

BABCOCK & BROWN WIND PARTNERS

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Babcock & Brown Wind Partners Trust · ARSN 116 244 118
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ASX Release

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POTENTIAL ACQUISITION OF PORTFOLIO OF WIND FARMS IN THE USA

Babcock & Brown Wind Partners (ASX: BBW) advises that it is currently finalising discussions with Babcock & Brown Limited (ASX: BNB) and its associates for the purchase of the Class B Membership interests¹ in a portfolio of wind farms located in the United States (the **US06 Portfolio**). As a consequence of these discussions, an application has been lodged with the Federal Energy Regulatory Commission of the United States.

The location and installed capacity of the proposed wind farms in the US06 Portfolio are as follows:

Wind Farm	Location	Installed capacity (MW)
Buena Vista	California	38
Aragonne	New Mexico	90
GSG	Illinois	80
Mendota	Illinois	52
Allegheny Ridge Phase I	Pennsylvania	80
Allegheny Ridge Phase II	Pennsylvania	70

The proposed acquisition of the US06 Portfolio would be subject to approval by BBW Security Holders in accordance with ASX Listing Rule 10.1. The acquisition is also subject to the transaction meeting BBW's investment criteria and final approval by BBW's Independent Directors. Following finalisation of negotiations and transaction documentation, it is proposed that an announcement would be made regarding a meeting of BBW Security Holders to be held in the first quarter of 2007 to consider the transaction. Detailed information, together with an Independent Expert's Report on the fairness and reasonableness of the transaction to BBW Security Holders (excluding BNB and its associates), would be distributed to BBW Security Holders prior to any such meeting.

¹ It is proposed that BBW will acquire all of the Class B Membership interests in a holding company which in turn will acquire 100% of the wind farm project entities (except in the case of the Aragonne wind farm project entity, in which BNB will retain a 5% interest).

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If the necessary approvals are obtained, including approval by BBW Security Holders, the acquisition of the wind farms in the US06 Portfolio would be expected to occur in stages throughout 2007 as the wind farms reach commercial operation.

The potential acquisition of the US06 Portfolio represents a continuation of BBW's strategy of investing in and managing a diversified global portfolio of wind farms and would increase the total number of operational wind farms to 27. The acquisition of the US06 Portfolio would be a further example of the benefit to BBW of its strategic relationship with BNB, who provide BBW with access to a pipeline of acquisition opportunities and a team with nearly 20 years experience in wind energy development, funding and ownership.

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Further Information:

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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 interests in 24 wind farms in operation and under construction on three continents that have a total installed capacity of approximately 1,190 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