

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder**To: Company Name/Scheme BABCOCK AND BLOWN CAPITAL LTDACN/ARSN ACN 112 119 203**1. Details of substantial holder (1)**Name PENDVEST LLP

ACN/ARSN (if applicable)

The holder became a substantial holder on 19/11/2007**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
<u>ORDINARY SHARES</u>	<u>10,044,618</u>	<u>10,044,618</u>	<u>5.02%</u>

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
<u>SEE APPENDIX 1</u>		

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
<u>SEE APPENDIX 2</u>			

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
<u>SEE APPENDIX 3</u>				

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
SEE APPENDIX 4	

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
SEE APPENDIX 5	

**Signature**

print name

ANDREW SWITASEWSKI

capacity

PARTNER

sign here



date

19/11/2007.

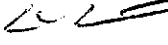
**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**Appendices 1 to 5**

This is Appendices 1 to 5 of 2 pages referred to in the Form 603 signed by me on 19 November 2007

Signature:   
 Name: Andrew Switajewski  
 Capacity: Partner, Pendvest LLP

**Appendix 1**

Holder of relevant interest	Nature of relevant interest	Class and number of securities	
PendVest LLP	Relevant interest under section 608(1)(c) of the Corporations Act as a result of dispositive power under an investment management agreement with the PendVest Master Fund Ltd and an investment advisory agreement with the General Partner of PendVest Offshore LP	Ordinary Shares	10,044,618
PendVest Offshore LP	Beneficial Owner	Ordinary Shares	5,041,628
PendVest MasterFund Ltd	Beneficial Owner	Ordinary Shares	1,380,000
Andrew Switajewski	Beneficial Owner	Ordinary Shares	3,490,492
Seamus FitzPatrick	Beneficial Owner	Ordinary Shares	132,500

**Appendix 2**

Holder of relevant interest	Registered Holder of Securities	Person entitled to be registered as holder	Class and number of securities
PendVest Offshore LP	Bear Stearns	PendVest Offshore LP	Ordinary Shares 5,041,628
PendVest MasterFund Ltd	Bear Stearns	PendVest MasterFund Ltd	Ordinary Shares 1,380,000
Andrew Switajewski	Andrew Switajewski	Andrew Switajewski	Ordinary Shares 3,490,492
Seamus FitzPatrick	Seamus FitzPatrick	Seamus FitzPatrick	Ordinary Shares 132,500

