

BABCOCK & BROWN POWER

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ASX Release

17 August 2007

ALINTA UPDATE: SCHEME DOCUMENTS APPROVED BY COURT

Babcock & Brown Power (ASX:BBP) is pleased to announce that today the Federal Court approved the Alinta Schemes of Arrangement, in relation to the proposal by the Babcock & Brown (ASX:BNB) and Singapore Power International Pte Ltd consortium ("Consortium"), to acquire all of the shares in Alinta Limited (ASX:AAN).

As previously announced, BBP has agreed to acquire the Alinta power generation portfolio and 67% of the WA retail assets currently owned by Alinta. The purchase of these assets will be funded through the issue of 335 million BBP stapled securities at a fixed ratio of 0.669 per Alinta share and a cash contribution of \$25 million to be sourced through committed debt representing a combined incremental contribution of approximately \$37.5 million to the Consortium's proposal and therefore Alinta shareholders.

Peter Hofbauer, Chairman of BBP, said, "The assets acquired by BBP are strategically important infrastructure assets which we believe will deliver long term value for securityholders and significant expansion opportunities for BBP. We will continue to focus on ensuring we deliver securityholders attractive and sustainable cash distributions as well as the benefits of long term capital growth."

Based on the contribution of the Alinta assets acquired, BBP's June 2008 distribution guidance of 26 cents per security as set out in the Alinta Scheme Booklet remains unchanged. BBP reaffirms medium term expectations of 4% per annum growth in distributions. Further to BBP's announcement yesterday regarding its entry into various limited recourse debt facilities for Alinta and other corporate purposes, BBP's gearing will be within its targeted range of between 60-65%. BBP remains confident of achieving its previously announced financing strategy, further details of which will follow in our annual results presentation.

Please also see the attached Babcock & Brown (ASX:BNB) announcement , also released today.

ENDS

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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.

¹ Some assets have minority shareholders.

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



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17 August 2007

ALINTA SCHEME OF ARRANGEMENT RECEIVES FINAL COURT APPROVAL

International investment and advisory firm Babcock & Brown announced that the Federal Court had today approved the Babcock & Brown/Singapore Power International Consortium's (the Consortium) proposal to acquire 100% of Alinta Limited (Alinta) via a Scheme of Arrangement (the Scheme).

Phil Green Chief Executive of Babcock & Brown said "We are pleased to have secured the final approvals required in the Scheme process and look forward to completing the transaction on 31 August and commencing the task of integrating the assets Babcock & Brown Infrastructure (ASX: BBI) and Babcock & Brown Power (ASX: BBP) have acquired and delivering on the significant benefits we have identified through the process.

"We would like to thank our partners on this transaction, Singapore Power International Pte Ltd (SPI). We believe partnering with SPI has given us a unique capacity to deliver the maximum consideration to Alinta shareholders whilst still delivering value to our own stakeholders.

"We would also like to thank the Alinta Board and management team who have worked tirelessly to achieve the best outcome for Alinta shareholders."

Peter Hofbauer Global Head of Infrastructure said "The assets acquired by BBI and BBP are strategically important infrastructure assets which we believe will deliver long term value for security holders and significant expansion opportunities for both funds. Babcock & Brown Wind Partners (ASX: BBW) has announced that it will use the net proceeds attributable to its rights in relation to the Wattle Point wind farm to fund more attractive investment opportunities.

"We look forward to welcoming Alinta shareholders as investors in our family of infrastructure funds and will continue to focus on ensuring we deliver all security holders attractive and sustainable cash distributions as well as the benefits of long term capital growth."

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Please see attached announcements released by BBI, BBW and BBP.

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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