

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
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ASX Release

6 June 2006

BBW DISTRIBUTION REINVESTMENT PLAN

Attached are the following documents which were despatched to Babcock & Brown Wind Partners (BBW) Stapled Security Holders today in relation to the implementation of a Distribution Reinvestment Plan:

- Chairman's Letter
- Distribution Reinvestment Plan Overview and Terms & Conditions

Mr Peter O'Connell, Chief Executive Officer of BBW, said "We are pleased to be able to provide this service to our Security Holders. It is a cost effective way for them to increase their holding in BBW, with securities under the DRP being issued at an initial 2.5% discount from a weighted average "Ex Distribution" market price".

ENDS

Further Information:

Peter O'Connell, Chief Executive Officer

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BABCOCK & BROWN WIND PARTNERS

About Babcock & Brown Wind Partners

Babcock & Brown Wind Partners (ASX: BBW) is a specialist investment fund focused on the wind generation sector. BBW listed on the Australian Stock Exchange on 28 October 2005 and has a market capitalisation of approximately A\$800 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 over the past 16 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

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6 June 2006

Dear Stapled Security Holder

Distribution Reinvestment Plan

Babcock & Brown Wind Partners (BBW) is pleased to announce the implementation of a Distribution Reinvestment Plan (DRP) for BBW Security Holders. The DRP enables Security Holders resident in Australia (and any other jurisdiction where the laws of that jurisdiction permit participation) to reinvest their dividends and trust distribution (the Distribution) in new fully paid BBW stapled securities.

It is a convenient and cost-effective way for you to increase your holding in BBW. The Directors of BBW have determined that the BBW stapled securities under the DRP will be issued at an initial discount of 2.5%, from a weighted average "Ex Distribution" market price, until further notice.

Terms and Conditions of the DRP

Participation in the DRP is voluntary, and may be in respect of either some or all of your BBW stapled securities. A Terms & Conditions booklet outlining the rules of the DRP and an Application Form are enclosed. Security Holders may alter or cancel their participation in the DRP at any time by providing a DRP Variation/Termination notice to BBW's security registry, Link Market Services Limited.

Please note, to be effective for a particular Distribution, the Application Form to participate, or Variation/Termination notice to alter your application or withdraw from the DRP, must be received by the registry before the Record Date for that Distribution.

Return date for Application Form

In order to participate in the DRP for the Distribution relating to the half year ending 30 June 2006, your DRP Application Form must be returned to the registry, in the enclosed reply paid envelope, by 5pm on 30 June 2006. Your DRP election will remain in place for future distributions until a Variation/Termination Notice is received by the registry or the DRP is otherwise terminated.

If you have any questions in relation to your participation in the DRP, including any financial or taxation implications of participating, you should review the enclosed DRP Terms & Conditions booklet and consult your stockbroker, accountant or other financial adviser.

Rebranding

You may have noticed that BBW has recently undergone a rebranding process in conjunction with Babcock & Brown. The new logo and new look allows BBW to leverage Babcock & Brown's strong reputation while retaining its own identity.

If you have any other queries regarding your investment in BBW, please contact Link Market Services on 1800 226 671 (within Australia) or +61 2 8280 7180 (outside Australia) or via email at registrars@linkmarketservices.com.au.

Thank you for your ongoing support of Babcock & Brown Wind Partners.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Hofbauer', written in a cursive style.

Peter Hofbauer
CHAIRMAN

Babcock & Brown Wind Partners Limited
Babcock & Brown Wind Partners (Bermuda) Limited
Babcock & Brown Wind Partners Services Limited, in its capacity as responsible entity for the
Babcock & Brown Wind Partners Trust

Distribution Reinvestment Plan Overview and Terms & Conditions



BABCOCK & BROWN
NYSE: BBE

This is a Distribution Reinvestment Plan adopted jointly by Babcock & Brown Wind Partners Limited ABN 39 105 051 616, Babcock & Brown Wind Partners (Bermuda) Limited ARBN 116 360 715 and Babcock & Brown Wind Partners Services Limited ABN 61 113 813 997 in its capacity as responsible entity of the Babcock & Brown Wind Partners Trust ARSN 116 244 118. The detailed terms and conditions of the Distribution Reinvestment Plan are contained in this booklet. Please read them before deciding whether or not to participate. The Overview section of this booklet does not form part of the Terms and Conditions of the Distribution Reinvestment Plan.

