

10 May 2006

## ASX Announcement

### BBW – Capital raising to fund near term acquisitions

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Babcock & Brown Wind Partners (BBW) announces its intention to undertake an equity capital raising of approximately A\$120 million for nominated acquisitions. The capital raising is subject to the successful completion of a bookbuild and approval of security holders at General Meetings to be held on or about 14 June 2006.

The capital raised from the issue of new BBW Stapled Securities will be used to fund the acquisition of a number of new opportunities not specifically identified in the Prospectus and Product Disclosure Statement (Offer Document) issued by BBW in September 2005.

#### BBW acquisitions

At its interim results presentation in February 2006, BBW announced that the majority of the A\$277 million existing cash balance as at 31 December 2005 had been reserved for identified projects.

As at the date of this release, this amount has been or will be applied as follows:

- ◆ Initial 62.5% economic interest in certain Class B membership stock in the US '05 Framework Assets (A\$75 million)<sup>1</sup>;
- ◆ Lake Bonney 2 (A\$102 million)<sup>2</sup>;
- ◆ Eifel acquisition (A\$17 million)<sup>3</sup>;
- ◆ Fruges acquisition (A\$52 million)<sup>4</sup>; and
- ◆ A prepayment on the Plambeck Framework Agreement<sup>5</sup> which secures a pipeline of potential acquisitions in Germany of approximately 300 MW over the next three years (A\$10 million).

Since the February 2006 announcement, a number of additional acquisition opportunities have become available to BBW. It is intended that the new equity capital of approximately A\$120 million will be used to acquire the following assets:

- ◆ a potential US acquisition of assets having an operating capacity of up to 54MW<sup>6</sup> (A\$50 million);
- ◆ the remaining 20% economic interest in certain Class B membership stock in the US '03/'04 Assets (note BBW already holds 80% of those Class B membership interests<sup>7</sup>) described in the Offer Document, namely Sweetwater Stages 1 and 2 (Texas), Caprock (New Mexico), Blue Canyon (Oklahoma) and Combine Hills (Oregon) wind farms (A\$22 million); and
- ◆ the remaining 37.5% economic interest in certain Class B membership stock in the US '05 Framework Assets (note BBW having already agreed to acquire 62.5% of the economic interest) –

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<sup>1</sup> Disclosed in the Prospectus and Product Disclosure Statement

<sup>2</sup> Disclosed in the Prospectus and Product Disclosure Statement

<sup>3</sup> Disclosed in the ASX announcement of 16 February 2006

<sup>4</sup> Disclosed in the ASX announcement of 30 March 2006

<sup>5</sup> The signing of the Plambeck Framework Agreement was disclosed in the ASX announcement of 30 March 2006

<sup>6</sup> As foreshadowed in the 24 February 2006 presentation for the December 2005 results

<sup>7</sup> As announced in the ASX announcement of December 2005

these comprise the Sweetwater Stage 3 (Texas), Kumeyaay (California), Bear Creek (Pennsylvania) and Jersey Atlantic (New Jersey) wind farms (A\$45 million).

On approval of the capital raising and when BBW acquires these assets, BBW expects that the EBITDA forecasts for the financial year ending 30 June 2007 in the Offer Document will be exceeded and that the assets will be accretive to net operating cash flow per security for the financial year ending 30 June 2007. BBW expects that the proposed acquisitions will contribute approximately A\$22 million to net operating cash flows in the financial year ending 30 June 2007 excluding Lake Bonney 2 and Fruges which are not expected to commence full production until early 2008. On an annualised basis the acquisitions when fully operational are expected to contribute approximately A\$43 million p.a. to net operating cash flows. BBW confirms distribution guidance of 10.2cps for the financial year ending 30 June 2006 and confirms that distributions for the financial year ending 30 June 2007 will be at least 11.2 cps.

Mr Peter O'Connell, CEO of BBW said: "We are very happy with the progress of BBW to date. In the short time since listing we have improved the portfolio with a number of excellent acquisitions. In addition to the assets identified at the time of the IPO we have also been able to introduce into the portfolio a number of attractive wind farms in diverse locations, utilising the latest technology and with favourable investment attributes, which were not specifically anticipated in the offer".

### **Detail of the Capital raising**

The capital raising will be undertaken via a bookbuild in Australia and abroad (including Asia and Europe) to institutional and sophisticated investors. It is structured as a conditional placement of existing BBW Stapled Securities, (provided by subsidiary entities of Babcock & Brown Limited (B&B) of an amount equivalent to approximately 15% of the existing share capital of BBW) with a subsequent new issue of Stapled Securities of an equivalent amount to B&B. The placement is being arranged by UBS AG Australia Branch (UBS) and is conditional on security holder approval.

It is expected that the bookbuild will be finalised by Thursday evening, 11 May 2006 and that BBW will recommence trading on Friday morning, 12 May 2006.

Further information concerning the capital raising and timetable (which is subject to change) is included in the attached Investor Presentation and will be provided in the notice of meeting to be sent to security holders.

**ENDS**

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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 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 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](http://www.bbwindpartners.com)

## FACT SHEET – SUMMARY OF ACQUISITIONS

The following information provides an outline description of the proposed assets to be acquired in the near term. Further details can be found in the accompanying presentation.

- Fruges - a 100% economic interest in three wind farms under development near Fruges in France with a total capacity of 22MW (as announced to the market on 30 March 2006) . This represents BBW's entry into the French market, which is forecast to become one of the leading markets for wind energy in Europe over the next five years<sup>8</sup>.
- Potential US acquisition – the acquisition of this asset, with an operating capacity of approximately 54MW and consisting of 33 Vestas 1.65 MW turbines, was flagged to the market on 24 February 2006 in the December 2005 results announcement. Once again this represents a significant step for BBW as it is proposed that the energy and 'renewable energy credits' from this wind farm will be sold through the market pool. Further details cannot be provided at this stage due to commercial confidentiality considerations but will be provided in the near term.
- US 03/04 assets – the agreement to purchase these assets was disclosed on pages 64-73 of the Offer Document. The acquisition of the initial 80% interest in these assets was announced to the market on 5 December 2005. The remaining 20% interest is now to be acquired.
- Lake Bonney 2 is a proposed 159 MW wind farm in South Australia, adjacent to BBW's Lake Bonney 1 asset. Details of the Lake Bonney 2 acquisition agreement can be found on page 149 of the Offer Document. Combined with Lake Bonney stage 1, when stage 2 is completed, Lake Bonney will be Australia's largest wind farm and has strong local community support.
- US '05 Framework Assets – the Offer Document referred to the agreement to purchase these assets on page 161. BBW now proposes to acquire 100% of these assets (as provided for in that agreement) which have been identified as:
  - Sweetwater 3 – a 50% Class B share of a 135 MW wind farm located in Texas;
  - Kumeyaay – a 100% Class B share of a 50 MW wind farm located in California;
  - Bear Creek – a 59.3% Class B share in a 24 MW wind farm located in Pennsylvania; and
  - Jersey Atlantic – a 59.3% Class B share in a 7.5 MW wind farm located in New Jersey

Further Framework agreements which are proposed to lead to future acquisitions include:

- Spain, Olivo – as detailed in the Offer Document;
- Germany, Renenco agreement as detailed in the Offer Document; and
- Germany, Plambeck – as announced in the ASX announcement of 30 March 2006.

Additionally, BBW has noted that B&B has announced that it recently acquired a portfolio of wind farms via its acquisition of Enersis and also that B&B has a significant pipeline of wind farms under development. These may be offered to BBW in due course.

