EVEREST BABCOCK & BROWN

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ASX RELEASE

Everest Babcock & Brown Alternative Investment Trust (EBI)

Unaudited Net Tangible Asset Backing as at 31 May 2007

Please find below information on the net tangible asset (NTA) backing for Everest Babcock & Brown Alternative Investment Trust (EBI):

	30 April 2007	31 May 2007
NTA per unit	**$4.50**[1]	**$4.28**[5,6]
Pro forma NTA per unit	**$4.18**	**N/A**
Based on total issued units	**62,218,364**	**182,711,761**[6]

The NTA backing per unit for May 2007 was diluted by the effect of the Capital Raising.

The performance of the underlying investment portfolio (excluding the effect of the Capital Raising) for May 2007 was 2.40%. On 8 May 2007, successful participants in the Capital Raising were allotted one EBB share at no additional consideration for every 4.5 EBI units allotted. Including the implied value of EBB shares of $0.80, the total performance for the month of May was 12.89% (measured as the movement in NTA per unit plus the implied value of EBB shares allotted of $0.80). The $0.80 implied value of EBB shares is based on the 8 May 2007 EBB closing market price of $3.60.

Effect of Capital Raising on NTA Backing Per Unit

On 4 May 2007 EBI announced the successful completion of its Capital Raising which raised approximately $503 million. The Capital Raising comprised an underwritten Entitlement Offer and a Placement to wholesale investors and to investors who received a firm allocation from their broker.

The pro forma NTA backing per unit, reflecting the estimated effect of the Capital Raising, as at 30 April 2007 was $4.18. As a result of positive performance of the investment portfolio (excluding the effect of the Capital Raising) during May 2007, the NTA backing per unit as at 31 May 2007 is $4.28. This represents an increase of 2.40% on the 30 April 2007 pro forma NTA.

The dilutionary effect on the NTA backing per unit for May through the Capital Raising is due specifically to:

- 120.5 million units being issued under the Capital Raising; and
- Capital Raising costs of $18.8 million.

Please refer to the EBI Product Disclosure Statement and the EBB Offer Information Statement (both dated 2 April 2007) for further information about the Capital Raising.

May 2007 Investment Portfolio Commentary

EBI's investment portfolio enjoyed broad based gains. In particular, strong performances were derived from event driven, long/short equity and managed futures investment managers.

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The monthly performance presented below is based on the actual NTA per unit as at 31 May 2007 and takes into account the effect of the Capital Raising.

Monthly Performance:

2007	Jan[2]	Feb[1]	Mar[1]	April[1]	May[5]	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NTA $[4]	$4.73	$4.29	$4.39	$4.50	$4.28[6]							
Distribution[3]	-	$0.434	-	-	-							
Monthly %	2.60%	-0.13%	2.33%	2.51%	-4.89%[6]							
Cumulative %	30.63%	30.47%	33.51%	36.86%	30.17%							

The May 2007 monthly performance does not include $0.80 of implied value received by investors who successfully participated in the Capital Raising. See note 5 below for additional details.

2006[2]	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NTA $[4]	$4.77	$4.37	$4.48	$4.57	$4.39	$4.17	$4.07	$4.14	$4.21	$4.33	$4.49	$4.61
Distribution[3]	-	$0.395	-	-	-	$0.234	-	-	-	-	-	-
Monthly %	4.15%	-0.21%	2.63%	2.01%	-3.94%	0.32%	-2.40%	1.72%	1.69%	2.85%	3.70%	2.67%
Cumulative %	14.39%	14.15%	17.16%	19.51%	14.80%	15.17%	12.41%	14.34%	16.27%	19.59%	24.01%	27.32%

2005[2]			IPO	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NTA $[4]			$4.17	$4.02	$4.06	$4.17	$4.37	$4.38	$4.52	$4.35	$4.47	$4.58
Monthly %				-3.60%	1.00%	2.71%	4.80%	0.23%	3.20%	-3.76%	2.76%	2.46%
Cumulative %				-3.60%	-2.64%	0.00%	4.80%	5.04%	8.39%	4.32%	7.19%	9.83%

1 Unaudited – NTA figures are final but subject to audit.
2 NTA figures for the month ended 31 January 2007, periods ended 31 December 2006 and 31 December 2005 are final and audited.
3 Distributions reflect the distributions paid and are included in the calculation of monthly and cumulative performance.
4 For the purposes of calculating the above figures, the Australian Equivalents to International Financial Reporting Standards (AEIFRS) principles have been applied (other than for classification of net assets attributable to unitholders of the EBI where Australian Generally Accepted Accounting Principles (AGAAP), as applied before the introduction of AEIFRS, have been used).
5 Unaudited – In calculating the NTA, EBI asset values have been calculated using unaudited absolute return fund performance estimates for the month being reported.
6 The NTA backing per unit for May 2007 was diluted by the effect of the Capital Raising. The performance of the underlying investment portfolio (excluding the effect of the Capital Raising) for May 2007 was 2.40%. On 8 May 2007, successful participants in the Capital Raising were allotted one EBB share at no additional consideration for every 4.5 EBI units allotted. Including the implied value of EBB shares of $0.80, the total performance for the month of May was 12.89% (measured as the movement in NTA per unit plus the implied value of EBB shares allotted of $0.80). The $0.80 implied value of EBB shares is based on the 8 May 2007 EBB closing market price of $3.60.

Ends.

About Everest Babcock & Brown Alternative Investment Trust (EBI)

Everest Babcock & Brown Alternative Investment Trust has exposure to a portfolio of leading international absolute return funds and selected direct investments in subordinated debt and equity co-investments. The objective of the investment portfolio is to generate attractive risk-adjusted absolute returns over the medium-to-long term while maintaining a constant focus on capital preservation.

For further information please visit our website www.everest.com.au or contact:

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