

16 May 2006

ASX Announcement

BBW – Chairman’s Letter and Notice of General Meetings

Attached are the following documents which were despatched to BBW security holders yesterday in relation to the General Meetings of security holders to be held on 14 June 2006 to approve the recent capital raising:

- Chairman’s Letter
- Notice of General Meetings
- Proxy Form

ENDS

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

15 May 2006

Dear Stapled Security Holder

Babcock & Brown Wind Partners (BBW) – Capital Raising

I am pleased to advise you of details of the recently announced capital raising and upcoming Security Holder meetings.

Eligible Security Holders will soon be asked to vote on three resolutions, the approval of which is required to complete BBW's proposed A\$118.6 million capital raising. If approved, the proceeds of the capital raising will be used to fund identified acquisitions and to replenish BBW's cash reserves. Eligible Security Holders are those Security Holders who are on the BBW register as at 7.00pm (Sydney time) on 12 June 2006, who have not participated in any way in the capital raising. All capitalised terms in this letter have the meanings given to them in the attached Notice of Meetings.

Summary of the proposed capital raising

On 12 May 2006, BBW announced the successful completion of an institutional bookbuild to price and place A\$118.6 million of capital. A total of 74.1 million stapled securities will be issued at \$1.60. The bookbuild priced at a 3.2% premium over the closing price of stapled securities on the day before the capital raising and less than a 1.0% discount to the 10 day volume weighted average price of stapled securities (of \$1.616) prior to the offer. The capital raising is structured as a conditional placement of existing Stapled Securities to institutional and sophisticated investors, which has been facilitated via a new issue of Stapled Securities to UBS AG Australia Branch (UBS) (or as UBS directs, to repay a securities loan described below). The placement has been conducted by means of an institutional bookbuild in order to broaden the range of institutions on BBW's register.

As BBW has been listed for less than 12 months, any new Stapled Securities issue requires potential institutional investors to give restrictive warranties and undertakings regarding their intentions to hold the securities for at least 12 months or until a prospectus/product disclosure statement is issued. It is considered that this can impact adversely on pricing and the range of institutions prepared to participate in the bookbuild. Therefore, certain subsidiaries of Babcock & Brown (BNB) have agreed to lend existing Stapled Securities to UBS in accordance with a customary securities lending agreement to facilitate the placement of these existing securities to institutional and sophisticated investors. BBW then proposes to issue new Stapled Securities to UBS (or as UBS directs) and BBW understands that UBS intends to direct that these securities be issued to BNB subsidiaries in satisfaction of UBS's obligations under the securities lending agreement. Of the 74.1 million stapled securities to be issued a total of 66.96 million will be conditional upon Security Holder approval and an additional 7.14 million will be subject to both Security Holder approval and the release of certain existing securities from escrow, which is expected to occur in early June 2006. Accordingly, completion of the placement to institutional and sophisticated investors, is also conditional on these matters.

Use of proceeds

The capital raised from the issue of new Stapled Securities will be used to fund the acquisition of a number of new identified opportunities. 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.

This amount has been or will be applied as follows:

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

Since the February 2006 announcement, a number of additional acquisition opportunities have become available to BBW and BBW considers it important that this capital be raised in a timely manner so as to successfully secure these opportunities.

It is intended that the new equity capital of approximately A\$118.6 million will be used to acquire the following assets:

- ◆ a potential US acquisition of assets having an operating capacity of approximately 54MW (A\$50 million);
- ◆ the remaining 20% of certain Class B membership interests in the US '03/'04 Framework Assets (note BBW already holds 80% of those Class B membership interests) described in the IPO disclosure 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% of certain Class B membership interests in the US '05 Framework Assets (note BBW having already agreed to acquire 62.5% of those Class B membership interests) - these comprise the Sweetwater Stage 3 (Texas), Kumeyaay (California), Bear Creek (Pennsylvania) and Jersey Atlantic (New Jersey) wind farms (A\$45 million).

