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If you have sold or otherwise transferred all of your Shares in Babcock & Brown Public Partnerships Limited (the **"Company"**), you should pass this document, together with the accompanying documents, but not the accompanying personalised Form of Proxy, as soon as possible to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Shares in the Company, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

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BABCOCK & BROWN PUBLIC PARTNERSHIPS LIMITED

(Incorporated in Guernsey with registered number 45241)

Transfer of Management Arrangements and Change of Name

Circular to Shareholders and Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Chairman of the Board of Directors of the Company, which is set out in Part I of this document and which contains your Board's recommendation that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below, and Part II of this document entitled "Action to be Taken". The whole of the text of this document should be read.

Notice of the Extraordinary General Meeting of Shareholders, to be held on 18 May 2009 at the offices of Heritage International Fund Managers Limited, Polygon Hall, PO Box 225, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey, Channel Islands, is set out at the end of this document.

To be valid, Forms of Proxy must be completed and returned by Shareholders in accordance with the instructions printed thereon by post or by hand to Capita Registrars, Proxies Department, PO Box 25, Beckenham, Kent, BR3 4BR, as soon as possible, but in any event so as to be received no later than 48 hours before the appointed time for the Extraordinary General Meeting.

The definitions used in this document are set out on pages 13 to 16 of this document.

Dated 23 April 2009

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EXPECTED TIMETABLE

Deadline for receipt of Form of Proxy	11 a.m. on 16 May 2009
Extraordinary General Meeting	11 a.m. on 18 May 2009
Announcement of results of Extraordinary General Meeting ..	no later than 8 a.m. on 19 May 2009
Completion of transfer of management rights to Amber	Late May 2009
Effective date of change of Company name	Late May 2009

References to times in this document are to times in London, England unless otherwise stated.

The above times and/or dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

PART I
LETTER FROM THE CHAIRMAN

BABCOCK & BROWN PUBLIC PARTNERSHIPS LIMITED

(Incorporated in Guernsey with registered number 45241)

Directors:

Keith Dorrian (Chairman)
Carol Goodwin
Rupert Dorey
Giles Frost

Registered Office:

Polygon Hall
PO Box 225
Le Marchant Street
St Peter Port
GY1 4HY, Guernsey
Channel Islands

(Keith Dorrian, Carol Goodwin and Rupert Dorey
are hereinafter referred to as the **"Independent Directors"**)

23 April 2009

To the Shareholders:

Dear Sir or Madam

TRANSFER OF MANAGEMENT ARRANGEMENTS AND CHANGE OF NAME

1. Introduction

On 30 March 2009 the Company announced that Babcock & Brown Investment Management Limited ("**BBIML**") had agreed to transfer the business of providing investment advisory and management services to the Company to the Amber Infrastructure Group Limited ("**Amber**") group of companies, a newly formed investment management group led by Giles Frost (who is also a director of the Company), Hugh Blaney and Michael Gregory. The transfer of the business is conditional upon Amber obtaining the requisite regulatory approvals and also upon the Company agreeing to the transfer of the various management contracts from BBIML to Amber. In addition, because the overall transaction is treated from the Company's perspective as a related party transaction for the purposes of the Listing Rules, approval of the Company's shareholders is required.

Upon transfer of the management arrangements to Amber (and following the disposal by Babcock & Brown International Pty Limited of its holding of shares in the Company, which was announced on 1 April 2009) the Company will cease to have any association with the Babcock & Brown group, and therefore it is proposed that, conditional upon completion of the transfer to Amber of the advisory and management business, the Company's name be changed to "International Public Partnerships Limited".

I am now writing to you to set out further information in relation to the change in the Company's management arrangements and the change of name in order to seek your approval to those changes, as required by Guernsey company law and the Listing Rules.

2. Background to the changes

As Shareholders are aware, following certain company announcements in June 2008 and the unprecedented turbulence in the global financial markets during the latter part of 2008 and early 2009, there has been a marked deterioration in the financial condition of Babcock & Brown Limited ("**Babcock & Brown**", the Australian-listed ultimate parent company of BBIML, the current investment adviser of the Company). Since that time, your Board has been engaged in discussions with BBIML (including BBIML staff dedicated to BBPP) and Babcock & Brown to seek to ensure a secure, long-term investment advisory and management platform for the Company's business.

On 6 February 2009, Babcock & Brown announced that it had reached agreement with its lenders on a restructuring proposal and that it would embark on a programme of asset sales over a two to three year period in order to reduce debt.

Following that announcement, the independent directors of the Company were informed that the Amber group had entered into negotiations with Babcock & Brown to conduct a management-led

buy-out of the investment management and asset origination businesses of BBIML, including the right to provide advisory and management services to the Company.

