

## Joel P. Schaefer

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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 Directors' Interests/Change in Interests<sup>1</sup>

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**"), I hereby notify you, as a Director of the listed company, of the particulars of my interest(s) in the shareholdings of the listed company which are set out below.

#### PART I

- |   |   |
|---|---|
| <b>1. Date of notice to listed company:</b> | 19 December, 2001   |
| <b>2. Name of Director:</b>                 | Joel P. Schaefer, shares have been purchased by Elizabeth Schaefer (wife) |
| <b>3. Name of listed company:</b>           | Babcock & Brown Structured Finance Fund Limited                           |

#### 4. Please tick the following box to confirm the purpose of this Notice:

Notice of a Director's (including a director who is a substantial shareholder) Interest and Change of Interest [Please complete Parts II and III below]

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<sup>1</sup> Please delete as appropriate.

## **PART II**

1. Date of change of interest: 21 December, 2006
2. Name of Registered Holder<sup>2</sup>: The Central Depository (Pte) Limited
3. Circumstance(s) giving rise to the interest or change in interest: Purchase
4. Information<sup>3</sup> relating to shares held in the name of the **Registered Holder**: -

No. of shares held before the change:	- 0 -
As a percentage of issued share capital:	0.0%
No. of shares which are the subject of this notice:	110,000
As a percentage of issued share capital:	0.03%
Amount of consideration (excluding brokerage and stamp duties) per share paid or received:	SGD 1.03 per share (total SGD113,300.00)
No. of shares held after the change:	110,000
As a percentage of issued share capital:	0.03%

## **PART III**

Holdings of Director, including direct and deemed interest: -

	<b>Direct</b>	<b>Deemed</b>
No. of shares held before the change:	- 0 -	- 0 -
As a percentage of issued share capital:	0.0%	0.0%
No. of shares held after the change:	- 0 -	110,000
As a percentage of issued share capital:	0.0%	0.03%

<sup>2</sup> To fill in the name of the registered holder if the shares of the listed company are not registered in the name of the director.

<sup>3</sup> To fill in the **regardless** of whether the shares of the listed company are or are not registered in the director's name.

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

Telephone number:- 441 236-7074  
Name of contact person:- Joel P. Schaefer  
Address:- Hampstead  
28 Berry Hill Rd.  
Paget DV 04  
Bermuda

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Joel P. Schaefer", is written over a horizontal line.

Name: Joel P. Schaefer  
Designation: Director  
Date: 21 December, 2006