

12 May 2010

ASX RELEASE

Everest Babcock & Brown Income Fund - Litigation

We refer to the releases made on 3 December 2009 and 16 February 2010 concerning a claim by LJK Nominees Pty Ltd (**LJK**) against Everest Capital Limited (**ECL**) and Mr Jeremy Reid (**Reid**) relating to LJK's investment in the Everest Babcock & Brown Income Fund (**EBBIF**).

LJK has informed ECL that it is seeking to file a further amended statement of claim.

The further amended statement of claim makes further allegations against ECL and Reid. It also makes allegations against BT Securities Ltd ABN 84 000 720 114 and BT (Queensland) Pty Limited ABN 49 009 818 875. LJK has sought leave to join these entities to the proceedings.

The matter is listed for a further directions hearing on 1 June 2010.

Ends.

For further information please visit our website www.everest.com.au or contact: