BABCOCK & BROWN
POWER

Babcock & Brown Power Limited · ABN 67 116 665 608
Babcock & Brown Power Services Limited · ABN 37 118 165 156
As responsible entity for Babcock & Brown Power Trust · ARSN 122 375 562
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18 November 2009

Notice of Annual General Meeting

Babcock & Brown Power (ASX: BBP) advises that the attached BBP 2009 Notice of Annual General Meeting (together with a Proxy Form) has been dispatched to Securityholders today.

In addition to the ordinary business that will be considered at BBP's Annual General meeting (e.g. presentation of the Financial Reports, adoption of the Remuneration Report and Director re-elections), two items of special business will be presented to BBP securityholders for approval.

Firstly, BBP is seeking securityholder approval to change its name to Alinta Energy Limited. The name seeks to leverage both the ongoing strength and recognition of the Alinta brand in Australia, as well as the diversity of our business across the power generation and retail energy sectors. BBP believes that changing its name is a critical step in moving forward as an independent, stand-alone energy business.

Secondly, BBP is also seeking securityholder approval for the provision of financial assistance relating to the internal restructuring of two BBP entities which are likely to become wholly-owned subsidiaries of BBP Finance Australia Pty Ltd. The approval being sought for the financial assistance is both a requirement of the Corporations Act and a necessary step in BBP's ongoing restructuring of its financing agreements with its bank syndicate. Further information is included in the Notice of Meeting.

Details of the BBP Annual General Meeting are as follows:

Time: 10.00am (Sydney time)

Date: Friday, 18 December 2009

Venue: Customs House, Level 1, 31 Alfred Street, Circular Quay, Sydney, NSW, Australia

The BBP 2009 Notice of Annual General Meeting, together with the BBP 2009 Annual Report, will also be available on BBP's website **www.bbpower.com**.

Please note Proxy Forms may also be lodged online at Link Market Services' website **www.linkmarketservices.com.au** in accordance with the instructions provided on that website.

ENDS

Further Information:

Ross Rolfe AO	Peter Brook
Chief Executive Officer	Chief Financial Officer
Ph + 61 2 9372 2627	Ph + 61 2 9372 2623

About Babcock & Brown Power

Babcock & Brown Power (ASX:BBP) is a power generation and energy retail business, with assets diversified by geographic location, fuel source, contract type and operating mode. The portfolio has interests in 12 operating power stations representing approximately 2,800MW[1] of installed generation capacity. BBP also owns the Alinta retail business in WA.

[1] Some assets have minority shareholders.

Babcock & Brown Power
Notice of Meetings and Explanatory Memorandum

BABCOCK & BROWN POWER LIMITED (ABN 67 116 665 608)
BABCOCK & BROWN POWER SERVICES LIMITED (ABN 37 118 165 156)
AS RESPONSIBLE ENTITY OF BABCOCK & BROWN POWER TRUST (ARSN 122 375 562)

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This Notice of Meetings and Explanatory Memorandum is given by Babcock & Brown Power Limited ("**BBPL**") and Babcock & Brown Power Services Limited ("**BBPS**") (as the responsible entity of Babcock & Brown Power Trust ("**BBPT**")) to Babcock & Brown Power ("**BBP**") Securityholders. Securities are comprised of a BBPL share stapled to a BBPT unit.

This Notice of Meetings and Explanatory Memorandum is dated 12 November 2009.

KEY DATES

Last date and time for receipt of Proxy Forms	10.00am on Wednesday, 16 December 2009
Record date for establishing entitlements to vote at the Meetings	7.00pm on Wednesday, 16 December 2009
Meetings	10.00am on Friday, 18 December 2009

STEPS FOR SECURITYHOLDERS

This section sets out the steps that Securityholders should take.

STEP 1
Read the Notice of Meetings and Explanatory Memorandum

The Notice of Meetings sets out the Resolutions on which Securityholders are being asked to vote, and the Explanatory Memorandum sets out further details of matters to which the Resolutions relate.

You should read the Notice of Meetings and Explanatory Memorandum in full and decide which way you will vote on the Resolutions. If you are undecided what to do in respect of any of the Resolutions or otherwise unsure what to do in relation to your Securities, you should consult your accountant, stockbroker or other professional adviser.

STEP 2
Vote on the Resolutions

As a Securityholder, it is your right to vote on whether the Resolutions are approved.

Securityholders may vote on the Resolutions in person at the Meetings to be held on 18 December 2009 or by proxy (using the enclosed Proxy Form).

For complete instructions on how to vote, see the Notice of Meetings and Proxy Form.

