

BABCOCK & BROWN

Babcock & Brown Limited · ABN 53 108 614 955
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia
T +61 2 9229 1800 · F +61 2 9231 5619 · www.babcockbrown.com



ASX Release

8 December 2006

BABCOCK & BROWN POWER SET TO LIST

Please find attached a press release made today by Babcock & Brown Power in relation to its scheduled listing on Monday 11 December 2006.

For further information please contact:

Kelly Hibbins
Babcock & Brown
+61 2 92291800

About Babcock & Brown

Babcock & Brown is a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Stock Exchange.

Babcock & Brown operates from 26 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 810 employees worldwide. Babcock & Brown has five operating divisions including real estate, infrastructure and project finance, operating leasing, structured finance and corporate finance. The company has established a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles in areas including real estate, renewable energy and infrastructure.

For further information about Babcock & Brown please see the Babcock & Brown Ltd website: www.babcockbrown.com

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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
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia
T +61 2 9229 1800 · F +61 2 9235 3496 · www.bbpower.com



Media Release

8 December 2006

BABCOCK & BROWN POWER ADMISSION TO THE OFFICIAL LIST

Babcock & Brown Power (BBP) announces that it expects to be admitted to the Official List of ASX on Monday, 11 December 2006 and that the Stapled Securities in BBP are expected to commence trading on a deferred settlement basis at 12.00pm E.S.T. It is expected that trading of Stapled Securities on a normal settlement basis will commence on Thursday, 14 December 2006.

On listing on the ASX, BBP will have a market capitalisation of approximately \$898 million based on approximately 359 million Stapled Securities being on issue at the \$2.50 issue price. Each Stapled Security comprises one ordinary share in Babcock & Brown Power Limited and one unit in the Babcock & Brown Power Trust.

Peter Hofbauer, Chairman of BBP said: "I am pleased to announce that the Offer has been significantly oversubscribed reflecting the positive outlook for BBP's electricity generation business, the depth of BBP management expertise and the business prospects."

BBP will provide investors with exposure to a "pure play" electricity generation business, diversified by geographic location, fuel source, customers, contract type and operating mode. BBP's management has significant experience at both the asset and corporate levels which should maximise organic and external growth options. On a 100% tax deferred basis BBP expects to deliver an initial yield of 9.1% (annualised) for FY2007, forecast to increase to 9.6% for FY2008.

Further Information:

Fiona Osler
Babcock & Brown Power
+ 61 2 9216 1383

About Babcock & Brown Power Limited

The initial portfolio will have interests in seven operating power stations and one power station under construction and due for completion in late 2008. The portfolio will have 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.

BBP is expected to benefit from the strong growth forecast to occur in the Australian power generation market. Over the next five years this growth is expected to be driven by continued increases in peak demand, which in turn is expected to lead to shortfalls in reserve generation capacity. A number of BBP power stations have the ability to meet this increased demand by expanding their current capacity via the addition of new generating units on their existing sites. In addition to this potential growth, BBP intends to expand its portfolio after listing through targeted, accretive acquisitions including participating in green field opportunities.

Initial Portfolio Summary

| Power station | Location | Equity interest (%) | Fuel | Operations Start Date | Capacity (MW) | Operating Mode | Offtake |
|--------------------------------------------------|-------------------|---------------------|------------------|-----------------------|----------------------------|----------------|-----------------|
| Operating power stations | | | | | | | |
| Braemar | Queensland | 85% ¹ | 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 |
| Under construction | | | | | | | |
| NewGen Kwinana | Western Australia | 70% ¹ | Gas | late 2008 (projected) | 320MW | Base load | Synergy |
| Total of operating and under construction | | | | | 2,922MW² | | |
| Contracted power offtake | | | | | | | |
| Osborne contracts | South Australia | 100% | Gas/cogeneration | | 180MW | Base load | Various/Market |

¹ Direct and indirect equity interest.

² BBP's equity interest in the assets is equivalent to 2,350MW.

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