

EVEREST BABCOCK & BROWN

Everest Babcock & Brown Limited · ABN 42 112 480 145
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22 February 2008

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

Attn: Ms Ayotola Jagun
Fax no: 1 441 296 1301

Dear Sirs,

Notice Of Substantial Shareholder's Change in 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 or direct interest(s) in the shareholdings of the listed company are set out below.

PART I

1. **Date of notice to listed company:** 22 February 2008
2. **Name of Substantial Shareholder(s):** Everest Babcock & Brown Limited
3. **Name of listed company:** Babcock & Brown Structured Finance Fund Limited ("**BBSFF**")
4. **Please tick one or more appropriate box(es):**

Notice of a New Substantial Shareholder's Interest [Please complete Parts II and IV]

Notice of a Change in the percentage level of a Substantial Shareholder's Interest or Cessation of Interest [Please complete Parts III and IV]

PART II

1. **Date of change of interest:**
2. **Name of Registered Holder:**
3. **Circumstance(s) giving rise to the interest or change in interest:**

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

No. of shares held before the change:
As a percentage of issued share capital:

No. of shares which are the subject of this notice:
As a percentage of issued share capital:

Amount of consideration (excluding brokerage and stamp duties) per share paid or received:

No. of shares held after the change:
As a percentage of issued share capital:

PART III

- | | |
|--|--|
| 1. Date of change of interest: | 20 February 2008 |
| 2. The change in the percentage level: | From 7.5% to 6.97% |
| 3. Circumstance(s) giving rise to the interest or change in interest: | Sale of shares and allotment of new capital in BBSFF |
| 4. A statement of whether the change in the percentage level is the result of a transaction or a series of transactions: | The change in percentage level is a result of a series of transactions and the allotment of new capital in BBSFF |

PART IV

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

Name of Substantial Shareholder:

	Direct	Deemed
No. of shares held before the change:		26,973,347 (as at date of last notice)
As a percentage of issued share capital:		7.5%
No. of shares held after the change:		27,134,310
As a percentage of issued share capital:		6.97%

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

Telephone number:- +61-2-8001-9100
Name of contact person:- Jeremy Reid
Address:- Level 35 AMP Centre
50 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Yours faithfully,



Name: Jeremy Reid
Designation: CEO

Date: 22.02.2008