**ENDS**

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<sup>8</sup> BTM Consult

B A B C O C K & B R O W N  
W I N D P A R T N E R S



Investor Presentation

**A\$120M Institutional Placement**

May 2006

Important note: Please refer to the disclaimer at the end of this presentation



# Agenda

- Executive Summary
- Acquisition Details
- Wind Energy Industry Outlook
- Offer Details
- Appendices



# Executive Summary

- BBW is seeking to raise up to A\$120 million<sup>1</sup> of new capital for identified acquisitions and cash replenishment via a conditional placement (“**BBW Placement**” or “**Offer**”)
- The Offer will increase the free float of BBW by up to A\$120m, broaden the institutional register and provide institutional investors with an opportunity to gain exposure to the only ASX listed vehicle of scale with a globally diversified portfolio focused purely on wind generation assets
- At completion, BNB will continue to hold substantially the same number of Stapled Securities in BBW
- The Offer is being made to institutional and sophisticated investors via a non-underwritten bookbuild
- The BBW Placement is conditional upon the receipt of security holders’ approval (expected 14 June 2006)

Note:

<sup>1</sup> Assuming 75 million Stapled Securities are issued at an issue price of \$1.60



# Executive summary (cont'd)

## Proposed use of funds<sup>5</sup>

(A\$ million)	Utilisation	Available cash
<b>Cash available for investments (as at 31 Dec 2005)<sup>4</sup></b>		<b>277</b>
US '05 Framework Assets (62.5% Class B interest) <sup>1</sup> – Sweetwater 3, Kumeyaay, Bear Creek and Jersey Atlantic	(75)	
Lake Bonney 2 <sup>1</sup>	(102)	
Eifel <sup>2</sup>	(17)	
Fruges <sup>3</sup>	(52)	
<b>Capital raising, net of fees (approx.)<sup>6</sup></b>	<b>118</b>	
Potential US acquisition (referred to as “Possible USA acquisition” in February) <sup>4</sup>	(50)	
US '03/'04 Assets (remaining Class B 20% interest) – Sweetwater 1&2, Blue Canyon, Combine Hills and Caprock	(22)	
US '05 assets (remaining Class B 37.5% interest)	(45)	
Plambeck Framework Agreement Prepayment	(10)	
<b>Cash available for investments post capital raising</b>		<b>22</b>

- With the exception of Fruges, Lake Bonney 2 and Plambeck Framework Agreement assets, all assets to be acquired are fully operational and will contribute to operating cashflows immediately on financial close. All of the \$373m of investments identified in the Utilisation column are hereafter referred to as “the Acquisitions”
- The Acquisitions will further diversify the portfolio geographically with Fruges representing BBW's entry into the French market
- The Acquisitions will increase BBW's interest in a portfolio of windfarms from 16 to 23 windfarms with a combined capacity of approximately 700MW to approximately 1,152MW

<sup>1</sup> Disclosed in IPO Offer Document

<sup>2</sup> Announced 16 February 2006

<sup>3</sup> Announced 30 March 2006

<sup>4</sup> BBW Interim results presentation

<sup>5</sup> Does not include operating cash flows, distributions or management fees

<sup>6</sup> Assuming 75 million Stapled Securities are issued at an issue price of \$1.60





# BBW continues to meet its stated objectives

	<u>Offer Document</u>	<u>Status</u>
<b>Initial Portfolio</b>	<ul style="list-style-type: none"> <li>Acquisition of 80% interest in US 03/04 Assets</li> <li>Finalise construction and commissioning of Alinta</li> <li>Acquisition of Niederrhein</li> <li>Acquisition of 3 Olivo Assets</li> </ul>	<ul style="list-style-type: none"> <li>✓ Completed</li> <li>✓ Commissioning underway</li> <li>✓ Completed</li> <li>• 2 completed, 1 imminent (El Sardon)</li> </ul>
<b>Framework Agreements</b>	<ul style="list-style-type: none"> <li>No commitment to secure assets within Reporting Period</li> <li>Framework agreements not included in IPO forecasts</li> </ul>	<ul style="list-style-type: none"> <li>✓ BBWP is working with Framework Agreement partners to complete acquisitions</li> <li>✓ To date US '05, Lake Bonney Stage 2, Spanish and German Framework Agreements</li> </ul>
<b>Additional acquisitions</b>	<ul style="list-style-type: none"> <li>General commitment to pursue further acquisitions</li> </ul>	<p>Further Acquisitions:</p> <ul style="list-style-type: none"> <li>✓ Eifel (Germany) wind farm acquired</li> <li>✓ Fruges</li> <li>✓ Potential USA Acquisition</li> <li>✓ US '03/'04 assets – remaining 20% interest in Class B securities</li> <li>✓ US '05 assets – remaining 37.5% interest in Class B securities</li> <li>✓ Plambeck Framework Agreement</li> </ul>
<b>Distribution to June 2006</b>	<ul style="list-style-type: none"> <li>10.2 cents per security</li> </ul>	<ul style="list-style-type: none"> <li>✓ Confirm Final Distribution of 5.1 cents per security, in line with Directors' forecast on expanded capital base</li> <li>✓ 100% tax deferred</li> </ul>
<b>Distribution 2007</b>	<ul style="list-style-type: none"> <li>11.2 cents per security</li> </ul>	<ul style="list-style-type: none"> <li>✓ Forecast 2007FY distribution is expected to be at least 11.2 cents per security, 100% tax deferred on expanded capital base</li> </ul>
<b>Distribution Growth</b>	<ul style="list-style-type: none"> <li>Distribution growth target of at least 3.5% over medium term</li> </ul>	<ul style="list-style-type: none"> <li>✓ Confirm distribution growth target of at least 3.5% over medium term</li> <li>✓ Organic growth of current portfolio</li> <li>✓ Investment in additional assets</li> </ul>



# Executive Summary - Financial Impact

## Existing Operations

- BBW expects 2H06 revenues to be stronger as Alinta operates at full capacity along with contributions from El Sardon, Serra da Loba, Eifel and Niederrhein
- Events that have affected the composition of the IPO EBITDA forecasts for FY06 and FY07 include:
  - delays in the acquisition of three of the Olivo wind farms (El Redondal (1 month), Serra da Loba (4 months), El Sardon (5 months)). The last of these is expected to be acquired in May 2006. This delay has reduced FY06 revenues by an estimated A\$9.0m with no expected negative impact on FY07
  - FY06 Spanish windfarm revenues have increased due to increased tariffs available under the Market Option estimated at approximately A\$3.8m for FY06, impact on FY07 dependent on tariffs then prevailing
  - receipt of pre-commissioning revenues from Alinta which are estimated to result in additional net revenues of approximately A\$5m in FY06 . Practical completion is now expected in June/July 2006
  - additional management fees (incentive fee of \$33m) and base fee of \$1m pa associated with performance and increased market capitalization



# Executive Summary – Financial Impact

## Acquisitions

- BBW expects:
  - the Acquisitions to be immediately accretive to net operating cashflow per stapled security<sup>1</sup> based on stapled securities on issue post BBW Placement and for the Acquisitions to contribute approximately A\$22 m to net operating cashflows<sup>2</sup> in FY07 excluding Lake Bonney 2 and Fruges which are not expected to commence production until early 2008. On an annualised basis the Acquisitions when fully operational are expected to contribute approximately A\$43m p.a. to net operating cashflows<sup>2</sup>;
  - the FY07 IPO revenue and EBITDA forecasts to be exceeded as a result of the Acquisitions; and
  - after completion of the Acquisitions and Placement, gearing to be approximately 44% based on 31 December 2005 proforma balance sheet and assuming no additional corporate debt