SECTION 1
NOTICE OF MEETINGS

NOTICE OF

ANNUAL GENERAL MEETING OF SHAREHOLDERS OF BABCOCK & BROWN POWER LIMITED (ACN 116 665 608) ("BBPL")

AND

GENERAL MEETING OF UNITHOLDERS OF BABCOCK & BROWN POWER TRUST (ARSN 122 375 562) ("BBPT")

ISSUED BY BBPL AND BABCOCK & BROWN POWER SERVICES LIMITED (ACN 118 165 156; AFSL NO. 299 943) ("BBPS") AS THE RESPONSIBLE ENTITY OF BBPT

BBPL AND BBPT ARE TOGETHER REFERRED TO AS BBP

NOTICE IS GIVEN THAT THE 2009 ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF BBPL WILL BE HELD CONCURRENTLY WITH A GENERAL MEETING OF UNITHOLDERS OF BBPT AS FOLLOWS:

Time:	10.00am Sydney time
Date:	Friday, 18 December 2009
Place:	Customs House, Level 1, 31 Alfred Street, Circular Quay, Sydney, NSW, Australia

1.1 ORDINARY BUSINESS

1.1.1 Presentation of Financial Reports – BBPL and BBPT

To receive and consider the combined consolidated financial report of BBPL and the separate financial report of BBPT, as well as the reports of the BBP Directors and Auditor for the year ended 30 June 2009.

There is no vote on this item.

1.1.2 Resolution 1: Remuneration Report – BBPL only

To consider and, if thought fit, to pass the following as an ordinary resolution of BBPL:

That the Remuneration Report for the year ended 30 June 2009 be adopted.

The Remuneration Report is set out on pages 39 to 44 of the BBP Annual Report 2009.

This is a non-binding advisory vote.

1.1.3 Resolution 2: BBPL Director re-election – BBPL only

To consider and, if thought fit, to pass the following as an ordinary resolution of BBPL:

That Len Gill, being a Director of BBPL who retires as a Director by rotation in accordance with rule 7.1(d) of the BBPL Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of BBPL.

The BBPL Directors, other than Len Gill, recommend that Shareholders vote in favour of adopting this resolution.

For this resolution to be passed, more than 50% of the votes cast by Shareholders entitled to vote on the resolution must be in favour of the resolution.

1.1.4 Resolution 3: BBPL Director re-election – BBPL only

To consider and, if thought fit, to pass the following as an ordinary resolution of BBPL:

That Peter Kinsey, being a Director of BBPL who retires as a Director by rotation in accordance with rule 7.1(d) of the BBPL Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of BBPL.

The BBPL Directors, other than Peter Kinsey, recommend that Shareholders vote in favour of adopting this resolution.

For this resolution to be passed, more than 50% of the votes cast by Shareholders entitled to vote on the resolution must be in favour of the resolution

1.2 SPECIAL BUSINESS

1.2.1 Resolution 4: Approval of financial assistance by BBP Energy Markets Pty Limited and Neighbourhood Energy Pty Limited – BBPL only

To consider and, if thought fit, to pass the following resolution as a special resolution of BBPL:

That:

(a) BBPL approves for all purposes, including section 260B(2) of the Corporations Act 2001 (Cth), the giving of any financial assistance by:

(i) BBP Energy Markets Pty Limited and its subsidiaries in connection with the acquisition by BBP Finance Australia Pty Limited of all the shares in BBP Energy Markets Pty Limited; and

(ii) Neighbourhood Energy Pty Limited and its subsidiaries in connection with the acquisition by BBP ONE Pty Ltd and CMO Energy (NZ) Ltd of the remaining minority interest in Neighbourhood Energy Pty Limited,

including, without limitation:

(iii) in each case, being joined as a guarantor and obligor to the BBPF Syndicated Facility and the related Security Trust Deed;

(iv) in each case, granting security over all of its assets from time to time by way of security for all of its and the other BBPF Group members' liabilities from time to time to the parties from time to time to the Security Trust Deed;

(v) in the case of BBP Energy Markets Pty Limited, making its cash assets from time to time available to BBP Finance Australia Pty Limited, its subsidiaries or any of them,

and as otherwise described in Section 2.2.1 of the Explanatory Memorandum accompanying the Notice of Meetings convening this Meeting; and

(b) BBP Energy Markets Pty Limited and Neighbourhood Energy Pty Limited and their respective subsidiaries may from time to time enter into and give effect to any documentation and transactions comprising or otherwise connected with any financial assistance described above or in Section 2.2.1 of the Explanatory Memorandum accompanying the Notice of Meetings convening this Meeting.

All the BBPL Directors voted at a BBPL board meeting in favour of recommending that Shareholders vote in favour of this resolution.

For further information, please refer to section 2.2.1 of the Explanatory Memorandum accompanying this Notice of Meetings.

For this resolution to be passed, at least 75% of the votes cast by Shareholders who are entitled to vote on the resolution must be in favour of the resolution.

1.2.2 Resolution 5: Change of company name – BBPL only
To consider and, if thought fit, to pass the following resolution as a special resolution of BBPL:

That, for the purposes of Section 157(1) of the Corporations Act (Cth) and for all other purposes, the name of BBPL be changed to "Alinta Energy Limited" with effect from the date that the Australian Securities and Investments Commission alters the details of the registration in accordance with the Corporations Act.