Approval required for completion of proposed capital raising

As indicated above, this issue of new Stapled Securities by BBW, and hence completion of the placement to institutional and sophisticated investors, is conditional on the receipt of necessary Security Holder approval. Specifically, Security Holders will be asked to approve the following three resolutions:

1. the issue of new securities to related parties;
2. an increase in the authorised share capital of the Bermudan company; and
3. a change to the definition of market value in the Trust Constitution.⁵

On approval of the capital raising and when BBW acquires these assets, BBW expects the proposed acquisitions to be accretive to the 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 million⁶ 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 also confirms that the revenue and EBITDA forecasts for the financial

¹ Disclosed in IPO disclosure document

² Disclosed in IPO disclosure document

³ Disclosed 16 February 2006

⁴ Disclosed 30 March 2006

⁵ The signing of the Plambeck Framework Agreement was disclosed 30 March 2006

⁵ See Notice of Meetings for more detailed explanation of resolutions. The proposed capital raising may still proceed if the first two resolutions are approved, even if the third resolution is not approved.

⁶ Post interest, tax and corporate costs and prior to capital expenditure, acquisitions and principal debt repayments.

year ending 30 June 2007 in the IPO disclosure document are expected to be exceeded. Given the proposed acquisitions are towards the end of the financial year, their affect on operating cash flow per security for the financial year ending 30 June 2006 is not expected to be significant.

The BBW Board is pleased to confirm distribution guidance of 10.2cps for the financial year ending 30 June 2006 and at least 11.2cps for the financial year ending 30 June 2007.

Recommendation

As the proposals involve issues of securities to related parties, those directors of BBW who are associated with BNB have not given a recommendation.

The independent directors of BBW recommend the proposals to you. The independent directors of BBW have considered the merits of and alternatives to the proposal and believe that this is the most efficient and effective means by which to achieve BBW's stated objectives.

Accordingly, they believe the proposals are in the best interests of the non-associated Security Holders and recommend that you vote FOR the resolutions. A vote for the resolutions will facilitate the completion of the capital raising and allow BBW to achieve its stated objectives, namely, execute the placement on a timely basis to fund acquisition opportunities, to expand its institutional register and to achieve strong pricing for the issue and refresh BBW's placement capacity to allow BBW to raise further capital in a timely manner in the event that accretive acquisition opportunities are identified.

General

Voting on the resolutions will be conducted at the general meetings to be held in the Brisbane Room of the Sofitel Wentworth, 61-101 Philip Street, Sydney, NSW, Australia at 10am on 14 June 2006. Eligible Stapled Security Holders may vote on the resolutions in person at the general meetings or by completing and returning the Proxy Form. Further details on voting and the process for providing a proxy vote are included in the attached notice of meetings.

If approved, settlement for the conditional placement and issue of the new stapled securities is expected to occur on 19 June 2006.

Your vote is important. I would strongly recommend that you review the attached document carefully and vote either in person at the general meetings or by completing and returning the Proxy Form.

If you have any queries about voting or proxies, please contact Link Market Services on 1800 266 671 or +61 (2) 8280 7180 or consult your financial adviser or other professional adviser.

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

Yours faithfully



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

Babcock & Brown Wind Partners

NOTICE OF GENERAL MEETINGS

OF SHAREHOLDERS OF BABCOCK & BROWN WIND PARTNERS LIMITED
(ABN 39 105 051 616) (COMPANY)

AND

OF SHAREHOLDERS OF BABCOCK & BROWN WIND PARTNERS
(BERMUDA) LIMITED
(ARBN 116 360 715) (FOREIGN COMPANY)

AND

OF UNITHOLDERS OF BABCOCK & BROWN WIND PARTNERS TRUST
(ARSN 116 244 118) (TRUST)

ISSUED BY THE COMPANY, THE FOREIGN COMPANY AND BABCOCK &
BROWN WIND PARTNERS SERVICES LIMITED (RESPONSIBLE ENTITY)
(ABN 61 113 813 997; AFSL 290 710) AS RESPONSIBLE ENTITY OF THE
TRUST (TOGETHER, BBW)

NOTICE IS HEREBY GIVEN that a general meeting of shareholders of the
Company, a general meeting of shareholders of the Foreign Company and a
general meeting of unitholders of the Trust will be held concurrently on:

DATE: Wednesday, 14 June 2006
PLACE: Brisbane Room, Sofitel Wentworth, 61-101 Phillip Street,
Sydney, NSW, Australia
TIME: 10 am (registration from 9.30 am)

The meetings are to consider the following resolutions

1. To approve a new issue of stapled securities to related parties

Resolution 1 - Company, Foreign Company and Trust

To consider and, if thought fit, to pass the following resolution, as an ordinary resolution of the shareholders of each of the Company and the Foreign Company, and of the unitholders of the Trust:

“THAT the issue of up to 74,100,000 stapled securities at A\$1.60 per stapled security, details of which are set out in the Explanatory Notes attached to this Notice of General Meetings, be approved for the purposes of ASX Listing Rule 10.11, subject to approval of Resolution 2.”

