

BABCOCK & BROWN

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ASX Release

6 March 2008

EXTENDS BEI OFFER

In relation to the proposal by Babcock & Brown (ASX: BNB) through its subsidiary Babcock & Brown Environmental Investments Holdings Pty Ltd, to acquire the outstanding shares in Babcock & Brown Environmental Investments Limited (ASX: BEI) please find attached:

- a notice under Listing Rule 3.2
- notice of variation of the offer – extension of offer period, and
- notice of new date for giving notice of status of conditions.

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 the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Stock 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. Babcock & Brown has four operating divisions including 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.

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

**Babcock & Brown Environmental Investments Holdings Pty Limited
takeover of Babcock & Brown Environmental Investments Limited (BEI)**

**Listing Rule 3.2 - Notification of relevant interest following extension of
offer period**

To: ASX Limited (ASX)

Babcock & Brown Limited's subsidiary, Babcock & Brown Environmental Investments Holdings Pty Limited, has extended its off-market takeover bid for all the ordinary shares in Babcock & Brown Environmental Investments Limited (**BEI**) so that the offers will now close at 7:00pm (Sydney time) on 28 March 2008.

Babcock & Brown Limited gives notice under Listing Rule 3.2 that:

- it and its associates had a relevant interest in 30.7% of the ordinary shares in BEI when the first of the offers was made.
- it and its associates have a relevant interest in 79.7% of the ordinary shares in BEI at the date of this extension.

Dated 6 March 2008

Babcock & Brown Environmental Investments Holdings Pty Limited
ACN 128 887 267

Corporations Act 2001 (Cth) – Section 650D(1)

Notice of variation – Extension of offer period

To: Australian Securities and Investments Commission (ASIC)
Babcock & Brown Environmental Investments Limited ABN 77 074 226 065
(BEI)
The holders of ordinary shares in BEI

Babcock & Brown Environmental Investments Holdings Pty Limited ACN 128 887 267 (**Bidder**) has made offers, under an off-market takeover bid for all the ordinary shares in BEI (**Offers**), which are set out in its replacement bidder's statement dated 21 December 2007 as supplemented by the Second Supplementary Bidder's Statement dated 21 February 2008 and as varied by notices of variation – extension of offer period dated 7 February 2008 and 21 February 2008 (**Bidder's Statement**).

For the purposes of subsection 650D(1) of the *Corporations Act 2001* (Cth), the Bidder gives notice that:

- it varies its takeover offer by extending the period during which the Offers will remain open so that the Offers will now close at 7:00pm (Sydney time) on 28 March 2008 (unless further extended).
- the Offer is varied by:
 - (a) replacing "14 March 2008" with "28 March 2008" in section 12.2(a)(1) of the Bidder's Statement (and where else appearing in the Bidder's Statement);
 - (b) replacing "6 March 2008" with "20 March 2008" in section 12.12 of the Bidder's Statement.

As the variation results in the Bidder varying the Offer in a way that postpones for more than 1 month the time when the Bidder has to meet its obligations under the bid, each person to whom the Bidder has made an Offer, and who has accepted the Offer, has the right to withdraw their acceptance in accordance with, and in the circumstances identified in, section 650E of the Corporations Act.

Lodgement with ASIC

A copy of this notice was lodged with ASIC on 6 March 2008. Neither ASIC nor any of its officers takes any responsibility for the contents of this notice.

Dated 6 March 2008

Signed for and on behalf of the Babcock & Brown Environmental Investments Holdings Pty Limited pursuant to a circulating resolution of its board.



David Rothery
Director

Babcock & Brown Environmental Investments Holdings Pty Limited
ACN 128 887 267

Corporations Act 2001 (Cth) – Section 630(2)(b)

New date for giving notice of status of conditions

To: Babcock & Brown Environmental Investments Limited ABN 77 074 226 065 (BEI)
ASX Limited (ASX)

Babcock & Brown Environmental Investments Holdings Pty Limited ACN 128 887 267 (**Bidder**) has made offers, under an off-market takeover bid for all the ordinary shares in BEI (**Offers**), which are set out in its replacement bidder's statement dated 21 December 2007 as supplemented by the Second Supplementary Bidder's Statement dated 21 February 2008 and as varied by notices of variation – extension of offer period dated 7 February 2008 and 21 February 2008 (**Bidders' Statement**).

For the purposes of subsection 630(2)(b) of the *Corporations Act 2001* (Cth) (**Act**), the Bidder gives notice that:

- the offer period has been extended so that it is now scheduled to close at 7:00pm (Sydney time) on 28 March 2008 (unless further extended).
- the new date for giving notice of the status of conditions of the Offers, as required by subsection 630(3) of the Act, is 20 March 2008; and
- on the date of this notice:
 - (a) Bidder has not freed the Offer from any of the conditions; and
 - (b) so far as it knows, none of the conditions to the Offers have been fulfilled other than the condition set out in section 12.8(B) (Foreign Investment Review Board Approval) of the Bidder's Statement which has been fulfilled (so that the Offers have become free of that condition).

Dated 6 March 2008