Amber is an independent investment management and asset origination business that has been formed by the key members of the BBIML team currently responsible for the provision of services to the Company. Amber consists of a management team and staff of 41 (which includes all of the existing team currently providing services to the Company) and is led by Giles Frost (who is also a director of the Company), Hugh Blaney (who together with Giles Frost is Joint Head of European PPP for BBIML) and Michael Gregory, Head of Asset Management for BBIML.

The Independent Directors (comprising all the Directors excluding Giles Frost) have been kept informed of the progress of the negotiations between Babcock & Brown and Amber, and consider that a management led buy-out would, importantly, provide continuity of the Company's existing origination and management arrangements by a team they hold in high regard.

Amber entered into a conditional agreement with BBIML (and certain other members of the Babcock & Brown group) on 29 March 2009 (the "**Sale & Purchase Agreement**") pursuant to which it was agreed that:

- (a) Amber would acquire the entire share capital of BBPP Fund Management Limited (to be re-named Amber Fund Management Limited ("**AFML**")) from BBIML; and
- (b) AFML would subsequently acquire from the Babcock & Brown group (including BBIML) the rights to provide the investment advisory and management services to the Company that were previously supplied by the Babcock & Brown group as a whole. These rights include the provision of investment advisory services under the Investment Advisory Agreement (the "**IAA**") between the Company and BBIML, the services provided by BBIML under the Operating Agreement relating to Babcock & Brown Public Partnerships Limited Partnership (the "**BBPP Holding Partnership**") and the services provided by Babcock & Brown (UK) (or, in some cases, other Babcock & Brown group companies) under the various Asset Management Agreements relating to the Company's assets.

The Sale & Purchase Agreement is conditional upon, among other things: (a) the approval of the Company (and certain of its subsidiaries) to the transfer of the management arrangements to Amber (which approval is, in turn, subject to the approval of the Company's Shareholders); and (b) the Amber group acquiring appropriate permissions from the UK Financial Services Authority to provide the investment advisory and management services to the Company.

3. Matters requiring shareholder approval

3.1 Transfer of advisory and management arrangements

Before the transfer to the Amber group of the advisory and management rights relating to the Company described above can take place, the Company is required to provide its consent to the novation to Amber of each of the contractual arrangements currently in place between the Company (or its subsidiary undertakings) and members of the Babcock & Brown group.

In particular, the novation to the Amber group of each of: (a) the IAA between the Company and BBIML; (b) each of the Asset Management Agreements relating to the day-to-day management of the Company's assets between certain Company subsidiaries and Babcock & Brown (UK) (or, in some cases, other Babcock & Brown group companies); and (c) the Operating Agreement relating to the BBPP Holding Partnership, requires the approval of the Company. In addition, to complete the transfer of the management arrangements to Amber, certain consequential amendments will be made to the Limited Partnership Agreement constituting the BBPP Holding Partnership, which amendments will also require the Company's consent.

As a condition to providing its consent to the transfer of the management arrangements to Amber, the Company has negotiated a number of amendments to the current terms of the IAA and other agreements. Details of the nature of the amendments proposed to be made to the IAA and other agreements are set out in paragraphs 5.1 to 5.4 of Part III of this Circular. The changes to the IAA and certain of the other agreements also require the approval of the Company's lenders under its £100 million corporate debt facility. The Company has commenced discussions with its lenders

and expects to have obtained the relevant consents in advance of the Extraordinary General Meeting. The Board considers that the changes to be made to the IAA and other agreements are beneficial to the Company compared to the current terms of those agreements. Furthermore, the base management and incentive fees payable to AFML following the novation of the IAA will be calculated on the same basis as those payable to BBIML in respect of the period prior to the novation.

Because Amber is considered to be a “related party” of the Company within the meaning given to that term in the Listing Rules and Giles Frost, a director of the Company, is an associate of Amber (as such term is defined in the Listing Rules), the Company’s Shareholders are required to approve the entry by the Company (or any of its subsidiary undertakings) into certain transactions with the Amber group. This requirement applies to the entry into the novation and other agreements required to implement the transfer of the advisory and management rights to the Amber group as described in this Circular.

Accordingly, the Company is seeking Shareholder approval to the entry into the following agreements with the Amber group:

- (a) an agreement between the Company, BBIML and AFML to novate, and amend and restate, the IAA (the **“IAA Deed of Amendment and Novation”**);
- (b) agreements between certain subsidiaries of the Company, certain members of the Amber group and Babcock & Brown (UK) (or, in some cases, other Babcock & Brown group companies) to novate the Asset Management Agreements relating to the Company’s assets (the **“AMA Deeds of Novation”**);
- (c) an agreement between Babcock & Brown Public Partnerships 2 S.à r.l (a Company subsidiary, being the sole limited partner in the BBPP Holding Partnership), Babcock & Brown Public Partnerships GP Limited (the general partner of the BBPP Holding Partnership), BBIML and AFML to novate, and amend and restate, the Operating Agreement relating to the BBPP Holding Partnership (the **“Operating Deed of Amendment and Novation Agreement”**); and
- (d) an agreement between Babcock & Brown Public Partnerships 2 S.à r.l and Babcock & Brown Public Partnerships GP Limited to amend and restate the Limited Partnership Agreement constituting the BBPP Holding Partnership (the **“Amended and Restated Limited Partnership Agreement”**),

(such agreements together, the **“Management Transfer Agreements”**).

