

## **MEDIA RELEASE**

### **BABCOCK & BROWN INFRASTRUCTURE FUND NORTH AMERICA NOW INDEPENDENT AS STEELRIVER INFRASTRUCTURE FUND FOLLOWING BUYOUT FROM BABCOCK & BROWN.**

*JOHN HANCOCK AND BABCOCK & BROWN INFRASTRUCTURE FUND NORTH AMERICA'S MANAGEMENT TEAM TO ACQUIRE PARTNERSHIP INTERESTS AND MANAGEMENT RIGHTS OVER THE \$1.9BN UNLISTED INFRASTRUCTURE FUND FROM BABCOCK & BROWN*

May 15, 2009 – The management team of Babcock & Brown Infrastructure Fund North America LP, (“BBIFNA” or the “Fund”), a San Francisco based unlisted infrastructure fund that owns and manages energy and infrastructure assets throughout North America, and John Hancock Life Insurance Company (“John Hancock”), a diversified financial services organization and an existing limited partner of the Fund, today announced the acquisition of Babcock & Brown’s (“B&B”) interests in the Fund as well as B&B’s management rights over the Fund.

Under the terms of the transaction, the management team has established a new entity, SteelRiver Infrastructure Partners LP (“SteelRiver”) to acquire the general partner of the Fund from B&B and will solely manage the Fund’s investments. John Hancock has acquired B&B’s limited partner interests in the Fund. B&B’s management rights over the Fund have been acquired by an entity jointly owned by SteelRiver and John Hancock and will be managed under contract with SteelRiver. The transaction, which has received strong support and formal approval from the limited partners of the Fund, follows a competitive bidding process for the sale of B&B’s interests in the Fund, as part of the group’s orderly sell-down program announced to the markets on February 6, 2009. The transaction also received approval of the Federal Energy Regulatory Commission.

As part of the transaction, the SteelRiver team will now provide management services previously provided by a subsidiary of B&B. Under the current agreement, the management team expects to amend the name of the Fund to SteelRiver Infrastructure Fund North America LP in due course.

”With the financial problems of B&B, the management team has been seeking a long-term solution that provides stability to the existing fund and allows our team to best meet our commitments to the limited partners and the other stakeholders of the Fund” said Chris Kinney, Senior Managing Partner of SteelRiver and CEO of the Fund. “Other than the transfer of B&B’s limited and general partner interests to John Hancock and the current management group respectively, the Fund’s current investor composition and commitments remain unchanged. The existing management team of the Fund will remain in place and the Fund will continue to pursue the same long term investment objectives within the infrastructure asset class in North America. We are very thankful to all limited partners in the Fund for their undeterred support throughout this period of uncertainty for the Fund and our team. We are also pleased to be able to focus now on continuing our successful investment and asset management program”.

“We believe that the transaction delivers a number of structural enhancements including full alignment of interests between the limited partners and the management team, elimination of potential conflicts of interest through a full separation from B&B, and a seamless transition to the new platform with full retention of personnel” said Dennis Mahoney, Senior Managing Partner of SteelRiver and Head of Origination. “The Fund’s management team has established a stable, cooperative and rewarding culture, evidenced by low staff turnover, which we expect to remain in place after the transaction”.

John Hancock teamed with SteelRiver in the buyout to protect its existing investment in the Fund and at the same time acquire additional LP interests and invest further with a successful team. “We were pleased to underwrite the transaction for a number of reasons” said John Anderson, Head of Power Finance at John Hancock. “We very much appreciated the management team’s decisive action to protect Fund value in the face of B&B’s financial problems, and we were quick to commit resources to support them on this. As importantly, we are impressed with how the team has invested and managed the first half of the Fund, and welcomed the opportunity to support them with additional capital in the buyout.”

#### **About Babcock & Brown Infrastructure Fund North America (to be renamed SteelRiver Infrastructure Fund North America)**

Babcock & Brown Infrastructure Fund North America is a San Francisco based unlisted infrastructure fund that owns and manages energy and infrastructure assets throughout North America. The Fund reached final close in October 2008 securing capital commitments in excess of US\$1.9 billion from leading institutional investors, including public, employee and other pension plans and insurance companies located throughout North America and Europe.

The Fund owns Trans Bay Cable, a 400 Megawatt high-voltage direct current electric submarine cable connecting the cities of Pittsburg, California and San Francisco; ICS Logistics, a leading operator of break bulk sea ports in Florida, Louisiana and Alabama. The Fund is the managing member of a consortium that owns a controlling interest (80%) in Natural Gas Pipeline of America (NGPL), one of the largest US natural gas pipelines and storage systems, and has partnered with Knight Inc. (formerly Kinder Morgan), which is a 20% shareholder of NGPL and serves as the asset operator. In July 2008 the Fund also entered into a definitive agreement with Dominion Resources, Inc. to acquire The Peoples Natural Gas Company and Hope Gas, Inc. natural gas distribution utilities located in Pennsylvania and West Virginia. The agreement is subject to certain state and federal regulatory approvals.

#### **About SteelRiver Infrastructure Partners**

SteelRiver Infrastructure Partners (SteelRiver) is a newly formed investment management firm of the management team of Babcock & Brown Infrastructure Fund North America (BBIFNA). Its Managing Partners are Christopher P. Kinney, CFA, the founding CEO of BBIFNA, former investment banker at JPMorgan Chase and Barclays

Capital and former CFO of the City of Knoxville; Dennis T. Mahoney, head of origination for Babcock & Brown's infrastructure business in North America and former investment banker at JPMorgan Chase and Barclays Capital; and Michael J. Cyrus, COO of BBIFNA and former CEO of Cinergy Corp.'s unregulated U.S. and international energy assets, and Cinergy's regulated gas and electric businesses.

SteelRiver invests in core infrastructure assets for the long term, seeking investments in businesses that provide essential services necessary for human existence with stable cash flows and monopolistic, often regulated, characteristics. Its investors seek total returns characterized by strong current yields with low levels of financial leverage and low to moderate risk. SteelRiver's long term approach to infrastructure investing is characterized by a significant emphasis on value added through a dedicated, in-house asset management staff and experienced infrastructure investment management professionals.

### **About John Hancock**

John Hancock Financial is a unit of Manulife Financial Corporation (the Company), a leading Canadian-based financial services group serving millions of customers in 19 countries and territories worldwide. Operating as Manulife Financial in Canada and in most of Asia, and primarily as John Hancock in the United States, the Company offers clients a diverse range of financial protection products and wealth management services through its extensive network of employees, agents and distribution partners. Funds under management by Manulife Financial and its subsidiaries were Cdn\$405 billion (US\$322 billion) as at March 31, 2009. Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK. Manulife Financial can be found on the Internet at [www.manulife.com](http://www.manulife.com).

The John Hancock unit, through its insurance companies, comprises one of the largest life insurers in the United States. John Hancock offers a broad range of financial products and services, including life insurance, fixed and variable annuities, fixed products, mutual funds, 401(k) plans, long-term care insurance, college savings, and other forms of business insurance. Additional information about John Hancock may be found at [www.johnhancock.com](http://www.johnhancock.com).

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