

BABCOCK & BROWN

Babcock & Brown Limited · ABN 53 108 614 955
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia
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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)
(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): | Babcock & Brown Limited
Babcock & Brown International Pty Limited
Babcock & Brown Australia Group Pty Ltd
Babcock & Brown Australia Pty Ltd
Babcock & Brown Transaction Holdings Pty
Ltd
Babcock & Brown Transactions Pty Ltd
AGSO Property Pty Ltd (as trustee for
Babcock & Brown Prime Broking Trust)
("AGSO") |
| 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]

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

PART II (Not applicable)

1. Date of change of interest:
2. Name of Registered Holder:
3. Circumstance(s) giving rise to the interest or change in interest:
4. Information relating to shares held in the name of the Registered Holder: -

<p>No. of shares held before the change: As a percentage of issued share capital:</p> <p>No. of shares which are the subject of this notice: As a percentage of issued share capital:</p> <p>Amount of consideration (excluding brokerage and stamp duties) per share paid or received:</p> <p>No. of shares held after the change: As a percentage of issued share capital:</p>
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PART III

*Please note that the information provided in this section relates to AGSO. The Registered Holder is The Central Depository (Pte) Limited (“CDP”).

- | | |
|--|---|
| 1. Date of change of interest: | 20 February 2008 |
| 2. The change in the percentage level: | From 13.90% to 14.30% |
| 3. Circumstance(s) giving rise to the interest or change in interest: | 1,785,794 new ordinary shares of par value S\$0.01 per share in the capital of BBSFF were issued to AGSO, the nominee of Babcock & Brown Structured Finance Management Pty Ltd (the “Manager”) as payment of the Manager’s base fee for the quarter ended 31 December 2007. |
| 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 single transaction described above.

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PART IV

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

1. In relation to AGSO Property Pty Ltd (as trustee of Prime Broking Trust)

Name of Substantial Shareholder: **Babcock & Brown Limited**

	Direct	Deemed
No. of shares held before the change:	NIL	53,883,166
As a percentage of issued share capital:	0%	13.90%
No. of shares held after the change:	NIL	55,668,960
As a percentage of issued share capital:	0%	14.30%

Name of Substantial Shareholder: **Babcock & Brown International Pty Ltd**

	Direct	Deemed
No. of shares held before the change:	NIL	53,883,166
As a percentage of issued share capital:	0%	13.90%
No. of shares held after the change:	NIL	55,668,960
As a percentage of issued share capital:	0%	14.30%

Name of Substantial Shareholder: **Babcock & Brown Australia Group Pty Ltd**

	Direct	Deemed
No. of shares held before the change:	NIL	53,883,166
As a percentage of issued share capital:	0%	13.90%
No. of shares held after the change:	NIL	55,668,960
As a percentage of issued share capital:	0%	14.30%

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Name of Substantial Shareholder: **Babcock & Brown Australia Pty Ltd**

	Direct	Deemed
No. of shares held before the change:	NIL	53,883,166
As a percentage of issued share capital:	0%	13.90%
No. of shares held after the change:	NIL	55,668,960
As a percentage of issued share capital:	0%	14.30%

Name of Substantial Shareholder: **Babcock & Brown Transaction Holdings Pty Ltd**

	Direct	Deemed
No. of shares held before the change:	NIL	53,883,166
As a percentage of issued share capital:	0%	13.90%
No. of shares held after the change:	NIL	55,668,960
As a percentage of issued share capital:	0%	14.30%

Name of Substantial Shareholder: **Babcock & Brown Transactions Pty Ltd**

	Direct	Deemed
No. of shares held before the change:	NIL	53,883,166
As a percentage of issued share capital:	0%	13.90%
No. of shares held after the change:	NIL	55,668,960
As a percentage of issued share capital:	0%	14.30%

Name of Substantial Shareholder: **AGSO Property Pty Ltd (as trustee of Prime Broking Trust)**

	Direct	Deemed
No. of shares held before the change:	53,883,166	NIL
As a percentage of issued share capital:	13.90%	0%
No. of shares held after the change:	55,668,960	NIL
As a percentage of issued share capital:	14.30%	0%

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

Telephone number:-	+61-2-9229-1800
Name of contact person:-	Kelly Hibbins
Address:-	Level 23, The Chifley Tower 2 Chifley Square, Sydney, NSW 2000, Australia

Yours faithfully,
Babcock & Brown Limited



Name: Phillip Hartley Green
Designation: Director

Date: 22 February 2008