

18 January 2006

ASX Announcement

Babcock & Brown Japan Property Trust Completion of Portfolio Acquisition

Babcock & Brown Japan Property Trust (the Trust) (ASX: BJT) today announced finalisation of the acquisition of the remaining 15 properties in the portfolio specified in the Product Disclosure Statement (PDS) dated 16 November 2005.

The acquisitions completed today were of the properties referred to in the PDS as "Related Party Properties". The acquisition of these properties from entities in which Babcock & Brown Limited (BNB) had an economic interest, was overwhelming approved at the Trust's unitholder meeting on 19 December 2005.

Following the completion of these acquisitions, the Trust now has interests in 29 properties in Japan; nine retail properties, seventeen office properties and three residential properties located primarily in the central and greater Tokyo area. The total value of the Trust's portfolio is now ¥89.8 billion (approximately A\$1.04 billion).

Mr Eric Lucas Managing Director of Babcock & Brown Japan Property Management Limited (BBJPM), the Responsible Entity of the Trust said, "With the completion of these acquisitions as forecast in the November PDS, the Trust's portfolio has been substantially expanded and diversified and the PDS forecast for substantial growth in distributions for unitholders is on track. I would like to thank our unitholders for their strong support both of the recent entitlement issue and of the acquisitions as approved at last month's unitholder meeting."

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About Babcock & Brown Japan Property Trust

Babcock & Brown Japan Property Trust is a listed property trust with a strategy to invest into the real estate market of Japan. It currently holds interests in a portfolio comprising 29 office, retail and residential properties.

The Responsible Entity of the Trust is Babcock and Brown Japan Property Management Limited, a subsidiary of Babcock & Brown. Asset management services in Japan are generally undertaken by Babcock & Brown Co., Ltd., which is also a subsidiary of Babcock & Brown.

For further information please see our website: <http://www.bbjapanpropertytrust.com>