

# BABCOCK & BROWN

Babcock & Brown Limited · ABN 53 108 614 955  
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21 December 2006

To: Babcock & Brown Structured Finance Fund Limited  
Washington Mall I, 3rd Floor  
Reid Street, Hamilton HM 11  
Bermuda

Attn: Ms Anne Bennett-Smith  
Fax no: 1 441 296 1301

Dear Sirs,

## Notice Of Substantial Shareholder's Interests

1. In accordance with Bye-Law 98 of the Bye-Laws of Babcock & Brown Structured Finance Fund Limited, a mutual fund company incorporated with limited liability in Bermuda on 24 April 2006 and listed on the SGX-ST ("**listed company**"), we hereby notify you that we are a substantial shareholder of the listed company and the particulars of our deemed interest(s) in the shareholdings of the listed company are set out below.

On behalf of our subsidiaries, BBIPL (as defined below), BBIHPL (as defined below) and BB(BBSFF)HL (as defined below), we hereby also notify you that they are substantial shareholders of the listed company and the particulars of their deemed and direct interest(s) in the shareholdings of the listed company are also set out below.

Sydney  
Melbourne  
Brisbane  
Auckland  
Vancouver  
San Francisco  
San Diego  
Dallas  
Houston  
Toronto  
New York  
Greenwich  
Dublin  
Madrid  
London  
Paris  
Luxembourg  
Milan  
Munich  
Vienna  
Johannesburg  
Dubai  
Kuala Lumpur  
Singapore  
Hong Kong  
Tokyo

## **PART I**

- |   |  |
|---|--|
| <b>1. Date of notice to listed company:</b>   | 21/12/2006   |
| <b>2. Name of Substantial Shareholder(s) (including certain persons who are substantial shareholders by virtue of their deemed interest(s) pursuant to Bye-Law 98 of the Bye-Laws of the listed company):</b> | Babcock & Brown Limited (" <b>BBL</b> ")<br>Babcock & Brown International Pty Limited (" <b>BBIPL</b> ")<br>Babcock & Brown Investment Holdings Pty Limited (" <b>BBIHPL</b> ")<br>Babcock & Brown BBSFF Holdings Limited (" <b>BB(BBSFF)HL</b> ") |
| <b>3. Name of listed company:</b>   | Babcock & Brown Structured Finance Fund Limited (" <b>BBSFF</b> ")   |

**4. Please tick one or more appropriate box(es):**

Notice of a New Substantial Shareholder's Interest

Notice of a Change in the percentage level of a Substantial Shareholder's Interest or Cessation of Interest

**PART II**

- 1. Date of change of interest:** 20/12/2006
- 2. Name of Registered Holder:** The Central Depository (Pte) Limited
- 3. Circumstance(s) giving rise to the interest or change in interest:** Subscription of shares by BB(BBSFF)HL

**4. Information relating to shares held in the name of the Registered Holder: -**

<b>No. of shares held before the change:</b>	200*
<b>As a percentage of issued share capital:</b>	100%*
<b>No. of shares which are the subject of this notice:</b>	35,940,890
<b>As a percentage of issued share capital:</b>	10%
<b>Amount of consideration (excluding brokerage and stamp duties) per share paid or received:</b>	\$1.01
<b>No. of shares held after the change:</b>	35,941,090
<b>As a percentage of issued share capital:</b>	10%

\* Prior to the listing of BBSFF on the SGX, two subscriber shares of par value S\$1.00 each were issued to BB(BBSFF)HL and subsequently divided into 200 Shares.

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## PART III

Not applicable

1. **Date of change of interest:** (DD/MM/YYYY)
2. **The change in the percentage level:** From \_\_\_\_ % to \_\_\_\_ %
3. **Circumstance(s) giving rise to the interest or change in interest:**
4. **A statement of whether the change in the percentage level is the result of a transaction or a series of transactions.**

## PART IV

**Holdings of Substantial Shareholder(s), including direct and deemed interest:**

**Name of Substantial Shareholder:**

**BBL**

	<b>Direct</b>	<b>Deemed</b>
<b>No. of shares held before the change:</b>	0	200*
<b>As a percentage of issued share capital:</b>	0%	100%*
<b>No. of shares held after the change:</b>	0	35,941,090
<b>As a percentage of issued share capital:</b>	0%	10%

\* Prior to the listing of BBSFF on the SGX, two subscriber shares of par value S\$1.00 each were issued to BB(BBSFF)HL and subsequently divided into 200 Shares.

**Name of Substantial Shareholder:**

**BBIPL**

	<b>Direct</b>	<b>Deemed</b>
<b>No. of shares held before the change:</b>	0	200*
<b>As a percentage of issued share capital:</b>	0%	100%*
<b>No. of shares held after the change:</b>	0	35,941,090
<b>As a percentage of issued share capital:</b>	0%	10%

\* Prior to the listing of BBSFF on the SGX, two subscriber shares of par value S\$1.00 each were issued to BB(BBSFF)HL and subsequently divided into 200 Shares.

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**Name of Substantial Shareholder:** **BBIHPL**

	<b>Direct</b>	<b>Deemed</b>
<b>No. of shares held before the change:</b>	0	200*
<b>As a percentage of issued share capital:</b>	0%	100%*
<b>No. of shares held after the change:</b>	0	35,941,090
<b>As a percentage of issued share capital:</b>	0%	10%

\* Prior to the listing of BBSFF on the SGX, two subscriber shares of par value S\$1.00 each were issued to BB(BBSFF)HL and subsequently divided into 200 Shares.

**Name of Substantial Shareholder:** **BB(BBSFF)HL**

	<b>Direct</b>	<b>Deemed</b>
<b>No. of shares held before the change:</b>	200*	0
<b>As a percentage of issued share capital:</b>	100%*	0%
<b>No. of shares held after the change:</b>	35,941,090**	0
<b>As a percentage of issued share capital:</b>	10%**	0%

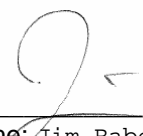
\* Prior to the listing of BBSFF on the SGX, two subscriber shares of par value S\$1.00 each were issued to BB(BBSFF)HL and subsequently divided into 200 Shares.

\*\*The total number of BBSFF shares on issue is 359,401,090 shares (assuming the over-allotment option is not exercised) of which 35,941,090 shares were retained by Babcock & Brown BBSFF Holdings Limited. For a moment in time just prior to the listing of BBSFF on the SGX-ST, BB(BBSFF)HL held 100% of the total number of shares in issue (i.e., 359,401,090 shares) (see page 175 of BBSFF's IPO prospectus dated 12 December 2006 for more details).

2. Our contact details, should you have any queries regarding this Notice and its contents, are as follows:

Telephone number: 61-2-9216-1378  
Name of contact person: Helen Wheatley  
Address: Level 23, The Chifley Tower  
2 Chifley Square, Sydney, NSW 2000, Australia

Yours faithfully,  
**Babcock & Brown Limited**

  
Name: Jim Babcock

Designation: Director  
Date: 21/12/06