OVERVIEW

1 HIGHLIGHTS

1.1 DISTRIBUTION REINVESTMENT PLAN

Under the Babcock & Brown Wind Partners Distribution Reinvestment Plan (DRP), your dividends and trust distribution (the 'Distribution') may be reinvested in new Babcock & Brown Wind Partners (BBW) fully paid stapled securities (securities).

1.2 INCREASE YOUR HOLDING

The DRP is a cost effective and convenient way of increasing your security holding in BBW.

1.3 ENTITLEMENT TO SECURITIES

Each Distribution paid in respect of securities participating in the DRP is automatically reinvested in new securities.

1.4 DISCOUNT ON EX-DISTRIBUTION PRICE

It is intended that securities will be allotted under the DRP at a discount from a weighted average 'ex Distribution' market price and will be allotted to you free of brokerage, commission and stamp duty costs. The DRP gives the Directors discretion as to the amount of the discount up to the maximum permitted having regard to the constitutions or bye-laws of the Company, the Foreign Company and the Trust, and to any requirements of Australian Stock Exchange (ASX) or instruments issued by the Australian Securities and Investments Commission (ASIC), from time to time.

1.5 RESIDUAL BALANCE

Where there is a residual balance following the calculation of the price at which DRP securities will be allotted and the number of DRP securities you will receive, this residual balance will be carried forward and added to your next Distribution for reinvestment in further DRP securities.

1.6 SECURITIES RANK EQUALLY

Securities allotted under the DRP rank equally with existing fully paid stapled securities.

1.7 OPTIONAL PARTICIPATION

Participation is entirely optional. You may at any time join the DRP, vary your participation, or withdraw from the DRP by completing an Application Form and sending it to BBW's Registry. However, forms received after the close of the register for a Distribution will not be effective until the next date for Distribution.

1.8 STATEMENT

A statement will be sent to you on each Distribution payment date, detailing your participation in the DRP.

1.9 AMENDMENT, SUSPENSION AND TERMINATION

The BBW Directors may in their discretion resolve to amend, suspend or terminate the DRP but in so doing cannot vary any entitlement you have received or accrued up to that point.

1.10 TERMS AND CONDITIONS

The detailed terms and conditions of the DRP are contained in this booklet. Please read them before deciding whether or not to participate in the DRP.

Please note that the defined terms used in this booklet are detailed on page 5.

1.11 ENQUIRIES

If you wish to enquire about the DRP, please contact BBW's Registry, Link Market Services Limited, at the following address:

Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

Telephone: 1800 226 671 (within Australia)
+61 2 8280 7180 (outside Australia)

Fax: (02) 9287 0303

Email: registrars@linkmarketservices.com.au

Web: www.linkmarketservices.com.au

OVERVIEW

1.12 IMPORTANT INFORMATION

Nothing in this booklet is intended to provide advice regarding any investment you may choose to make in the Securities. To the extent that any information in this booklet may be 'general financial product advice', you should be aware that:

- this booklet has been prepared without taking account of your objectives, financial situation or needs;
- because of that, before you act on any information in this booklet, you should consider the appropriateness of the information having regard to your particular objectives, financial situation and needs;
- no combined product disclosure statement and prospectus (**Disclosure Document**) is required for the issue of Securities under the DRP. However, the BBW website provides access to the most recent Disclosure Document for the Securities and to continuous disclosure notices released to ASX, and you should consider this disclosure material before making any decision about whether to participate in the DRP.

If in doubt about whether or not to participate, you should consult your legal or financial adviser before making your decision.

2 FREQUENTLY ASKED QUESTIONS

Security Holders should read the detailed terms and conditions of the DRP and not rely on these questions and answers. In the event of any inconsistency between the terms and conditions of the DRP and these questions and answers, the terms and conditions of the DRP will prevail.

2.1 WHO CAN PARTICIPATE?

All registered holders of BBW Securities can participate in the DRP to the limit of their Security holdings. However, any Security Holder who has a registered address or is resident in a country other than Australia may not be eligible to participate in the DRP because of legal requirements applying in that country. The Directors have the discretion to determine whether any such Security Holder is excluded from the DRP and may require a Security Holder to provide proof, in the form of a statutory declaration or other document, of the legality of their participation.

