

7 December 2005

ASX Announcement

BCMCA – Notification of Second Instalment

The Board of Babcock & Brown Capital Limited (ASX: BCMCA) confirmed today that in line with the Prospectus dated 24 December 2004, the second instalment of \$2.50 per share will be payable by shareholders on 6 February 2006.

As BCMCA has invested in excess of 70% of its available cash reserves, the Board believes that BCMCA and its shareholders are best served by putting BCMCA in a position of financial strength and flexibility to continue to pursue potential investment opportunities.

The statement by the Swiss Government that it would prevent Swisscom from bidding for another telecommunications operator does not change BCMCA's view on Eircom Group PLC as an investment. BCMCA will continue to focus on its plans for maximising its investment which has the characteristics and opportunities that BCMCA identified as key investment criteria in its Prospectus.

A First Notice will be despatched to all shareholders by 20 December 2005. The last day for trading partly paid "call unpaid" securities will be 20 January 2006.

For further information please contact:

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About Babcock & Brown Capital

Babcock & Brown Capital is an Australian-based investment company that focuses on a concentrated portfolio with a flexible investment horizon. It may build positions in domestic and overseas, listed and private entities. Babcock & Brown Capital will focus its efforts on growing the value of its investments over time. Investments will be held while they continue to meet the Company's investment objectives. Babcock & Brown Capital listed on the Australian Stock Exchange in February 2005.

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