2. To approve an increase of authorised share capital of Foreign Company

Resolution 2 - Foreign Company

To consider and, if thought fit, to pass the following resolution, as an ordinary resolution of the shareholders of the Foreign Company:

“THAT, pursuant to a recommendation by the Board, Babcock & Brown Wind Partners (Bermuda) Limited (**Foreign Company**) increase its authorised share capital from A\$500, comprising 500,000,000 shares with a par value of A\$0.000001 each, to A\$2,000, by the creation of a further 1,500,000,000 shares, and THAT the Directors of Foreign Company have power to issue such shares in Foreign Company in accordance with its bye-laws.”

3. To approve an amendment to the Trust Constitution regarding definition of market price of units for purpose of new issues of stapled securities

Resolution 3 - Trust

To consider and, if thought fit, to pass the following resolution, as a special resolution of the unitholders of the Trust:

“THAT the Constitution of Babcock & Brown Wind Partners Trust (**Trust**) is amended in accordance with the provisions of the supplemental deed poll in the form tabled at this meeting and initialled by the Chairman for the purposes of identification, and Babcock & Brown Wind Partners Services Limited as responsible entity of the Trust is authorised to execute and lodge with the Australian Securities and Investments Commission the supplemental deed poll to give effect to these amendments to the Constitution.”

BY ORDER OF THE BOARDS

David Richardson
Company Secretary

15 May 2006

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

and

Babcock & Brown Wind Partners (Bermuda) Limited (ARBN 116 360 715)

and

Babcock & Brown Wind Partners Services Limited (ABN 61 113 813 997; AFSL 290 710) as Responsible Entity of the Babcock and Brown Wind Partners Trust (ARSN 116 244 118)

EXPLANATORY NOTES ON RESOLUTIONS

Introduction

These Explanatory Notes are intended to provide shareholders in each of the Company and the Foreign Company and unitholders of the Trust with information to assess the merits of the Resolutions contained in the accompanying Notice of General Meetings.

The Directors recommend that shareholders and unitholders read these Explanatory Notes in full before making any decision in relation to the Resolutions.

Background

Acquisition opportunities following the initial public offering

Following its initial public offering (**IPO**) in October 2005, Babcock & Brown Wind Partners (**BBW**) has actively grown its portfolio consistent with its stated expansion strategy. At the time of the IPO, BBW raised A\$281 million of additional equity capital to fund the purchase of Framework Assets and other potential acquisition opportunities. Since listing, the majority of these funds have been utilised and/or reserved for the acquisition of a number of identified opportunities in Europe, USA and Australia (described later in these Explanatory Notes), as per BBW's interim results presentation and consistent with BBW's stated intentions at the time of IPO. In the interim, a number of additional acquisition opportunities (detailed below) have become available and in order to secure these opportunities, BBW will be required to raise further equity capital. In addition, BBW has other significant further acquisition opportunities that may become available to it, sourced through Babcock & Brown Limited (**BNB**) and certain Framework Agreements, and as a result BBW may conduct further capital raisings, in the near to medium term, so as to fund (together with debt funding where appropriate) those further acquisition opportunities.

Structure and objectives of the proposed capital raising

In order to raise funding in a timely manner and to enable BBW to increase the presence of long term institutional holders on its register, BBW proposes to facilitate the completion of a conditional placement of stapled securities and to issue new equity. Each stapled security comprises one share in the Company, one share in the Foreign Company and one unit in the Trust (together **Stapled Securities**). The amount of capital to be effectively raised by BBW under the terms of the proposed capital raising is A\$118.6 million.

As BBW has been listed for less than 12 months, any new Stapled Securities issued to institutional holders would require those holders to give restrictive warranties and undertakings regarding their intentions to hold the securities for at least 12 months (or until a prospectus/product disclosure statement is issued). These warranties and undertakings are likely to reduce the number of institutional holders who would be able to participate in the placement and therefore would be likely to impact adversely on the pricing at which new Stapled Securities would be issued. Unless shareholder approval to the alternative structure for this capital raising as described below is obtained, there is a risk that BBW will not be able to act upon acquisition opportunities or will be limited in the size of acquisition opportunities it can pursue.

