BABCOCK & BROWN
POWER

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ASX Release

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ENTRY INTO DEBT FACILITIES FOR ALINTA AND OTHER PURPOSES

Babcock & Brown Power (ASX:BBP) today announced that it has executed limited recourse debt facilities totalling A$1,556 million for the purposes of facilitating the Alinta acquisition and funding associated BBP corporate and general purpose debt. These facilities have been concluded with five relationship banks (being ANZ, BNP Paribas, Commonwealth Bank, Dexia and Societe Generale), and provide BBP with enhanced flexibility on terms consistent with information previously provided to the market in relation to the Alinta Scheme of Arrangement. BBP has also arranged additional limited recourse debt facilities for the purpose of funding future acquisition opportunities.

BBP CEO Paul Simshauser said of the facilities: "The securing of the financing in the current market demonstrates the ongoing availability of debt financing for high quality businesses and assets, and the benefits of BBP being able to access the expertise and financial resources of Babcock & Brown to achieve outcomes for the benefit of BBP securityholders. The proceeds of the debt facilities will be applied towards the Alinta acquisition and associated refinancing, and will also provide us with the flexibility to fund other activities as required."

ENDS

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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. BBP's equity interest in the assets is equivalent to approximately 2,370 MW.