSW. These growth opportunities together with management of the current diversified portfolio of power stations will continue to deliver value to securityholders in line with BBP’s investment strategy.”

#### **Distributions re-affirmed**

On 28 February 2007 BBP confirmed it is on track to deliver fully tax deferred distributions of 12.6 cents per stapled security for the period from allotment on 11 December 2006 to 30 June 2007 and 24 cents in relation to FY2008.

#### **FY2007 earnings upgrade**

On 26 April 2007 BBP advised that EBITDA (before associates) for the year ended 30 June 2007 was expected to be more than 12.5% higher than the PDS forecast of \$91 million due to favourable market conditions associated with supply side constraints resulting in rising wholesale electricity prices across Australia in both the spot and forward markets.

<sup>1</sup> BBP may acquire 50% of the Uranquinty project provided BNB offers the opportunity to BBP and it is recommended by the Manager as meeting BBP’s investment criteria and it receives independent director approval

**FY2008 earnings upgrade**

On 1 May 2007 BBP advised that EBITDA (before associates) for the year ended 30 June 2008 was expected to be at least 10% higher than the PDS forecast of \$162 million due to the execution of a number of hedge contracts for FY2008 at substantially higher prices than previously forecast reflecting the tight supply situation.

**ENDS**

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**Further Information:**

Paul Simshauser  
Chief Executive Officer  
Babcock & Brown Power  
Ph + 61 2 9229 1848

Fiona Osler  
Investor Relations  
Babcock & Brown Power  
Ph + 61 2 9216 1383

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**About Babcock & Brown Power Limited**

Babcock and 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 initial 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. 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 (%)	Fuel	Operations Start Date	Capacity (MW)	Operating Mode	Offtake
<b>Operating power stations</b>							
Braemar	Queensland	85% <sup>1</sup>	Gas	September 2006	455MW	Intermediate	Energex/Market
Oakey	Queensland	50%	Gas	January 2000	286MW	Peak	Enertrade
Redbank	NSW	100%	Coal	April 2001	135MW	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% <sup>1</sup>	Gas	late 2008 (projected)	320MW	Base load	Synergy
<b>Total of operating and under construction</b>					<b>2,922MW<sup>2</sup></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.

<sup>2</sup> BBP's equity interest in the assets is equivalent to 2,350MW.

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

# BABCOCK & BROWN

Babcock & Brown Limited · ABN 53 108 614 955  
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia  
T +61 2 9229 1800 · F +61 2 9231 5619 · www.babcockbrown.com



## ASX Release

07 May 2007

### BABCOCK & BROWN / SINGAPORE POWER PROPOSAL

International investment and advisory firm Babcock & Brown (ASX: BNB) has been advised by the Board of Alinta Limited (Alinta) that it has received an alternative proposal to the recommended proposal (the Recommended Proposal) announced on 30 March 2007 by a consortium including Babcock & Brown, Singapore Power International Pte Ltd (SPI) and three Babcock & Brown managed funds (the Consortium). The Directors of Alinta have advised the Consortium that they are under a fiduciary duty to consider the alternative proposal and expect to make an announcement in due course.

Phil Green Chief Executive of Babcock & Brown said "Our Consortium's proposal remains the only proposal recommended by the Board. The current value of the Recommended Proposal is \$15.99<sup>1</sup> compared with \$15.40<sup>2</sup> at the time of the announcement or excluding the value of the franking credits \$15.59 compared with \$15.00 at the time of the announcement.

#### The Proposal

For each Alinta share the Offer comprises:	Security Prices at announcement	Value	Security Prices at 4 May 2007	Value
Cash		\$8.50		\$8.50
1.57 BBI securities	\$1.86	\$2.91	\$1.95	\$3.05
0.66 BBP securities	\$2.86	\$1.89	\$3.45	\$2.28
0.26 BBW securities	\$1.66	\$0.43	\$1.88	\$0.49
0.30 APA securities	\$4.23	\$1.27	\$4.20	\$1.27
Franking credits distributed via a special dividend or buyback		\$0.40		\$ 0.40
<b>Total per Alinta share</b>		<b>\$15.40</b>		<b>\$15.99</b>

<sup>1</sup> Based on closing prices of securities on 4 May 2007

<sup>2</sup> Based on 30 day volume weighted average price of the relevant BNB entities up to the close of trade 28 March 2007 and the APA securities price as at 29 March 2007.

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  
Dubai  
Kuala Lumpur  
Singapore  
Hong Kong  
Tokyo

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Note: All amounts shown are \$ per share or security; the BNB fund securities shall be issued upon the scheme meeting approving the transaction (currently scheduled for late July 2007). Alinta shareholders who receive securities as a result of the scheme of arrangement will not be entitled to distributions paid for the half year ended 30 June 2007 but will rank pari passu for the distribution for the period ending 31 December 2007 for BNB fund securities.

“The appreciation in the value of the Recommended Proposal reflects the strong operating fundamentals of the Babcock & Brown managed funds based on the outlook for each of the Funds existing asset portfolios, as evidenced by improved earnings & distribution guidance.

“The Consortium has listened to feedback from Alinta shareholders to its Recommended Proposal and has subsequently announced further enhancements including:

- An all cash alternative for small shareholders, with 1,000 or less shares, representing approximately 65% of the current Alinta register;
- The option for all Alinta shareholders to maximise the amount of cash or securities they are entitled to receive under the Offer by making a “Maximum Cash Election” or “Maximum Securities Election” potentially providing Alinta shareholders with the ability to receive 100% cash or 100% securities as consideration under the Offer<sup>3</sup>.

“We believe the options introduced under our Recommended Proposal give Alinta shareholders maximum flexibility. Given the rises in the market prices of the securities in the Babcock & Brown managed funds which in turn improves the value of the Recommended Proposal, we believe many Alinta shareholders will elect to take the Funds’ securities and continue to participate in the growth of the Alinta assets, in addition to exposure to a range of top performing Babcock & Brown managed funds.

“The Consortium notes that the Alinta Board selected the Consortium’s proposal because of the demonstrable track record of the BNB funds, limited conditionality, certainty and transparency that the Recommended Proposal provided Alinta shareholders. We are well advanced in preparation of documentation and are confident that upon satisfaction of its fiduciary obligations, the Board will continue to recommend the Consortium’s proposal.

“Given our established presence in all of Alinta’s businesses and associated strategic and operational synergies, we believe that the Consortium’s Proposal has the unique capacity to deliver an offer which fully rewards Alinta shareholders while delivering accretive value to our well established and

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<sup>3</sup> For shareholders making an election, the amount of cash or the number of securities they receive will be dependent on the election of all Alinta shareholders, as the maximum level of cash or scrip available to shareholders would not exceed the current cash or scrip amounts available under the Offer. In the event that more shareholders choose cash or scrip than is available, shareholders will be scaled back. A further announcement on this is expected to be made in due course. The default option will remain the current Proposal.

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successful managed funds. We look forward to giving Alinta shareholders the opportunity to participate in our attractive offer.” Mr Green concluded

**Further Information:**

Kelly Hibbins  
Babcock & Brown  
kelly.hibbins@babcockbrown.com  
+61 2 9229 1866

**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 28 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)