3.2 Change of name

Given that the proposed transfer of the advisory and management arrangements relating to the Company would result in the Babcock & Brown group ceasing to have any role in the future operation of the Company, the Board considers that it is appropriate and in the best interests of the Company to change the Company’s name to remove the reference to “Babcock & Brown”.

Accordingly, a resolution will be put to the Company’s shareholders at the Extraordinary General Meeting convened pursuant to the notice set out at the end of this Circular to change the name of the Company to **“International Public Partnerships Limited”**, a name which the Directors consider fully represents the Company’s business. This name has been reserved with the Guernsey company registry.

If the change of name is approved, the Company will apply to the LSE to amend its ‘ticker’ symbol to INPP.

4. Actions to be taken

Details of the actions to be taken by Shareholders in relation to the matters set out in this Circular are set out in Part II of this Circular. It is important that Shareholders read Part II carefully

and return their Form of Proxy as soon as possible and, in any event, no later than 48 hours before the appointed time for the Extraordinary General Meeting. The completion and return of a Form of Proxy will not preclude you from attending and voting at the Extraordinary General Meeting if you so wish.

5. Recommendation and Directors' voting intentions

The Board has established a committee comprising all of the Independent Directors (which excludes Giles Frost) for the purpose of evaluating the matters set out in this Circular. Mr Frost has not participated in these deliberations due to the fact that, as an associate of Amber, he has an interest in the implementation of the transfer of the advisory and management rights relating to the Company to Amber.

The Board considers that the transfer of the management arrangements to the Amber group, the entry into the agreements described in paragraph 3.1 above and the change of the Company's name are all in the best interests of the Company and its Shareholders as a whole.

In particular, following extensive deliberations, the Board has concluded that the transfer of the advisory and management arrangements relating to the Company to the Amber group offers the best outcome to the Company and its Shareholders of all potential alternatives at this time. Importantly, the transfer will ensure, to the extent possible, continuity of the existing origination and management arrangements relating to the Company by the retention of the existing BBIML team, which the Independent Directors hold in high regard.

In addition, the Board, which has been so advised by UBS Investment Bank, consider the transfer of the business of providing investment advisory and management services to the Company by BBIML to AFML (including entry into the Management Transfer Agreements by the Company) to be fair and reasonable so far as the Shareholders are concerned. In providing advice to the Board, UBS Investment Bank has taken into account the Board's commercial assessment of the transfer (including entry into of the Management Transfer Agreements by the Company or its subsidiaries, as the case may be).

As an associate of Amber, Giles Frost will be restricted from voting his holdings in the Company in respect of the resolution to be proposed regarding the transfer of the advisory and management rights to Amber. Mr Frost has also undertaken to take all reasonable steps to ensure that his associates will also not vote on this resolution. Amber does not own any Shares but Amber has also undertaken to take all reasonable steps to ensure that its associates do not vote on the resolution relating to the transfer of the management and advisory rights. Each of the Independent Directors does, however, intend to vote in favour of the Resolutions raised at that Extraordinary General Meeting in respect of his or her beneficial holding in the Company, amounting to, in aggregate, 169,630 Shares (representing approximately 0.05 per cent. of the existing issued ordinary share capital of the Company).

Accordingly, the Board recommends that Shareholders vote in favour of both Resolutions to be proposed at the Extraordinary General Meeting convened pursuant to the notice set out at the end of this Circular.

Yours faithfully

Keith Dorrian
(Chairman)

PART II ACTION TO BE TAKEN

Shareholders should read the following sections of this document carefully. If Shareholders are unsure as to the contents of this document or as to what action they should take, they are recommended to seek immediately their own personal financial advice from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000.

1. The Meeting

1.1 Extraordinary General Meeting

The implementation of the proposals set out in this Circular will require the holding of an Extraordinary General Meeting of the Company, which has been convened for 11.00 a.m. on 18 May 2009. The notice convening the Extraordinary General Meeting is set out at the end of this Circular.

The Extraordinary General Meeting will be held at Polygon Hall, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey, Channel Islands.

1.2 Shareholders entitled to attend and vote at the Extraordinary General Meeting

All Independent Shareholders (being all Shareholders in the Company other than any Shareholder who is an associate of Amber) shall be entitled to attend and vote on the ordinary resolution to be proposed in respect of the transfer of the advisory and management rights to Amber. The Company has received assurances from Amber that it has undertaken to take all reasonable steps to ensure that its associates who do own Shares will not vote on that resolution.

