



SGX-ST Release

5 November 2007

BASE MANAGEMENT FEE FOR THE QUARTER ENDED 30 SEPTEMBER 2007

Babcock & Brown Structured Finance Fund Limited (the "Company") wishes to announce that 1,438,441 new ordinary shares of par value S\$0.01 per share in the capital of the Company ("Shares") will be issued to AGSO Property Pty Ltd ATF Babcock & Brown Prime Broking Trust ("AGSO"), the nominee of Babcock & Brown Structured Finance Management Pty Ltd (the "Manager") as payment of the base fee for the quarter ended 30 September 2007.

Under the terms of the two management agreements dated 12 December 2006 entered into between the Manager and the Company (the "Management Agreements"), and as disclosed in the prospectus dated 12 December 2006, the Manager will receive a base fee, calculated and payable quarterly in arrears and the Manager may request the Company to pay all or part of the base fee by issuing Shares to the Manager or its nominee. 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.

As previously disclosed in SGX-ST Release on 19 October 2007, AGSO was incorporated on 27 January 2000 and is a wholly-owned subsidiary of Babcock & Brown International Pty Ltd. As with the Manager, AGSO's ultimate parent company is Babcock & Brown Limited, listed on the Australian Stock Exchange. AGSO has executed a lock-up undertaking in favour of UBS AG, acting through its business group, UBS Investment Bank and DBS Bank Ltd. The lock-up undertaking executed by AGSO is on the same terms as the ones previously executed by the Manager.

The base fee payable to the Manager for the quarter ended 30 September 2007 is S\$1,431,143. In accordance with the method of calculating the

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

number of new Shares to be issued pursuant to the Management Agreements, 1,438,441 new Shares will be issued to AGSO as the Manager's nominee for 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 1,438,441 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: 5 November 2007

ENDS

Further Information: Stuart Gray
Babcock & Brown Securities (Singapore) Pte Ltd
stuart.gray@babcockbrown.com
+65 6309 4685

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.