

BABCOCK & BROWN POWER

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ASX Release

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BBP ANNOUNCES FINANCIAL CLOSE OF SALE OF NEERABUP POWER STATION

Babcock & Brown Power (ASX:BBP) today announces financial close of the sale of its interest in the Neerabup Power Station to ANZ Infrastructure Services Limited.

The sale of Neerabup has resulted in the return of a \$43.3m letter of credit which was drawn under a facility provided by Babcock & Brown (ASX:BNB).

Ross Rolfe, BBP CEO said “We are pleased to announce financial close on the sale of Neerabup Power Station, which is a further step towards stabilising the capital structure of BBP. We anticipate that the sale of BBP’s interest in the Kwinana Power Station will settle during Q1 2009, with the proceeds being used to fully repay the BBPH¹ debt facility.”

ENDS

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¹ BBP Holdings Pty Ltd

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 13 operating power stations representing over 3,000MW² of installed generation capacity. 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.

For further information please visit our website: www.bbpower.com

² Some assets have minority shareholders.