All the BBPL Directors voted at a BBPL board meeting in favour of recommending that Shareholders vote in favour of this resolution.

For this resolution to be passed, at least 75% of the votes cast by Shareholders entitled to vote on the resolution must be in favour of the resolution.

1.2.3 Resolution 6: Amendment to BBPL Constitution as a result of change of company name – BBPL only
To consider and, if thought fit, to pass the following resolution as a special resolution:

That, conditional upon Resolution 5 being passed, the BBPL Constitution is amended accordingly to reflect the change of name of BBPL to "Alinta Energy Limited".

All the BBPL Directors voted at a BBPL board meeting in favour of recommending that Shareholders vote in favour of this resolution.

For this resolution to be passed, at least 75% of the votes cast by Shareholders entitled to vote on the resolution must be in favour of the resolution.

1.3 VOTING INSTRUCTIONS
1.3.1 Entitlement to vote
For the purposes of the Meetings, Securities will be taken to be held by those persons who are registered as Securityholders at 7.00pm (Sydney time) on Wednesday, 16 December 2009 and the entitlement of Securityholders to vote at the Meetings will be determined by reference to that time.

Accordingly, Security transfers registered after that time will be disregarded in determining any entitlement to attend and vote at the Meetings.

1.3.2 Voting in person
Individuals
If you plan to attend the Meetings in person, we ask you to arrive at the venue at least 30 minutes before the time designated for the start of the Meetings. This gives time for us to note your attendance and to check the value of your Securities against BBP's Registry. That value forms the basis of determining the number of votes you are able to exercise at the Meetings.

Corporations
To vote at the Meetings, a Securityholder that is a corporation must appoint an individual to act as its representative, whether through a corporate representative, an attorney or a proxy.

The appointment in respect of BBPL must comply with section 250D of the Corporations Act. An appointment in respect of BBPT must comply with section 253B of the Corporations Act. An attorney or corporate representative should bring to the Meetings evidence of his or her appointment including any authority under which it is signed, and in the case of appointment of a corporate representative a form of "Certificate of Appointment of Corporate Representative" may be obtained from BBP's Registry (see contact details below). Alternatively, a corporation may appoint a proxy.

1.3.3 Method of voting
On a show of hands, every Securityholder present in person has one vote and:

- in the case of a resolution of BBPL, each other person present as a proxy, attorney or duly appointed corporate representative of a Shareholder has one vote; and
- in the case of a resolution of BBPT, each other person present as a proxy, attorney or duly appointed corporate representative of a Unitholder has one vote.

On a poll:

- in the case of a resolution of BBPL, each Shareholder present in person has one vote for each share they hold. Also, each person present as a proxy, attorney or duly appointed corporate representative of a Shareholder has one vote for each share held by the Shareholder that the person represents; and
- in the case of a resolution of BBPT, each Unitholder present in person has one vote for each one dollar of the value of the units in BBPT held by the Unitholder. Also, each person present as proxy, attorney or duly appointed corporate representative of a Unitholder has one vote for each one dollar of the value of the units in BBPT held by the Unitholder that the person represents.

1.3.4 Voting by proxy

If you do not plan to attend the Meetings in person, you are encouraged to complete and return the Proxy Form which accompanies this Notice of Meetings.

Any Securityholder entitled to attend and vote at the Meetings is entitled to appoint one or two proxies. If two proxies are appointed, the Securityholder may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Securityholder's voting rights.

If you wish to appoint one proxy, please use the form provided. If you wish to appoint two proxies, then you may either copy the form provided or contact BBP's Registry by telephoning 1800 260 668 or +61 2 8280 7619 to obtain an additional Proxy Form.

Proxy voting instructions are provided on the Proxy Form. A proxy need not be a Securityholder of BBP.

The constituent documents of each of BBPL and BBPT provide that, on a show of hands, every person present and qualified to vote has one vote. If you appoint one proxy, that proxy will have one vote on a show of hands. If you appoint a proxy who is also a Securityholder or is also a proxy for another Securityholder, your directions may not be effective on a show of hands, but your directions will be effective if a poll is required and your proxy votes.

If the proxy appointment is executed under a power of attorney, the original authority under which the appointment was signed or a certified copy of the authority must be received by BBP's Registry.

The Proxy Form contains further information on voting by proxy, and how the Chairman of the Meetings proposes to cast undirected proxy votes given to him.

To be effective, the Proxy Form must be sent to BBP's Registry, Link Market Services:

By mail
Locked Bag A14
Sydney South
NSW 1235

By hand
Level 12
680 George Street
Sydney NSW 2000

By fax
+61 2 9287 0309

By electronic lodgement
Link Market Services' website www.linkmarketservices.com.au, in accordance with the instructions provided on the website. You will need your Holder Identification Number (HIN) or Securityholder Reference Number (SRN) to lodge your proxy online.

