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BBSFF ANNOUNCES STRONG Q3 RESULTS AND SECOND DIVIDEND UPGRADE

Highlights:

- Second increase in 2H 2007 dividend guidance to 6.00 cents per share (12% annual growth from BBSFF's Prospectus Projections) – not dependant upon JET-i monetisation
- Substantial capital gain recognised from JET-i monetisation
- Continued strong performance of all assets within the portfolio
- Third quarter 2007 ("3Q 2007") profit after tax of S\$12.5 million

Babcock & Brown Structured Finance Fund Limited ("BBSFF" or "the Company") today reported a 3Q 2007 profit after tax of S\$12.5 million. The Company has also raised its 2H 2007 dividend guidance to 6.00 Singapore cents per share, its second dividend upgrade this year.

Mr Richard Umbrecht, Executive Chairman of BBSFF said: "BBSFF has again recorded a very strong result for the period. The Company's investments have continued to perform in-line or above internal forecasts resulting in the Company today announcing a second increase in its 2H 2007 dividend guidance to 6.00 cents per share. This increase represents more than 12% annual growth from BBSFF's Prospectus Projections."

"During the quarter, the Company recorded a substantial gain of approximately US\$15.8 million from monetising its investment in JET-i Holdings LLC. This was a tremendous result for the Company and its Shareholders," added Mr Umbrecht.

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.

“Pleasingly, in times of significant global credit pressures, BBSFF continues to deliver strong returns from a well diversified portfolio of investments, a portfolio that has no impairments either collectively or individually,” said Mr Umbrecht.

Summary of results for 3Q 2007	
	Actual (S\$)
Total Revenue	19.4 million
Profit After Tax	12.5 million
Total Net Assets	346.6 million
Net Assets per Share	0.90

Note:

- No comparisons against a corresponding period in the previous year can be made as no pro forma financials are available.

Increase in 2007 full-year dividend guidance

“The continued strong performance of the portfolio, and the accretive impact from the new investments acquired during the early part of the year have allowed the Company to again upgrade its 2007 dividend guidance.

Upgrading to 6.00 Singapore cents per share represents a 24% increase on the 4.84 cents per share projected in the Company’s Prospectus.

It also represents a 12% annual growth when compared to the 2007 full-year dividend projection in the Prospectus..” said Ms Sylvia Wiggins, Managing Director of the Manager of BBSFF. Ms Wiggins pointed out that the dividend guidance upgrade was not a return of the capital profit from the JET-i monetisation, but was cash economic income received from the portfolio of assets owned by BBSFF.

Outlook

“The Company is reviewing further investments in each of its three asset classes before the end of 2007 and will continue to tap into its strategic investment relationships with asset originators, from both within and outside the Babcock & Brown Group throughout 2008,” said Ms Wiggins.

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.