All Shareholders of the Company (including any Shareholder who is an associate of Amber) shall be entitled to attend and vote on the special resolution to be proposed in respect of the Company's change of name.

The necessary quorum in each case shall be two persons present in person or by proxy. On a vote by show of hands, every member present in person or in proxy shall have one vote. On a poll vote, every member present in person or by proxy shall have one vote for each share held by him/her.

1.3 Adjournment of the Extraordinary General Meeting

If a quorum is not present within 30 minutes from the time appointed for holding the Extraordinary General Meeting, the Extraordinary General Meeting shall stand adjourned for seven days, with the reconvened meeting to be held at the same place and time seven days later and no further notice of any such reconvened meeting shall be given. Forms of Proxy will also be valid at any adjourned Extraordinary General Meeting. On a resumption of an adjourned meeting those members present in person or by proxy shall constitute a quorum.

2. Resolutions to be proposed at the Extraordinary General Meeting

2.1 Transfer of advisory and management rights to Amber

The entry by the Company or its subsidiaries (as appropriate) into the Management Transfer Agreements will be related party transactions pursuant to Chapter 11 of the UK Listing Rules. Accordingly, the entry into each of those Agreements must be approved by an ordinary resolution of the Independent Shareholders. The form of that ordinary resolution is set out in the notice of meeting at the end of this Circular.

The ordinary resolution will require approval by a majority of Independent Shareholders in attendance at the meeting on a show of hands or, if a poll is demanded, those voting, whether in person or by proxy.

2.2 Change of name

Under Guernsey company law, the Company's change of name to "International Public Partnerships Limited" must be approved by a special resolution of Shareholders. The form of the resolution is set out in the notice of meeting at the end of this Circular.

The special resolution will require approval by 75 per cent. of Shareholders in attendance at the meeting on a show of hands or, if a poll is demanded, those voting, whether in person or by proxy.

3. Forms of Proxy

Whether or not Shareholders intend to attend the Extraordinary General Meeting, they should complete and return the reply paid Form of Proxy to the address set out thereon so as to arrive not later than 48 hours before the appointed time of the Extraordinary General Meeting. Completion and return of the Form of Proxy will not prevent Shareholders entitled to attend and vote at the Extraordinary General Meeting from attending and voting in person at the Extraordinary General Meeting, should they wish to do so.

PART III ADDITIONAL INFORMATION

1. Directors

The names and business address of the Directors of the Company are as follows:

Keith Dorrian (Chairman)
Carol Goodwin
Rupert Dorey
Giles Frost,

each of Polygon Hall, PO Box 225, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey, Channel Islands, the registered office of the Company.

2. Share capital

As at 22 April 2009, the issued share capital of the Company was as follows:

	<u>Number Authorised</u>	<u>Number Issued</u>	<u>Authorised (£)</u>	<u>Issued (£)</u>
Shares of 0.01 pence each	1,000,000,000	374,714,645	100,000	37,471.46

3. Major Shareholders

Insofar as is known to the Company as at 1 April 2009, the following persons were interested, directly or indirectly, in three per cent. or more of the Company's issued Shares:

<u>Name of Holder</u>	<u>Number of Shares held</u>	<u>Percentage of Shares (%)</u>
Schroder Investment Management Ltd	38,149,233	10.18
CCLA Investment Managers Ltd	34,394,459	9.18
Rensburg Sheppards Investment Management	27,300,893	7.29
Corus UK-British Steel Pension Fund	24,764,000	6.61
M&G Investment Management Ltd	21,596,999	5.76
Brewin Dolphin Securities Ltd	19,915,594	5.31
Legal & General Investment Management Ltd	16,337,677	4.36
London Borough of Enfield Pension Fund	14,464,000	3.86
Tilney Investment Management Ltd	12,078,077	3.22

4. Information about Amber Fund Management Limited

AFML, which, subject to the approval of Shareholders of the resolutions proposed, will become the Company's new investment adviser, will become a wholly owned subsidiary of Amber Infrastructure Group Limited and was incorporated in England as a limited company on 10 November 2008 with registered number 06745576. AFML's registered office is located at Level 15, 5 Aldermanbury Square, London, EC2V 7HR and its telephone number is 020 7203 7300.

AFML has applied to the FSA to be regulated in the conduct of investment business.

AFML will consist of a management team and staff of 41, led by Giles Frost (who is also a director of the Company), Hugh Blaney and Michael Gregory. The AFML management team will include the existing members of the BBIML team currently responsible for the provision of services to the Company.

5. Details of the Management Transfer Agreements

5.1 IAA Deed of Amendment and Novation

Under the IAA, BBIML was appointed to provide investment advisory services to the Company including advising the Company as to the strategic management of its portfolio of investments. Subject to Shareholder approval, the Company, BBIML and AFML intend to enter into the IAA Deed of Amendment and Novation to effect the novation of the rights and responsibilities of BBIML under the IAA to AFML.