Proposed capital raising transaction

BBW proposes to facilitate the conduct of a conditional placement of up to 74,100,000 existing Stapled Securities to institutional and sophisticated investors and to complete a new issue of the equivalent number of Stapled Securities to UBS AG Australia Branch (**UBS**), or as it may direct including to BNB and its subsidiaries. The placement is being arranged by UBS. As the placement is of existing Stapled Securities, the issues described above applicable to a issue of new Stapled Securities within the first 12 months of listing are not applicable.

Institutional bookbuild

UBS has conducted a bookbuild of the Stapled Securities in the placement, on a conditional basis. The bookbuild for the placement has determined the price for the purposes of both the placement of Stapled Securities to institutional and sophisticated investors in accordance with allocations determined through the bookbuild and the issue price of the new Stapled Securities to UBS (or to BNB and its subsidiaries at UBS's direction). The issue price determined through this process is A\$1.60.

BNB and subsidiaries

Neither BNB nor any of its subsidiaries will receive any benefit from the proposed transactions other than fees set at arms' length commercial levels, detailed below.

As disclosed in section 8 of the IPO disclosure document for BBW, the base fee and incentive fee payable by BBW to Babcock & Brown Infrastructure Management Pty Ltd (**BBIM**) as manager are calculated with reference to BBW's market capitalisation from time to time (among other things). Accordingly, those fees are likely to be increased as a result of implementation of this proposed transaction (as they would likely be as a result of any capital raising by BBW).

Securities lending arrangements

One or more subsidiaries of BNB, as existing holders of Stapled Securities (**Security Holders**), issued prior to or at the time of the IPO of BBW, have agreed to lend Stapled Securities to UBS in accordance with customary terms of securities lending arrangements to facilitate settlement of the placement. For the purposes of the transaction, the relevant BNB subsidiaries are entitled to receive a facilitation fee of 0.4% of the total capital raised by the placement from UBS under the securities lending agreement, and UBS is entitled to be reimbursed by BBW for this fee.

As the Stapled Securities being lent by certain BNB subsidiaries were issued prior to or at the time of the IPO they may be transferred to institutional or sophisticated investors without requiring restrictive warranties and undertakings relating to their on-sale. However, UBS has nonetheless used reasonable endeavours to place the Stapled Securities with institutional or sophisticated investors who intend to be medium to long term holders of the Stapled Securities.

Placement agreement

Under the terms of a placement agreement between UBS and BBW, UBS will be entitled to subscribe for up to 74,100,000 new Stapled Securities, or to direct that such new Stapled Securities be issued to such institutional or sophisticated investors (who intend to be medium to long term holders of the Stapled Securities) as it may nominate, including certain BNB subsidiaries (as described below). BBW will under the placement agreement issue to UBS, or to such institutional or sophisticated investors as UBS directs, the same number of Stapled Securities as UBS has allocated to institutional or sophisticated investors under the bookbuild process.

Under the placement agreement, UBS is entitled to receive a fee from BBW for conducting the placement, which comprises a selling fee of 1.00%, a management fee of 0.25% and a discretionary incentive fee of up to 0.25%, of the amount of capital raised by the placement. UBS may pay brokers a selling fee of 1.00% of the amount allocated to a particular broker, plus a proportion of UBS's incentive fee pro rata to the amount allocated to that broker relative to the total capital raised by the placement.

Under the placement agreement, UBS provides settlement support for payment of the amounts due on settlement by the investors who have been allocated Stapled Securities under the bookbuild. The placement agreement is terminable on termination events which are generally customary in the Australian equity markets - if so terminated, the transaction described in these Explanatory Notes is unlikely to proceed.

As a result of entering into the placement agreement, UBS will have the capacity to discharge its obligations under the securities lending agreement with relevant BNB subsidiaries (namely, to return the Stapled Securities borrowed by UBS) out of the issue of new Stapled Securities for which approval is sought in Resolution 1, by directing the issue of new Stapled Securities to those entities. BBW understands that UBS proposes to direct BBW to issue such Stapled Securities directly to relevant BNB subsidiaries.

Assessment of proposed transaction

BBW has considered alternative approaches for implementing the raising of the additional capital contemplated, and considers that the proposal outlined in these Explanatory Notes is the best option for achieving the objectives outlined above and best serves the interests of BBW Security Holders.

