

EVEREST BABCOCK & BROWN

Everest Babcock & Brown Limited · ABN 42 112 480 145
Level 35 AMP Centre · 50 Bridge Street · Sydney NSW 2000 Australia
T +61 2 8001 9100 · F +61 2 8001 9200 · www.everest.com.au



12 May 2008

To: Babcock & Brown Structured Finance Fund Limited
Washington Mall I, 3rd Floor
Reid Street, Hamilton HM 11
Bermuda

Attn: Sasha Castle, Company Secretary
Fax no: 1 441 296 1301

Notice of Cessation of Substantial Interest

1. In accordance with Bye-Law 98 of the Bye-Laws of Babcock & Brown Structured Finance Fund Limited, a mutual fund company incorporated with limited liability in Bermuda on 24 April 2006 and listed on the SGX-ST ("**listed company**"), we hereby notify you that we have ceased to be a substantial shareholder of the listed company as set out below.

PART I

1. **Date of notice to listed company:** 12 May 2008
2. **Name of Substantial Shareholder(s):** Everest Babcock & Brown Limited
3. **Name of listed company:** Babcock & Brown Structured Finance Fund Limited ("**BBSFF**")
4. **Please tick one or more appropriate box(es):**

- Notice of a New Substantial Shareholder's Interest [Please complete Parts II and IV]
- Notice of a Change in the percentage level of a Substantial Shareholder's Interest or Cessation of Interest [Please complete Parts III and IV]

PART II

1. **Date of change of interest:**
2. **Name of Registered Holder:**
3. **Circumstance(s) giving rise to the interest or change in interest:**

4. Information relating to shares held in the name of the Registered Holder: -

<p>No. of shares held before the change: As a percentage of issued share capital:</p> <p>No. of shares which are the subject of this notice: As a percentage of issued share capital:</p> <p>Amount of consideration (excluding brokerage and stamp duties) per share paid or received:</p> <p>No. of shares held after the change: As a percentage of issued share capital:</p>
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PART III

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|---|---|
| 1. Date of change of interest: | 8 May 2008 |
| 2. The change in the percentage level: | From 5.68% to 4.99% |
| 3. Circumstance(s) giving rise to the interest or change in interest: | Sale of shares in BBSFF |
| 4. A statement of whether the change in the percentage level is the result of a transaction or a series of transactions: | The change in percentage level is a result of a series of transactions in BBSFF |

PART IV

Holdings of Substantial Shareholder(s), including direct and deemed interest: -

Name of Substantial Shareholder:

	Direct	Deemed
No. of shares held before the change:		22,124,310 (as at date of last notice)
As a percentage of issued share capital:		5.68%
No. of shares held after the change:		19,428,310
As a percentage of issued share capital:		4.99%

EVEREST BABCOCK & BROWN

2. Our contact details, should you have any queries regarding this Notice and its contents are as follows:-

Telephone number:- +61-2-8001-9100
Name of contact person:- Jeremy Reid
Address:- Level 35 AMP Centre
50 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Yours faithfully,



Name: Jeremy Reid
Designation: CEO

Date: 12 MAY 2008