Under the terms of the IAA Deed of Amendment and Novation, the Company will agree to release BBIML from its obligations under the IAA and AFML will assume those obligations in its place.

Subject to the amendments described below, the terms of the IAA will not be varied as a consequence of the novation of the agreement from BBIML to AFML. In particular, the fees payable to AFML following the novation will be calculated on the same basis as those payable to BBIML in respect of the period prior to the novation. Subject to a reduction for any profit share paid to the General Partner under the LPA, AFML will therefore be entitled to a base fee equal to 1.2 per cent. per annum of the gross asset value of the Company's investment portfolio and an incentive fee equal to 20 per cent. in aggregate of the excess (if any) of the Ordinary Share Return over the Benchmark Return in each Period, provided that an incentive fee shall only be payable if and to the extent that the change in the Ordinary Share Return Index in the relevant Period is greater than the change in the Benchmark Return Index in such period. If the change in the Ordinary Share Return Index is less than the change in the Benchmark Return Index in any Period, the number of basis points by which the change in the Ordinary Share Return Index is less than the change in the Benchmark Return Index will be carried forward and deducted from the Ordinary Share Return Index of the subsequent Period for the purposes of determining whether in such subsequent Period the change in the Ordinary Share Return Index exceeds the change in the Benchmark Return Index.

Under the amended IAA, AFML will also be entitled to receive a fee equal to 1.5 per cent. of the enterprise value (which for these purposes excludes the value of any senior project-level debt held in the relevant project entities) of the relevant asset in respect of each acquisition of an asset by the Company or any of its associates. This fee will be reduced to the extent the Company pays an equivalent fee to any third party in connection with the acquisition of the relevant asset.

Currently the Company is also party to a Financial Advisory Mandate with Babcock & Brown (UK) pursuant to which Babcock & Brown (UK) was granted the first and last right of refusal to provide financial advisory and investment banking services to the Company and its subsidiaries in respect of future acquisitions and disposals, financing, equity raisings, refinancing, restructuring and certain other related activities. As part of the novation of the IAA from BBIML to AFML the existing Financial Advisory Mandate will be terminated and its provisions substantially incorporated into the IAA. Under the amended IAA, the Company will agree to continue to pay AFML an advisory fee of 1.5 per cent. of the proceeds of any equity raising on which it advises and 0.2 per cent. of the committed amount of any debt facility which it arranges. The Company will have a discretion to pay a fee to AFML in respect of asset disposals, such fee not to exceed 1.5 per cent. of the enterprise value of the asset disposed of. Fees for other advisory services are to be agreed between the Company and AFML on a case by case basis and the amended IAA will include provisions to ensure that the Company is not charged twice in respect of the same services.

The key additional amendments to the IAA are:

(a) Termination rights

The termination provisions of the IAA are to be revised to ensure that the Company has an appropriate ability to terminate its relationship with the Amber group if necessary. The key amendments made to the termination provisions are as follows:

- the term of the IAA is to remain (10 years plus five years' notice), although that term is not to be reset in connection with the novation (i.e. the term will continue to accrue from 10 October 2006, the date of the original IAA);
- the Company will have an ability to terminate the IAA with immediate effect upon the insolvency of AFML and also upon the insolvency of any other member of the Amber group

where that insolvency has a material adverse effect on the Company or on the ability of AFML to continue to provide services;

- the Company will have an ability to terminate the IAA with immediate effect upon a change of control of Amber or of AFML;
- the Company will have an ability to terminate the IAA upon six months' notice (and without the need to seek a shareholder resolution) if, at any time, the "Benchmark Return Index" outperforms the Ordinary Share Return Index by more than 3 per cent. in at least four out of the immediately preceding five semi-annual periods (unless the reason for the outperformance of the Benchmark Return Index was to a material extent caused by the occurrence of an event or events of force majeure); and
- the Company will have an ability to terminate the IAA upon six months' notice (and without the need to seek a shareholder resolution) upon a material number of key Amber investment personnel ceasing to be employed by Amber provided those persons are not replaced to the Company's satisfaction within a specified time period.

(b) Other consequential and minor amendments

A number of other minor or consequential amendments are to be made to the IAA including:

- the removal of all specific references in the IAA to members of the Babcock & Brown group;
- an agreement to pay the Base Fee payable to AFML on a quarterly, rather than a semi-annual, basis;
- the removal of AFML's right to appoint a member of the Company's Board;
- the introduction of additional representations and warranties to be made by AFML in respect of its ability to provide the relevant advisory services to the Company;
- the removal of all restrictions previously imposed on the Company to seek third party investment advisory advice where it considers it necessary to do so;
- clarification of AFML's ability to delegate its responsibilities under the IAA without the consent of the Company;
- an agreement between the Company and AFML to use best endeavours to establish a binding service level agreement to apply to the provision of the services by AFML;
- the incorporation of a procedure to manage any conflicts of interest arising in connection with the acquisition by the Company of any assets from AFML;
- certain minor amendments to the indemnification and limitation of liability provisions of the IAA, including the introduction of an indemnity from AFML in favour of the Company in respect of any losses caused by AFML's fraud, gross negligence, wilful default or material breach of the agreement; and
- clarification of the scope of AFML's ability to recover out-of-pocket expenses from the Company.