Proxy Forms must be received at least **48 hours** before the time notified for the Meetings, that is, by 10.00am Sydney time on **Wednesday, 16 December 2009**.

Securityholders who complete and return a Proxy Form may still attend the Meetings in person, revoke the proxy and vote at the Meetings.

1.4 FURTHER INFORMATION

Should you require any further information or assistance, please contact BBP's Registry, Link Market Services, on +61 2 8280 7619 or, from within Australia, on 1800 260 668.

SECTION 2
EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum is intended to provide shareholders of BBPL ("**Shareholders**") and unitholders of BBPT ("**Unitholders**") (together "**Securityholders**") with information to assess the merits of the proposed Resolutions contained in the accompanying Notice of Meetings.

The Directors of the Boards of BBP recommend that Securityholders read the Explanatory Memorandum in full before making any decision on how to vote on the Resolutions.

This Explanatory Memorandum is divided into two parts. Part A deals with the ordinary business of the Meetings and Part B with the special business.

PART A – ORDINARY BUSINESS

2.1 ITEMS OF BUSINESS

2.1.1 Presentation of the Financial Reports – BBPL and BBPT

BBP has distributed both the BBP Annual Report 2009 and the BBPT Annual Financial Report 2009 to Securityholders. The financial reports, as well as the Directors' and Auditor's reports, are included within these Annual Reports. The BBP Annual Report 2009 and the BBPT Annual Financial Report 2009 are both available at BBP's website www.bbpower.com.

Securityholders are not required to vote on the financial reports and the Directors' and Auditor's reports. However, an opportunity for Securityholders to discuss the financial and other reports will be provided at the Meetings.

2.1.2 Resolution 1: To adopt the Remuneration Report – BBPL only

Securityholders are asked to consider and adopt the Remuneration Report of BBPL by way of a non-binding resolution. The Remuneration Report is set out in the BBP Annual Report 2009 and is also available from BBP's website www.bbpower.com.

An opportunity to discuss the Remuneration Report will be provided at the Meeting.

The BBP Directors consider that the Remuneration Report discloses that the nature and level of the remuneration paid to BBP Directors and Senior Executives is fair, reasonable and comparable to other organisations of similar scale. The vote on the Remuneration Report is advisory only, and does not bind the BBP Directors. Notwithstanding that the resolution does not bind the BBP Directors, the BBP Directors will take into account the discussion on this resolution and the outcome of the vote when considering the future remuneration arrangements of the BBP Directors and Senior Executives.

The BBPL Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report.

2.1.3 Resolution 2: Director re-election – BBPL only

Len Gill retires as a BBPL Director in accordance with rule 7.1(d) of the BBPL Constitution and, being eligible, offers himself for re-election. Len was originally appointed to the Board of BBPL on 29 October 2006.

Len has extensive knowledge and over 30 years' experience in the Australian energy industry. Len is the former Chief Executive Officer of TXU Australia (now TRUenergy). Prior to his appointment as Chief Executive Officer, Len headed TXU Australia's wholesale energy division for five years, which included general management responsibility for power generation and gas storage assets. Len is also a former Non-Executive Director of Verve Energy.

Len holds a Bachelor of Engineering (Hons) and is a member of the Australian Institute of Company Directors.

Len was appointed as the Independent Chairman to the Boards of BBP, effective from 1 July 2008. Len is also a member of the Audit, Risk & Compliance Committee, a member of the Nomination & Remuneration Committee and the Chairman of the Energy Trading & Risk Management Committee.

It is noted that Len Gill retired as a Director of BBPL and was re-elected at BBP's 2008 AGM. Len is offering himself for re-election at the 2009 AGM as a consequence of the operation of the BBPL Constitution and the limited number of Directors on the Board of BBPL. That is, the BBPL Constitution provides that where BBPL has five Directors or less, then at least two Directors must retire from office each year and face re-election at the AGM. Given that BBPL currently has four Directors on its Board and the CEO and Managing Director is exempt from the re-election process, then two of the remaining three Directors of BBPL will face re-election each year (insofar as the composition of the Board remains the same).

Len Gill abstains from recommending Resolution 2 due to his personal interest in the resolution. The other BBPL Directors unanimously and strongly recommend that Shareholders vote in favour of this resolution.

2.1.4 Resolution 3: Director re-election – BBPL only

Peter Kinsey retires as a BBPL Director in accordance with rule 7.1(d) of the BBPL Constitution and, being eligible, offers himself for re-election. Peter was originally appointed to the Board of BBPL on 29 October 2006.

Peter is currently the Regional Legal & Compliance Manager South Asia for the global ABB Limited Group and a Director of ABB Australia Pty Limited and ABB Limited (New Zealand). Peter has been a corporate lawyer for over 26 years in a number of major corporations. Peter has been involved in the negotiation of various types of commercial contracts, including power projects and transportation projects in countries such as Australia, New Zealand, the United States, Sweden, Japan, China, Thailand, Indonesia, Malaysia and India. Peter gives seminars on compliance and business ethics throughout Asia for ABB.