2.2 WHAT IF I RESIDE OUTSIDE AUSTRALIA?

You may participate if permitted by the laws of your country of residence, but your participation must be in accordance with those laws.

2.3 IS PARTICIPATION OPTIONAL?

Yes. The decision is entirely yours.

2.4 CAN I PARTICIPATE FULLY IN THE DRP?

Yes. The limit of your participation for a given Distribution entitlement is determined by the number of BBW Securities registered in your name on the Record Date for the relevant Distribution or such other date advised by the Company Directors.

2.5 CAN I PARTICIPATE PARTIALLY IN THE DRP?

Yes. In this case your participation in the DRP will depend on the number of your BBW Securities you have nominated for the DRP. Your entitlement to Distribution payments in respect of Securities not participating in the DRP will be paid in the normal way.

2.6 HOW DO I JOIN THE DRP?

Complete the Application Form enclosed and return it to:

The Registrar
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

A copy of the DRP Terms and Conditions and an Application Form can be obtained from the BBW website (www.bbwindpartners.com).

2.7 WHEN WILL MY PARTICIPATION BEGIN?

It will begin with the first Distribution after receipt of your Application Form. This is subject to the form being received prior to the Record Date or other date nominated by the Company Directors in respect of that Distribution so as to allow sufficient time for forms to be processed before the payment of the Distribution.

OVERVIEW

2.8 WHAT HAPPENS IF I HAVE MORE THAN ONE SECURITY HOLDING?

You will need to lodge a separate Application Form for each separate Security holding (e.g., those registered under different names or joint names), and you must correctly identify the Security holding on each form. There may be special requirements for filling in the Application Form if you have a holding in joint names or in a company name - just follow the directions on the form.

2.9 CAN I CHANGE MY PARTICIPATION AT ANY TIME?

Yes. Simply complete a notice of variation which may be obtained from The Registrar, Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235. The notice of variation will be effective from the next Distribution payment date, as long as the notice of variation is received on or before the relevant Record Date or other date nominated by the Company Directors to allow sufficient time for the notice to be processed.

2.10 AT WHAT PRICE WILL THE SECURITIES BE ALLOTTED?

They will be allotted at the average of the daily weighted average market price of all BBW Securities sold on the Australian Stock Exchange over the 10 trading days ending on the trading day which is 3 trading days before allotment under the DRP in relation to the relevant Distribution, regardless of whether any Securities are sold on those days. However, if the Directors think the price is not fair, the Directors may adopt a value determined by a valuer. In addition, a discount may apply to the price and will be determined by the Directors, but is capped having regard to the terms of the constitutions or bye-laws of the Company, the Foreign Company and the Trust, and any requirements of ASX or instruments issued by ASIC.

2.11 HOW IS THE DISCOUNT DETERMINED?

The amount of any discount is decided from time to time by the Directors but cannot be changed once declared for a particular distribution period. Details of the discount applicable to each distribution will be posted on our website.

2.12 DO THE SECURITIES ISSUED UNDER THE DRP PARTICIPATE IN THE DRP?

Where you are eligible to participate and have elected full participation, Securities issued previously under the DRP automatically participate in the DRP unless and until a notice of variation is given by you.

2.13 WHAT WILL IT COST ME TO PARTICIPATE?

There is no cost for participation. You will not be charged brokerage fees, commission, stamp duty or administrative costs for any allotment of Securities under the DRP.

2.14 CAN I SELL MY SECURITIES WHEN I CHOOSE?

Securities participating in the DRP or acquired under the DRP may be sold at any time. When a Security Holder with partial participation in the DRP sells Securities the number of Securities sold will be deducted first from their holding of Securities which are not Participating Securities and then from their Participating Securities unless BBW receives notice to the contrary from the Security Holder.

BBW takes no responsibility for the taxation liabilities of Security Holders and is not giving any advice, representations or warranties as to any tax advantages, disadvantages or liabilities arising out of participation in the DRP. BBW recommends that you obtain professional taxation advice.