Outcome of bookbuild

The bookbuild, which was conducted by UBS as described above, closed at a price of A\$1.60 which was a less than 1.0% discount to the 10 day volume weighted average price of Stapled Securities and at a 3.2% premium to the last sale of Stapled Securities recorded on 9 May 2006, being the last trading day prior to the bookbuild. The bookbuild was oversubscribed and, if approved, will substantially increase the number of institutional investors on BBW's register and allow BBW to raise the required capital on a timely basis. BBW believes that the results of the bookbuild support its view that the proposal described in these Explanatory Notes is the best option for achieving the objectives outlined above, namely to execute the placement on a timely basis, to expand the institutional register and to achieve strong pricing for the issue.

Transaction conditional on necessary approvals

The settlement of the placement and any issue of new Stapled Securities described above are:

- (a) conditional on necessary approvals of holders of Stapled Securities having been obtained. In the event that the necessary security holder approvals are not obtained, BBW is likely to wait until either the point at which BBW has been listed for 12 months, at which time it would be able to undertake a placement to institutional and sophisticated investors without Security Holder approval, or to undertake a documented issue should BBW be able to secure an appropriate acquisition, or utilise available capacity under its existing debt facilities; and
- (b) in respect of 7,142,857 of the relevant existing Stapled Securities (**Escrowed Securities**) and the corresponding new issue of 7,142,857 Stapled Securities, also conditional upon the Escrowed Securities currently held by subsidiaries of BNB becoming free of any voluntary escrow restrictions (**Escrow Release**). No placement agreement will be binding in respect of those Escrowed Securities, and that placement of Escrowed Securities and corresponding new issue will not proceed, unless and until that condition has been satisfied. However, BBW currently expects the condition to be satisfied prior to the date of the General Meetings.

BNB's stake in BBW

BNB (for itself, and on behalf of relevant subsidiaries) indicated at the time of the IPO that it intended to continue to hold a significant stake in BBW. BNB and its relevant subsidiaries have confirmed to BBW that they have no present intention to sell the Stapled Securities to be issued to them pursuant to these proposals.

Interconditionality of certain resolutions

Resolution 1 is conditional on Resolution 2 also being passed. This means that the issue of Stapled Securities proposed for approval under Resolution 1 will only proceed if Resolution 2 to increase the authorised share capital of Foreign Company is also approved. However Resolutions 2 and 3

are each proposed on a stand alone basis, and may therefore be approved regardless of whether any of the other proposed Resolutions are approved.

Security Holders are requested to consider and approve the proposed resolutions as further explained below.

RESOLUTION 1 – Approval of new issue of securities to related parties

Under ASX Listing Rule 10.11, BBW may only issue Stapled Securities to a related party with Security Holder approval. BNB is considered to be a related party of BBW. Accordingly, BBW is seeking Security Holders' approval for the purposes of ASX Listing Rule 10.11 to issue up to 74,100,000 Stapled Securities to UBS or, at the direction of UBS, to certain BNB subsidiaries, listed below, for the reasons and purposes set out above.

Under Exception 14 of ASX Listing Rule 7.1, if approval is given by Security Holders under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Under ASX Listing Rule 7.1, BBW may, in any 12 month period, only issue, or agree to issue, Stapled Securities up to a maximum of 15% of its issued capital without approval of holders of Stapled Securities, subject to certain exceptions such as pro-rata issues to all Security Holders. This approval sought under ASX Listing Rule 10.11 would have the effect for the purposes of Listing Rule 7.1 that the issue of new Stapled Securities will not absorb part of BBW's placement capacity under Listing Rule 7.1, and would preserve BBW's ability to issue up to 15% of its issued capital (as calculated in accordance with the formula in Listing Rule 7.1) in the next 12 months without further holder approval.

ASX Listing Rule 10.13 requires that Security Holders are provided with the following information:

Allottee

UBS AG (Australia Branch), or at UBS's direction, some or all of the following subsidiaries of BNB:

- B&B Prime Securities Pty Ltd (ACN 106 612 195);
- Babcock & Brown Australia Infrastructure Pty Ltd (ACN 115 060 378); and
- AGSO Property Pty Limited (ACN 091 342 951) in its capacity as trustee for the Babcock & Brown Prime Broking Trust.

Maximum Number of Securities Allotted:

Up to 74,100,000 Stapled Securities

Date by which Stapled Securities will be issued:

By 22 June 2006 (but note presently expected to be issued on 19 June 2006).

