

BABCOCK & BROWN

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ASX Release

27 January 2009

NOTICE OF CEASING TO BE A SUBSTANTIAL HOLDER

Please find attached a Form 605 (Notice of ceasing to be a substantial holder) in respect of the Babcock & Brown Group's holding of ordinary shares in Sydney Gas Limited (ASX: SGL).

For further information please contact:

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About Babcock & Brown

Babcock & Brown is an international investment and specialised fund and asset management group with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Securities Exchange.

Babcock & Brown operates from 30 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 1,400 employees worldwide. The company has established a funds management platform that has resulted in the creation of a number of focused investment vehicles.

For further information about Babcock & Brown please see our website:
www.babcockbrown.com

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Form 605

Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

ACN/ARSN
003 324 310

Company Name
Sydney Gas Ltd

1. Details of substantial holder (1)

Name Babcock & Brown Limited and its related bodies corporate ("Babcock & Brown Group")
ACN/ARSN (if applicable) 108 614 955

The holder ceased to be a substantial holder on 27.01.09
The previous notice was given to the company on 09.02.07
The previous notice was dated 07.02.07

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
27.01.09	AGSO Property Pty Ltd	Sale of securities	\$.425 per security	26,387,323 fully paid ordinary shares	26,387,323

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:


Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Babcock & Brown Limited	Level 23 Chifley Tower, 2 Chifley Square, Sydney, NSW 2000
AGSO Property Pty Ltd	Level 23 Chifley Tower, 2 Chifley Square, Sydney, NSW 2000

Signature

print name	Dominic Millgate	Capacity	Company Secretary
sign here		27 January 2009	date