

# MALLESONS STEPHEN JAQUES

Company Announcements  
Platform  
Australian Stock Exchange  
Limited  
Fax 1900 999 279

26 May 2006

Dear Sir/Madam

**Gandhara Master Fund - Notice of change of interests of substantial holder in Babcock & Brown Wind Partners Limited**

We act for Gandhara Master Fund Limited ("Gandhara").

In accordance with the Corporations Act 2001 (Cwlth), we attach an ASIC Form 604 (Notice of change of interests of substantial holder) issued by Gandhara in relation to the stapled securities in Babcock & Brown Wind Partners Limited.

Yours sincerely



Lauren Jamieson  
Solicitor  
Direct line +61 2 9296 2671  
Email [lauren.jamieson@mallesons.com](mailto:lauren.jamieson@mallesons.com)

Greg Golding  
Partner  
Direct line +61 2 9296 2164  
Email [greg.golding@mallesons.com](mailto:greg.golding@mallesons.com)

**Form 604**Corporations Act 2001  
Section 671B**Notice of change of interests of substantial holder**To Company Name/Scheme Babcock & Brown Wind Partners LimitedACN/ARSN 105 051 616**1. Details of substantial holder (1)**Name Gandhara Master Fund Limited and associates (collectively "Gandhara") (see Annexure A)ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on

12/05/06

The previous notice was given to the company on

5/04/06

The previous notice was dated

5/04/06**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Stapled Securities	47,301,705	9.57%	56,068,600	11.19%

**3. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
12/05/06	Gandhara Master Fund Limited	Off market placement (See Annexure B)	\$1.60 per security	7,520,000	7,520,000
12/05/06	Gandhara Master Fund Limited	Purchase of shares on the Australian Stock Exchange	\$1.51 per security	496,894	496,894
12/05/06	Gandhara Master Fund Limited	Purchase of shares on the Australian Stock Exchange	\$1.60 per security	750,000	750,000

**4. Present relevant interests**

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Gandhara	Gandhara Master Fund Limited	Gandhara Master Fund Limited	Relevant interest arises under section 608(1)(a) of the Corporations Act 2001 (Cwth) as Gandhara is the holder of the securities	56,068,600	56,068,600

#### 5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Nil	

#### 6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Gandhara Master Fund Limited	PO Box 309 George Town Grand Cayman Cayman Islands
See Annexure A	

#### Signature

print name

Sacha Thacker

capacity

DIRECTOR

sign here



date 5/26/2006

#### DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

- (6) Include details of:
- (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

This is Annexure A of 2 pages referred to in Form 604 Notice of change of interests of substantial holder.



Name: Sacha Thacker  
 Title: DIRECTOR  
 Date: May 26, 2006

**ANNEXURE A**

**BABCOCK & BROWN WIND PARTNERS LIMITED  
 ACN 105 051 616**

Associates of Gandhara Master Fund Limited, who together with Gandhara Master Fund Limited are described in this Form 604 as Gandhara

Name and Address	Relationship with Gandhara Master Fund Limited
Gandhara Fund Limited PO Box 309 George Town Grand Cayman Cayman Islands	Shareholder
Gandhara Fund LP PO Box 309 George Town Grand Cayman Cayman Islands	Shareholder
Gandhara Advisors Asia Limited ("Gandhara Asia") 21 <sup>st</sup> Floor Henley Building 5 Queens Road Central, Hong Kong	Investment Advisor
Gandhara Advisors Europe LLP ("Gandhara Europe") 6 <sup>th</sup> Floor 65 Curzon Street London W1J 8PE	Investment Advisor
Gandhara Capital Limited ("Gandhara Capital") 6 <sup>th</sup> Floor 65 Curzon Street London W1J 8PE	Parent of Gandhara Europe

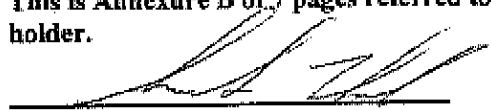
Gandhara Capital Management Limited  
("Gandhara Management")  
PO Box 309  
George Town  
Grand Cayman  
Cayman Islands

Parent of Gandhara Asia and Gandhara Capital

Gandhara Capital Holdings Limited  
PO Box 309  
George Town  
Grand Cayman  
Cayman Islands

Parent of Gandhara Management

This is Annexure B of 7 pages referred to in Form 604 Notice of change of interests of substantial holder.



Name: *Sacha Thacker*  
Title: **DIRECTOR**  
Date: *May 26, 2006*

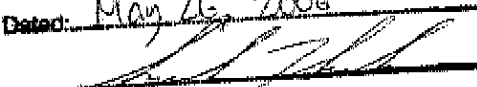
**ANNEXURE B**

**BABCOCK & BROWN WIND PARTNERS LIMITED**  
**ACN 105 051 616**

**Confirmation of Allocation in Conditional Secondary Sale**

I certify this to be a true copy of the document shown and reported to me as the original.

