

**BABCOCK & BROWN
CAPITAL LIMITED**

Babcock & Brown Capital Limited · ABN 31 112 119 203
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia
T +61 2 9229 1800 · F +61 2 9231 5619 · www.babcockbrowncapital.com



ASX Release

30 December 2008

CEASING TO BE A SUBSTANTIAL HOLDER

Please find attached Notice of ceasing to be a substantial holder from Pendvest LLP for their holding in Babcock & Brown Capital Limited.

ENDS

Further Information:

Erica Borgelt
Investor Relations
Babcock & Brown
+61 2 9229 1800

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

Form 605

Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name/Scheme Babcock & Brown Capital Ltd

ACN/ARSN ACN 112 119 203

1. Details of substantial holder(1)

Name Pendvest LLP - See Appendix 1

ACN/ARSN (if applicable)

The holder ceased to be a substantial holder on 26/11/2008

The previous notice was given to the company on 19/11/2007

The previous notice was dated 19/11/2007

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (4) | Consideration given in relation to change(5) | Class (6) and number of securities affected | Person's votes affected |
|----------------|----------------------------------------|----------------------|----------------------------------------------|---------------------------------------------|-------------------------|
| 26/11/08 | Pendvest LLP | Reduction in | Average Price | Ordinary | 4.97% |
| | See Appendices 1&2 | Voting Power | \$1.33 | 135,000 | |

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| See - Appendix 1 | |

4. Addresses

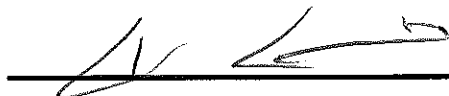
The addresses of persons named in this form are as follows:

| Name | Address |
|------------------|---------|
| See - Appendix 3 | |

Signature

print name Andrew Switajewski capacity Partner

sign here




date 27/11/2008

PENDVEST

This is "Appendices 1,2 and 3" of 1 page referred to in Form 605 Notice of ceasing to be a substantial holder

Appendices 1 to 3

| | |
|----------------------------------------------------------------------------------------------|------------------|
| Signature:  | Date: 27/11/2008 |
| Name: Andrew Switajewski | |
| Capacity: Partner, Pendvest LLP | |

Appendix 1

| Holder of relevant Interest | Nature of relevant Interest | Class and number of securities - Current Holding | |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------|
| PendVest LLP | 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 | 8,338,440 |
| PendVest Offshore LP | Beneficial Owner | Ordinary Shares | 5,281,626 |
| PendVest MasterFund Ltd | Beneficial Owner | Ordinary Shares | 743,946 |
| Andrew Switajewski | Beneficial Owner | Ordinary Shares | 2,180,368 |
| 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 Lodged 19/11/2007 | |
|-----------------------------|---------------------------------|--------------------------------------------|--------------------------------------------------|-------------------|
| Pendvest LLP | As below | As below | Ordinary Shares | 10,044,618 |
| PendVest Offshore LP | Citicorp Nominees | PendVest Offshore LP | Ordinary Shares | 5,041,626 |
| PendVest MasterFund Ltd | Citicorp Nominees | 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

| 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- |
| PendVest Master Fund | Walker House, P.O. Box 908GT, Mary Street, George Town, Grand Cayman, KY1- |
| 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 |