



SGX-ST Release

15 January 2007

BABCOCK & BROWN'S SALE OF INTEREST IN PARADOX FUNDING LLC

On 12 January 2007, the Babcock & Brown Group sold 20% of its interest in wholly owned Paradox Funding LLC ("Paradox Funding"), to DIF Paradox Holdings Ltd., leaving the Babcock & Brown Group with an 80% interest. The intention of the Babcock & Brown Group to seek to sell down such an interest was disclosed in Babcock & Brown Structured Finance Fund Limited's prospectus registered with the Monetary Authority of Singapore on 12 December 2006 (the "Prospectus").

Babcock & Brown Structured Finance Fund Limited (the "Company") has a US\$15.0 million investment in a loan to Paradox Funding, and also granted Paradox Funding the right to draw down a further US\$5.0 million to take the total loan to US\$20.0 million. For further details, please refer to the Prospectus.

By order of the Board of Directors
Name: Richard Lees Umbrecht
Designation: Director
Date: 15 January 2007

These materials are not for release or distribution, directly or indirectly, in or into the United States, Canada or Japan or to US persons.

These materials are not an offer of securities for sale in the United States, Canada or Japan. Securities may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is

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

defined in Regulation S under the US Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

ENDS

Further Information:

Peng Lian Wee

Babcock & Brown Securities (Singapore) Pte Ltd

+65 6309 4662

About Babcock & Brown Structured Finance Fund Limited

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 will source assets originated and identified by two of the five Babcock & Brown core business units, Operating Lease and Structured Finance.