

EVEREST BABCOCK & BROWN ALTERNATIVE INVESTMENT TRUST

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ASX RELEASE

Unaudited Net Tangible Asset Backing as at 30 November 2008 and Market Update

Following the adjournment of the EBI unitholder meeting on 21 November 2008 and further to today's announcement of the settlement of proceedings the EBI Board would like provide an update to the market and announce EBI's unaudited net tangible asset backing as at 30 November 2008.

Unaudited Net Tangible Asset Backing as at 30 November 2008

Please find below information on the net tangible asset (NTA) backing for EBI:

NTA per unit as at 30 November 2008	\$2.58¹
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¹ Unaudited – In calculating the NTA, EBI asset values have been calculated using unaudited absolute return fund performance estimates for the month being reported.

For investment commentary and analysis please see the accompanying November 2008 fact sheet.

Cancellation of the Delisting Proposal and the 10% Withdrawal Offer

As part of the cancellation of the Delisting Proposal, the EBI Board, acting in the best interests of unitholders, has cancelled the 10% Withdrawal Offer. Since the announcement of the 10% Withdrawal Offer on 22 September 2008, the AUD has fallen from US\$0.8440 to US\$0.6565 (as at 11 December 2008), representing a 22.2% decline against the USD.

This sharp decline has increased the value of EBI's USD exposures, but also significantly increased the amount that EBI is required to cash settle with respect to its foreign exchange contracts that have lost commensurate value. Due to the fall in the exchange rate, EBI may be required to cash settle over A\$160 million worth of foreign exchange contracts. The settling of these foreign exchange contracts (and the potential for additional settlement obligations arising if the AUD weakens further against the USD) has resulted in a significant reduction in EBI's available cash balances which had been set aside for the funding of the 10% Withdrawal Offer.

In order to decrease risk and to position the Fund to meet future foreign exchange and swap leverage provider obligations, the EBI Board has determined to increase EBI's liquidity. Accordingly the Manager has submitted redemption notices in relation to approximately US\$400 million of Fund assets.

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Intention to resign as Responsible Entity of EBI

The current Responsible Entity of EBI, Everest Capital Investment Management Limited (ECIML) has also agreed on or before 30 January 2009 to take all such actions as may be necessary to resign as EBI's responsible entity, subject to prior consents from the proposed new responsible entity and EBI's swap leverage provider. Such resignation would take effect from the date unitholders appoint a new responsible entity and the necessary forms are lodged with ASIC. It is the EBI Board's understanding that a new responsible entity is likely to be appointed at the 30 January 2009 meeting.

Option to exchange Units into the Everest Alternative Investment Trust (EAIT)

It is proposed that unitholders who prefer to remain with Everest and maintain their exposure to the continuing EBI investment portfolio and investment strategy can elect to exchange their EBI Units for units in a new unlisted trust, the Everest Alternative Investment Trust (EAIT).

The Responsible Entity and Manager of EAIT will be EBI's current manager, Everest Capital Limited (ECL), a wholly owned subsidiary of Everest Babcock & Brown. It is intended that EAIT's initial portfolio will be a proportionate share of EBI's existing portfolio, with electing unitholders having their EBI units transferred into EAIT.

Unitholder Meeting

Unitholders will have the opportunity to vote on the resolutions proposed by Laxey Partners Limited (at the adjourned meeting on 21 November 2008), at the General Meeting which has been convened for the 30 January 2009.

Unitholders who have elected to exchange their EBI Units into the new EAIT will not be entitled to vote at the Unitholder meeting as this exchange will have occurred prior to the record date for the meeting.

Unitholder Updates

The EBI Board intend to shortly issue further information to unitholders, including supplementary information and a Notice of Meeting in relation to the general meeting to be held on 30 January 2009 and a Withdrawal Offer Booklet and Product Disclosure Statement with information for unitholders wishing to exchange their Units into the new EAIT.

Ends.

About Everest Babcock & Brown Alternative Investment Trust (EBI)

Everest Babcock & Brown Alternative Investment Trust has exposure to a portfolio of leading international absolute return funds and selected direct investments in subordinated debt and equity co-investments. The objective of the investment portfolio is to generate attractive risk-adjusted absolute returns over the medium-to-long term while maintaining a constant focus on capital preservation.

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

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