

BABCOCK & BROWN
RESIDENTIAL LAND PARTNERS



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ASX Release

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BABCOCK & BROWN RESIDENTIAL LAND PARTNERS SETTLES ON LINKS LIVING RESIDENTIAL DEVELOPMENTS

Babcock & Brown Residential Land Partners (ASX: BLP) today announced final settlement of the acquisition of a controlling interest in Links Living's ("Links") partnership interests in the Sanctuary Lakes Resort and Sandhurst Club master planned residential developments in Victoria. The initial aggregate payment is \$35 million, with the balance to be determined by the underlying performance of the projects. The acquisition was announced in an ASX release dated 25 July 2006, which includes details of each property and the arrangements with Links.

As part of the arrangement, Links has invested \$8.7 million by acquiring existing BLP securities at the IPO issue price of \$1.00 each. These securities will be escrowed for two years from 30 June 2006 being the date of IPO.

Mr Michael Balkin, Managing Director of BLP said "We are extremely pleased to have finalised the acquisition of these interests in two such outstanding master planned developments. We are anticipating strong returns which will be accretive to Securityholder value over the lives of the projects."

Mr Balkin concluded by saying, "Our existing portfolio is performing well, and in line with expectations. We are excited about the number of additional excellent investment opportunities being offered to us by experienced residential land developers such as Links.

"We have in excess of \$90 million in available gearing capacity, whilst remaining within our targeted gearing range of 50-65% of gross assets, and are confident that we will continue to be able to source value accretive, strategic investments for BLP."

"Finally, we are pleased to advise that the Pacific Dunes Estate in Port Stephens has recently won a 2006 Urban Development Institute of Australia NSW Award for Excellence in the "Masterplanned Development – Residential Lifestyle Development – Greater and less than 1000 lots" category. We believe this is a positive reflection on the quality of the residential land projects selected by BLP for investment."

For further information:

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About Babcock & Brown Residential Land Partners

Babcock & Brown Residential Land Partners (BLP) is a listed vehicle managed by Babcock & Brown which invests in a diversified portfolio of quality residential land projects which are developed by a range of Australia's leading private developers.

BLP offers Securityholders liquidity, geographic, project and product diversity, access to quality private developers, long term potential for growth and, importantly, the benefit of access to Babcock & Brown's considerable investment and structuring experience in the real estate sector.

For further details please see our website: www.bbresidentiallandpartners.com

About Links Living

Links is a developer and manager of residential and golf club communities who are focused on premium quality, masterplanned residential communities.

Originally established in 1995 to project manage the development of Sanctuary Lakes, Links is now one of Australia's leading developers and operators of lifestyle residential communities, with activities in:

- Property investment / development
- Project management; and
- Club and community management

| For further details please see Links' website: www.linksliving.com.au

Overview of Portfolio

Project	State	Development Manager	Project Location	Forecast Total Lot Yield	BLP Economic Interest (%)
Kalynda Chase Estate, Townsville	QLD	BMD/Urbex	Growth Area	1,500	30%
Ascot Chase, Melbourne	VIC	BMD/Urbex	Infill Site	397	75%
Officer	VIC	Metricon	Growth Corridor	366	100%
Renaissance Rise, Mernda	VIC	Metricon	Growth Corridor	315	100%
Seabreeze Estate, Pottsville	NSW	Metricon	Growth Area	244	100%
Marie Avenue, Taree	NSW	Winten	Growth Area	253	92%
Forster	NSW	Winten	Growth Corridor	178	92%
Haywards Bay, Wollongong	NSW	Winten	Infill Site	277	92%
Mirador Heights, Merimbula	NSW	Winten	Growth Area	338	92%
Pacific Dunes, Port Stephens	NSW	Citta	Growth Area	373	19.1%
Sanctuary Lakes Resort	VIC	Links Living	Growth area	2,567	50%
Sandhurst Club	VIC	Links Living	Growth area	1,530	26.7%
Totals				8,338	N/A

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