

## BABCOCK & BROWN WIND PARTNERS

Babcock & Brown Wind Partners Limited · ABN 39 105 051 616  
Babcock & Brown Wind Partners Trust · ARSN 116 244 118  
Babcock & Brown Wind Partners Bermuda Limited · ARBN 116 360 715  
Level 39 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia  
T +61 2 9229 1800 · F +61 2 9235 3496 · www.bbwindpartners.com



### ASX Release

3 July 2006

#### **BBW – ACQUISITION OF CRESCENT RIDGE WIND FARM IN THE USA**

---

Babcock & Brown Wind Partners (ASX:BBW) announces that it has completed the purchase of 100%<sup>1</sup> of the Class B Member interests in the Crescent Ridge Wind Farm (“Crescent Ridge”), located in Illinois, USA for approximately US\$50 million. Crescent Ridge is being purchased from Eurus Energy America (“Eurus”).

The acquisition of Crescent Ridge represents a continuation of BBW’s stated strategy of investing in, and managing a diversified global portfolio of wind farms. The Crescent Ridge wind farm was identified as an additional opportunity in the recent Institutional Placement presentation made on 10 May 2006, and represents an opportunity to acquire a superior asset servicing the Midwest PJM<sup>2</sup> Interconnection (“PJM”) and adjacent service territories.

The Crescent Ridge acquisition will provide BBW with two revenue sources. In the first instance, 100% of the energy generated by the wind farm will be sold into the PJM wholesale power pool. The second revenue source will comprise of 100% of renewable energy certificates (RECs) which will also be sold throughout the PJM power market and transported into adjacent service territories, such as the New York market, for sale.

BBW believes that the Crescent Ridge wind farm is located in one of the most favorable wind energy regions in the USA, as Illinois is set to become an active market for renewable energy given its central location, extensive network and significant renewable energy targets. RECs produced in Illinois currently satisfy renewable portfolio standards in Illinois as well as other states serviced by the PJM. Crescent Ridge has an optimal grid connection to the PJM market, which covers more than 13 states with more than 21 million customers.

BBW expects that the market for renewable energy in the PJM market and adjacent territories to show continuous regulated and voluntary growth. Furthermore, the Crescent Ridge acquisition will provide a platform from which to extend BBW’s presence in the USA Midwest region.

---

<sup>1</sup> BBW and Eurus have entered into an agreement whereby Eurus has the ability to buy back 25% of the Class B member interest in Crescent Ridge.

<sup>2</sup> Pennsylvania Jersey Maine Interconnection (PJM) is a regional transmission organisation coordinating the movement of electricity through all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

BABCOCK & BROWN  
WIND PARTNERS

The combination of selling energy into the PJM market and the sale of RECs into the open market represents a robust earnings proposition for BBW. Peter O'Connell, Chief Executive Officer of BBW said that, "Crescent Ridge is recognised as one of Illinois' superior wind farms and provides BBW with an opportunity to increase its exposure to an energy market where attractive conditions exist.

"The acquisition of Crescent Ridge is consistent with BBW's investment strategy to acquire a global portfolio of quality wind farms diversified by wind resource, regulatory framework, service providers and revenue security. Once again, access to this quality asset has been provided through our ongoing relationship with Babcock & Brown."

In line with BBW's previous guidance, the financial impact of the acquisitions, as outlined in the Institutional Placement presentation made on 10 May 2006, will be immediately accretive to net operating cash flow per security for the financial year ended 2007. BBW's distribution guidance remains unchanged with an expected distribution of 10.2cps in FY2006 and at least 11.2cps in FY2007.

**ENDS**

---

**Further Information:**

Peter O'Connell, Chief Executive Officer

Rosalie Duff, Investor Relations

Babcock & Brown Wind Partners  
Phone: +61 2 9229 1800

Babcock & Brown Wind Partners  
Phone: +61 2 9229 1800

---

## FACT SHEET – CRESCENT RIDGE WIND FARM

Crescent Ridge is a 54.45 MW wind farm which has been operational since November 2005. It comprises 33 Vestas V82 1.65 MW wind turbines and is expected to achieve a net energy output of 172 GWh. Electricity generated by this wind farm will be sold throughout the Pennsylvania Jersey Maine Interconnection (PJM) market servicing a number of states including Pennsylvania, New Jersey, Maryland, Illinois, West Virginia, Delaware and Washington DC.

### Location map



<b>Acquisition Details</b>	The Crescent Ridge Wind Farm is currently held in Crescent Ridge LLC (“Crescent Ridge LLC”), a 100% owned special purpose subsidiary of Eurus. BBW has purchased 100% of the Class B Member interests in a special purpose entity (“Crescent Ridge Holdings LLC”) formed to acquire Crescent Ridge LLC. However, it is proposed that 25% will be sold back to Eurus.
<b>Funding</b>	Debt that was drawn to fund construction of the wind farm was repaid at the start of commercial operations. At that time equity was fully funded (and there is no project debt financing) by a combination of “active” investors (known as the Class B Members) and “passive” investors (known as the Class A Members)

BABCOCK & BROWN  
WIND PARTNERS

<b>Revenue assurance</b>	All electricity and renewable energy certificates will be sold on the open market through the PJM wholesale market pool.
<b>Operation</b>	Operations and maintenance contract for a 5 year term with Vestas.
<b>Land</b>	Land leases with 40 year tenure.
<b>Regulatory regime</b>	USA Production Tax Credits
<b>Return to Security Holders</b>	Returns from Crescent Ridge are determined in accordance with Class B Member entitlements for US assets, as outlined in the IPO Prospectus and Product Disclosure Statement.
<b>Foreign exchange</b>	In order to manage the exchange rate risk on distributions, cash flows from Crescent Ridge are hedged on an ongoing basis.

## 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\$850 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](http://www.bbwindpartners.com)