

BABCOCK & BROWN CAPITAL LIMITED

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ASX Release

5 December 2007

REQUEST FOR GENERAL MEETING OF MEMBERS BABCOCK & BROWN CAPITAL LIMITED (BCM)

Babcock & Brown Capital Limited ("BCM") today announced that it had confirmation from PendVest LLP ("PendVest") that it no longer required BCM to hold a meeting of shareholders to consider the resolutions foreshadowed in its facsimile dated 28 November 2007. As a result of that confirmation, BCM advises that the shareholders' meeting referred to in its previous announcements will not be convened.

PendVest gave its confirmation based on discussions with BCM and its Independent Chairman.

In those discussions, BCM explained to PendVest that it believed that the value in BCM's eircom and Golden Pages investments were best realised over the medium term and not in the short term. PendVest acknowledged the value of those investments and that they fitted well with BCM's investment mandate as set out in the original prospectus. Further, BCM confirmed that the cash and marketable securities balance (approximately A\$445m) held by BCM has now been formally allocated to pursue specific identified investments and, on that basis, was not properly available for a return of capital.

However, BCM does acknowledge the desire of PendVest and other shareholders to understand the profile of BCM's investments, both in terms of their operations, value crystallisation triggers and potential for returns to shareholders. In order to help with that understanding, BCM will provide shareholders with an update on its investments by the end of the first quarter of 2008. While disclosure of fees to Babcock & Brown has been made in accordance with ASX and other requirements, as part of that review BCM will provide disclosure on those fees paid to Babcock & Brown by BCM. That disclosure will include comparisons to fees paid by other funds in the market.

BCM and its directors do acknowledge that BCM's shares are trading at a significant discount to the underlying value of its assets and they confirm their desire to focus on closing that gap. BCM and its directors believe that the update in the first quarter of 2008, will be a step along the way in that regard.

ENDS

Further Information:

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About Babcock & Brown Capital Limited

Babcock & Brown Capital is an Australian-based investment company that focuses on a concentrated portfolio with a flexible investment horizon. The Company's mandate allows it to build positions in domestic and overseas companies and both listed and private entities. Babcock & Brown Capital concentrates on growing the value of its investments over time. Investments are held while they continue to meet the Company's investment objectives. Babcock & Brown Capital listed on the Australian Stock Exchange in February 2005.

eircom

BCM holds a 57.1% interest in eircom representing an investment of approximately \$448 million. Associates of Babcock & Brown hold an additional 7.9% and existing and former employees hold the remaining 35% through their share ownership trust, the ESOT.

eircom owns Ireland's copper and fibre backbone telecommunications network. It is the largest provider of fixed line wholesale and retail telecommunication services in Ireland and has 70% of the fast growing broadband market. eircom's mobile business has a rapidly growing 18.5% share of the mobile market.

Golden Pages

BCM acquired Golden Pages in July 2007. Golden Pages is the leading Israeli directories business with portfolio of complementary directory and search businesses operating across four distribution platforms.

Golden Pages was acquired for an enterprise value of A\$248 million, requiring an equity investment of A\$152 million.

For further information please see our website: www.babcockbrowncapital.com