

BABCOCK & BROWN

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ASX Release

23 October 2008

DISCUSSIONS WITH POTENTIAL STRATEGIC PARTNERS

International investment and specialised fund and asset manager Babcock & Brown, (ASX: BNB) today confirms, that further to its statement on 25 September 2008 and comments at its interim result on 21 August 2008, it has undertaken a process to review the expressions of interest it has received from a number of parties to establish a strategic relationship with the firm.

The process is at a preliminary stage and there is no certainty that any agreement will eventuate.

As the process has only recently commenced, no formal timetable for resolution of any agreement has yet been determined although Babcock & Brown would expect the process to continue into the new year.

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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 31 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 1,500 employees worldwide. Babcock & Brown has four operating divisions including

Sydney
Melbourne
Brisbane
Auckland
Vancouver
San Francisco
San Diego
Dallas
Houston
Toronto
New York
Greenwich
Dublin
Madrid
London
Paris
Amsterdam
Luxembourg
Milan
Munich
Rome
Vienna
Tel Aviv
Johannesburg
Mumbai
Dubai
Kuala Lumpur
Bangkok
Singapore
Hong Kong
Perth
Tokyo

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real estate, infrastructure, operating leasing, corporate and structured finance. The company has established a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles in areas including real estate, renewable energy and infrastructure.

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