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## **Babcock Brown Infrastructure to sell almost 50pct of port**

*Monday, 12 Oct, 2009*

Daily Mercury reported that Babcock & Brown Infrastructure the owners of Dalrymple Bay Coal Terminal, south of Mackay have revealed that they will sell almost 50% of the port to ease debt problems.

Babcock & Brown Infrastructure said a USD 1.8 billion restructure would repay all its debt, simplify its capital structure and lead to a name change for the group. BBI will raise USD 1.5 billion through the issue of new equity and a further USD 295 million from the sale of assets to Canadian company Brookfield Asset Management.

Brookfield is then expected to enter into other agreements with BBI leading to Brookfield holding a 49.9% stake in the giant coal terminal, which is part of the Hay Point port. It is expected that Brookfield representatives will be appointed to the BBI board.

The move follows the release of a plan last week for the port to embark on an expansion worth up to USD 4 billion that would almost double the capacity of the export terminal.

The plan, if approved, would employ about 1000 workers to build infrastructure that would handle 153 million tonnes of coal a year an 80% jump from its current 85 million tonne capacity which was only finalized at the end of June.

Mr Jeff Kendrew CEO of BBI said the new company, named Prime Infrastructure, would have the resources to fully realize its potential. He said that "It will be well-positioned, with a very high quality asset portfolio comprising essential transportation and energy transmission and distribution businesses, and will offer strong and predictable cash flows together with opportunities for organic growth."

The proceeds from the recapitalization will be used to repay all BBI debt and simplify its capital structure.

(Sourced from [www.dailymercury.com.au](http://www.dailymercury.com.au))

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