## Distributions

- BBW confirms distribution guidance of 10.2cps for FY06 and at least 11.2cps for FY07

Note:

<sup>1</sup> pre interest, principal repayments and expansion capex

<sup>2</sup> post interest, tax and corporate costs and prior to capital expenditure, acquisitions and principal debt repayments



# Executive summary— Identified growth opportunities

- BBW is well positioned to benefit from growth in the wind energy industry
  - stable regulatory support driven by emissions targets and reducing dependence on fossil fuels
  - wind energy economics have improved and technology improvements continue
- Key near term and long term growth drivers:
  - immediate and medium term acquisition opportunities of fully commissioned assets in the US
  - Spanish, German and new Plambeck Framework Agreements provide pipeline of acquisitions for BBW
  - large pipeline of opportunities from BNB with potential warehoused capacity of 3,000MW (in various stages of development) over medium term
  - BNB has announced that it expects to sell down some of the assets acquired from the Enersis transaction during 2006
  - Lake Bonney 2, a major project that almost doubles BBW's Australian wind capacity to 330MW by early 2008
  - industry consolidation opportunities



# Available funding positions BBW to capitalise on growth options

• Pro-forma cash available for investment (A\$ million)	
- Cash available for investment (post identified opportunities) <sup>1</sup>	22
- Corporate facility <sup>2</sup> (current availability)	<u>115</u>
- Total	<u>137</u>
• Identified medium term investment opportunities	
- Framework Agreements	
- Gamesa (Spain) <sup>3</sup>	~450MW
- Renerco (Germany) <sup>3</sup>	~100MW
- Plambeck (Germany)	~300MW
- BNB potential pipeline	3,000MW
• Other growth opportunities	
- Additional strategic alliances	
- Industry consolidation	

Note:

<sup>1</sup> Assuming 75 million Stapled Securities are issued at an issue price of \$1.60

<sup>2</sup> Existing limit €150 million; availability based on BBW cash flows

<sup>3</sup> Spanish and German Framework Agreements identified in IPO Offer Document



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# Proposed Use of Funds – Acquisition details

Wind Farm	Location	BBWP's Equity interest (%) <sup>1</sup>	Status (Expected Acquisition Date)	Installed Capacity (MW)	Number/Type of Turbines	Long Term Mean Energy Production (GWh pa)	Energy Sale
Lake Bonney 2	AUSTRALIA South Australia	100%	Pre-Construction (Mid 2008 <sup>3</sup> )	159.00	53 / Vestas 3MW	478.0	PPA <sup>4</sup> & Market
Fruges	FRANCE Pas de Calais	100%	Pre-Construction (Mid 2007 <sup>3</sup> )	22.00	11 / Enercon 2MW	49.7	Fixed Tariff
Eifel	GERMANY Rhineland-Palatinate	100%	Operational (February 2006)	27.00	18 / Nordex 1.5MW	52.4	Fixed Tariff
US '03/'04 Assets <sup>2</sup>	USA						
• Sweetwater 1	Texas	10%	Operational (May 2006)	37.50	25 / GE 1.5MW	141.7	PPA
• Sweetwater 2	Texas	10%	Operational (May 2006)	91.50	61 / GE 1.5MW	361.8	PPA
• Caprock	New Mexico	16%	Operational (May 2006)	80.00	80 / Mitsubishi 1MW	316.6	PPA
• Blue Canyon	Oklahoma	10%	Operational (May 2006)	74.25	45 / Vestas 1.65MW	264.1	PPA
• Combine Hills	Oregon	10%	Operational (May 2006)	41.00	41 / Mitsubishi 1MW	119.6	PPA
US '05 Assets							
• Sweetwater 3	Texas	50%	Operational (June 2006)	135.00	90 / GE 1.5MW	508.5	PPA
• Kumeyaay	California	100%	Operational (June 2006)	50.00	25 / Gamesa 2 MW	164.6	PPA
• Bear Creek	Pennsylvania	59.3%	Operational (June 2006)	24.00	12 / Gamesa 2 MW	73.4	PPA
• Jersey Atlantic	New Jersey	59.3%	Operational (June 2006)	7.50	5 / GE 1.5MW	19.3	PPA
Potential US Acquisition	N/A	75%	Operational (June 2006)	54.45	33 / Vestas 1.65	171.9	Market
<b>TOTAL</b>				<b>451.95 MW<sup>5</sup></b>		<b>2,721.6GWh p.a.</b>	

Notes:

1 Percentages for USA wind farms constitute percentage ownership of Class B interests of project entity only

2 Percentages for US 03/04 are the additional Class B interests to be purchased by BBW

3 Expected operations start date

4 Power Purchase Agreement

5 Excludes US 03/04 and Eifel, already counted in existing BBW portfolio

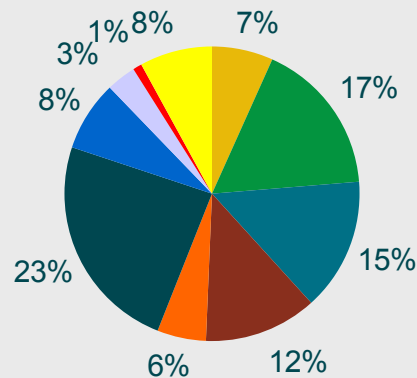
- No Plambeck Framework Agreement assets have been acquired to date



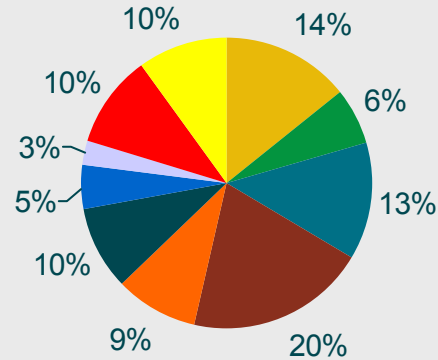
# Acquisition details - increased diversification

## Forecast asset portfolio<sup>1</sup> (by expected production (GWh<sup>2</sup>) within each region)

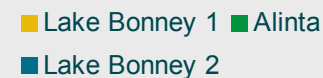
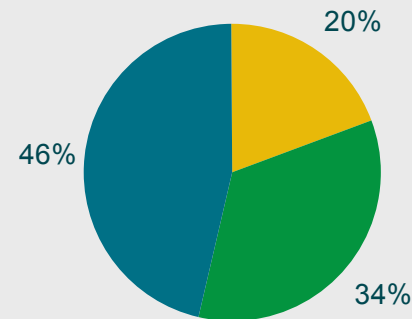
### North American Portfolio<sup>3</sup>



### European Portfolio



### Australian Portfolio



- It is expected that post completion of the Acquisitions, the FY07 EBITDA (cash distribution for US) contribution of each region will be relatively equal

<sup>1</sup> Includes identified acquisitions as set out in the Use of Funds

<sup>2</sup> Based on long term mean energy production estimates by expert advisers