5.2 AMA Deeds of Novation

Subject to Shareholder approval, certain subsidiaries of the Company, certain members of the Amber group and Babcock & Brown (UK) (or, in some cases, other Babcock & Brown group companies) intend to enter into the AMA Deeds of Novation to effect the novation of the rights and responsibilities of Babcock & Brown (UK) (or those other group companies) under the Asset Management Agreements to certain members of the Amber group.

Under the terms of the AMA Deeds of Novation, the relevant Company subsidiaries will agree to release Babcock & Brown (UK) (or those other group companies) from its obligations under each of the Asset Management Agreements and certain members of the Amber group will assume those obligations in its place.

5.3 Operating Deed of Amendment and Novation

Subject to Shareholder approval, Babcock & Brown Public Partnerships 2 S.à r.l (a Company subsidiary, being the sole limited partner in the BBPP Holding Partnership), Babcock & Brown Public Partnerships GP Limited (the general partner of the BBPP Holding Partnership), BBIML and AFML intend to enter into the Operating Deed of Amendment and Novation to effect the novation of the rights and responsibilities of BBIML under the Operating Agreement to AFML.

Under the terms of the Operating Deed of Amendment and Novation, Babcock & Brown Public Partnerships GP Limited will agree to release BBIML from its obligations under the Operating Agreement and AFML will assume those obligations in its place.

Further, the parties will agree to amend the terms of the Operating Agreement to ensure that the Agreement is consistent with the terms of the amended IAA.

5.4 Amended and Restated Limited Partnership Agreement

Subject to Shareholder approval, Babcock & Brown Public Partnerships 2 S.à r.l and Babcock & Brown Public Partnerships GP Limited intend to enter into the Amended and Restated Limited Partnership Agreement in order to make certain non-material consequential amendments to the Limited Partnership Agreement that are required as a result of the appointment of the Amber group to provide advisory and management services to the Company.

6. Material contracts

Other than the Management Transfer Agreements referred to above, the Company has not entered into any contracts (other than contracts in the ordinary course of business) within the last two years which are or may be material or which are contracts which have been entered into by the Company and contain provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

7. Significant Change Statement

There has been no significant change in the financial or trading position of the Company and its subsidiaries since 31 December 2008, the date of the latest published audited accounts of the Company.

8. Adviser's Consent

UBS Investment Bank, as adviser to the Board, has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in this document in the form and content in which they appear.

9. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ up to and including the close of business on 18 May 2009:

- (a) the memorandum and articles of association of the Company;
- (b) the audited report and accounts of the Company for the financial year ended 31 December 2008;
- (c) the IAA Deed of Amendment and Novation;
- (d) a pro forma example of the AMA Deeds of Novation;
- (e) the Operating Deed of Amendment and Novation;
- (f) the Amended and Restated Limited Partnership Agreement; and
- (g) this Circular.

The memorandum and articles of association of the Company will also be available at the Extraordinary General Meeting for at least 15 minutes prior to and during the meeting.

Dated 23 April 2009

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

AFML	Amber Fund Management Limited, the entity to be acquired by Amber pursuant to the Sale & Purchase Agreement
AMA Deeds of Novation	the novation deeds in respect of the Asset Management Agreements, each to be entered into between a subsidiary of the Company, Babcock & Brown (UK) (or, in some cases, other Babcock & Brown group companies) and a member of the Amber group, as more fully described in paragraph 5.2 of Part III of this document
Amber	Amber Infrastructure Group Limited
AMC	in respect of a Period means $ATP \times AN$ where ATP is, in respect of those Shares that are officially quoted on the LSE, the Volume Weighted Average Price per Share on the LSE over the last 20 days of trading of Shares in the relevant Period (save that if there have been less than 20 days in which the Shares have traded in the relevant Period, the Volume Weighted Average Price per Share on the LSE over the relevant Period or, if none, on the previous date on which an Share traded); and AN is the average closing number of Shares that are officially quoted by the LSE over the last 20 days of trading of Shares in the relevant Period (save that if there have been less than 20 days in which the Shares have traded in the relevant Period, the average closing number of Shares that are officially quoted by the LSE on the day or days by reference to which "ATP" above is calculated)
Amended and Restated Limited Partnership Agreement	the amended and restated limited partnership agreement constituting the BBPP Holding Partnership to be entered into by the Limited Partner and the General Partner, as more fully described in paragraph 5.4 of Part III of this document
Articles	the articles of association of the Company
Asset Management Agreements	the asset management agreements entered into by Babcock & Brown (UK) (or, in some cases, other Babcock & Brown group companies) in relation to the Company's assets
Babcock & Brown	Babcock & Brown Limited, a company incorporated under the laws of Australia
Babcock & Brown (UK)	Babcock & Brown Limited, a company incorporated under the laws of England and Wales with registered number 02645511
BBIML	Babcock & Brown Investment Management Limited, a company incorporated under the laws of England and Wales with registered number 04071543

