

BABCOCK & BROWN WIND PARTNERS

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ASX Release

22 December 2006

BBW ANNOUNCES COMPLETION OF THE ACQUISITION OF BEAR CREEK AND JERSEY ATLANTIC WIND FARMS IN THE USA

Babcock & Brown Wind Partners (ASX: BBW) announces that it has finalised the purchase of the Class B membership interests in Bear Creek and Jersey Atlantic wind farms located in the USA States of Pennsylvania and New Jersey, respectively, for approximately US\$17.0 million¹ in total.

These acquisitions are part of the US Framework Agreement (referred to in section 12.4 of the IPO Prospectus and Product Disclosure Statement, dated 26 September 2005).

The Bear Creek and Jersey Atlantic wind farms comprise the following Class B Membership interests, installed capacity and energy production statistics:

Wind Farm	Location	Class B Membership interest	Installed capacity (MW)	Mean Energy Production (GWh p.a.)
Bear Creek	Pennsylvania	59.3%	24	73.4
Jersey Atlantic	New Jersey	59.3%	7.5	19.3

These acquisitions represent a continuation of BBW's strategy of investing in and managing a diversified global portfolio of wind farms and will increase the total number of operational wind farms to 21. BBW's operations cover three continents, five countries, eight different wind regions and many regulatory and market conditions.

Both of these acquisitions will be accretive to FY2007 net operating cash flow, which is already reflected in the distribution guidance of 12.5 cents per security for FY2007.

¹ This figure does not include transaction fees.

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The FY2007 distribution guidance was upgraded from 11.2 cents per security to 12.5 cents per security at the time of annual results announcement in September 2006.²

A Fact Sheet for each wind farm is provided as an attachment to this announcement.

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Further Information:

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² The FY2007 distribution is subject to the portfolio achieving P50 wind generation, no payment of a performance fee and no material reduction in the Spanish tariff.

FACT SHEET – Bear Creek Wind Farm (“Bear Creek”)

Bear Creek commenced operations on 14 March 2006 with a total installed capacity of 24 MW and an expected net energy output of 73.4 GWh per annum. The wind farm consists of 12 Gamesa 2.00 MW wind turbines and is located in Pennsylvania. Bear Creek has a net capacity factor of 34.9%.

Location map



KEY INFORMATION	
Funding	Debt that was drawn to fund construction of the wind farm was repaid at the start of commercial operations. At the time, equity was provided by a combination of Class A and Class B members.
Revenue assurance	All electricity is sold under long term off-take contracts with terms of 20 years with PPL Energy Plus.
Customers	PPL Energy Plus, guaranteed by PPL Energy Supply (rated BBB /Baa2).
Operation	Operations and maintenance contract for a 5 year term with Gamesa
Land	Land leases with 40 year terms
BBW's percentage ownership	59.3% of Class B Membership interests in a company that holds both wind farms. Remaining interest held by other Class B and Class A investors.
Regulatory regime	USA Production Tax Credits

FACT SHEET – Jersey Atlantic Wind Farm (“JAW”)

JAW commenced operations on 14 March 2006 with a total installed capacity of 7.5 MW and an expected net energy output of 19.3 GWh per annum. The wind farm consists of 5 GE 1.50 MW wind turbines and is located in New Jersey. JAW has a net capacity factor of 29.4%.

Location map



KEY INFORMATION	
Funding	Debt that was drawn to fund construction of the wind farm was repaid at the start of commercial operations. At the time, equity was provided by a combination of Class A and Class B members.
Revenue assurance	All electricity is sold under a long term off-take contract with a term of 20 years for approximately 49.25% of its P50 production, with the remaining electricity sold into the regional power pool at prevailing wholesale power prices.
Customers	Atlantic County Utilities Authority
Operation	Operations and maintenance contract for a 2 year term with GE
Land	Land leases with approximately 25 year term and option to extend
BBW's percentage ownership	59.3% of Class B Membership interests in a company that holds both wind farms. Remaining interest held by other Class B and Class A investors
Regulatory regime	USA Production Tax Credits

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About Babcock & Brown Wind Partners

Babcock & Brown Wind Partners (ASX: BBW) is a specialist investment fund focused on the wind energy sector. BBW listed on the Australian Stock Exchange on 28 October 2005 and has a market capitalisation of approximately A\$900 million.

It is a stapled entity comprising Babcock & Brown Wind Partners Limited (ABN 39 105 051 616), Babcock & Brown Wind Partners Trust (ARSN 116 244 118) and Babcock & Brown Wind Partners (Bermuda) Limited (ARBN 116 360 715).

BBW's portfolio comprises an interest in or agreement to buy 23 wind farms on three continents that have a total installed capacity of approximately 1,150 MW and are diversified by geography, currency, equipment supplier, customer and regulatory regime.

BBW is managed by Babcock & Brown Infrastructure Management Pty Limited, a wholly owned subsidiary of Babcock & Brown Limited (ASX: BNB), a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown has a long history of experience in the renewable energy field and extensive experience in the wind energy sector, having arranged financing for over 3000MW of wind energy projects and companies for nearly 20 years, with an estimated value over US\$3 billion. Babcock & Brown's roles have included acting as an adviser/arranger of limited recourse project financing, arranging equity placements, lease adviser, project developer, principal equity investor and fund manager for wind energy projects situated in Europe, North America and Australia. Babcock & Brown has developed specialist local expertise and experience in the wind energy sector in each of these regions which it brings to its management and financial advisory roles of BBW.

BBW's investment strategy is to grow security holder wealth through management of the initial portfolio and the acquisition of additional wind energy generation assets.

For further information please visit our website: www.bbwindpartners.com