<sup>3</sup> Not taking into account proportionate equity interest of BBW





# Agenda

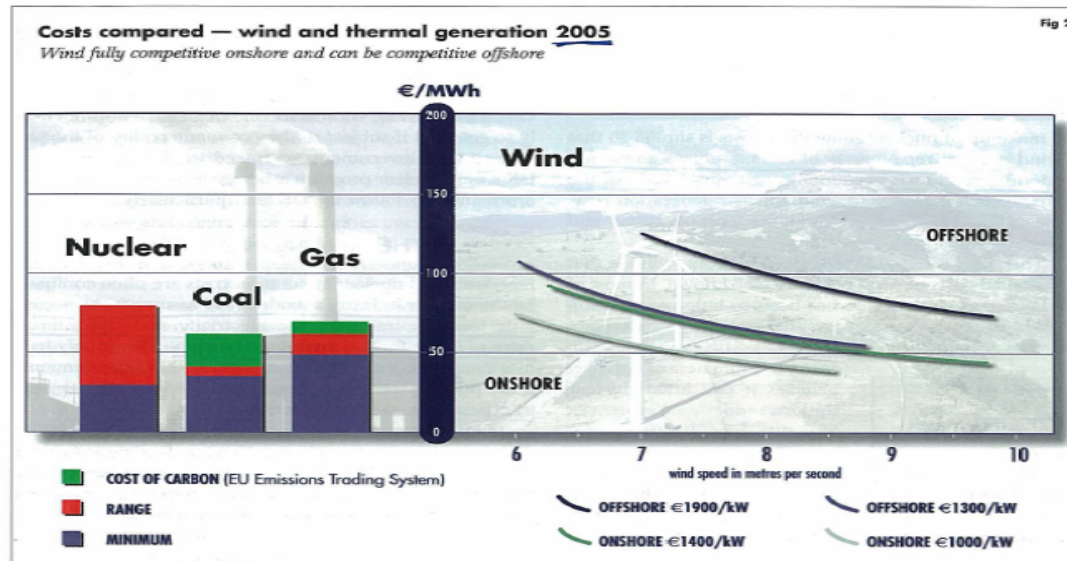
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# Industry Outlook – strong drivers for growth

- Continued regulatory support for renewable energy generation driven by:
  - commitment by many countries to meet greenhouse gas emission targets;
  - need to reduce dependence on, and depletion of, non-renewable resources; and
  - the desire by many countries to diversify the sources of their energy supply
- Wind energy continues to become more price competitive as traditional fuel prices escalate and further technical efficiencies are achieved

Wind Energy has become more competitive<sup>1</sup>

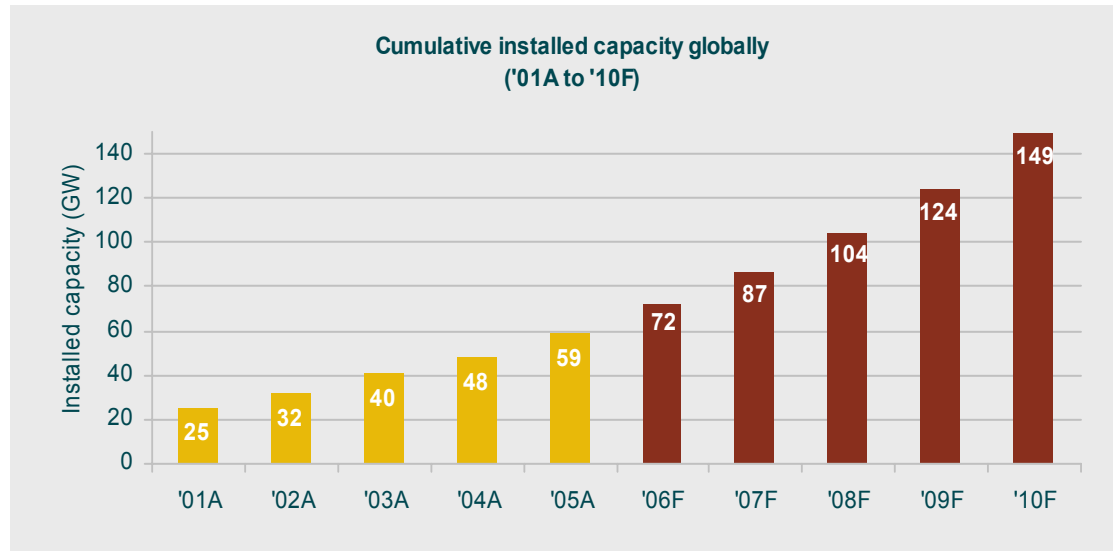


<sup>1</sup> Windpower Monthly



# Industry outlook – continued strong growth<sup>1</sup>

Wind energy installed capacity is forecast to grow at 21% p.a. for the period of 2001 to 2010F



- Continuing emphasis on wind energy with cumulative global installed capacity forecast to grow at over 21% per annum
- Value of the wind energy investment over the next five years will be US\$132.4b

<sup>1</sup> Industry information as per BTM 2005 Consult report



# Babcock & Brown Wind Partners – a unique investment opportunity

## Specialist fund

- Globally diversified portfolio focused purely on wind energy generation assets (23 wind farms in 5 countries with an aggregate gross installed capacity of 1,152 MW)
- Stable cash flows underpinned by long term off-take contracts and contracted costs
- Portfolio diversified by geography, regulation, contract counter-parties and equipment manufacturers

## Fast growing global market<sup>1</sup>

- Installed wind generation capacity has had a 26.3% CAGR from 2000 to 2005
- Installed capacity of wind farms is forecast to grow at over 21% p.a. until 2010
- Value of the wind energy market over the next five years expected to be over \$130 billion
- Rapid growth in the wind generation industry is driven by economic and environmental factors

## Experienced investment manager

- Babcock & Brown is involved in the wind energy industry as an advisor, developer and investor.
- Over the last 16 years, Babcock & Brown has arranged financing for over 3,000 MW of wind energy generation projects and companies, at an estimated value of US\$3 billion
- Interests are aligned with BBW, with Babcock & Brown and subsidiaries<sup>2</sup> currently holding a 16.2% stake

<sup>1</sup> Industry information as per BTM Consult Report – World Market Update 2005, Forecast 2006-2010

