



SGX-ST/Media Release

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**BBSFF'S PROPOSED MONETISATION OF ITS INVESTMENT IN JET-i HOLDINGS LLC AND PARTIAL REINVESTMENT IN B&B AIR**

Babcock & Brown Structured Finance Fund Limited ("BBSFF" or "the Company") today announced the intended sale of JET-i Holdings LLC's ("JET-i Holdings") aircraft assets to Babcock & Brown Air Limited ("B&B Air"), a new Bermuda-incorporated company which has filed a registration statement with the Securities and Exchange Commission in the United States in connection with B&B Air's planned initial public offering ("IPO").

BBSFF currently owns an 11.36% Class B membership interest in JET-i Holdings and the aircraft portfolio sale will effectively monetise BBSFF's investment. The sale of the aircraft assets is subject to, amongst other matters, the successful IPO of B&B Air. The purchase price paid for the assets will be determined by the final IPO price of B&B Air's shares.

Assuming a successful IPO, BBSFF will, along with other JET-i Holdings investors, reinvest a part of the proceeds from the monetisation of its investment in JET-i Holdings in B&B Air's shares. The Manager of BBSFF expects the combined value of net cash received from the monetisation of the investment in JET-i Holdings and the value of shares held in B&B Air to significantly exceed the cost of BBSFF's investment in JET-i Holdings. The shares in B&B Air may be disposed of after the escrow period which relates to such shares expires in 2008.

With the planned sale of the JET-i portfolio, the credit default swap ("CDS") on JET-I Leasing Tranche B Debt will be terminated and BBSFF's investment in the commercial paper which secures its obligations under the CDS will be liquidated.

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*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 BBSFF pursuant to the prospectus of BBSFF dated 12 December 2006.*

**A registration statement relating to B&B Air's common shares has been filed with the US Securities and Exchange Commission but has not yet become effective. These securities may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective.**

**This announcement shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

## **ENDS**

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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.