

BABCOCK & BROWN POWER

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ASX Release

10 August 2007

UPDATE ON ALINTA SCHEME PROPOSAL

Babcock & Brown Power (ASX:BBP) is a member of the Babcock & Brown Limited (ASX:BNB) and Singapore Power International Pte Ltd Consortium bidding for the whole of the issued share capital of Alinta Limited (ASX:ANN).

Please see attached an announcement by Babcock & Brown Limited on behalf of the Consortium bidding for Alinta Limited.

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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 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	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
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.

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10 August 2007

UPDATE ON ALINTA SCHEME PROPOSAL

International investment and advisory firm Babcock & Brown (ASX: BNB) today provided an update on the Babcock & Brown/Singapore Power International Consortium's (the Consortium) Scheme of Arrangement (the Scheme) with Alinta Limited (Alinta).

The shareholder meetings to consider the Scheme will occur on 15 August 2007 in Perth. The Court hearing to consider approving the Scheme is scheduled to be held on 17 August 2007, which is also expected to be the Effective Date under the Scheme assuming approval is given. The Implementation Date for the Scheme, assuming shareholder and Court approvals are obtained, will be 31 August 2007.

The Consortium confirms that as far as it is aware all information material to the proposal relating to the Consortium and its participants has been disclosed, and currently believes that all conditions to the Scheme will be satisfied. The Consortium notes that there are no financing conditions to the Scheme and that the financing arrangements entered into by the Consortium parties are not impacted by current financial market conditions.

The Consortium has sought consent from a range of counterparties to Alinta contracts with respect to the proposed restructure of Alinta following the Scheme, including DUET, DBP, Multinet and UED, and some of these consents have not at this stage been provided (although discussions are ongoing). However, the granting of consents by these parties is not a condition to the Scheme and failure to obtain such consents will not in the Consortium's view affect the ongoing operation of the Alinta businesses acquired under the Scheme. Even if consents referred to above are not obtained, the impact would be immaterial to Alinta shareholders or any of the securities included in the Scheme Consideration available to Alinta shareholders.

The Consortium remains of the view that no material pre-emptive rights or termination rights are triggered by the implementation of the Scheme. DBP has

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asserted in correspondence that implementation of the Scheme constitutes a default under the DBP OSA, but the Consortium is confident that this is not the case. The Consortium also rejects DUET's position that pre-emptive rights may later be triggered in relation to Alinta's interest in UED, which is being indirectly acquired by SPI for cash.

The Consortium is working closely with Alinta to ensure that, subject to the shareholder vote, the Scheme proceeds expeditiously with completion scheduled for 31 August 2007.

Further Information:

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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