

## BABCOCK & BROWN POWER

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### ASX Release

3 April 2007

### **BABCOCK & BROWN POWER CLARIFIES DETAILS IN RELATION TO THE PROPOSED ALINTA ACQUISITION**

Set out below is additional detail in relation to Babcock & Brown Power's (ASX:BBP) proposed acquisition of the Alinta power generation portfolio and 67% of the WA Retail assets (which includes approximately 566,000 customers in respect of 100% ownership) as per the release to the ASX on Friday 30 March 2007.

#### **Acquisition**

Total Acquisition Price	\$2.6 billion
Comprising:	
Individual assets including transaction costs	\$2.3 billion
Incremental growth, operating synergies, portfolio and financing benefits	\$0.3 billion

BBP confirms that the incremental benefits relate predominantly to financing benefits which are incremental to the existing portfolio, which will be realised through the integration of the two businesses.

#### **Plant capacity**

BBP would like to clarify BBP's proportionate interest in the aggregate plant capacity to be acquired. The total plant is 1,472MW as outlined below:

## BABCOCK & BROWN POWER

Asset	MW
Port Headland PS	175
Newman PS	105
Glenbrook CoGen	112
Bairnsdale	94
Cawse	16
AlintaAGL Wagerup*	221
AlintaAGL Pinjarra*	<u>188</u>
TOTAL	<u>911</u>
Tamar (Pending Project)	380

\*Nett MW representing a 67% Interest

### **Fees**

It is important to point out that BNB, notwithstanding its entitlement to do so, has decided in this case not to charge origination fees to BBP for this transaction given the transformational nature of the opportunity. Furthermore BNB is not charging management fees until a transaction is completed being where shareholders of Alinta and the courts have approved the proposed Scheme of Arrangement ("Scheme"). This is unlikely to be earlier than late July or early August 2007.

Once this transaction is completed, BBP will become the country's largest private sector generator, and if BBP is successful in acquiring the remaining 33% of AlintaAGL from AGL, BBP will become the largest generator (private or public sector) in the country and will position BBP as the fourth major private sector force in the integrated energy market, with a significant platform for growth.

### **ENDS**

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### About Babcock & Brown Power Limited

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 initial 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.