

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



ASX Release

12 June 2008

UPDATE ON DRAW-DOWN OF THE RECENTLY EXECUTED \$2.7 BILLION DEBT REFINANCING AND THE ALINTA RETAIL BUSINESS

Babcock & Brown Power (ASX:BBP) advises that following issue of draw-down notices today, final settlement on the recently executed \$2.7 billion BBPF¹ debt refinancing facility is scheduled to be completed early next week.

The draw-down and financial closure of the refinancing facility follows assessment of the impact of the recent Western Australian gas supply disruptions on the Alinta business and discussions with the banks providing the facility.

International ratings agency, Fitch, also yesterday announced assignment of a 'BBB-' (BBB minus) credit rating on the \$2.7 billion secured facility. The rating reflects the strong underlying fundamentals of the assets within the facility which includes the Alinta retail assets.

Approximately 30% of the gas consumed in WA and a similar proportion of Alinta's portfolio of gas is supplied from the Apache Energy ("Apache") Varanus Island field. Apache continue to advise that it may be approximately two months before restoration of gas supply from Varanus Island.

BBP and Alinta have responded quickly to mitigate the impact of the loss of production from Varanus Island on the WA energy market and continue to work with various stakeholders to undertake the necessary steps for mitigation. The strategy adopted by BBP and Alinta is designed to ensure that the impact on consumers and the Alinta business is minimised. All stakeholders are working co-operatively in this process and BBP is pleased with the response of all parties and their related efforts to minimise any adverse impact for the industry. BBP has the Business Interruption Insurance in place consistent with normal industry practice.

¹ BBP Finance Australia Pty Ltd

Based on actions and analysis undertaken to date, BBP estimates that whilst there will be some short term reduction in earnings during the period of the disruption, the impact on either 2008F or 2009F EBITDA is not expected to be material.

As previously announced BBP has implemented an asset sale programme from selected assets not secured under the \$2.7 billion facility to address capital expenditure requirements and to enhance BBP's capital structure. UBS has been appointed to advise on the asset sale process which is well underway.

ENDS

Further Information:

Paul Simshauser
Chief Executive Officer
Babcock & Brown Power
Ph + 61 2 9229 1800

Fiona Osler
Investor Relations
Babcock & Brown Power
Ph + 61 2 9216 1383

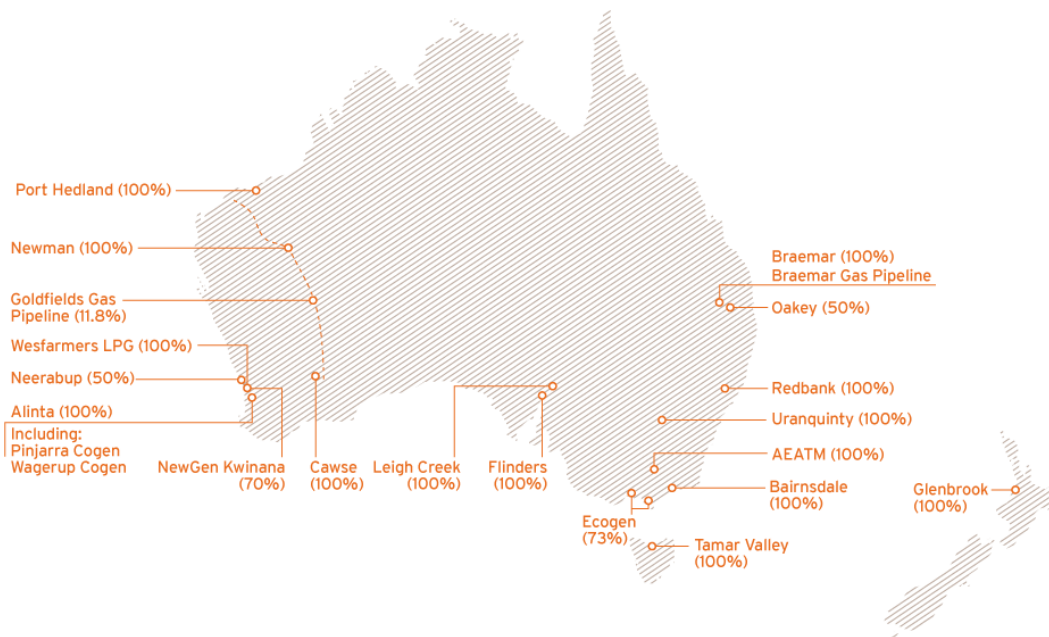
About Babcock & Brown Power

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 generation assets and associated businesses via a combination of new construction and strategic acquisitions.

The portfolio has interests in 14 operating power stations representing over 4,000MW² of installed generation capacity and five power stations under construction. BBP has interests in a number of other associated power assets including the WA retail assets Alinta. Babcock & Brown has been developing, operating and acquiring the generation portfolio over a period of 10 years.

² Some assets have minority shareholders.

Portfolio Summary



For further information please visit our website: www.bbpower.com