<sup>2</sup> Excluding the interests of executives

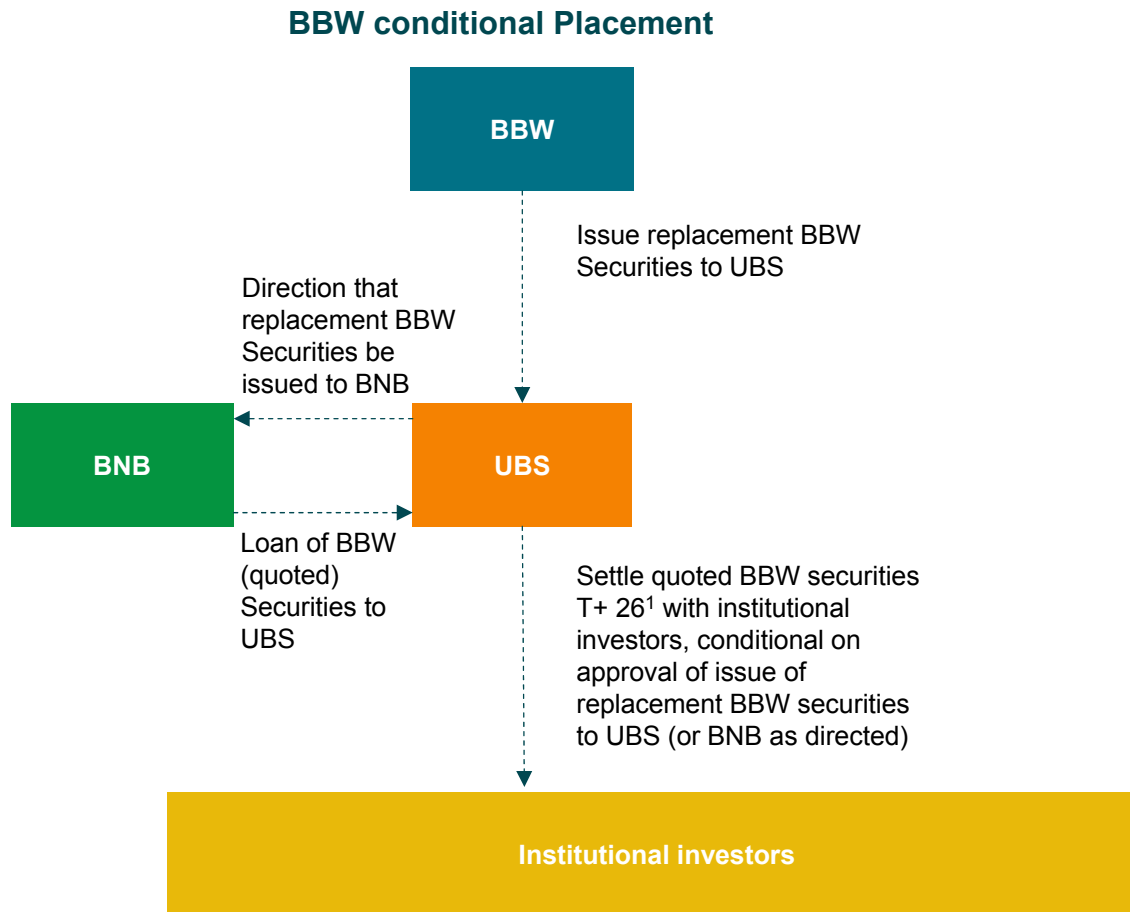


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# Offer Structure



<sup>1</sup> This date is indicative only and BBW reserves the right to vary any dates and times without prior notice

# Bookbuild Process

- Bookbuild price range: A\$1.50 – A\$1.60
  - 7.2% to 1.0% discount to the 10-day VWAP of A\$1.616

Period	VWAP	Implied discount
5 day	A\$1.591	5.8% to (0.5)%
10 day	A\$1.616	7.2% to 1.0%
20 day	A\$1.683	10.9% to 4.9%

- Bookbuild process<sup>1</sup>:
  - Book opens: 10.30pm (EST), Wed 10 May 2006
  - Book closes: 6.00pm (EST), Thurs 11 May 2006
- BBW Placement conditional on security holder approval
- BBW Placement securities will be settled on T+26 basis
- BBW Placement securities will rank pari passu in all respects and will be entitled to the June half year distribution

<sup>1</sup> These dates are indicative only and BBW reserves the right to vary any of the above dates and times without prior notice



# Bookbuild Process – Key Dates<sup>1</sup>

Activity	Date
Trading Halt	Wed 10 May - Thurs 11 May
Bookbuild	10.30am Wed 10 May – 6pm Thurs 11 May
Allocation	Thurs 11 May
Trading in BBW Securities Resumes	Fri 12 May
EGM / Receive Security Holder Approval	Wednesday 14 June
Settlement of BBW Placement securities	Monday 19 June

<sup>1</sup> These dates are indicative only and BBW reserves the right to vary any of the above dates and times without prior notice





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# BBW asset portfolio details – post-transaction

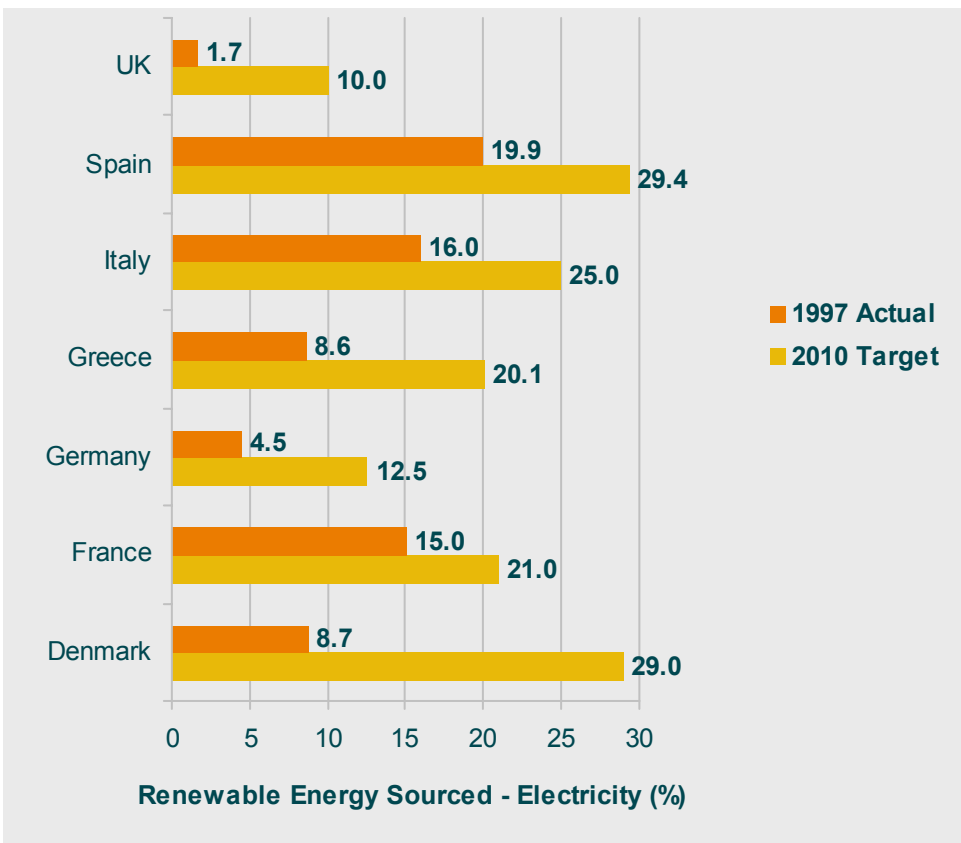
Wind Farm	Location	BBWP's Equity Interest (%) <sup>1</sup>	Status (Acquisition Date)	Installed Capacity (MW)	Number/Type of Turbines	Long term mean Energy Production (GWh pa)	Energy Sale
Alinta Wind Farm Lake Bonney 1 Lake Bonney 2	AUSTRALIA Western Australia South Australia South Australia	100% 100% 100%	Operational <sup>2</sup> (August 2004) <sup>4</sup> Operational (June 2003) <sup>4</sup> Pre-construction (Sept 2005) <sup>4</sup>	89.10 80.50 159.00	54 / NEG Micon 1.65 MW 46 / Vestas 1.75 MW 53 / Vestas 3 MW	366.5 211.2 478.0	PPA PPA PPA & Market
Olivo Portfolio ▪Sierra del Trigo ▪La Muela Norte ▪El Redondal ▪Serra de Loba ▪La Plata ▪El Sardon	SPAIN  Jaen Zaragoza Leon Galicia c.La Mancha Andalucia	100%	Operational (January 2002) Operational (August 2003) Operational (January 2005) Operational (March 2006) Operational (June 2005) Operational (May 2006) <sup>3</sup>	15.18 29.75 30.60 36.00 21.25 25.50	23 / Gamesa 660kw 35 / Gamesa 850kw 36 / Gamesa 850k 18 / Gamesa 2MW 25 / Gamesa 850kw 30 / Gamesa 850kw	32.3 70.6 66.5 99.9 45.6 47.9	Market Option Market Option Market Option Market Option Market Option Market Option
Niederrhein ▪Wachtendonk ▪Bocholt Liedern Eifel	GERMANY  Northrhine-Westphalia Northrhine-Westphalia Rhineland-Palatinate	99%  100%	Operational (March 2005) <sup>4</sup> Operational (March 2005) <sup>4</sup> Operational (Sept 2005) <sup>4</sup>	12.00 7.50 27.00	8 / Nordex 1.5MW 5 / Nordex 1.5MW 18 / Nordex 1.5MW	23.7 13.3 52.4	Fixed Tariff Fixed Tariff Fixed Tariff
Fruges	FRANCE Pas de Calais	100%	Pre-construction (March 2006)	22.00	11 / Enercon 2MW	49.70	Fixed Tariff
US 03/04 ▪Sweetwater 1 ▪Sweetwater 2 ▪Caprock ▪Blue Canyon ▪Combine hills US 05 ▪Sweetwater 3 ▪Kumeyaay ▪Bear Creek ▪Jersey Atlantic	USA  Texas Texas New Mexico Oklahoma Oregon  Texas California Pennsylvania New Jersey	50% 50% 80% 50% 50%  50% 100% 59.3% 59.3%	Operational (May 2006) Operational (May 2006) Operational (May 2006) Operational (May 2006) Operational (May 2006)  Operational (June 2006) Operational (June 2006) Operational (June 2006) Operational (June 2006)	37.50 91.50 80.00 74.25 41.00  135.00 50.00 24.00 7.50	25 / GE 1.5MW 61 / GE 1.5MW 80 / Mitsubishi 1MW 45 / Vestas 1.65 MW 41 / Mitsubishi 1MW  90 / GE 1.5 MW 25 / Gamesa 2 MW 12 / Gamesa 2 MW 5 / GE 1.5 MW	141.7 361.8 316.6 264.1 119.6  508.5 164.6 73.4 19.3	PPA PPA PPA PPA PPA  PPA PPA PPA PPA
Potential US Acquisition	N/A	75%	Operational (June 2006)	54.45	33 / Vestas 1.65MW	171.9	Market
<b>TOTAL</b>			<b>SUB TOTAL</b>	<b>1,150.58</b>		<b>3,699.1GWh pa</b>	