Prior to joining ABB, Peter was General Counsel at David's Holdings Pty Ltd and prior to that Corporate Legal Manager of Alliance Holdings Ltd.

Peter holds a Bachelor of Law, a Graduate Diploma in Financial Management and a Master of Commerce.

Peter is the Chairman of the Nomination & Remuneration Committee and a member of the Audit, Risk & Compliance Committee.

Peter Kinsey abstains from recommending Resolution 3 due to his personal interest in the resolution. The other Directors of BBPL unanimously and strongly recommend that Shareholders vote in favour of this resolution.

PART B – SPECIAL BUSINESS

2.2 ITEMS OF BUSINESS

2.2.1 Resolution 4: Approval of the provision of financial assistance by Neighbourhood Energy Pty Limited and BBP Energy Markets Pty Limited (and their respective subsidiaries) – BBPL only

Background

In June 2008, BBP Finance Australia Pty Ltd ("**BBPF**") and certain of its wholly-owned subsidiaries entered into the BBP Finance Multicurrency Term & Revolving Syndicated Facility Agreement between BBPF, the Commonwealth Bank of Australia and others dated 3 June 2008 (as amended and restructured from time to time) ("**BBPF Syndicated Facility**"). Following the shareholder approval process completed in November 2008, certain of the companies acquired as part of the Alinta acquisition were joined as guarantors and obligors under the BBPF Syndicated Facility and the related security trust deed ("**Security Trust Deed**").

Under the BBPF Syndicated Facility, nearly all of BBPF's wholly-owned subsidiaries have guaranteed the obligations of BBPF under the BBPF Syndicated Facility and related documents. The BBPF Syndicated Facility requires a company which becomes a wholly-owned subsidiary of BBPF to become a guarantor and obligor under the BBPF Syndicated Facility and the Security Trust Deed. These requirements are common in financing transactions of this nature.

BBP ONE Pty Limited ("**ONE**"), a wholly-owned subsidiary of BBPF and majority shareholder of Neighbourhood Energy Pty Limited ("**NE**"), is, together with CMO Energy (NZ) Ltd ("**CMO**"), a wholly-owned subsidiary of BBPL, acquiring the shares held by the minority shareholders in NE. ONE, via its parent BBPF, may fund, or refinance, the purchase price of this acquisition from draw downs under the BBPF Syndicated Facility. Upon completion of the acquisition, NE will be a wholly-owned subsidiary (but for the CMO interest) of BBPF. NE will therefore be required to become a guarantor and obligor under the BBPF Syndicated Facility and the Security Trust Deed.

BBPF is in the process of negotiating and progressing documentation with its financiers for the purpose of restructuring the BBPF Syndicated Facility ("**BBPF Syndicated Facility Restructure**").

As part of the BBPF Syndicated Facility Restructure, NE will also be required to give security over all of its assets from time to time by way of security for all of its and the other BBPF Group members' liabilities from time to time to the parties to the Security Trust Deed.

In conjunction with the BBPF Syndicated Facility Restructure, BBPL may transfer all of its shares in BBP Energy Markets Pty Limited ("**BBPEM**") to BBPF, which will make it a wholly-owned subsidiary of BBPF. BBPEM will therefore, if this transfer occurs, be required to become a guarantor and obligor under the BBPF Syndicated Facility and the Security Trust Deed.

BBPL will, if this transfer occurs, also inject approximately $10 million into BBPEM prior to its transfer. BBPEM may make these funds available to BBPF and/or other members of the BBPF Group for general business use.

If BBPEM is transferred and becomes a wholly-owned subsidiary of BBPF, as part of or subsequent to the BBPF Syndicated Facility Restructure, BBPEM may also be required to give security over all of its assets from time to time by way of security for all of its and the other BBPF Group members' liabilities from time to time to the parties to the Security Trust Deed.

SECTION 2
EXPLANATORY MEMORANDUM

Corporations Act requirements

The Corporations Act sets out requirements which must be followed in certain circumstances where a company, or its subsidiaries, wishes to financially assist a person to acquire shares in that company. Relevantly, section 260B(2) of the Corporations Act specifies that if the company giving financial assistance (that is, NE and BBPEM and any of their respective subsidiaries) will be a subsidiary of a listed domestic corporation (that is, BBPL) immediately after the acquisition referred to in section 260A occurs, the financial assistance must also be approved by a special resolution passed at a general meeting of the shareholders of that listed domestic corporation (that is, the shareholders of BBPL).

