

BABCOCK & BROWN  
STRUCTURED FINANCE FUND



Babcock & Brown Structured Finance Management Pty Limited · ABN 57 118 871 140  
as Manager of the Babcock & Brown Structured Finance Fund Limited  
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**SGX-ST Release**

31 August 2007

**BBSFF SELLS INTEREST IN NORTH AMERICAN BIOFUELS LOAN FACILITY**

Babcock & Brown Structured Finance Fund Limited (“BBSFF” or “the Company”) today announced that it has sold its interest in the North American Biofuels Loan Facility Agreement at par (that is, US\$20 million) plus accrued interest, including deferred interest. This has resulted in the receipt of approximately US\$340,000 representing capitalised deferred interest, which was not expected to be received in the 2007 financial year from the investment.

The sale completes BBSFF’s divestment of its investments in the biofuels industry. In each case, the originally expected economic return was received at the time of divestment.

The proceeds of the sale will be used to invest in one or more opportunities currently under consideration, an investment being expected shortly.

The sale does not adversely affect the second half 2007 dividend guidance, nor does it adversely affect the 2008 dividend guidance provided on 14 August 2007 of at least 10.2 Singapore cents per share.

After the sale:

- BBSFF’s assets will be invested across its three asset classes in the following proportions:
  - Operating Lease Assets: 29%;
  - Loan Portfolio and Securitisation assets: 47%; and
  - Alternative Assets: 24%.
- 64% of the 2008 Dividend Guidance amount of 10.2 Singapore cents per share is contracted income;
- Over 85% of the 2008 Dividend Guidance amount of 10.2 Singapore cents per share has been hedged into Singapore dollars.

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By order of the Board of Directors  
Name: Richard Lees Umbrecht  
Designation: Director  
Date: 31 August 2007

**ENDS**

**Further Information:**

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