BBPP Holding Partnership	Babcock & Brown Public Partnerships Limited Partnership, a limited partnership established under the laws of England and Wales with registered number LP11596
Benchmark Return	means $AMC_w \times BRI$ where AMC_w is AMC in respect of the relevant Period; and BRI is the movement in the Benchmark Return Index over the relevant Period expressed as a percentage (and expressed as a positive number in the event of an increase and as a negative number in the event of a decrease), based on the average daily closing value of the Benchmark Return Index over the last 20 days of trading of Shares on the LSE in the Period compared with the average daily closing value of the Benchmark Return Index over the last 20 days of trading of Shares on the LSE in the immediately preceding Period
Benchmark Return Index	an index measuring the accumulated value of the aggregate return obtained by an investor in the Current 15 Year Gilt plus 2.00 per cent., and taking into account interest paid (and assuming that such interest is reinvested into the Current 15 Year Gilt on the date payable) and changes in capital value
Board	the board of Directors
Circular	this document
Company	Babcock & Brown Public Partnerships Limited, a company incorporated under the laws of Guernsey with registered number 45241
Current 15 Year Gilt	in respect of the relevant Period, such 15 year fixed interest Gilt (or Gilt with 15 years life remaining) issued by the UK Debt Management Office (or any replacement or successor to it) as the Board shall select as the Current 15 Year Gilt applicable at the commencement of such Period
Directors	the directors of the Company
Extraordinary General Meeting	the extraordinary general meeting of the Company convened for 11 a.m. on 18 May 2009 or any adjournment thereof, notice of which is set out at the end of this document
Form of Proxy	form of proxy for use by Shareholders in respect of the Extraordinary General Meeting
FSA	the Financial Services Authority of the United Kingdom
FSMA	the Financial Services and Markets Act 2000 as amended
General Partner	Babcock & Brown Public Partnerships GP Limited, a company incorporated under the laws of England and Wales with registered number 05938778
IAA	the investment advisory agreement entered into by the Company and BBIML on 10 October 2006

IAA Deed of Amendment and Novation	the amendment and novation deed in relation to the IAA to be entered into by the Company, BBIML and AFML as more fully described in paragraph 5.1 of Part III of this document
Independent Directors	the Directors, excluding Giles Frost
Independent Shareholders	Shareholders, excluding any associates of Amber
Limited Partner	Babcock & Brown Public Partnerships 2 S.à r.l, a company incorporated under the laws of Luxembourg
Limited Partnership Agreement	the limited partnership agreement constituting the BBPP Holding Partnership entered into by the General Partner and the Limited Partner on 10 October 2006
Listing Rules	the rules created by the FSA under Part VI of FSMA
LSE	London Stock Exchange plc
Management Transfer Agreements	the IAA Deed of Amendment and Novation, the Operating Deed of Amendment and Novation, the AMA Deeds of Novation and the Amended and Restated Limited Partnership Agreement
Operating Deed of Amendment and Novation	the amendment and novation deed in relation to the Operating Agreement to be entered into by the Limited Partner, the General Partner, BBIML and AFML as more fully described in paragraph 5.3 of Part III of this document
Operating Agreement	the operating agreement entered into by the BBPP Holding Partnership (acting through its General Partner), the General Partner and BBIML on 10 October 2006
Ordinary Share Return	means $AMC_w \times OSRI$ where AMC_w is AMC in respect of the relevant Period; and $OSRI$ is the movement in the Ordinary Share Return Index over the relevant Period expressed as a percentage (and expressed as a positive number in the event of an increase and as a negative number in the event of a decrease), based on the average daily closing value of this index over the last 20 days of trading of Shares on the LSE in the Period compared with the average daily closing value of this index over the last 20 days of trading of Shares on the LSE in the immediately preceding Period
Ordinary Share Return Index	an index measuring the accumulated LSE traded value of Shares and taking into account any Company dividends and distributions paid (and assuming that such dividend or distribution is reinvested in Shares at the market price on the date payable) and changes in capital value of Shares
Period	each period of six months ending on 30 June or 31 December