Financial assistance

In connection with BBPF's possible acquisition of all of the issued shares in BBPEM and ONE's (and CMO's) acquisition of all of the remaining shares in NE, the financial assistance which may be provided by BBPEM and NE, and their respective subsidiaries, includes, without limitation:

- being joined, with the current guarantors, as guarantors and obligors to the BBPF Syndicated Facility and Security Trust Deed and agreeing to be bound by and to comply with the terms of those documents;

  Those terms include, without limitation, a comprehensive package of representations, warranties, undertakings, events of default, indemnities and review events, and a guarantee and indemnity, under or in connection with each of the following:
  - the BBPF Syndicated Facility, corporate/transactional facilities and hedging arrangements, as amended from time to time including, without limitation, as part of the BBPF Syndicated Facility Restructure;
  - the Security Trust Deed as amended from time to time including, without limitation, as part of the BBPF Syndicated Facility Restructure;
  - other documents entered into from time to time which are contemplated by or recognised under the Security Trust Deed including, without limitation, security and hedging documents and corporate/transactional facilities documents and transactions the subject of them, from time to time; and
  - any subsequent, replacement, changed or additional financing, refinancing or other funding or financial arrangements of any kind (including, without limitation, any hedging, inter-creditor, inter-group and intra-group arrangements) that may be provided to any BBP Group member from time to time.

  In giving a guarantee and indemnity, BBPEM and NE (and any of their respective subsidiaries) will assume a joint and several liability with BBPF and the other guarantors for the obligations referred to in this section;
- NE and/or BBPEM (and any of their respective subsidiaries) granting security over all of its assets from time to time by way of security for all of its and the other BBPF Group members' liabilities to the parties to the Security Trust Deed, which liabilities include, without limitation, all liabilities from time to time under or in connection with the guarantee and indemnity described above, the BBPF Syndicated Facility, the corporate/transactional facilities, the hedging arrangements, the Security Trust Deed and any of the documents described in this section or any of the transactions described in this section;
- agreeing, entering into and doing anything under or in connection with any subsequent, changed, replacement or additional financing, refinancing or other funding or financial arrangements of any kind (including, without limitation, any hedging, intercreditor, inter-group and intra-group arrangements) that may be provided by or to any BBP Group member and any related documentation from time to time on whatever terms that member thinks fit;
- the application of funds (such as cash flows generated by the business, proceeds from asset sales and/or cash balances including, without limitation, in the case of BBPEM, the approximately $10 million of funds injected into BBPEM prior to its transfer) towards satisfaction of the BBP Group's liabilities from time to time, including those under the BBP Group's debt facilities from time to time;
- entering into or providing any guarantee, indemnity, security, priority, subordination, intra-group arrangements or other documents in connection with any of the matters described above from time to time; and
- any other acts from time to time that may directly or indirectly assist any member of the BBP Group.

Shareholders are being asked to pass a special resolution approving the provision by BBPEM and NE, and any of their respective subsidiaries, of the financial assistance described above.

Effects and benefits of the proposed financial assistance

The proposed financial assistance will benefit BBPL, as it will, amongst other things:

- enable the relevant BBP Group members to comply with the provisions of the existing BBPF Syndicated Facility as well as the corporate/transactional facilities and hedging arrangements – it is a requirement under the BBPF Syndicated Facility that BBPEM and NE are joined as guarantors once they become wholly-owned by BBPF; and/or
- facilitate and assist with the completion of the BBPF Syndicated Facility Restructure and the continued availability of the restructured facilities under the BBPF Syndicated Facility; and/or
- provide the BBPF Group with access to the approximately $10 million injected into BBPEM prior to its transfer to BBPF; and/or
- assist the BBP Group with its ongoing financing requirements and pursuit of its corporate objectives; and/or
- assist BBPEM and NE, and their respective subsidiaries, in accessing funding and other support by being subsidiaries of BBPF and as BBPF Group members under the BBPF Syndicated Facility.

It will also assist any subsequent, replacement, changed or additional financing or refinancing or other funding arrangements to be on terms more favourable than those which may otherwise be available without the support of BBPEM and NE, and their respective subsidiaries.

For similar reasons, the BBP Group will also benefit from any proposed financial assistance to the extent any funds from the BBP Group (including BBPEM and NE, and their respective subsidiaries), whether sourced internally or via asset sales, are applied towards the reduction of the BBP Group's liabilities.

The BBPL Directors have considered the giving of the financial assistance referred to above and are of the opinion that:

- there are reasonable grounds to believe that it is in the best interests of BBPL and Shareholders; and
- they are not aware of any reason to believe it would materially prejudice the solvency of BBPL or its ability to pay creditors.

Consequences of not approving the proposed financial assistance

The existing BBPF Syndicated Facility requires NE and, if BBPEM is transferred to BBPF, BBPEM to give a guarantee and indemnity and to be bound by the BBPF Syndicated Facility and Security Trust Deed, upon becoming a wholly-owned subsidiary of BBPF. The BBPF Syndicated Facility Restructure will also require NE (and potentially BBPEM) to give security.

