



SGX-ST Release

15 May 2007

CONFIRMATION OF 1H 2007 DIVIDEND GUIDANCE AND INCREASE FOR 2H 2007 DIVIDEND GUIDANCE

Babcock & Brown Structured Finance Fund Limited (“BBSFF” or “the Company”) confirms its dividend guidance of 4.70 Singapore cents per share for the six months ending 30 June 2007.

The Company also increases its annual 2007 dividend guidance by 7% to 10.20 Singapore cents per share. The Company’s new guidance for the second half 2007 dividend is now at least 5.50 Singapore cents – an increase of 0.66 Singapore cents compared to the Prospectus projection.

The increase in dividend guidance reflects the value of the accretive acquisitions made by the Company since listing and the continuing strong performance of its portfolio. The Company is committed to rewarding its shareholders with attractive dividends while continuing to strive to achieve capital growth.

Based on the upgraded full-year dividend guidance and assuming the issue price of S\$1.06, BBSFF’s dividend yield is 9.6%.

By order of the Board of Directors

Name: Richard Lees Umbrecht

Designation: Director

Date: 15 May 2007

ENDS

Sponsorship statement: UBS AG, acting through its business group, UBS Investment Bank was the Issue Manager, Global Co-ordinator, Sole Bookrunner and Financial Adviser of the offering in respect of 323,460,000 ordinary shares of par value S\$0.01 each in the capital of the Company pursuant to the prospectus of the Company dated 12 December 2006.

BABCOCK & BROWN
STRUCTURED FINANCE
FUND LIMITED

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About Babcock & Brown Structured Finance Fund Limited
(<http://www.bbstructuredfinance.com>)

Babcock & Brown Structured Finance Fund Limited (“BBSFF”) is a mutual fund company incorporated in Bermuda that provides investors access to a diversified portfolio of assets and economic exposures across three target sectors: operating lease assets, loan portfolio and securitisation assets, and alternative assets.

BBSFF is managed by Babcock & Brown Structured Finance Management Pty Ltd, a wholly-owned subsidiary of Babcock & Brown Limited, a global investment and advisory firm. BBSFF presents investors with an opportunity to invest in Babcock & Brown’s first listed fund which sources assets originated and identified by two of the five Babcock & Brown’s core business units, Operating Lease and Structured Finance.