Security Holders resident overseas are advised to make enquiries about their tax liabilities in their country of residence as well as in Australia.

2.15 WHEN WILL I RECEIVE A STATEMENT?

After each Distribution, statements will be issued to each Security Holder showing:

- the number of your Securities participating in the DRP;
- the Distribution entitlement on such Securities;
- the number and price of new Securities allotted under the DRP;
- the extent to which a Distribution under the DRP is franked;
- the residual cash balance (if any) in the Participant's DRP account;
- the amount and extent to which any Distribution which is a Trust distribution is taxable, tax-free or tax-deferred (if known at that time); and
- the amount of any tax that has been withheld from the Distribution.

OVERVIEW

2.16 CAN THE DRP BE AMENDED?

The DRP may be amended by the Directors.

2.17 CAN THE DRP BE SUSPENDED OR TERMINATED?

The DRP may be suspended or terminated by the Directors without notice.

2.18 WHAT HAPPENS IF I DO NOT PARTICIPATE IN THE DRP?

If you elect not to participate in the DRP you will continue to receive any Distribution payments in the normal manner. Non-participation in the DRP will result in a dilution of your holding of BBW Securities relative to other Security Holders.

2.19 CAN THE DRP BE UNDERWRITTEN?

Yes. The Directors in their discretion may seek underwriting of all or part of the DRP from time to time. Any underwriting may result in additional Securities that are available for allocation under the DRP but which are not taken up by Security Holders being issued to other persons through the underwriting arrangements. Those persons may or may not be existing Security Holders.

2.20 WHAT IF I HAVE A GENERAL ENQUIRY REGARDING THE DRP?

If you have any enquiries (other than taxation) about how the DRP operates and how you can participate, write or telephone:

The Registrar
Link Market Services Limited
Locked Bag A14,
Sydney South NSW 1235

Telephone: 1800 226 671

Fax: (02) 9287 0303

Please note that neither BBW nor the Registrar is in a position to answer enquiries concerning the taxation implications for Security Holders. Such enquiries should be addressed to your professional taxation adviser.

TERMS AND CONDITIONS

1 INTERPRETATION

1.1 DEFINITIONS

In these Terms and Conditions unless the contrary intention appears:

Application and Application Form means a written application to participate in the DRP signed by a Security Holder, or a person entitled to be registered as a Security Holder (or each Security Holder or person in the case of joint holdings) and in the form prescribed or approved by the Company Directors from time to time which form may be combined with or form part of any other form or notice.

ASX means Australian Stock Exchange Limited.

Company means Babcock & Brown Wind Partners Limited (ABN 39 105 051 616).

Company Directors means the directors of the Company.

DRP means this Distribution Reinvestment Plan constituted and incorporating the Terms and Conditions.

Directors means the Company Directors, the Foreign Company Directors and the RE Directors, respectively, as appropriate.

Distribution includes a dividend from the Company, a dividend from the Foreign Company, a distribution from the Trust, or any combination of the three.

Distribution Securities means Securities (including Participating Securities) upon which a Distribution is payable.

Foreign Company means Babcock and Brown Wind Partners (Bermuda) Limited (ARBN 116 360 715).

Foreign Company Directors means the directors of the Foreign Company.

Listing Rules means the official listing rules of the ASX.

Participant means a Security Holder participating in the DRP.

Participating Securities means Securities participating in the DRP.

Record Date is as defined in the Listing Rules.

RE Directors means the directors of the Responsible Entity.

Register means the register of holders of Stapled Securities maintained by the Company.

Registrar means Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

Registry means Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

Responsible Entity means Babcock & Brown Wind Partners Services Limited while it remains the responsible entity of the Trust, but if it is replaced, any replacement responsible entity.

Securities means shares in the capital of the Company, stapled with shares in the capital of the Foreign Company, stapled with units in the capital of the Trust on a ratio of 1:1:1.

Security Holder means a person (including a corporation) entered in the Register as the holder of Securities.

Termination Notice means a notice to terminate participation in the DRP in a form approved by the Company Directors.

Terms and Conditions means the terms, provisions and conditions of the DRP set out in this document as amended from time to time pursuant to clause 13.

Trust means the Babcock & Brown Wind Partners Trust ARSN 116 244 118 established by Trust Deed dated 16 June 2003 as amended from time to time.

Variation Notice means a notice to vary participation in the DRP in a form approved by the Company Directors,

Withholding Tax means any tax or withholding amount that the Company, the Foreign Company or the Trust is required to withhold from a Distribution payable to a Participant.

1.2 INTERPRETATION

- (a) Words importing the masculine gender include the feminine and neuter genders.
- (b) Words importing the singular include the plural and vice versa.
- (c) Security Holders who, in respect of distinct numbers of Securities held by them have separate holder numbers, shall, for the purposes of the Terms and Conditions, be deemed to be separate and distinct Security Holders in relation to each such holder number and the Securities from time to time allocated to that holder number.

TERMS AND CONDITIONS

2 PARTICIPATION IN THE DRP

- 2.1 The DRP will commence operation on a date determined by the Directors in their absolute discretion.
- 2.2 Under the DRP a Security Holder may elect to receive new Securities instead of cash for Distributions declared by the Directors in respect of all or part of their holdings of Securities.
- 2.3 Participation in the DRP is:
 - (a) subject to these Terms and Conditions;
 - (b) optional; and
 - (c) not transferable.
- 2.4 Except as stated in clauses 2.5, 2.6 and 2.9, all Security Holders are eligible to participate in the DRP.
- 2.5 A Security Holder who is subject to the laws of a country or place other than Australia may not be eligible to participate in the DRP because of legal requirements that apply in that country or place. The issue of Securities to Security Holders who are not resident in Australia at the time of issue, or who are "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933) will be subject to all necessary government or regulatory approvals in the relevant country or place. It is the responsibility of each Security Holder to obtain any such approvals if they wish to participate in the DRP. Before electing to participate in the DRP, Security Holders should seek professional advice to ascertain if any restrictions apply.
- 2.6 If, in the opinion of the Directors the law of Australia or another country (or any other matter or thing) makes a Security Holder's participation illegal, impossible or impracticable, such directors may determine that the Security Holder is not eligible to participate in the DRP.
- 2.7 The Directors may, at their discretion, require from a Security Holder a statutory declaration or other proof that the Security Holder is not in breach of any law by participating in the DRP.
- 2.8 Participation may, subject to the Terms and Conditions, be varied or terminated by a Security Holder at any time.
- 2.9 The Directors are entitled (but not obliged) to refuse a Security Holder participation in the DRP where the Security Holder has, in the opinion of the Directors, split a Security holding or acquired Securities of such a split, in order to increase the number of Participating Securities that may be allotted to the Security Holder or another person.

3 APPLICATION TO PARTICIPATE

- 3.1 An application to participate in the DRP is to be made on an Application Form.
- 3.2 Upon receipt and acceptance of a duly completed and executed Application Form, participation will commence from the next Record Date for determining entitlements for Distributions.
- 3.3 If the Directors decide to reject an application for participation they will inform the relevant Security Holder of their decision in writing within a reasonable time of receipt of the application.

4 DEGREE OF PARTICIPATION

- 4.1 Security Holders may elect one of two levels of participation in the DRP
 - (a) Full Participation

This means all the Participant's Securities at any time, however acquired (including Securities allotted under the DRP), will be subject to the DRP.
 - (b) Partial Participation

This means only the number of Securities specified by the Participant will be subject to the DRP.
- 4.2 Security Holders must specify on the Application Form the degree to which they wish to participate in the DRP by:
 - (a) indicating full participation; or
 - (b) indicating the number of the Securities to participate in the DRP for partial participation.

TERMS AND CONDITIONS

- 4.3 Application Forms received by the Company which do not clearly indicate either the degree of participation or a specific number of securities to participate, will be deemed by the Company Directors to be Applications for full participation. Application Forms which indicate more than one degree of participation will be deemed to indicate the greater degree of participation. The Directors shall not be liable to the Security Holder for any loss, damage or claim in respect of either the Security Holder's participation or non-participation as the case may be pursuant to the exercise by the Company Directors of their discretion.
- 4.4 Application Forms received by the Company which indicate a number of Participating Securities in excess of the number of Securities held by the Security Holder making the Application will be deemed to be Applications for full participation.

5 OPERATION OF DRP

- 5.1 The DRP allows Participants to acquire Securities at a discount determined by the Directors which must not exceed any maximum discount permitted having regard to the constitutions or bye-laws of the Company, the Foreign Company and the Trust, the requirements of ASX and any instruments issued by ASIC. The Company Directors shall publish the amount of the discount for each Distribution on the BBW website. The number of Securities to be issued to each Participant is calculated as set out in clause 5.2.
- 5.2 Each Distribution which is payable to a Participant in respect of Securities subject to the DRP will, upon payment, be applied by the Company on the Participant's behalf in subscribing for the whole number of Securities, or when not a whole number the nearest whole number below the number, calculated by the following formula:
- $$S = \frac{100 \times ((P \times D) + R)}{M \times V}$$
- Where:
- S is the number of Securities to be allotted to the Participant;
 - P is the number of Participating Securities registered in the name of the Participant to which the allotment relates;
 - D is the amount of the Distribution per Security in cents declared by the Directors on Distribution Securities, less the amount of any Withholding Tax applicable to that Distribution and any other amount which the Company is entitled or required to withhold or deduct for any reason from the Distribution payable to that Participant;
 - R is the amount of any positive residual balance in the Participant's DRP account, from a previous Distribution;
 - M is the average of the daily weighted average market price in cents per Security (rounded to the nearest full cent) of all Securities sold on the ASX over the 10 trading days ending on the trading day which is 3 trading days before the date that the Securities are to be allotted under the DRP in relation to the relevant Distribution (excluding 'special crossings', 'crossings' outside normal trading hours and transactions related to the exercise of any options) or if the Directors believe that the calculation made in accordance with the above does not provide a fair reflection of the market price of a Security, the Directors may, at their discretion, adopt as the market price an amount as determined by a valuer appointed by them as being the fair market value price; and
 - V represents the discount factor, and is a number less than or equal to 100 as determined by the Directors having regard to the constitutions or bye-laws of the Company, the Foreign Company and the Trust respectively, the requirements of ASX and any instruments issued by ASIC, from time to time. (For example, for a 2.5% discount, V would be 97.5.)
- 5.3 Securities will be allotted as soon as practicable following subscription pursuant to clause 5.2.
- 5.4 The amount applied in acquisition of Securities shall be allocated between shares in the Company, shares in the Foreign Company and units in the Trust as determined by the Directors.

TERMS AND CONDITIONS

5.5 A DRP account for each Participant will be established and maintained by the Company (or by its appropriately licensed agent or intermediary). The Company will, with respect to each Participant (by reference to the formula and definitions in clause 5.2):

- (a) credit the amount equivalent to $P \times D$ to the Participant's DRP account;
- (b) debit the amount which is calculated as follows against the balance in the Participant's DRP account:

$$S \times \frac{(M \times V)}{100}$$

- (c) carry forward any positive residual balance in the Participant's DRP account.

5.6 Any residual balance recorded in a Participant's DRP account as a result of clause 5.5 will remain in the Participant's DRP account and will be recorded as a positive residual balance which will be carried forward, on behalf of the Participant, to the next Distribution payment date on which the DRP is in operation (subject to clause 5.8).

5.7 No interest will accrue in respect of positive residual balances.

5.8 On the termination of participation in the DRP in accordance with clauses 9 or 13 below, any positive residual balance at that time will be paid to the Participant or donated to one or more charities selected by the Directors on behalf of the Participant, at the discretion of the Directors.

6 SECURITIES ALLOTTED UNDER THE DRP

6.1 Securities allotted under the DRP will be allotted in accordance with the Listing Rules.

6.2 All Securities allotted under the DRP will rank equally in all respects with existing Participating Securities.

7 COSTS TO PARTICIPANTS

No brokerage, commission, stamp duty, or other transaction costs will be payable by Participants in respect of any allotment of Securities under the DRP.

8 STATEMENTS TO PARTICIPANTS

After each allotment made pursuant to clause 5.3, the Company will forward to each Participant a statement detailing, as at the relevant allotment date:

- (a) the number of the Participant's Participating Securities as at the close of the Register for determination of entitlements to Distributions;
- (b) the amount of Distribution payable on all of the Participant's Participating Securities, the amount of any Withholding Tax and the extent to which the Distribution is franked;
- (c) if the Distribution is a distribution from the Trust, the amount of any Withholding Tax, the amount of the distribution and the extent to which it is taxable, tax-free, or tax deferred (if known at that time);
- (d) the number of Securities allotted to the Participant under the DRP under the allotment to which the statement relates;
- (e) the price at which these Securities were allotted and any discount reflected in the price;
- (f) the allocation of the Distribution between the acquisition cost of shares in the Company, shares in the Foreign Company and units in the Trust;
- (g) the Participant's total holding of Participating Securities after such allotment;
- (h) the amount of the Participant's residual positive balance (if any) and retained in the Participant's DRP account; and
- (i) any other matters required by law to be disclosed.

TERMS AND CONDITIONS

9 VARIATION TO OR TERMINATION OF PARTICIPATION

9.1 Subject to clause 10, a Participant may at any time give a notice to the Company at the Registry to:

- (a) increase or decrease participation in the DRP (a Variation Notice); or
- (b) terminate participation in the DRP (a Termination Notice).

The variation or termination takes effect from the Record Date for the next Distribution.

9.2 If a partially participating Security Holder disposes of Securities and does not notify the Company to the contrary, the Securities disposed of cease to participate in the DRP. If the remaining Participating Securities are less than the number specified for participation, the Participant will be treated as having elected for full participation until such time as the Participant's holding exceeds the number of Participating Securities previously specified for partial participation.

9.3 If a Participant transfers all of the Participant's holding of Securities, without giving notice of termination of participation in the DRP the Participant will be deemed to have given notice to terminate his participation in the DRP on the last date when the Company registered a transfer or instrument of disposal of the Participant's Securities.

9.4 If a Participant dies, participation by that Participant and any other Participants with whom the deceased was a joint Participant will be terminated, subject to Clause 10, upon receipt by the Company of notice of the death of the Participant.

9.5 When a Participant transfers Participating Securities, the Participating Securities shall upon registration of such transfer or instrument of disposal cease to be Participating Securities.

10 APPLICATIONS AND NOTICES

10.1 Notices must be in writing and in such form as the Company Directors may from time to time require.

10.2 Applications must be made and notices must be given by the Participant separately in respect of each holding of Securities identified by a separate holder number in the Register.

10.3 Applications and notices will be effective on receipt by the Company at its Registry subject to:

- (a) the Terms and Conditions;
- (b) in the case of Applications, acceptance by the Company Directors;
- (c) subject to sub-clause (d), their being received on or before the relevant Record Date;
- (d) such other determinations or restrictions as to the period of notice required as the Company Directors may from time to time impose including any substituted time for the time set out in sub-clause (c); and
- (e) the Company Directors may correct apparent errors, or fill in blanks in Applications where they are satisfied as to the Participants' intentions.

10.4 Applications and notices received after the due date will be effective from the date following the re-opening of the Register.

TERMS AND CONDITIONS

11 ADMINISTRATION OF DRP

11.1 The Company Directors shall administer the DRP and the Company Directors (in consultation with the Foreign Company Directors and RE Directors) shall have power and absolute discretion to:

- (a) determine appropriate procedures for administration of the DRP consistent with the provisions of the Terms and Conditions;
- (b) waive strict compliance with any of the provisions of the Terms and Conditions;
- (c) delegate the exercise of their powers or discretions under the DRP; and
- (d) settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the DRP whether generally or in relation to any Participant or any Securities and the determination of the Company Directors shall be conclusive and binding on all Participants and other persons to whom the determination relates.

11.2 The Company, the Foreign Company, the Responsible Entity and their respective officers and employees shall not be liable to any Security Holder for any loss, damage or claim in respect of either the Security Holder's participation or non-participation, as the case may be, in the DRP by reason of the administration or lack of administration of the DRP or the exercise by any of the Directors of any discretion under the DRP.

11.3 Unless the Company Directors shall otherwise decide, entries made in the Register shall be conclusive in determining whether or not any Security is a Participating Security.

12 STOCK EXCHANGE LISTING

If the Participating Securities are quoted on the official list of the ASX, the Company, the Foreign Company and the Responsible Entity will apply promptly for the Securities allotted under the DRP to be listed for quotation on the official list of ASX.

