

NOTICE TO SUBORDINATED NOTEHOLDERS AND SHAREHOLDERS

11 June 2009

BABCOCK & BROWN LIMITED (ADMINISTRATORS APPOINTED) ("BBL") ACN 108 614 955

The Joint Administrators hereby give notice to the holders of subordinated notes and shares in BBL that they have reached agreement with the Australian Securities Exchange ("ASX") that the listing of BBL's ordinary shares (BNB) and BBSN subordinated notes ("BNG") on the ASX will terminate on 18 June 2009.

The Joint Administrators requested the termination of the above listings after taking into account the following:

- The BBSN subordinated notes issued by BBL have now been accelerated and are immediately due and payable. The Trustee has lodged proofs of debt on behalf of noteholders with the Administrators in respect of the amounts due under the BBSN subordinated notes;
- The Joint Administrators have concluded that there is no likelihood that the holders of ordinary shares in BBL will receive any further distributions for their BBL shares. Shareholders should refer to the separate declaration in relation to these matters that the Joint Administrators released earlier today. One of the consequences of the fact that BBL shareholders have no ongoing economic interest in BBL is that the continued listing of the BBL shares will not serve any useful purpose.
- There will be substantial costs to maintaining the listings after 1 July 2009. The Joint Administrators do not believe that incurring these costs will be in the interests of BBL's creditors, which include the Trustee of the BBSN Trust.

The ASX approved the requested termination under rule 17.11 subject to the following conditions:

- The Joint Administrators confirm that the shareholders of BBL do not have any ongoing economic interest in BBL; and
- BBL announces its intention to be removed from the official list of the ASX and releases the terms of this decision to the market immediately.

Both of the above conditions have been fulfilled to the satisfaction of the ASX.

The termination of the ASX listings of BBL securities will have no financial impact on the entitlements of the holders of BBL subordinated notes and shares.


Subordinated noteholders and shareholders are referred to the separate announcement to be released by the Joint Administrators today in relation to the listings of BBL securities on NZX Limited.

All future announcements by the voluntary administrators will be lodged publicly on the Deloitte website (www.deloitte.com.au). Direct mail notification will only occur when formal notices are legally required for noteholders and creditors.

As previously advised, subordinated noteholders and shareholders can make enquiries by telephone, email or by post. Contact details are as follows:

- Telephone: 02 9322 7103 (Dugald Laurie)
- Email: bandbltd@deloitte.com.au
- Post: BBL Administrators, Deloitte, PO Box N250, Grosvenor Place, Sydney NSW 1220

Yours faithfully



DJF Lombe
For and on behalf of
DJF Lombe and SJ Cathro
Joint and Several Administrators