

BABCOCK & BROWN
CAPITAL LIMITED

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ASX Release

30 October 2008

NON BINDING INDICATIVE PROPOSAL FROM LIT PLC

The Board of Babcock & Brown Capital Limited (ASX: BCM) notes the news reports and press release by LIT plc (“LIT”) in relation to a non-binding indicative proposal for the acquisition of BCM.

On Monday evening, LIT wrote to the Chairman of BCM wishing to explore an offer for the outstanding equity share capital of BCM. The consideration proposed by LIT was in the form of shares in LIT plc, an AIM-listed entity with a market cap of GBP 99 million. LIT was also proposing that BCM make a cash dividend payment (amount unspecified) from BCM’s existing cash. However, LIT did not provide an indicative value in relation to their proposal. LIT indicated that the value of their proposal would only be determined following a due diligence review.

BCM understands that LIT has announced its intention to revisit the course of action and that it is considering requisitioning an extraordinary general meeting of BCM to approve the appointment of three independent shareholder representatives to the Board of BCM.

Until LIT has clarified its intentions in relation to BCM, the Directors do not consider it necessary or possible to assess the proposal or make any recommendations to Shareholders.

BCM intends to respond to LIT accordingly.

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. 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 Securities 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 69% of the fast growing retail DSL broadband market. eircom's mobile business has a growing 19% share of the mobile market.

Golden Pages

BCM holds 100% of Golden Pages representing an equity investment of approximately \$152 million. Golden Pages is the leading Israeli directories business which has a portfolio of complementary directory and search businesses operating across four distribution platforms.

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