

BABCOCK & BROWN WIND PARTNERS



Babcock & Brown Wind Partners Limited · ABN 39 105 051 616
Babcock & Brown Wind Partners Trust · ARSN 116 244 118
Babcock & Brown Wind Partners (Bermuda) Limited · ARBN 116 360 715
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia
T +61 2 9229 1800 · F +61 2 9231 5619 · www.bbwindpartners.com

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BBW PORTFOLIO AND FUNDING UPDATE

Portfolio Update

Babcock & Brown Wind Partners (ASX: BBW) provides an updated portfolio summary as at 21 December 2007. During the 2007 calendar year, BBW completed a number of large scale portfolio style acquisitions, including the US06, US07 and Enersis (50%) wind farm portfolios, consolidating its position as a top five global wind farm owner and operator.

The US06, US07 and Enersis (50%) wind farm portfolios were sourced from Babcock & Brown's global development pipeline. BBW also successfully:

- completed several acquisitions under the terms of the Gamesa and Plambeck Framework Agreements in Spain and Germany respectively;
- negotiated third party transactions, being the acquisition of the Monte Seixo and Serra do Cando wind farms in Spain; and
- the acquisition of the Capital wind farm in Australia.

BBW's portfolio now totals 2430.6MW¹, and consists of interests in 76 wind farms in six countries, three continents and 13 distinct wind regions, with a long term mean energy production of 7,123 GWh per annum. BBW's portfolio is comprised of high quality wind farms as demonstrated by an average capacity factor of 33.5%, and is diversified by wind resource, regulatory regime, revenue assurance, and equipment/service providers.

The attached portfolio summary shows that BBW currently has almost 24% of its generation capacity under construction. This increase in capacity is expected to support continued growth in distributions, and notwithstanding this investment in growth, BBW expects distributions made to BBW security holders during the construction period to continue to be met from Net Operating Cash Flow.

Given the scale of BBW's portfolio, the portfolio summary will be provided on a country and wind region basis going forward.

¹ Represents BBW's equity interest. Includes wind farms in operation and under construction, and Allegheny Ridge 2 wind farm which will be acquired on completion of construction. Equity interests of US wind farms constitute percentage ownership of Class B members units of the project entity.

Funding Update

The continued growth of the business during 2007 has been funded through three successful equity raisings² as well as the establishment and progressive expansion of BBW's global corporate debt facility, which was first completed in May 2007. Since syndication in August 2007, the facility has been increased from €1.03bn (A\$1.7bn) to €1.69bn (A\$2.8bn) reflecting the credit strength of the enlarged portfolio, as well as the scaleable and flexible terms of the facility.

Following a period of sustained growth via acquisition, and in light of the recent volatility in global capital markets, BBW believes that it is appropriate to provide an update on its gearing and hedged debt position.

During this period of growth, BBW has maintained a prudent capital structure and risk management practices. As at December 2007 BBW's net debt to enterprise value is approximately 65%³. Furthermore, approximately 75% of BBW's debt is hedged on a long term amortising basis. Based on the current capital structure, the estimated impact of a 100 basis point increase in interest rates is limited to a reduction of approximately A\$6m in net operating cash flow.

The ability of BBW to access debt capital in the current market environment highlights the ongoing credit strength of BBW's portfolio which has significant sources of diversification and a high proportion of contracted and recurring revenue streams, with approximately 79% of revenues represented by long term PPA's and fixed tariffs⁴.

BBW's debt facilities are structured as long term amortising facilities with final maturity dates after 2020. BBW expects to refinance the facilities every two to three years.

All acquisitions announced to date are fully covered by existing committed funding sources, including future construction costs of those wind farms under construction.

Facility credit margins obtained for the original May 2007 facility were very competitive. Increases in facility credit margins applicable to recent facility extensions have been limited and are consistent with general market widening in credit spreads for mid-investment grade corporate credits. As a result, the average margins payable across BBW's debt facilities have risen by approximately 0.1% per annum since May 2007.