Dated: May 26, 2006

  
Sacha Thacker  
Director



UBS AG, Australia Branch  
ABN 47 008 126 613  
Level 25, Governor Phillip Tower  
1 Ferrer Place, Sydney NSW 2000  
Tel. 61 2 9324 3606  
Fax. 61 2 9324 3777

**Private and Confidential**

Friday 12 May 2006

Gandhara Advisors Asia Limited  
Attention : Mr. Sacha Thacker  
Email: [sacha.thacker@gancap.com](mailto:sacha.thacker@gancap.com);  
[simon.kemp@gancap.com](mailto:simon.kemp@gancap.com) - 6 pages

**URGENT - FAX REPLY REQUIRED BY  
4.00PM (SYDNEY TIME) FRIDAY 12 MAY 2006**

Dear Investor,

**Babcock & Brown Wind Partners  
Confirmation of Allocation in Conditional Secondary Sale**

**1. Introduction**

On behalf of Babcock & Brown Wind Partners Limited ("BBWPL"), Babcock & Brown Wind Partners Services Limited ("BBWPS"), in its capacity as responsible entity of the Babcock & Brown Wind Partners Trust ("BBWPT"), and Babcock & Brown Wind Partners (Bermuda) Limited (a Bermudan incorporated company) ("BBWPB") (together, "Babcock & Brown Wind Partners" or "BBW"), UBS AG, Australia Branch ("UBS"), as Lead Manager and Bookrunner to the transaction ("Lead Manager"), is pleased to confirm your participation in the secondary sale of 74.1 million ordinary secondary BBW securities ("Secondary Sale Securities") at a price of \$1.60 per Secondary Sale Security to raise gross proceeds of A\$118.6 million, which is conditional on shareholder approval and release of certain BBW securities from escrow as described below ("Conditional Secondary Sale").

The securities of BBW consist of one share in BBWPL, one share in BBWPB and one unit in BBWPT which are stapled together and trade as one security on the Australia Stock Exchange (the "Security").

In conjunction with the Conditional Secondary Sale, BBW proposes to make a conditional placement of 74.1 million new ordinary BBW stapled securities ("BNB Placement Securities") exclusively to subsidiaries of Babcock & Brown Ltd ("BNB") ("BNB Conditional Primary Placement"), which is subject to BBW security holders' approval at a BBW Extraordinary General Meeting ("EGM") ("Shareholder Approval"), expected on or about 14 June 2006.

Settlement of the Secondary Sale Securities is conditional upon the receipt of Shareholder Approval for the BNB Conditional Primary Placement described above, which is expected on or about 14 June 2006. Once settled, Secondary Sale Securities will rank pari passu in all respects and will be entitled to the June half year distribution.

Settlement of the Secondary Sale Securities and issue of the BNB Placement Securities is also conditional upon certain BBW Securities currently held by subsidiaries of BNB becoming free of any voluntary escrow restrictions (the "Escrow Condition"). This condition is expected to be satisfied prior to the EGM.

UBS has entered into a Placement Agreement (the "Placement Agreement") in which it has agreed to settlement underwrite the Secondary Sale Securities.

**2. Use of Proceeds**

The effect of the Conditional Secondary Sale and BNB Conditional Primary Placement is that BBW will raise approximately \$118.6 million. Those funds will be primarily used to fund acquisition opportunities.

bbw inato confirm letter final



### 3. Confirmation of firm allocation of Secondary Sale Securities

The Lead Manager is pleased to confirm the following firm allocation to you of Secondary Sale Securities on the terms and conditions set out in this letter.

	Number of Securities	Total Value
Secondary Sale Securities at \$1.60 each	7,520,000	A\$12,032,000.00

### 4. Timetable

The proposed timetable for the Offer is as follows:

Event	Date (2006)
Trade date (T)	Friday 12 May
BBW EGM	Wednesday 14 June
Shareholder Approval expected on or about	Wednesday 14 June
Secondary Sale Securities crossed on market <sup>1</sup> on or about	Wednesday 14 June
Booking details to be provided to your UBS account manager on or about	Wednesday 14 June
Settlement of Secondary Sale Securities via contract notes with UBS (T+3 from date Securities are crossed on market AND T+25 from Trade Date) <sup>1</sup> on or about ("Settlement Date")	Monday 19 June
BNB Placement Securities allotted to BNB <sup>1</sup> on or about	Monday 19 June

<sup>1</sup>Assumes Shareholder Approval has been granted and the Escrow Condition has been satisfied

Please note that the above timetable may change without consultation with you and you are bound by your agreement notwithstanding any such changes to the timetable. All times above are references to Sydney, Australia time.

