



SGX-ST Release

2 August 2007

BASE MANAGEMENT FEE FOR THE QUARTER ENDED 30 JUNE 2007

Babcock & Brown Structured Finance Fund Limited (the "Company") wishes to announce that 1,396,709 new ordinary shares of par value S\$0.01 per share in the capital of the Company ("Shares") will be issued to its manager, Babcock & Brown Structured Finance Management Pty Ltd (the "Manager") as payment of the base fee for the quarter ended 30 June 2007.

Under the terms of the two management agreements dated 12 December 2006 entered into between the Manager and the Company (the "Management Agreements"), the Manager will receive a base fee, calculated and payable quarterly in arrear. As disclosed in the Company's prospectus dated 12 December 2006, the Company has agreed to the Manager's request that payment of its base fee in respect of the projection year ending 31 December 2007 be satisfied by the issue of new Shares.

The base fee payable to the Manager for the quarter ended 30 June 2007 is S\$1,563,653. In accordance with the method of calculating the number of new Shares to be issued pursuant to the Management Agreements, 1,396,709 new Shares will be issued to the Manager as payment of such base fee as disclosed in the Company's prospectus. An application will be made to the SGX-ST for the listing of the 1,396,709 new Shares which will rank *pari passu* with all other Shares of the Company.

By order of the Board of Directors
Name: Richard Lees Umbrecht
Designation: Director
Date: 2 August 2007

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

ENDS

Further Information:

Jeanette Pang (Ms)
Babcock & Brown Securities (Singapore) Pte Ltd
jeanette.pang@babcockbrown.com
+65 6309 4684

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.