

BABCOCK & BROWN INFRASTRUCTURE

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ASX RELEASE

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DBCT EXPANSION UPDATE - PHASE 1 COMPLETED

Infrastructure investment specialised fund group, Babcock & Brown Infrastructure (ASX: BBI) today announces that Phase 1 of it's A\$1.3 billion 7X expansion project at Dalrymple Bay Coal Terminal ("DBCT") has been completed. Phase 1 completion takes DBCT's capacity from 59Mtpa to 68Mtpa. Completion of Phase 2/3 will result in a DBCT capacity of 85Mtpa.

This significant milestone is the culmination of several years of intense design and construction activity within an operating terminal. The Phase 1 expansion consists of a new 3rd train inloading facility & conveyor system and various major upgrades to the stockyard, including three new yard machines.

The Queensland Competition Authority (QCA) has to complete a review of expansion costs before confirming their acceptance into the DBCT regulated asset base. However, 100% of DBCT 7X expansion contracts submitted to and reviewed by the QCA to date have satisfied all expenditure approval requirements. These contracts, which cover both Phase 1 and Phase 2/3 works had a total value of \$695.7 million as at 31 January 2008.

Preliminary approval has been received from the QCA to commence charging for the new expansion capacity (which is fully contracted on long term, 100% take or pay contracts) based on forecast expansion costs (in effect a forecast regulated asset base). This allows BBI to earn additional revenue from 1 April 2008, in line with the forecasts provided as part of the BBI half year results package released last week.

BBI's Project Director (and Acting Chief Executive of DBCT), Eric Kolatchew, said today, "This major achievement will benefit both BBI and our coal mining customers. The challenge now is for the rest of the Goonyella Coal Supply Chain to boost export performance to match DBCT's new capacity."

BBI's CEO Jeff Kendrew said, "This milestone further demonstrates BBI's strategy of acquiring assets with accretive embedded growth potential and its ability to deliver on such organic expansion. Over the coming year we look forward to completing the remaining Phase 2/3 expansion works and investing in a range of other near term attractive internal growth projects within our portfolio."

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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

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\$2.5 billion.

ABOUT DBCT

Dalrymple Bay Coal Terminal (DBCT) is the world's third largest coal export facility, located in Queensland, Australia.

On 28 July 2006, BBI (DBCT) Management Pty Ltd (BBI-DBCT), a wholly owned subsidiary of BBI, submitted a capacity expansion application relating to Phase 1 of the Project 7X expansion (Phase 1) of the Dalrymple Bay Coal Terminal (DBCT) to the Queensland Competition Authority (QCA).

Phase 1 of the DBCT 7X project will increase the terminal's capacity by 8Mtpa to 68Mtpa, and cost of approximately \$530 million (including contingency, excluding financing costs).

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