

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Babcock & Brown Infrastructure (BBI)

ABN

Babcock & Brown Investor Services Limited (ACN 099 717 638) as the responsible of:
(a) the Babcock & Brown Infrastructure Trust (ARSN 100 375 479) (**Trust 1**); and, if
the "Triple Stapling" (as defined in the Prospectus referred to in item 2 of Part 1
below) occurs, Prime SPARCS Trust (ARSN 108 288 204) (**Trust 2**)

Babcock & Brown Infrastructure Limited (ACN 100 364 234) (**Company**)

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|--|---|
| 1 +Class of +securities issued or to be issued | Fully paid ordinary stapled securities, each comprising one ordinary share in the Company, one ordinary unit in Trust 1 and, if the Triple Stapling occurs, one ordinary unit in Trust 2 (Stapled Securities). |
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+ See chapter 19 for defined terms.

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|---|--|--|
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>The offer of new Stapled Securities (the New Stapled Securities) will comprise Stapled Securities issued under:</p> <ul style="list-style-type: none">(a) an institutional placement (Institutional Placement);(b) a placement to Brookfield Asset Management Inc. (Cornerstone Placement); and(c) a security purchase plan (SPP), (together, the Equity Raising). <p>All New Stapled Securities to be issued as part of the Equity Raising will be issued under a prospectus and product disclosure statement lodged with ASIC and announced to ASX on 8 October 2009 (Prospectus).</p> <p>The exact number of New Stapled Securities to be issued is not presently known as it will depend the number of Stapled Securities into which the EPS (as defined below) convert and whether any SPARCS (as defined in the Prospectus) are converted into Stapled Securities (see item 5 of Part 1 below for further explanation).</p> |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary. |

+ See chapter 19 for defined terms.

- 4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

The New Stapled Securities will rank equally in all respects with the existing Stapled Securities on issue (**Existing Stapled Securities**) after 25 November 2009.

The New Stapled Securities are expressed to rank equally with the Existing Stapled Securities after that date to make clear that the holders of New Stapled Securities will not be entitled to receive a capital distribution to be made to holders of the Existing Stapled Securities on or about 25 November 2009 (**Capital Distribution**) (even though the New Stapled Securities will not have been issued on the record date for the Capital Distribution). Further details of the Capital Distribution are set out in the Prospectus.

Following payment of the Capital Distribution, the New Stapled Securities will rank equally in all respects with the Existing Capital Securities.

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5 Issue price or consideration

All of the New Stapled Securities under the Equity Raising will be offered for and issued at the same price. The offer price will be set so that New Stapled Securities issued under the:

- Cornerstone Placement will represent 35%;
 - Institutional Placement will represent 35%; and
 - SPP will represent 14%,
- of the number of Stapled Securities on issue upon completion of the Recapitalisation (as defined in the Prospectus).

The number of Stapled Securities on issue upon completion of the Recapitalisation will depend on the number of Stapled Securities into which the BBI Exchangeable Preference Shares (**EPS**) have converted and whether any SPARCS have been converted into Stapled Securities as at that date.

Accordingly, the offer price per New Stapled Security under the Equity Raising will be calculated by dividing the gross proceeds of the Equity Raising of \$1,500 million by the number of Stapled Securities equal to 84% of the Stapled Securities that are on issue upon completion of the Recapitalisation (subject to rounding).

Assuming no SPARCS are converted into Stapled Securities, then the offer price range will be \$5.08 to \$10.12 per parcel of 15,000 Stapled Securities (before Security Consolidation (as defined in the Prospectus)).

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

The proceeds of the issue of New Stapled Securities will be used to repay existing debt and pay accrued and deferred dividends to EPS holders and pay the Capital Distribution.

+ See chapter 19 for defined terms.

7	Dates of entering +securities into uncertificated holdings or despatch of certificates	It is expected that the New Stapled Securities will be issued on 20 November 2009 (subject to variation), commence deferred settlement trading on ASX on 24 November 2009 (subject to variation) and commence normal trading on ASX on 3 December 2009 (subject to variation).
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	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Fully paid ordinary. As per item 5 above, the number of New Stapled Securities to be issued is not presently known, but will be calculated in the same manner as described in item 5. Accordingly, we are not able to advise the number of all securities to be quoted on ASX at this time.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Fully paid Stapled Securities. The number of New Stapled Securities plus the number of Stapled Securities on issue plus any EPS or SPARCS converted into Stapled Securities (subject to rounding).

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The same as the existing fully paid ordinary Stapled Securities.
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
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12	Is the issue renounceable or non-renounceable?	
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|----|---|--|
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |

+ See chapter 19 for defined terms.

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|----|---|--|
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Despatch date | |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid,

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employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:Date: 15 October 2009
(~~Director~~/Company Secretary)

Print name: MICHAEL RYAN

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+ See chapter 19 for defined terms.