Miles George, Chief Executive Officer said "BBW's portfolio has seen a significant transformation during 2007 with substantial capture of key diversification and scale benefits. In the last three months, BBW's ability to secure committed funding through an expansion of its global corporate debt facilities has enabled BBW to fund eight substantial wind farm investments in the US, Spain and Australia, collectively comprising a total ownership interest of 650MW."

ENDS

² A\$157m raised via an Institutional Placement in May 2007; A\$201m raised via the implementation of the Alinta Scheme of Arrangement in August 2007; and approximately A\$47m raised from the Security Purchase Plan in October 2007.

³ Includes Enersis debt on a 50 per cent proportional ownership basis.

⁴ For operating wind farms.

Further Information:

Rosalie Duff
Investor Relations Manager
Babcock & Brown Wind Partners
Phone: + 61 2 9216 1362

Miles George
Chief Executive Officer
Babcock & Brown Wind Partners
Phone: + 61 2 9229 1800

About Babcock & Brown Wind Partners

Babcock & Brown Wind Partners (ASX: BBW) is a global wind energy business which owns and operates a portfolio of wind farms spanning six countries and three continents. BBW listed on the Australian Stock Exchange on 28 October 2005 and has a market capitalisation of approximately A\$1.5 billion.

BBW 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 76 wind farms that have a total installed capacity of approximately 3,187MW and are diversified by wind resource, currency, equipment supplier, offtake arrangements and regulatory regime.

BBW is managed by Babcock & Brown Wind Partners Management Pty Ltd, a 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 has been a longstanding participant in the wind energy sector with 20 years experience. 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 roles as manager and financial advisor for BBW.

BBW's investment strategy is to grow Securityholder wealth through efficient management of the initial portfolio and by selective acquisitions of additional wind energy generation assets.

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

Country	Wind Region	No. of Windfarms	Installed Capacity (MW)		No. of Turbines	Long Term Mean Energy Production (GWh pa)		Capacity Factor %	Energy Sale ²
			Total	Ownership ¹		Total	Ownership ¹		
AUSTRALIA	Western Australia		89.1	89.1	54	366.5	366.5		
	South Australia		239.5	239.5	99	691.3	691.3		
	New South Wales		132.3	132.3	63	415.3	415.3		
	Sub Total	4	460.9	460.9	216	1,473.1	1,473.1	36.5%	PPA & Market
SPAIN	Spain								
	Sub Total	14	421.8	420.7	397	1,020.6	1,017.7	27.6%	Fixed & Market
GERMANY	Germany								
	Sub Total	7	101.0	100.8	59	214.7	214.3	24.3%	Fixed
FRANCE	France								
	Sub Total	2	52.0	52.0	26	118.8	118.8	26.1%	Fixed
PORTUGAL	Portugal								
	Sub Total	30	524.8	257.3	267	1,295.1	635.4	28.2%	Fixed
USA	US - South		829.6	488.9	607	2,941.4	1,719.3		
	US - North West		41.0	20.5	41	119.6	59.8		
	US - South West		88.0	88.0	63	272.9	272.9		
	US - North East		181.5	168.7	92	539.5	501.8		
	US - Central		300.5	200.3	274	959.2	639.5		
	US - Mid West		186.2	172.5	136	513.4	470.4		
	Sub Total	19	1,626.7	1,138.9	1,213	5,346.0	3,663.7	36.7%	PPA & Market
	Sub Total - Operational	61	2,598.3	1,858.5	1,915	7,828.4	5,523.0	33.9%	
	Sub Total - Under Construction	15	588.9	572.1	263	1,639.9	1,600.0	31.9%	
TOTAL		76	3,187.2	2,430.6	2,178	9,468.3	7,123.0	33.5%	

¹ Ownership represents equity interest. For the US wind farms this is on the basis of active ownership as represented by the percentage of B Class member interest.

² "PPA": Power Purchase Agreement. Percentages are calculated based on "Ownership" of "Long Term Mean Energy Production".