

BABCOCK & BROWN POWER

Babcock & Brown Power Limited · ABN 67 116 665 608
Babcock & Brown Power Services Limited · ABN 37 118 165 156
as responsible entity for Babcock & Brown Power Trust · ARSN 122 375 562
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ASX Release

6 September 2007

APPENDIX 3B

Further to Babcock & Brown Power's (ASX:BBP) announcement of 4 September 2007, we enclose an Appendix 3B in relation to the 3,583,916 new BBP stapled securities issued, as part of the bookbuild undertaken earlier this week, to fund BBP's share of payments to Alinta Limited option holders under the scheme of arrangement (as foreshadowed in the Scheme Booklet).

These securities have now been issued, and this issue completes all the securities issuance in connection with the scheme of arrangement. Following the issue of these securities, the total number of BBP stapled securities on issue is 694,177,176.

ENDS

Further Information:

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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.

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

¹ Some assets have minority shareholders.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Babcock & Brown Power, a stapled entity comprising Babcock & Brown Power Limited (ABN 67 116 665 608) ("BBPL") and Babcock & Brown Power Services Limited (ABN 37 118 165 156; AFSL 299 943) as responsible entity for the Babcock & Brown Power Trust (ARSN 122 375 562) ("BBPT")

ABN

As above

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid stapled securities (ASX:BBP) comprising ordinary shares in BBPL and units in BBPT |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 3,583,916 fully paid stapled securities |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | On the same terms as existing fully paid stapled securities |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>\$2.92 per stapled security</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The fully paid stapled securities will be issued to fund BBP's share of the payments to option holders in Alinta Limited ("Alinta") (as foreshadowed in the Scheme Booklet dated 2 July 2007 in relation to the schemes of arrangement between Alinta and its security holders).</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>6 September 2007</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">694,177,176</td> <td style="text-align: center;">Fully paid stapled securities</td> </tr> </tbody> </table>	Number	+Class	694,177,176	Fully paid stapled securities
Number	+Class				
694,177,176	Fully paid stapled securities				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Nil	
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same as for existing quoted fully paid stapled securities	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19 Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

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New issue announcement

- | | | |
|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

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New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 6 September 2007
(~~Director~~/Company secretary)

Print name: John Remedios

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+ See chapter 19 for defined terms.