### 5. Rights Attaching to the Secondary Sale Securities

The Secondary Sale Securities are existing ordinary fully paid Securities of BBW and, as such, are already quoted on the ASX under the code "BBW" and rank *pari passu* in all respects with the existing ordinary fully paid Securities of BBW and will be entitled to the June half year distribution.

### 6. Offer Personal

The allocation to you of the Secondary Sale Securities on the terms and conditions set out in this letter and the agreement arising from your acceptance of the offer (this "Agreement") is personal to you and you may not, prior to settlement of the Secondary Sale Securities, assign, transfer, or in any other manner, deal with your Secondary Sale Securities, or your rights or obligations under this Agreement without the prior written agreement of the Lead Manager.

### 7. Representations, Warranties and Agreements

You represent, warrant and agree for the benefit of BBW, the Lead Manager and their respective related bodies corporate and any directors, officers, employees, agents or advisers of any of them ("affiliates") that:

- (a) If you are in Australia, you are one of the following:
  - (i) a "Sophisticated Investor" under section 708(8) of the Corporations Act 2001 (Cth) ("Corporations Act"); or
  - (ii) a "Professional Investor" under section 708(11) of the Corporations Act;
- (b) You are not a "U.S. Investor", being for the purposes of this letter a person who is in the United States, or who is a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933 (the "Securities Act")), or who is acting for the account or benefit of a U.S. person.

- (c) If you are outside Australia, you are a person to whom an invitation or offer of Secondary Sale Securities can be made to in the manner contemplated by this Agreement under the laws of the jurisdiction in which you are situated and to whom the Secondary Sale Securities can lawfully be sold to under all applicable laws, without the need for any registration, filing or lodgement.
- (d) You confirm that you are in compliance with all relevant laws and regulations (including, without limitation, the requirements of the Corporations Act and the Australian Foreign Acquisitions and Takeovers Act 1975) and will not cease to be in compliance if you accept your allocation of Secondary Sale Securities.
- (e) You confirm that it is your present intention to be an investor in the Secondary Sale Securities and to remain so for at least the medium term (i.e. longer than 12 months). This confirmation is understood to be a statement by you of present intention only, but not an undertaking not to sell, particularly where your investment objectives or market conditions change.
- (f) You acknowledge that no disclosure document has been prepared in connection with the offer of Secondary Sale Securities.
- (g) You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of a purchase of the Secondary Sale Securities and you acknowledge that an investment in the Secondary Sale Securities involves a degree of risk.
- (h) You have the financial ability to bear the economic risk of the investment in the Secondary Sale Securities.
- (i) You are aware that publicly available information about BBW can be obtained from the Australian Securities and Investments Commission and ASX (including its web site <http://www.asx.com.au>).
- (j) You have had access to all information that you believe is necessary or appropriate in connection with your acquisition of the Secondary Sale Securities. You acknowledge and agree that you will not hold the Lead Manager or any of its affiliates responsible for any misstatements in, or omissions from, any publicly available information concerning BBW.
- (k) You have made and relied upon your own assessment of BBW and have conducted your own investigation with respect to the Secondary Sale Securities and BBW including, without limitation, the particular tax consequences of acquiring, owning or disposing of the Secondary Sale Securities in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.
- (l) You have not relied on any investigation that the Lead Manager or any of its affiliates or any persons acting on its or their behalf may have conducted with respect to the Secondary Sale Securities, or BBW. None of such persons has made any representation to you, express or implied, with respect to the Secondary Sale Securities, or BBW.
- (m) You acknowledge that this Agreement does not constitute a securities recommendation or financial product advice and that the Lead Managers has not had regard to your particular objectives, financial situation and needs.
- (n) You agree to be bound by the provisions of the constituent documents of BBW.
- (o) Except to the extent that liability cannot by law be excluded, you acknowledge that neither the Lead Manager, BBW or any of their respective related bodies corporate, or any directors, officers, employees or advisers of the Lead Manager or BBW, or any of their respective related bodies corporate, accept any responsibility in relation to the Secondary Sale Securities.
- (p) You are not a Related Party (as defined in section 228 of the Corporations Act) of BBW and you are not an Associate (as defined in Division 2 of Part 1.2 of the Corporations Act) of BBW.
- (q) You understand that the offer and sale of the Secondary Sale Securities has not been and will not be registered under the Securities Act or the laws of any state or other jurisdiction in the United States and that the Secondary Sale Securities are only being offered and sold outside the United States to non-"U.S. persons" in "offshore transactions" (each as defined in Regulation S under the Securities Act) in accordance with Regulation S under the Securities Act.
- (r) You agree that, in the future, if you or any other person for whose account or benefit you are acquiring the Secondary Sale Securities decides to sell or otherwise transfer any Secondary Sale Securities, you will only do so, and you will inform such other person that it may only do so, if the offer and sale of such Secondary Sale Securities are (i) registered under the Securities Act (which you acknowledge BBW has no obligation to do); or (ii) made in regular brokered transactions on ASX if neither you nor the person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, either a person in the United States, a U.S. person or a person acting for the account or benefit of a U.S. person.