**Appendix 3**

Holder of relevant interest	Date of Acquisition	Consideration	Class and number of securities
PendVest Offshore LP and PendVest LLP	20/07/2007	401,588.94	Ordinary Shares 75,000
PendVest Offshore LP and PendVest LLP	26/07/2007	205,356.83	Ordinary Shares 38,000
PendVest Offshore LP and PendVest LLP	25/07/2007	199,313.31	Ordinary Shares 37,000
PendVest Offshore LP and PendVest LLP	31/07/2007	1,178,468.84	Ordinary Shares 230,000
PendVest Offshore LP and PendVest LLP	06/08/2007	453,465.12	Ordinary Shares 100,000
PendVest Offshore LP and PendVest LLP	07/08/2007	897,368.28	Ordinary Shares 150,000
PendVest Offshore LP and PendVest LLP	20/08/2007	521,676.86	Ordinary Shares 130,000
PendVest Offshore LP and PendVest LLP	09/10/2007	37,033.92	Ordinary Shares 8,000
PendVest Offshore LP and PendVest LLP	10/10/2007	112,859.89	Ordinary Shares 24,000
PendVest Offshore LP and PendVest LLP	11/10/2007	73,148.69	Ordinary Shares 15,508
PendVest Offshore LP and PendVest LLP	15/10/2007	1,753,997.41	Ordinary Shares 363,368
PendVest Offshore LP and PendVest LLP	16/10/2007	2,178,345.40	Ordinary Shares 456,453
PendVest Offshore LP and PendVest LLP	17/10/2007	606,155.36	Ordinary Shares 128,448
PendVest Offshore LP and PendVest LLP	18/10/2007	118,260.18	Ordinary Shares 24,362
PendVest Offshore LP and PendVest LLP	19/10/2007	1,352,819.31	Ordinary Shares 270,000
PendVest Offshore LP and PendVest LLP	23/10/2007	605,854.98	Ordinary Shares 124,659
PendVest Offshore LP and PendVest LLP	24/10/2007	2,689,810.84	Ordinary Shares 554,953
PendVest Offshore LP and PendVest LLP	25/10/2007	343,205.61	Ordinary Shares 71,673
PendVest Offshore LP and PendVest LLP	26/10/2007	733,859.21	Ordinary Shares 150,000
PendVest Offshore LP and PendVest LLP	29/10/2007	494,391.90	Ordinary Shares 100,000
PendVest Offshore LP and PendVest LLP	30/10/2007	981,797.99	Ordinary Shares 200,000
PendVest Offshore LP and PendVest LLP	31/10/2007	487,098.79	Ordinary Shares 100,000
PendVest Offshore LP and PendVest LLP	06/11/2007	1,139,799.73	Ordinary Shares 237,115
PendVest Offshore LP and PendVest LLP	07/11/2007	391,281.37	Ordinary Shares 80,000
PendVest Offshore LP and PendVest LLP	08/11/2007	94,871.30	Ordinary Shares 20,000
PendVest Offshore LP and PendVest LLP	19/11/2007	718,447.98	Ordinary Shares 150,000
PendVest MasterFund Ltd and PendVest LLP	20/08/2007	321,269.56	Ordinary Shares 80,000
Andrew Switajewski	02/08/2007	495,943.12	Ordinary Shares 100,000
Andrew Switajewski	07/08/2007	466,118.69	Ordinary Shares 100,000
Andrew Switajewski	14/08/2007	453,732.29	Ordinary Shares 100,000
Andrew Switajewski	17/08/2007	486,847.46	Ordinary Shares 125,000
Andrew Switajewski	20/08/2007	806,571.40	Ordinary Shares 200,000
Andrew Switajewski	23/08/2007	44,233.86	Ordinary Shares 10,861
Andrew Switajewski	28/08/2007	205,449.51	Ordinary Shares 50,000
Andrew Switajewski	05/09/2007	272,140.50	Ordinary Shares 64,039
Andrew Switajewski	12/09/2007	618,483.48	Ordinary Shares 150,000
Andrew Switajewski	04/10/2007	422,884.86	Ordinary Shares 100,000
Andrew Switajewski	08/10/2007	504,232.04	Ordinary Shares 111,000
Andrew Switajewski	09/10/2007	28,822.13	Ordinary Shares 6,223
Andrew Switajewski	10/10/2007	109,476.98	Ordinary Shares 23,269
Andrew Switajewski	31/10/2007	244,230.50	Ordinary Shares 50,000
Andrew Switajewski	08/11/2007	481,410.83	Ordinary Shares 100,000
Andrew Switajewski	07/11/2007	244,767.17	Ordinary Shares 50,000
Andrew Switajewski	19/11/2007	715,426.32	Ordinary Shares 150,000

**Appendix 3 (continued)**

Holder of relevant interest	Date of Acquisition	Consideration	Class and number of securities	
Seamus FitzPatrick	27/07/2007	25,777.10	Ordinary Shares	5,000
Seamus FitzPatrick	30/07/2007	26,076.00	Ordinary Shares	5,000
Seamus FitzPatrick	17/08/2007	88,467.20	Ordinary Shares	25,000
Seamus FitzPatrick	21/08/2007	89,969.18	Ordinary Shares	25,000

**Appendix 4**

Name	Nature of association
Andrew Switajewski	Partner of PendVest LLP, therefore, an associate under section 12 of the Corporations Act
Seamus FitzPatrick	Partner of PendVest LLP, therefore, an associate under section 12 of the Corporations Act

**Appendix 5**

Name	Address
PendVest LLP	100 Pall Mall, London, SW11 6JT, United Kingdom
PendVest Offshore LP	Walker House, P.O. Box 908GT, Mary Street, George Town, Grand Cayman, KY1-9002, Cayman Islands, British West Indies
PendVest Master Fund	Walker House, P.O. Box 908GT, Mary Street, George Town, Grand Cayman, KY1-9002, Cayman Islands, British West Indies
Andrew Switajewski	C/o PendVest LLP, 100 Pall Mall, London, SW11 6JT, United Kingdom
Seamus FitzPatrick	C/o PendVest LLP, 100 Pall Mall, London, SW11 6JT, United Kingdom