1 Percentages for USA wind farms constitute percentage ownership of Class B interests of project entity only.  
2 Operations (54 WTG's) have commenced, however Practical Completion has not occurred under the EPC.  
3 Expected acquisition date.  
4 Constructed by BBW.



# Greenhouse gas emissions targets

## Legislated renewable energy targets (EU)



Source: Directive 2001/77/EC of the European Parliament of 27 Sept 01

## Types of regulatory regimes

- Fixed price system – eg. Denmark, Germany and Spain
- Fixed quantity system – eg. UK and Australia
- Production tax credits – USA

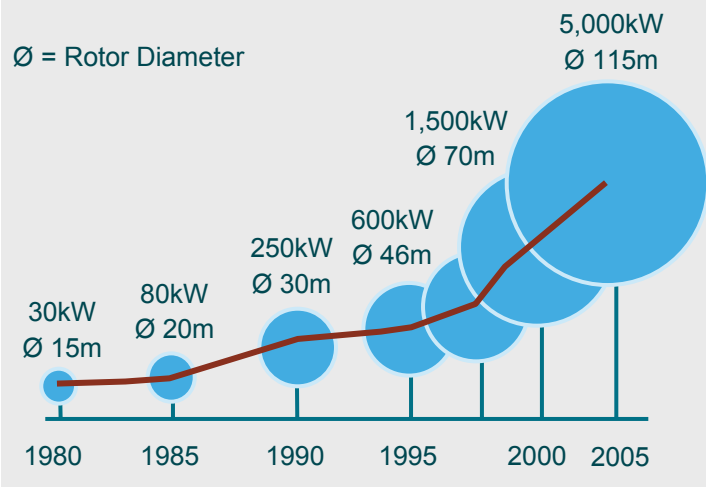
## Broader initiatives

- Kyoto Protocol: requires a 5.2% reduction in emissions by 2012 (compared to 1990)
- Emission Trading Scheme: allows for carbon credits to be traded internationally, commenced operation on 1 January 2005



# Significant technology improvements

**Cost of wind energy generation has reduced by 80% in the last 25 years**



Source: diagram not used in offer document instead diagram has been adopted from materials of the German Wind Energy Association

- The desire to reduce the dependence on, and depletion of, non-renewable resources, together with many countries seeking to diversify the sources of their energy supply are key drivers of future growth
- Security of energy supply is also becoming an increasingly significant issue for many countries, particularly with the level and volatility of fossil fuel prices having increased considerably over the past three years
- Over the last 25 years, the cost of producing electricity from wind energy has reduced by 80%
- Cost reduction is expected to continue at a rate of 3% to 5% p.a. on average



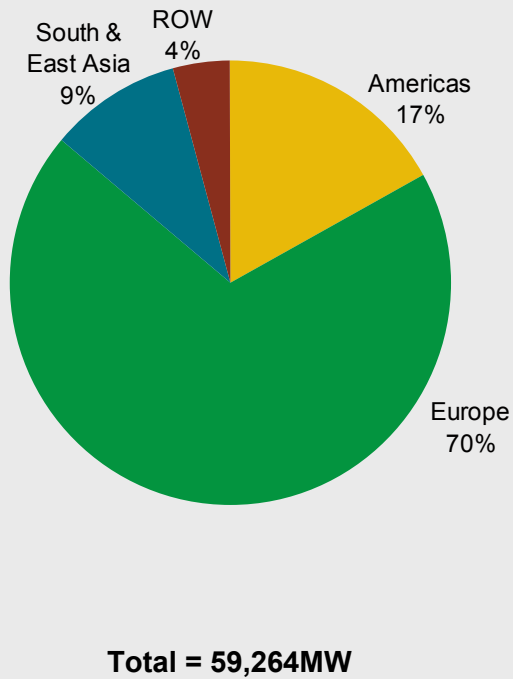
# Clearly defined investment policy to acquire and manage wind energy assets

- ✓ Attractive offtake arrangements &/or regulatory environment
- ✓ Predictable operating costs
- ✓ Favourable locations with quality wind resource, land tenure and access to transmission infrastructure
- ✓ Long-term investment horizon with repowering opportunities
- ✓ Superior asset quality and condition
- ✓ Manageable construction or commissioning risks
- ✓ Possibility of significant stakeholding
- ✓ Diversification



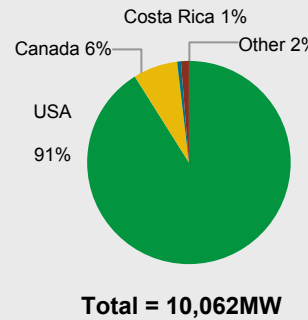
# Key markets are Europe and North America

