



ASX Release

13 February 2008

NGPL – ALL REGULATORY APPROVALS NOW RECEIVED

Infrastructure investment specialised fund group, Babcock & Brown Infrastructure (ASX: BBI) is today providing an update on the previously announced acquisition of a 32% stake in Natural Gas Pipeline of America (NGPL).

BBI has received notification overnight that the Committee for Foreign Investment in the United States (CFIUS) does not intend to undertake a 45 day review for the acquisition of NGPL by the acquisition consortium, which includes BBI.

This notification now means that all regulatory approval conditions under the Purchase Agreement with Knight Inc¹ have been satisfied, and accordingly the transaction will now proceed to financial close which is expected to be by the end of this week (US time).

BBI's Chief Executive Officer Jeff Kendrew said: "NGPL is one of the largest natural gas transmission pipeline and storage systems in the United States. We are pleased that all regulatory approvals have been obtained and that the transaction will now proceed to financial close. In the current environment, it is also extremely pleasing to have all the debt associated with the transaction committed and fully hedged which will ensure the distributable cash flow generated to BBI from this transaction will be in line with the guidance previously supplied. We look forward to integrating NGPL into our investment portfolio which, following financial close of NGPL, will reach almost A\$15 billion.

As previously indicated to the market, NGPL will increase BBI's presence in the US and will further expand its existing Energy Transmission & Distribution portfolio, allowing for a balance of stable and predictable cash flows, alongside future growth opportunities. These growth opportunities include:

- additional storage facilities or expansion of existing storage
- pipeline and compression upgrades & expansion
- entrance into new markets via pipeline extensions or capacity leases; and
- it establishes a strategic relationship with Knight Inc."

¹ For further information on Knight Inc., please refer to: <http://www.kindermorgan.com/investor/>

BABCOCK & BROWN INFRASTRUCTURE

BBI is part of a consortium of investors that are taking a combined 80% interest² in MidCon, which is the 100% owner of the Natural Gas Pipeline Company of America (NGPL). Knight will retain a 20% stake in MidCon and will continue to operate NGPL.

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Further Enquiries

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About Babcock & Brown Infrastructure

Babcock & Brown Infrastructure (ASX: BBI) is a specialist infrastructure entity which provides investors access to a diversified portfolio of quality infrastructure assets. BBI's investment strategy focuses on acquiring, managing and operating quality infrastructure assets in Australia and internationally. BBI's current portfolio is diversified across two asset classes:

Asset Class	FY07 BBI EBITDA*	Contribution to FY07 BBI EBITDA*
Transport	\$299.4m	53%
Energy Transmission and Distribution	\$266.7m	47%
Total	\$566.1m	100%

*Excluding BBI corporate overheads

Transport

BBI's Transport infrastructure portfolio is driven largely by the continued growth of global trade. This growth is a function of global and regional GDP growth which in turn is in part caused by the continuing and growing dislocation between the location of resources, the location of manufacturing bases and the location of key areas of consumption in the developed world. These factors have led to world trade volumes growing at over two times GDP when measured over the last 20 years with global seaborne trade growing at a CAGR of 3.7% during this time.

BBI has a portfolio of high quality transport infrastructure assets that contributed 53% of BBI's total FY07 EBITDA. These assets provide BBI with exposure to this global GDP plus growth in trade and growing demand for commodities.

² The remaining 20% interest of MidCon will be held by the vendor, Knight Inc, a premier pipeline operator in the US, who will continue to operate and maintain NGPL

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Asset	Description	Contribution to FY07 Transportation EBITDA*	Contribution to FY07 BBI EBITDA*
European & US Ports	BBI Euroports is a portfolio of seven European concession port operators PD Ports is a major British landlord ports operator and owner of the 2 nd largest port in the United Kingdom ICS – A US based port operator	\$113.0m	20% ³
WestNet Rail	A 51% equity interest in a rail infrastructure business based in Western Australia	\$104.0m	18.4% ⁴
DBCT	One of the worlds largest coal export facilities, located in Queensland	\$82.4m	14.6%

Energy Transmission and Distribution

BBI has a portfolio of high quality energy transmission and distribution (ET&D) infrastructure assets that contributed 47% of BBI's total FY07 EBITDA and provide BBI with businesses that provide CPI related revenue growth and strong stable cashflows.

Asset	Description	Contribution to FY07 ET&D EBITDA*	Contribution to FY07 BBI EBITDA*
Powerco	The second largest electricity and gas distribution business in New Zealand	\$182.7m	32.3%
IEG	A natural gas and LPG distribution and supply business in the United Kingdom, Channel Islands, Isle of Man and Portugal	\$66.5m	11.7%
Cross Sound Cable	a HVDC transmission cable which links the electricity grids of Long	\$17.5m	3%

³ EBITDA includes 100% of the BBI Euroports portfolio from the date of acquisition to 30 June 2007. During the period ended 30 June 2007 BBI owned 51% of the BBI Euroports portfolio and the FY07 EBITDA result comprises 12 months of WCT and 1 month of TPS. The proforma FY08 forecast (100% combined) EBITDA of the BBI Euroports portfolio is approximately €89.7 million (assuming all ports were acquired from 1 July 2007)

⁴ EBITDA represents 100% of WestNet Rail's of which BBI owns 51% (Note: BBI has a call option over the 49% minority interest in West Net Rail)

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Asset	Description	Contribution to FY07 EBITDA*	Contribution to ET&D FY07 BBI EBITDA*
	Island and Connecticut in the US		
NGPL	BBI announced on 11 December 2007 that it had agreed to acquire a 32% stake (the single largest) in Natural Gas Pipeline Company of America (NGPL). ⁵	n/a	n/a
Aust Energy Transmission & Distribution assets **	A portfolio comprising four gas transmission and distribution businesses located in Western Australia, Victoria and Tasmania and an interest in an O&M business located in WA	n/a	n/a

* Excluding BBI corporate overheads

** These assets were acquired by BBI in September 2007 and had no EBITDA contribution to BBI in FY07.

BBI is managed by Babcock & Brown Infrastructure Management Pty Limited (BBIM), a subsidiary of Babcock & Brown Limited (ASX: BNB), a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments, particularly infrastructure investments.

BBI is listed on the Australian Stock Exchange and has a market capitalisation of approximately A\$2.9 billion.

For further information please visit our website: www.bbinfrastructure.com

⁵ The acquisition of NGPL is subject to final closing