- (t) If you are acquiring any Secondary Sale Securities for an account of one or more persons, you have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each such person and you will take reasonable steps to ensure that each such person will comply with its obligations herein.
- (u) You acknowledge that BBW, the Lead Manager and their respective affiliates are entitled to and will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements. You indemnify BBW, the lead Manager and their respective affiliates against any loss, damage or costs incurred and arising out of or in relation to any breach by you of the acknowledgments, representations, warranties and agreements.

### **8. Warranties from BBW to the Lead Manager**

The Lead Manager has received the following representation and warranty from BBW to the effect that:

- (a) at all times until the Settlement Date, there will be no information of the type referred to in section 708A(6)(e) of the Corporations Act.

### **9. Governing Law and Jurisdiction**

This Agreement between us arising out of your acceptance of the terms of this allocation shall be governed by the laws of New South Wales, Australia and you agree to submit to the non-exclusive jurisdiction of the courts of that State.

### **10. Entire Agreement**

The terms contained in this Agreement including, without limitation, your executed Conditional Secondary Sale Confirmation Advice, constitute the entire agreement among BBW, the Lead Manager and you as to the Offer and your participation in the Offer to the exclusion of all prior representations, understandings and agreements among BBW, the Lead Manager and you. Any variation of the terms of this Agreement must be in writing signed by the Lead Manager and you.

### **11. Notices**

Any notice to be given relating to the offer of Secondary Sale Securities or this Agreement may be sent by facsimile to the facsimile number of the party to whom the notice is sent and will be deemed to have been given upon the successful transmission to that facsimile number.

### **12. Conditional Secondary Sale Confirmation Advice**

To confirm your irrevocable acceptance of the terms and conditions of the Offer, please sign and return a copy of the Conditional Secondary Sale Confirmation Advice by fax before 4.00pm Sydney time today, Friday 12 May 2006 to:

**The Lead Manager**  
**C/- UBS**  
**Attention: Angus Hutchinson**  
**Fax +61 2 9324 3777**

### **13. Settlement**

Settlement of the Secondary Sale Securities is conditional upon the receipt of Shareholder Approval for the BNB Conditional Primary Placement, which is expected on or about Wednesday 14 June 2006 and satisfaction of the Escrow Condition.

Assuming Shareholder Approval is received and the Escrow Condition satisfied, the purchase by you of Secondary Sale Securities will be undertaken via a special crossing on the ASX by UBS immediately after the EGM. This crossing is expected on or about Wednesday 14 June 2006.

Settlement will be via ordinary contract note with UBS T+3 from the date of the special crossing. Based on a 14 June 2006 EGM, this infers a settlement date of Monday 19 June.

Immediately after Shareholder Approval has been received, you should therefore contact your account manager at UBS to advise booking instructions such that standard contract notes can be issued in respect of this trade as soon as possible after the crossing.

Yours faithfully,



Mr Simon Cox  
Executive Director  
UBS AG, Australia Branch



Ms Emma Christiansen  
Director  
UBS AG, Australia Branch

## CONDITIONAL SECONDARY SALE CONFIRMATION ADVICE FORM

### BABCOCK & BROWN WIND PARTNERS

Please return this form by fax to: **The Lead Manager**  
**C/- UBS**  
**Attention: Angus Hutchinson**  
**Fax +61 2 9324 3777**

**Secondary Sale of 74.1 million ordinary fully paid Securities in BBW at A\$1.60 each.**

We refer to the Secondary Sale Confirmation Letter from the Lead Manager dated Friday 12 May 2006 (the "**Confirmation Letter**") regarding the sale of existing Securities in BBW. We confirm our irrevocable agreement to acquire the following Secondary Sale Securities on the terms and conditions set out in the Confirmation Letter:

	<u>No. of Securities</u>	<u>Total Amount</u>
Secondary Sale Securities at A\$1.60 each	7,520,000	A\$12,032,000.00

In connection with our acquisition for such Secondary Sale Securities, the undersigned hereby confirms (for the benefit of BBW, the Lead Manager and their affiliates), the various representations, warranties and agreements contained in the Confirmation Letter, including those set out in Section 7 of the Confirmation Letter.

**Please note the following details:**

Placee (full name): .....

Contact Name: .....

Address: .....

.....

Fax: .....

#### **Details of Authorised Signatory**

Signature: ..... Date: .....

Name: .....

Title: .....

**THIS FORM MUST BE FAXED TO (+61-2) 9324 3777 BY NO LATER THAN  
 4.00PM (SYDNEY TIME) FRIDAY 12 MAY 2006.**

**Gandhara Advisors Asia Limited**