

UPDATE TO SHAREHOLDERS

16 April 2009

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

We take this opportunity to provide an update to BBL's shareholders.

On 13 March 2009, Simon Cathro and I were appointed Joint and Several Administrators of Babcock & Brown Limited ACN 108 614 955 (Administrators Appointed) (the **Company**) pursuant to section 436A of the *Corporations Act 2001*.

On 24 March 2009 we advised shareholders, by way of an ASX announcement, that the Company was relying on ASIC Class Order [CO 03/392] (**Class Order**) and did not have to report to members or lodge its annual financial report for the year ending 31 December 2008 with ASIC, until 13 September 2009, being 6 months after the date of our appointment of the Joint and Several Administrators.

On 24 March 2009 we also advised shareholders that the Company has made application to ASIC for either an exemption from holding the Company's 2009 annual general meeting. On 15 April 2009, ASIC granted an exemption to the Company under subsection 250PAB(4) of the *Corporations Act 2001* (see attached). Accordingly the Company will not hold an annual general meeting for the 2009 calendar year.

In accordance with the Class Order and the conditions established by ASIC for the above exemption under subsection 250PAB(4), the Company has put in place arrangements for answering reasonable inquiries from its shareholders free of charge about the consequences of the administration for them.

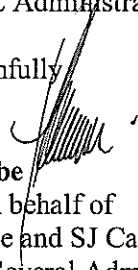
Shareholders can make enquiries by telephone, email or by post. Contact details are as follows:

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

Member of
Deloitte Touche Tohmatsu

Liability limited by a scheme approved under Professional Standards Legislation.

**Australian Securities and Investments Commission
Corporations Act 2001 – Section 250PAB – Exemption**

Under subsection 250PAB(4) of the *Corporations Act 2001 (Act)*, the Australian Securities and Investments Commission (*ASIC*) exempts the company specified in Schedule A from section 250N of the Act in the case specified in Schedule B on the conditions set out in Schedule C.

Schedule A

Babcock & Brown Limited ACN 108 614 955 (Administrators Appointed) (*Company*)

Schedule B

The annual general meeting of the Company for the 2009 calendar year where the Company is under administration and the administrator has provided a declaration to ASIC and has not revoked that declaration, which provides that the administrator has reasonably formed the opinion that the members of the Company do not have an ongoing economic interest in the Company.

Schedule C

1. The Company must on or around the date of this instrument notify ASX Limited ACN 008 624 691 of the effect of this instrument.
2. The Company must put and keep in place arrangements for answering reasonable inquiries from its members that are:
 - (i) about the consequences of the external administration for them; and
 - (ii) made while the Company is relying on the relief offered by this instrument.
3. The inquiries must be answered free of charge to members.

Interpretation

In this instrument:

administration means the administration of the Company beginning when administrators were appointed to the Company under section 436A of the Act on 13 March 2009.

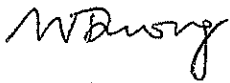
administrator means the administrator appointed to the Company under section 436A of the Act on 13 March 2009.

ongoing economic interest means, in relation to the members of a company:

- (a) that the monetary value of, or rate of return for, each share in the company is, or is likely to be, more than nominal; or

- (b) that the company is likely to cease being externally administered and to carry on business under the control of the directors.

Dated 15 April 2009



Signed by Waverley Duong
as a delegate of the Australian Securities and Investments Commission