

BABCOCK & BROWN POWER

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ASX Release

16 June 2008

BBP SUCCESSFULLY REACHES FINANCIAL CLOSE ON \$2.7 BILLION REFINANCING

Babcock & Brown Power (ASX:BBP) is pleased to announce that it today reached final financial close and settlement on the recently executed \$2.7 billion BBPF¹ debt refinancing facility.

Paul Simshauser, BBP CEO said, "The successful financial close of the \$2.7 billion refinancing represents a fundamental step in consolidating BBP's long term capital structure.

The next steps in finalising the BBP capital structure are the completion of our announced asset sale program and finalisation of a corporate debt facility for BBPH² of up to \$360 million."

BBP and UBS, the adviser on the asset sale programme, have received a number of indicative bids, the total value of which, is greater than the amounts outstanding on the BBPH corporate facility. Through a combination of asset sales and refinancing, BBP is aiming to finalise the previously disclosed outstanding funding requirements by 31 August 2008.

In conjunction with the completion of the refinance and ahead of completion of the asset sale and refinancing program Babcock & Brown (ASX:BNB) has advanced \$190 million on market based terms to BBP to provide short term funding towards BBP's previously announced funding requirements as disclosed to ASX on 23 May 2008.

¹ BBP Finance Australia Pty Ltd

² BBP Holdings Pty Ltd

ENDS

Further Information:

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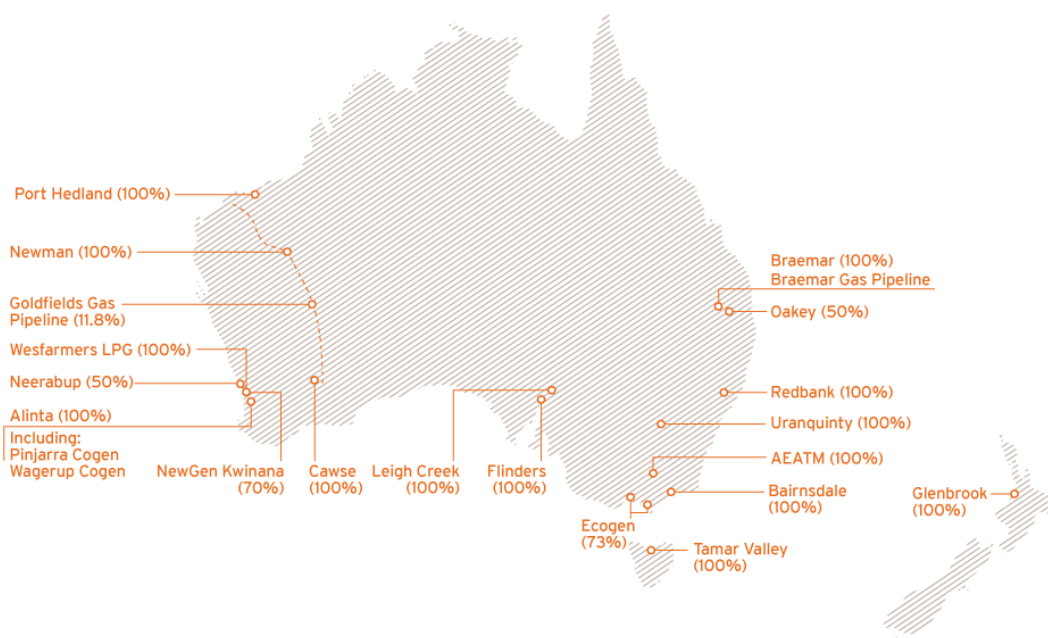
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About Babcock & Brown Power

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 4,000MW³ 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

³ Some assets have minority shareholders.