## Global Installed Capacity 2005

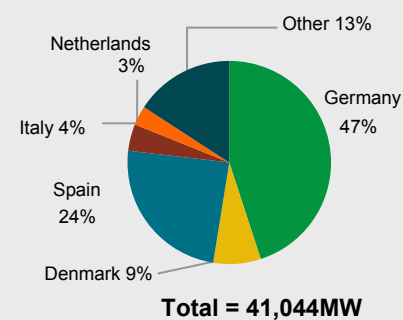


## Installed Capacity by Regions 2005

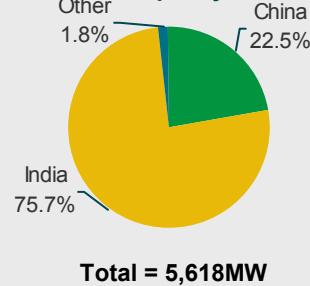
### Americas installed capacity



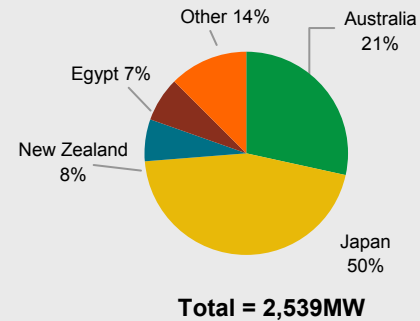
### Europe installed capacity



### South & East Asia installed capacity



### ROW installed capacity



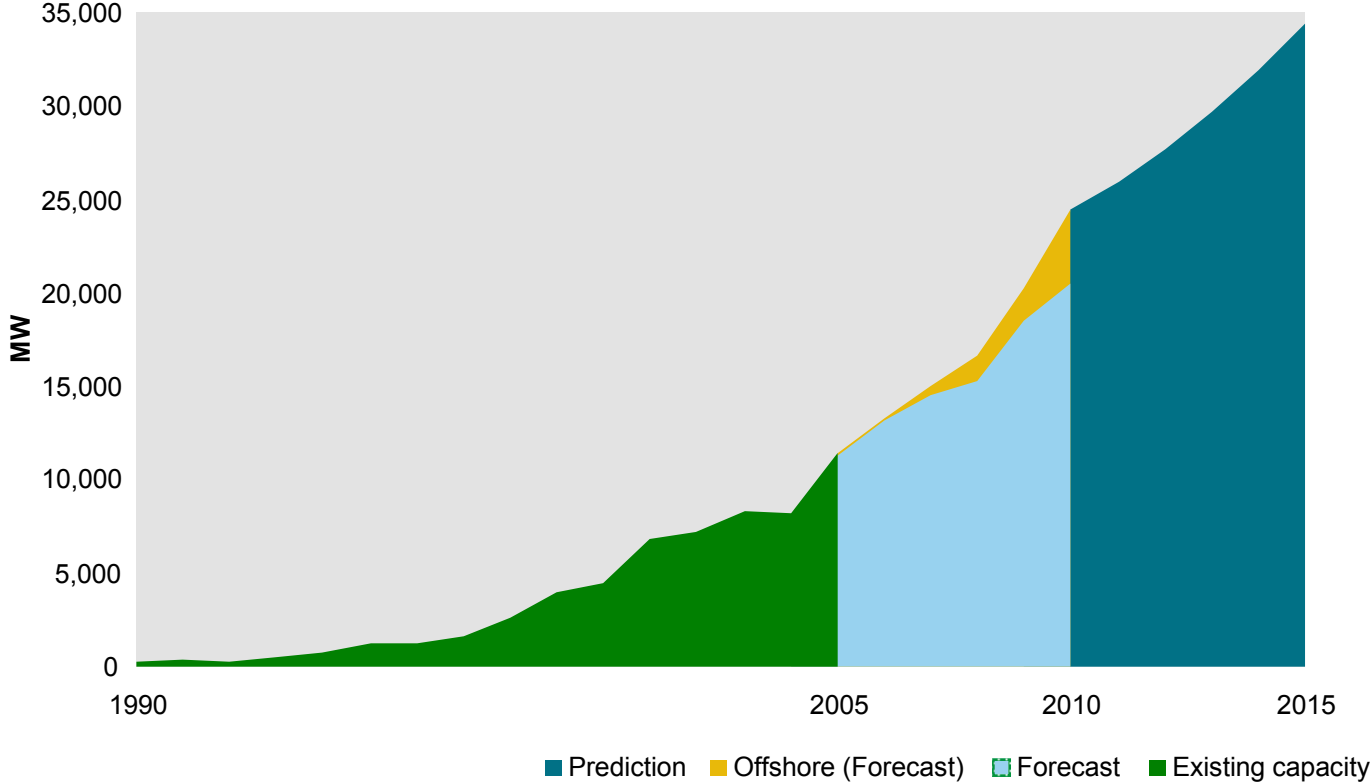
Source: BTM Consult Report 2005



# Industry Outlook – continued strong growth

## Annual Global Wind Power Development

Actual 1990-2005 Forecast 2006-2010 Prediction 2011-2015



1 BTM Consult – World Market Update 2005, Forecast 2006-2010

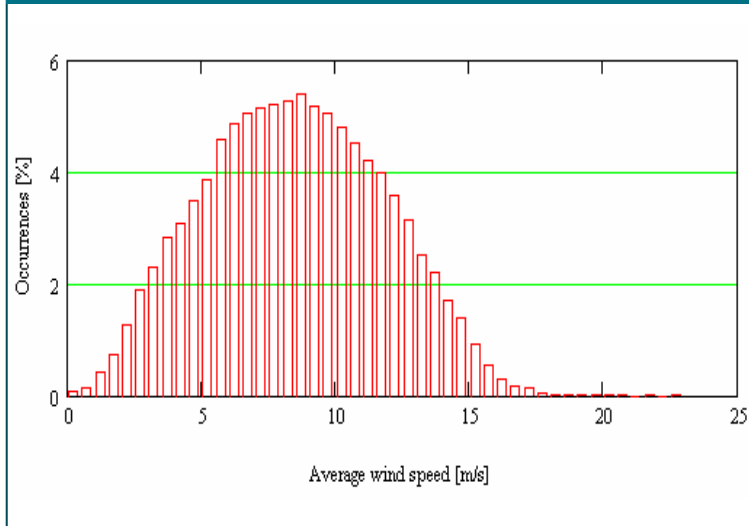
# Wind assessment and energy prediction

## Wind assessment and energy prediction process

A typical wind assessment and energy prediction process involves determining:

- Wind speed at wind turbine hub height: establishes the long-term (typically 10 years) wind characteristics at a particular point/s on the proposed site
- Gross energy output of the wind farm: optimises the wind characteristics with the site topography and surface cover, turbine profile, wind farm layout, turbulence and air density
- Net energy output of the wind farm: takes account of a number of wind farm specific loss factors, including turbine availability, electrical efficiency and interference between turbines