TERMS AND CONDITIONS

13 AMENDMENT, SUSPENSION AND TERMINATION OF THE DRP

- 13.1 The Directors may in their absolute discretion from time to time modify, vary, supplement or substitute all or any of the Terms and Conditions and those Directors shall not be required to have any such amendment approved by the Security Holders in general meeting but any amendment shall be consistent with the Listing Rules. Notice of any amendment made by Directors shall be given to the Security Holders as soon as practicable after the effective date of the amendment. However, the accidental omission to give a notice under this paragraph or the non-receipt of any such notice by any Security Holder will not invalidate the amendment of the DRP.
- 13.2 The Directors may in their absolute discretion from time to time suspend the operation of the DRP in respect of any particular parcel of Participating Securities in respect of which those Directors wish to exercise a lien, right of forfeiture or right of deduction either relating to such Participating Securities or any Distribution which would have been payable in respect thereto.
- 13.3 The Directors may in their absolute discretion from time to time suspend the operation of the DRP including (but not limited to) when in the opinion of the Directors the continued operation of the DRP is impractical or may be prejudicial to the Company, the Foreign Company or Trust or to the Security Holders participating in the DRP or to the Security Holders not participating in the DRP. On and from the time when Directors suspend the DRP until the time when Directors recommence the DRP no Participant shall participate in the DRP.
- 13.4 A suspension of the DRP pursuant to this clause 13 shall take effect on and from such time as the Directors resolve and shall continue until such time as the Directors resolve that the DRP shall recommence or be terminated.
- 13.5 Notice of any suspension and of the recommencement or termination of the DRP following a suspension shall be given to the Security Holders as soon as practicable after directors have so resolved. However, the accidental omission to give a notice under this paragraph or the non-receipt of any such notice by any Security Holder will not invalidate the suspension or the recommencement or termination following a suspension of the DRP.
- 13.6 Where the DRP is suspended and recommenced within two years after the suspension date, any Application Forms in place at the date of the suspension will continue to be valid at the date of recommencement unless Security Holders submit a Variation Form or Termination Form in accordance with clause 9.1.
- 13.7 The Directors may in their absolute discretion at any time terminate the DRP.
- 13.8 Notice of termination shall be given to the Security Holders as soon as practical after directors have so resolved. However, the accidental omission to give a notice under this paragraph or the non-receipt of any such notice by any Security Holder will not invalidate the termination of the DRP.
- 13.9 Notices provided to Security Holders under clauses 13.1, 13.5 and 13.8 may be provided in any manner which BBW considers appropriate to bring the amendment, termination, suspension or recommencement, to the notice of Security Holders. This may include, any one or more of the following without limitation: notice given by public announcement, advertisements in any newspapers circulating generally in Australia, notice on BBW's website, announcement to ASX or despatched written notices.
- 13.10 Any amendment, suspension or termination of the DRP will not give rise to any liability on the part of, or right of action against, the Directors, BBW, nor its officers, employees, representatives or agents.
- 13.11 If the DRP is amended, a Participant continues to participate under the DRP in its amended form unless the Participant terminates its participation in the DRP by submitting a Termination Notice in accordance with clause 9.1.
- 13.12 Participants are bound by the Terms and Conditions of the DRP as amended from time to time.

TERMS AND CONDITIONS

14 GOVERNING LAW AND JURISDICTION

The DRP shall be governed by and shall be construed in accordance with the laws of the State of New South Wales and each Participant submits to the non-exclusive jurisdiction of the Courts of that State.

15 TERMS AND CONDITIONS TO BIND SECURITY HOLDERS

The Terms and Conditions of the DRP shall be binding upon each Security Holder.

ENQUIRIES

If you have any enquiries (other than taxation) about how the DRP operates and how you can participate, please contact Babcock & Brown Wind Partners Registry:

The Registrar
Link Market Services Limited
Locked Bag A14,
Sydney South, NSW 1235
Telephone: 1800 226 671 (within Australia)
+61 2 8280 7180 (outside Australia)
Fax: (02) 9287 0303
Email: registrars@linkmarketservices.com.au

Information is also available on the Babcock & Brown Wind Partners website: www.bbwindpartners.com

