

# 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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27 August 2009

Mr Sarah Donnelly  
Senior Adviser, Issuers (Sydney)  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

By email to : [sarah.donnelly@asx.com.au](mailto:sarah.donnelly@asx.com.au)

Dear Ms Donnelly,

## **Babcock & Brown Power Limited – Response to Price Query**

We refer to your letter dated 26 August 2009 requesting a response to certain questions.

We respond to each of the questions (with references to BBP referring to the “Group” in your letter) as follows:

- 1. Is the Group aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Group?**

**Please note that as recent trading in the Group’s securities could indicate that information has ceased to be confidential, the Group is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.**

No, BBP is not aware of any such information. Please refer to the answer to question 5 below.

- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?**

**Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).**

Not applicable – please see the answer to question 1.

- 3. Is there any reason to think that there may be a change in the EBITDA guidance provided by the Group on 17 August 2009? If so, please provide details as to the extent of the likely variation.**

BBP has no reason to think that there will be a material change in the EBITDA guidance provided on 17 August 2009. BBP has not finalised its calculation of results for the year ended 30 June 2009. In its release of 17 August 2009, BBP advised that it was undertaking a

comprehensive impairment test across all assets. The impairment testing is expected to be completed in the very near future. In the event of an impairment charge, this will be taken below EBITDA as in the previous year.

**4. Is there any reason to think that the Group may record any material abnormal or extraordinary profit for the financial year ended 30 June 2009? If so, please provide details.**

BBP has previously announced the release of provisions resulting from asset or contract sales, the increase in provisions for onerous contracts, the write down of intangibles and minor uplifts outside of normal operating results.

As advised above, BBP has not finalised the calculation of its results for the year ended 30 June 2009. The impairment testing is expected to be completed in the very near future.

In addition to the matters already announced to the market, the only possible further impact on profit that could potentially arise may result from the impairment testing which is yet to be completed.

**5. Is there any other explanation that the Group may have for the price change and increase in volume in the securities of the Group?**

We note that in previous announcements made by BBP to the market, BBP has referred to ongoing discussions with its financiers, including the Babcock & Brown Group ("B&B"), and its relationship with B&B. BBP has continued to hold discussions with both its financiers and B&B with a view to restructuring its debts and providing further clarity around its management structure. These discussions are continuing and remain incomplete.

We also note the announcement made by Babcock & Brown Infrastructure on 26 August 2009 of its agreement to separate from B&B and to internalise its management arrangements. This announcement could possibly have created some market speculation regarding the status of BBP's own management arrangements with B&B.

While BBP acknowledges that all of these matters may have been the subject of some ongoing market discussion, BBP is not otherwise aware of the explanation for the recent trading as referred to in your letter.

**6. Please confirm that the Group is in compliance with the listing rules and, in particular, listing rule 3.1.**

We confirm that BBP is in compliance with the listing rules and, in particular, listing rule 3.1

Yours sincerely,



**John Remedios**  
Company Secretary  
Babcock & Brown Power

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26 August 2009

John Remedios  
Babcock & Brown Power  
Level 21, The Chifley Tower  
2 Chifley Square  
Sydney NSW 2000

By email

Dear John

ASX Markets Supervision Pty Ltd  
ABN 26 087 780 489  
20 Bridge Street  
Sydney NSW 2000  
PO Box H224  
Australia Square  
NSW 1215

Telephone 61 2 9227 0361  
Facsimile 61 2 9241 7620  
[www.asx.com.au](http://www.asx.com.au)

**Babcock & Brown Power (the "Group")**

**RE: PRICE QUERY**

We have noted a change in the price of the Group's securities from a close of 5.9 cents on Tuesday, 26 August 2009, to a high of 9.8 cents at the time of writing today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Group aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Group?

Please note that as recent trading in the Group's securities could indicate that information has ceased to be confidential, the Group is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the EBITDA guidance provided by the Group on 17 August 2009? If so, please provide details as to the extent of the likely variation.

4. Is there any reason to think that the Group may record any material abnormal or extraordinary profit for the financial year year ended 30 June 2009? If so, please provide details.

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5. Is there any other explanation that the Group may have for the price change and increase in volume in the securities of the Group?
6. Please confirm that the Group is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at [sarah.donnelly@asx.com.au](mailto:sarah.donnelly@asx.com.au) or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. AEDT) on Thursday, 27 August 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Group's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the

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commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

*[Sent electronically without signature]*

Sarah Donnelly

**Senior Adviser, Issuers (Sydney)**

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