

# 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

4 June 2008

### **BBP SUCCESSFULLY REACHES CONTRACTUAL CLOSE ON \$2.7 BILLION REFINANCING**

Babcock & Brown Power (ASX:BBP) is pleased to announce contractual close on the previously foreshadowed BBPF<sup>1</sup> \$2.7 billion refinancing. Specifically BBP has received full credit approval by all banks and executed all relevant documentation.

Paul Simshauser, BBP CEO said “The successful close of the \$2.7 billion refinancing is an important first step in BBP’s refinancing programme and in addressing BBP’s capital structure. The focus can now turn to refinancing the BBPH<sup>2</sup> corporate facility and progressing asset sales to deliver an optimal capital structure that is more consistent with the current environment. An update will be provided on the effect of asset sales once these are finalised.”

#### **BBPF Refinancing \$2.7 billion**

- The banks who have underwritten the BBPF facility:
  - Mandated Lead Arrangers, Underwriters and Bookrunners being ANZ, BNP Paribas, CBA, Dexia, nabCapital, Natixis, SG, UniCredit Group and WestLB; and
  - Suncorp Metway as Mandated Lead Arranger.
  - In addition, two further banks, BOS International and Mizuho Corporate Bank Ltd have obtained approval to participate in the BBPF facility.
- Following close of the BBPF refinancing BBP’s effective total interest rate on the combined BBPF and BBPH debt is expected to be approximately 8.5%, taking into account previous guidance on

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<sup>1</sup> BBP Finance Australia Pty Ltd

<sup>2</sup> BBP Holdings Pty Ltd

expected BBPH margins and existing interest rate swap arrangements.

### **BBPH Refinancing**

- The next step in the process is to finalise a corporate debt facility of up to \$360 million for BBPH. This process is underway with BBP targeting completion by 31 August 2008.

### **Asset Sales**

- To address the previously disclosed capital expenditure requirements and to enhance BBP's capital structure BBP has implemented an asset sale programme from assets not secured under the \$2.7 billion facility.
- There are a number of quality assets that are available to be sold and no final decisions have been reached. BBP believes that the proceeds from the sale of selected assets will meet our previously disclosed funding requirements and in parallel is also likely to reduce the amount of any BBPH corporate debt facility.
- UBS has been appointed to advise on the asset sale process.

As previously indicated Babcock & Brown (ASX:BNB) remains committed to BBP and will provide support for the additional funding requirements on a short term basis. This support will be provided on commercial arms length terms.

### **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

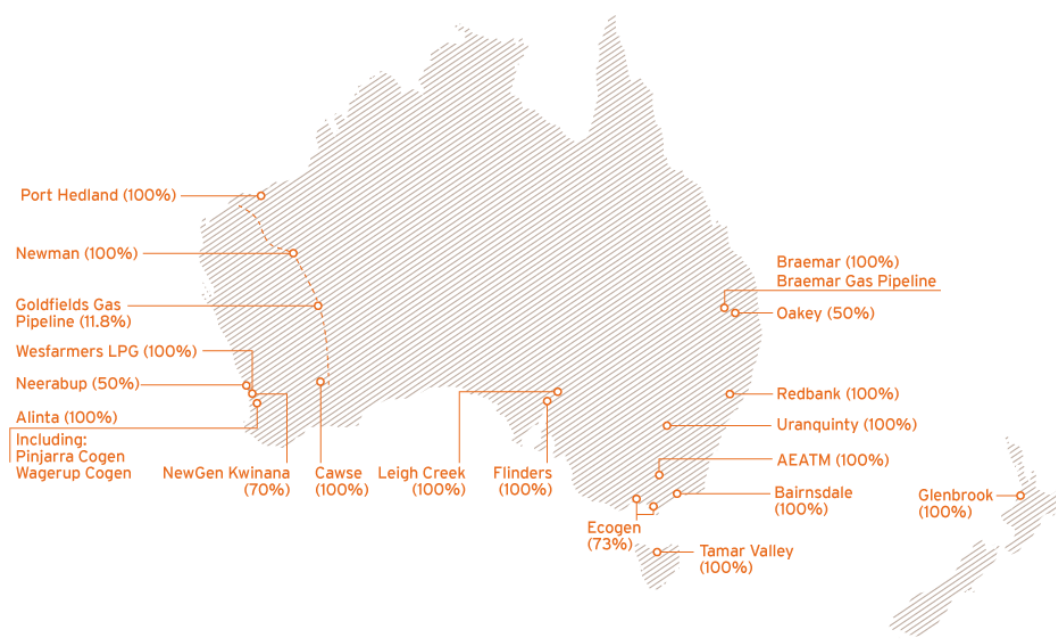
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### About Babcock & Brown Power

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 generation assets and associated businesses via a combination of new construction and strategic acquisitions.

The portfolio has interests in 14 operating power stations representing over 4,000MW<sup>3</sup> of installed generation capacity and five power stations under construction. BBP has interests in a number of other associated power assets including the WA retail assets Alinta. Babcock & Brown has been developing, operating and acquiring the generation portfolio over a period of 10 years.

### Portfolio Summary



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

<sup>3</sup> Some assets have minority shareholders.