

## BABCOCK & BROWN POWER

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### ASX Release

26 April 2007

#### **BBP ANNOUNCES EARNINGS UPGRADE**

Babcock & Brown Power (ASX:BBP) today advises that EBITDA (before associates) for the year ended 30 June 2007 is expected to be more than 12.5% higher than the PDS forecast of \$91 million subject to May and June trading conditions remaining favourable and no unforeseen adverse circumstances arising during this period.

Favourable market conditions associated with supply side constraints have led to this upgrade with the key drivers being water constraints, plant outages across the country for seasonal maintenance requirements have had an impact on national spot electricity prices. In Queensland, Level 5 water restrictions are now in place which has led to a significant reduction in base load generation capacity. In addition, Snowy Hydro has hit a critical point in its water stocks with levels currently around 10% of active capacity. The widespread water shortages have resulted in rising wholesale electricity prices across Australia in both the spot and forward markets.

BBP's favourable exposure to the spot market together with higher than expected generation capacity from the BBP portfolio in Queensland and in South Australia has led to BBP's improved performance.

More detailed financial information will be released in the Alinta Scheme Booklet in mid May 2007.

#### **ENDS**

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#### **Further Information:**

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#### **About Babcock & Brown Power Limited**

## BABCOCK & BROWN POWER

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 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.<sup>1</sup> 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)

<sup>1</sup> Some assets have minority shareholders. BBP's equity interest in the assets is equivalent to 2,350 MW.