If NE does not give the guarantee, indemnity and security and, if BBPEM is transferred, BBPEM does not give the guarantee, indemnity and (potentially) security (assuming the BBPF Syndicated Facility Restructure is effected on this basis), and do not (as applicable) become bound by the BBPF Syndicated Facility and Security Trust Deed, the consequences are likely to be:

- BBPF may (at the option of its financiers) be required to renegotiate the terms of the BBPF Syndicated Facility, the corporate/transactional facilities and hedging arrangements on terms likely to be more onerous in comparison to the current facility terms (e.g. on more restrictive terms or to refinance the BBPF Syndicated Facility in full); or
- BBPF may be required to renegotiate or agree to more onerous provisions than those currently proposed for the BBPF Syndicated Facility, the corporate/transactional facilities and hedging arrangements and related documents as part of the BBPF Syndicated Facility Restructure; or
- the financiers may potentially terminate the loan facilities provided under the BBPF Syndicated Facility, the corporate/transactional facilities and hedging arrangements and require repayment of the amounts lent and all related amounts.

Board recommendation

Under section 260B(2) of the Corporations Act, the resolution to approve the grant of financial assistance must be passed as a special resolution of BBPL.

The BBPL Directors unanimously recommend that Shareholders vote in favour of this resolution.

2.2.2 Resolution 5: Approval of the resolution to effect a change of company name – BBPL only
BBPL is seeking approval of its Shareholders to change its name to "*Alinta Energy Limited*".

The name "*Alinta Energy*" seeks to leverage both the ongoing strength and recognition of the Alinta brand in Australia, as well as the broad diversity of our business across the energy value chain. Changing our name is an important step for BBP, as it reflects our move forward as an independent, stand-alone power generation and retail energy business providing energy solutions to residential, commercial and industrial customers throughout Australia and New Zealand.

Under section 157 of the Corporations Act, BBPL must obtain member approval by way of a special resolution to change its name. The name change is subject to, and will take effect when, the Australian Securities and Investments Commission effects the change and alters BBPL's registration details. The name change will not, in itself, affect the legal status of BBPL or any of its assets or liabilities.

In anticipation of the proposed change, BBPL has taken appropriate steps to ensure that the proposed new name is available and has lodged trade mark applications to seek to further protect the use of this name, if approved by Securityholders.

Subject to the passing of Resolution 5, it is proposed that BBP's ASX code will be changed to "*AEJ*".

The BBPL Directors unanimously recommend that Securityholders vote in favour of this resolution. If the resolution is approved, BBP intends to promptly reflect the new name through the rest of the relevant subsidiary entities within the BBP Group, including BBPS and BBPT.

2.2.3 Resolution 6: Approval to an amendment to the BBPL Constitution as a result of the change of company Name – BBPL only
Conditional upon Resolution 5 being passed, it is proposed that related amendments be made to the BBPL Constitution. The BBPL Directors consider that the proposed name change will not materially alter the effect of the existing BBPL Constitution.

It is proposed that the BBPL Constitution be amended in the following manner:

- In the title of the BBPL Constitution, replace the words "Babcock & Brown Power Limited" with "Alinta Energy Limited".
- In the heading on page 1 of the BBPL Constitution, replace the words "Babcock & Brown Power Limited" with "Alinta Energy Limited".

Under section 136(2) of the Corporations Act, a company must obtain member approval by way of a special resolution prior to modifying its constitution.

If you would like a copy of the proposed amended BBPL Constitution, please contact BBP's Registry, Link Market Services.

The BBPL Directors unanimously recommend that Shareholders vote in favour of this resolution.

GLOSSARY

BBP means BBPL and BBPT.

BBP Directors means BBPT Directors and BBPL Directors.

BBP Group means BBPL, BBPT and BBPL's subsidiaries.

BBPEM means BBP Energy Markets Pty Limited.

BBPF means BBP Finance Australia Pty Limited.

BBPF Group means BBPF and its subsidiaries.

BBPF Syndicated Facility means the BBP Finance Multicurrency Term & Revolving Syndicated Facility Agreement between BBPF, the Commonwealth Bank of Australia and others dated 3 June 2008, as amended and restructured from time to time.

BBPF Syndicated Facility Restructure means the restructure of the BBPF Syndicated Facility.

BBPL means Babcock & Brown Power Limited.

BBPL Constitution means the constitution of BBPL (as amended).

BBPL Directors means each of the directors of BBPL.

BBPS means Babcock & Brown Power Services Limited (as responsible entity of BBPT).

BBPT means the Babcock & Brown Power Trust.

BBPT Directors means each of the directors of BBPS.

Meetings means the Annual General Meeting of Shareholders and the General Meeting of Unitholders to be held on 18 December 2009.

NE means Neighbourhood Energy Pty Limited.

Remuneration Report means the Remuneration Report set out on pages 39 to 44 of the BBP Annual Report 2009.