Register	the register of members of the Company
Registrar	Capita Registrars (Guernsey) Limited
Resolutions	the ordinary and special resolutions to be proposed at the Extraordinary General Meeting
Sale & Purchase Agreement	the sale and purchase agreement between Amber, BBIML and certain other members of the Babcock & Brown group dated 29 March 2009
Shareholders	holders of Shares in the Company
Shares	the ordinary shares of 0.01 pence each in the capital of the Company
UBS Investment Bank	UBS Limited
UK	the United Kingdom of Great Britain and Northern Ireland
UKLA	UK Listing Authority, the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA and in exercise of its functions in respect of the admission to the official list otherwise than in accordance with Part IV of FSMA
Volume Weighted Average Price	in respect of any trading day on the LSE, the volume weighted average price per Share for sales in those securities on the LSE on that trading day, where each price is weighted by the number of Shares sold at various prices that day

NOTICE OF EXTRAORDINARY GENERAL MEETING
BABCOCK & BROWN PUBLIC PARTNERSHIPS LIMITED

(incorporated in Guernsey with registered no. 45241)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Babcock & Brown Public Partnerships Limited (the “**Company**”) will be held at the offices of Heritage International Fund Management Limited, Polygon Hall, PO Box 225, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey, Channel Islands on 18 May 2009 at 11 am for the purpose of considering and, if thought fit, passing the following resolutions, as ordinary and special resolutions respectively:

ORDINARY RESOLUTION

- 1 THAT the transfer of the business of providing investment advisory and management services to the Company by Babcock & Brown Investment Management Limited to Amber Infrastructure Group Limited as described more fully in a circular to the Company’s shareholders dated 23 April 2009 (the “**Circular**”) be approved and in particular THAT:
- (i) the Company be authorised, for the purposes of Chapter 11 of the Listing Rules made by the UK Financial Services Authority under Part VI of the Financial Services and Markets Act 2000, to enter into the IAA Deed of Amendment and Novation in substantially the form tabled at the meeting;
 - (ii) certain subsidiary undertakings of the Company be authorised, for the purposes of Chapter 11 of the Listing Rules made by the UK Financial Services Authority under Part VI of the Financial Services and Markets Act 2000, to enter into the AMA Deeds of Novation in substantially the form tabled at the meeting;
 - (iii) Babcock & Brown Public Partnerships 2 S.à r.l, be authorised, for the purposes of Chapter 11 of the Listing Rules made by the UK Financial Services Authority under Part VI of the Financial Services and Markets Act 2000, to enter into the Operating Deed of Amendment and Novation in substantially the form tabled at the meeting;
 - (iv) Babcock & Brown Public Partnerships 2 S.à r.l, be authorised, for the purposes of Chapter 11 of the Listing Rules made by the UK Financial Services Authority under Part VI of the Financial Services and Markets Act 2000, to enter into the Amended and Restated Limited Partnership Agreement in substantially the form tabled at the meeting; and
 - (v) the Independent Directors be authorised to execute all documents and do all things that they consider to be necessary or desirable in connection with entering into the IAA Deed of Amendment and Novation, the AMA Deeds of Novation, the Operating Deed of Amendment and Novation and the Amended and Restated Limited Partnership Agreement and effecting the transactions contemplated thereunder.

SPECIAL RESOLUTION

- 2 THAT, subject to the Sale & Purchase Agreement becoming unconditional in all respects, the name of the Company be changed to “International Public Partnerships Limited”.

Terms defined in the Circular shall have the same meanings in these resolutions, save where the context otherwise requires.

Dated: 23 April 2009

Registered office:
Polygon Hall
PO Box 225
Le Marchant Street
St Peter Port
GY1 4HY, Guernsey
Channel Islands

By order of the Board
Babcock & Brown Public Partnerships Limited
Company Secretary

Notes:

1. Shareholders entitled to attend and vote at the Extraordinary General Meeting are entitled to appoint one or more proxies to attend, speak and, on a poll, to vote in their place. A proxy need not be a member of the Company. If you wish to appoint a proxy please complete the Form of Proxy enclosed with this document.
2. The completed Form of Proxy should be sent, together with (if not previously registered with the Company) any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed, so as to reach the Company's Registrar, Capita Registrars, Proxies Department, PO Box 25, Beckenham, Kent, BR3 4BR, by no later than 11 am on 16 May 2009.
3. The completion and return of the Form of Proxy will not stop you from attending and voting in person at the Extraordinary General Meeting should you wish to do so.
4. A Shareholder is not entitled to be present at or take part in the Extraordinary General Meeting or vote at the same (whether personally or by representative or proxy) unless the following conditions have been satisfied: (i) all calls and amounts due from him to the Company have been paid; (ii) in respect of any Shares he has acquired, he has been registered as their holder; and (iii) if and for so long as the Directors determine, he or any other person appearing to be interested in the Shares held by him has failed to comply with a notice requiring the disclosure of Shareholders' interests.

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