## Wind speed distribution for one of BBW's wind farms (Source: an energy assessment adviser to BBW wind farm)



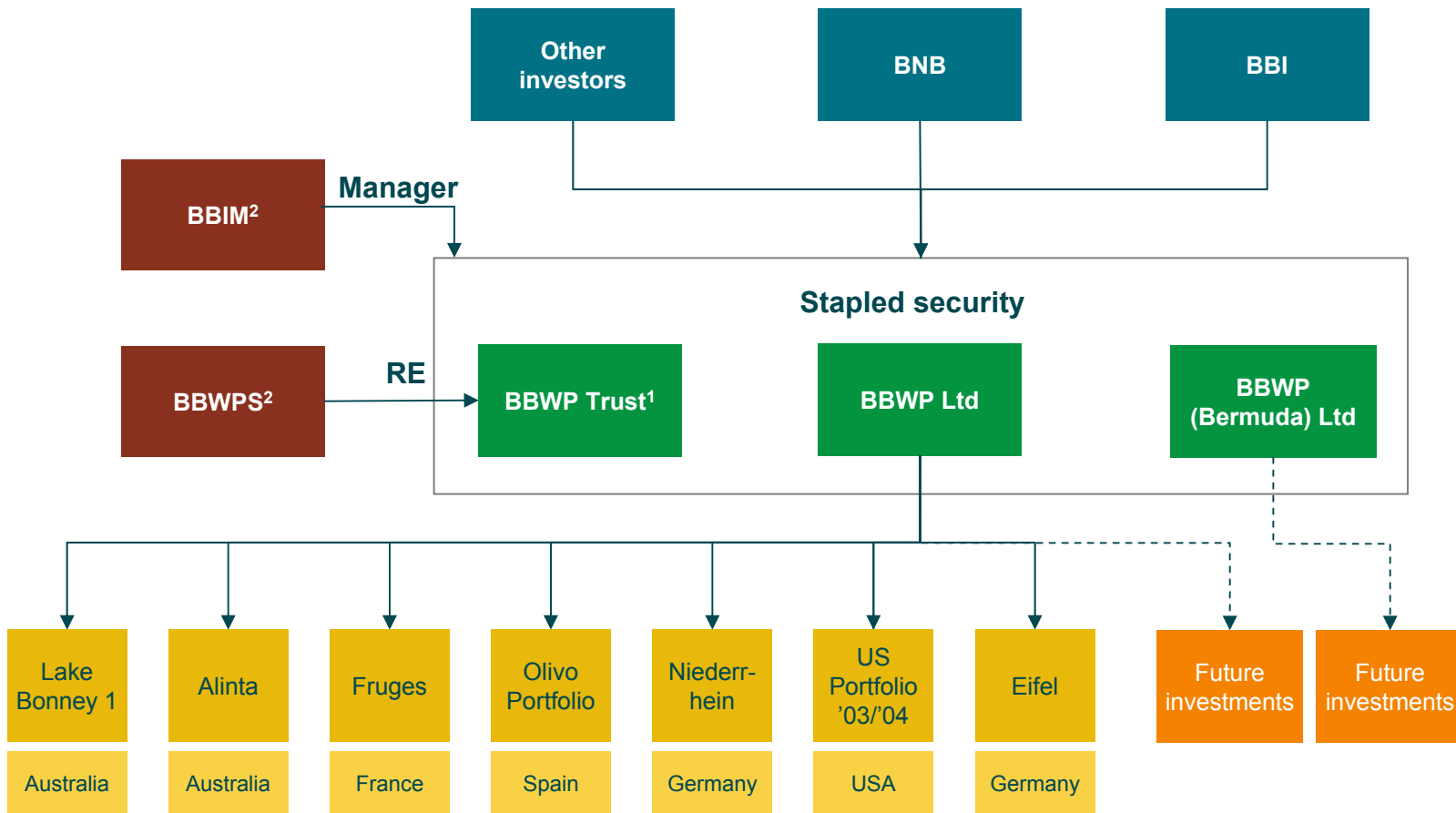
## Certainty of predicted energy production

- Some uncertainty due to the natural variability of certain parameters, especially wind
- “Probability of Exceedence” means the probability that a given level of energy production will be exceeded in any year
  - for example, P90 means that there is a 90% probability that a given level of energy production will be exceeded in any year
- P50 represents the best estimate of energy production in any year and may be referred to as the “long term mean energy production”
  - the forecast financial information is based on P50





# BBW: stapled security structure



<sup>1</sup> BBWP Trust has a non-controlling interest in Alinta

<sup>2</sup> Wholly owned subsidiaries of BNB

# Experienced Board and management

## Board

<b>Peter Hofbauer (Chairman)</b>	<ul style="list-style-type: none"> <li>Global Head of B&amp;B's Infrastructure &amp; Project Finance</li> <li>Director of Babcock &amp; Brown Infrastructure (ASX Code: BBI)</li> </ul>
<b>Warren Murphy (Executive)</b>	<ul style="list-style-type: none"> <li>B&amp;B senior executive</li> <li>Led the development of Lake Bonney Wind Farm and Alinta Wind Farm and 1,000MW+ power stations in Australia</li> </ul>
<b>Nils Andersen* (Independent)</b>	<ul style="list-style-type: none"> <li>Former senior executive of Vestas Wind System, one of the leading wind turbine manufacturers in the world</li> <li>&gt;20 years experience in wind energy</li> </ul>
<b>Doug Clemson (Independent)</b>	<ul style="list-style-type: none"> <li>Former Finance Director of ABB and former director of BBI</li> <li>Extensive experience in infrastructure and power generation projects</li> </ul>
<b>Tony Battle (Independent)</b>	<ul style="list-style-type: none"> <li>Former senior executive of Calyon Australia</li> <li>&gt; 30 years experience in the finance industry</li> </ul>
<b>Mike Garland (BNB Alternate)</b>	<ul style="list-style-type: none"> <li>US based executive. Joined B&amp;B in 1986</li> <li>Previous director of State of California Energy Assessments Office</li> </ul>
<b>Toto Lo Bianco (BNB Alternate)</b>	<ul style="list-style-type: none"> <li>EU based executive. Joined B&amp;B in 1993</li> <li>Previously worked with Nomura International</li> </ul>

\* Nils Andersen is a director of BBWP Services Limited, but not a director of BBWP Limited or BBWP (Bermuda) Limited

## CEO and COO

<b>Peter O'Connell (CEO)</b>	<ul style="list-style-type: none"> <li>Former partner with Minter Ellison and Gilbert &amp; Tobin, with experience on large infrastructure projects</li> <li>In recent years has held operational roles including director of operations at Consolidated Press Holdings</li> </ul>
<b>Geoff Dutaillis (COO)</b>	<ul style="list-style-type: none"> <li>Former Lend Lease executive for almost 19 years, including 7 years based in London with their European development business</li> <li>Leadership roles on landmark developments such as the Bluewater retail and leisure complex in UK, and Rouse Hill regional centre in Sydney</li> </ul>



# Management Overview

<p><b>Management Services Agreements<sup>3</sup></b></p>	<ul style="list-style-type: none"> <li>• BBW is externally managed by BBIM under 25 year Management Services Agreements</li> </ul>
<p><b>Services provided by BBIM</b></p>	<ul style="list-style-type: none"> <li>• Sourcing investment opportunities:             <ul style="list-style-type: none"> <li>– Identify, investigate, evaluate and advise on investment opportunities</li> <li>– Provide investment management services</li> </ul> </li> <li>• Ongoing management:             <ul style="list-style-type: none"> <li>– Implement Board decisions</li> <li>– Invest and manage asset portfolio and undertake all financial reporting</li> <li>– Manage investor and public relations</li> </ul> </li> </ul>
<p><b>Management Fees</b></p>	<ul style="list-style-type: none"> <li>• 1.4% per annum of Net Investment Value<sup>1</sup> <ul style="list-style-type: none"> <li>– Babcock &amp; Brown will rebate 1% of the base fee to BBI based on BBI's holding of BBW</li> </ul> </li> <li>• 20% of the net % increase if BBW outperforms S&amp;P/ASX 200 Accumulation Index<sup>2</sup></li> <li>• Operating expense allowance of A\$6.0 million p.a.</li> <li>• Babcock &amp; Brown has first and last right of refusal regarding provision of financial advisory and investment banking services on an exclusive basis</li> </ul>



<sup>1</sup> Net investment value is market capitalisation in respect of the relevant quarter plus external borrowings (excluding project level borrowings) plus firm commitments less uncommitted cash and the book value of externally managed assets

<sup>2</sup> Formula for the incentive fee is: 20% x percentage return of Stapled Securities over S&P/ASX 200 Accumulation Index x BBW market capitalisation at the end of the period. To the extent Stapled Securities underperform the S&P/ASX 200 Accumulation Index, this underperformance will be carried forward to the subsequent period for the purpose of calculating the incentive fee in this subsequent period

<sup>3</sup> Terms summarised in IPO offer document

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