Resolutions means the resolutions proposed to Securityholders in the Notice of Meetings accompanying this Explanatory Memorandum.

Security means one BBPL share stapled to one BBPT unit.

Security Trust Deed means the security trust deed dated 3 June 2008 between, among others, BBP Finance Australia Pty Limited, CBA Corporate Services (NSW) Pty Limited and others, as amended and restated from time to time.

Securityholder means each person registered as the holder of Securities and Securityholders means all of them.

Shareholder means each person registered as the holder of shares in BBPL and **Shareholders** means all of them.

Unitholder means each person registered as the holder of a unit in BBPT and **Unitholders** means all of them.

SECTION 3
DIRECTORS' STATEMENT

BOARD OF DIRECTORS OF BBPL

This Explanatory Memorandum and Notice of Meetings has been duly signed on behalf of Babcock & Brown Power Limited (ACN 116 665 608) by its company secretary named below.

Each director of BBPL has consented to the lodgement of this Explanatory Memorandum and Notice of Meetings with ASIC.

John Remedios
Company Secretary

Dated: 12 November 2009

BOARD OF DIRECTORS OF BBPS

This Explanatory Memorandum and Notice of Meetings has been duly signed on behalf of Babcock & Brown Power Services Limited (ACN 118 165 156; AFSL NO. 299 943) as Responsible Entity of the Babcock & Brown Power Trust (ARSN 122 375 562) by its company secretary named below.

Each director of BBPS has consented to the lodgement of this Explanatory Memorandum and Notice of Meetings with ASIC.

John Remedios
Company Secretary

Dated: 12 November 2009

CORPORATE DIRECTORY

BABCOCK & BROWN POWER LIMITED
(ACN 116 665 608)
Level 7
50 Pitt Street
Sydney NSW 2000
Telephone: +61 2 9372 2600
www.bbpower.com

DIRECTORS
Len Gill (Independent Chairman)
John Fletcher
Peter Kinsey
Ross Rolfe (CEO & Managing Director)

COMPANY SECRETARY
John Remedios

RESPONSIBLE ENTITY FOR BABCOCK & BROWN POWER TRUST (ARSN 122 375 562)
BABCOCK & BROWN POWER SERVICES LIMITED
(ACN 118 165 156, AFSL 299943)
Level 7
50 Pitt Street
Sydney NSW 2000
Telephone: +61 2 9372 2600

REGISTRY
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Telephone: 1800 260 668
Fax: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

AUDITOR
PRICEWATERHOUSECOOPERS
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

BABCOCK & BROWN
POWER

Babcock & Brown Power Limited • ABN 67 116 665 608
Babcock & Brown Power Services Limited • ABN 37 118 165 156
as responsible entity for Babcock & Brown Power Trust • ARSN 122 375 562

LODGE YOUR VOTE

By mail:
Babcock & Brown Power Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

ONLINE www.linkmarketservices.com.au

All enquiries to:
Telephone: 1800 260 668
Overseas: +61 2 8280 7619

X99999999999

SECURITYHOLDER VOTING FORM

I/We being a member(s) of Babcock & Brown Power Limited and a unitholder(s) in the Babcock & Brown Power Trust and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY

the **Chairman of the Meeting (mark box)** ☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of Babcock & Brown Power and General Meeting of the unitholders of Babcock & Brown Power Trust to be held at 10:00am on Friday, 18 December 2009, at Customs House, Level 1, 31 Alfred Street, Circular Quay, Sydney, NSW, Australia and at any adjournment or postponement of the Meetings.

The Chairman of the Meetings intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meetings.
Please read the voting instructions overleaf before marking any boxes with an X

STEP 2 VOTING DIRECTIONS

	For	Against	Abstain*
Resolution 1: To adopt the Remuneration Report – BBPL only	☐	☐	☐
Resolution 2: To re-elect Len Gill as a Director of Babcock & Brown Power Limited – BBPL only	☐	☐	☐
Resolution 3: To re-elect Peter Kinsey as a Director of Babcock & Brown Power Limited – BBPL only	☐	☐	☐
Resolution 4: To approve financial assistance by BBP Energy Markets Pty Limited and Neighbourhood Energy Pty Limited – BBPL only	☐	☐	☐
Resolution 5: To approve change of company name – BBPL only	☐	☐	☐
Resolution 6: To approve amendment to Constitution as a result of change of company name – BBPL only	☐	☐	☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

BBP PRX901

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the Meetings, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business – Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meetings and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meetings the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am on Wednesday, 16 December 2009, being not later than 48 hours before the commencement of the Meetings. Any Proxy Form received after that time will not be valid for the scheduled Meetings.

Proxy Forms may be lodged using the reply paid envelope or:

by mail:

Babcock & Brown Power Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

by fax:

+61 2 9287 0309

online: ONLINE **www.linkmarketservices.com.au**

lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website);

by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General and General Meetings, please bring this form with you. This will assist in registering your attendance.