Relationship between the allottee and BBW

BNB and its subsidiaries referred to above are related parties of Babcock & Brown Wind Partners Services Limited (**Responsible Entity**), the responsible entity of Babcock & Brown Wind Partners Trust which is one of the stapled entities comprising BBW. This is because the Responsible Entity is a subsidiary of BNB. BNB and its subsidiaries do not control the other stapled entities

comprising BBW, and are not related parties of those other entities. UBS may also, as a technical matter, be a related party of BBW for the purposes (only) of the placement transaction.

Issue price of Stapled Securities

The issue price of the new Stapled Securities is A\$1.60, which has been determined on an arms length basis pursuant to an institutional bookbuild process conducted by UBS. UBS entities (other than UBS AG (Australia Branch)) will acquire Stapled Securities in the bookbuild, on the same terms as other participants.

Terms of Securities

Fully paid Stapled Securities, comprising shares in the Company, shares in the Foreign Company and Units in the Trust, ranking equally in all respects with existing Stapled Securities.

Voting Exclusion Statement

Refer to the Voting Exclusion Statement in the attached information for Security Holders.

Use or Intended Use of Funds Raised

The capital raised from the issue of new Stapled Securities will be used to fund the acquisition of a number of new identified opportunities. At its interim presentation in February 2006, BBW announced that of the A\$277 million of cash that was available for investment as at 31 December 2005, the majority of that amount had been reserved for identified projects and will be applied, or has been applied, as follows:

- Initial 62.5% of certain Class B membership interests in the US '05 framework assets (A\$75 million)¹;
- Lake Bonney 2 (A\$102 million)²;
- Eifel acquisition (A\$17 million)³;
- Fruges acquisition (A\$52 million)⁴; and
- a prepayment on the Plambeck Framework Agreement (A\$10 million)⁵.

Since the February 2006 announcement, a number of additional acquisition opportunities have become available to BBW and, in order to secure these opportunities, BBW is required to raise new equity capital in a timely manner.

The new equity capital of approximately A\$118.6 million will be used to acquire the following assets:

- a potential US acquisition of assets having an operating capacity of approximately 54MW (A\$50 million);
- the remaining 20% of certain Class B membership interests in the US '03/'04 Framework Assets (note BBW already holds 80% of those Class B membership interests) described in the IPO disclosure document, namely Sweetwater Stages 1 and 2 (Texas), Caprock (New

¹ Disclosed in IPO disclosure document

² Disclosed in IPO disclosure document

³ Disclosed 16 February 2006

⁴ Disclosed 30 March 2006

⁵ The signing of the Plambeck Framework Agreement was disclosed 30 March 2006. BBW entered into the Framework Agreement with Plambeck to acquire up to 300MW of wind farms between 2006 and 2009. The prepayment has been made as required under the terms of that Framework Agreement.

Mexico), Blue Canyon (Oklahoma) and Combine Hills (Oregon) wind farms (A\$22 million); and

- the remaining 37.5% of certain Class B membership interests in the US '05 Framework Assets (note BBW having already agreed to acquire 62.5% of those Class B membership interests) - these comprise the Sweetwater Stage 3 (Texas), Kumeyaay (California), Bear Creek (Pennsylvania) and Jersey Atlantic (New Jersey) wind farms (A\$45 million).

BBW considers it important that this capital be raised in a timely manner so as to successfully secure these opportunities.

After the capital raising and above acquisitions, approximately A\$22 million cash will be available to BBW.

If the capital raising is approved and BBW acquires these assets, BBW expects the above acquisitions to be accretive to the net operating cash flow per security (by an amount in total of A\$22 million⁶) for 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 per annum to net operating cashflows. BBW also confirms that the EBITDA forecasts for the financial year ending 30 June 2007 in the IPO disclosure document are expected to be exceeded. Given the proposed acquisitions are towards the end of the financial year, their affect on net operating cash flow per security for the financial year ending 30 June 2006 is not expected to be significant, and there is not expected to be a significant impact on EBITDA for that financial year. 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 are expected to be at least 11.2cps.

In addition to the above acquisitions, there are other growth opportunities which may become available in the near to long term including:

- immediate and medium term acquisition opportunities regarding fully commissioned assets in the US;
- Spanish, German and new Plambeck Framework Agreements providing a pipeline of acquisitions;
- large pipeline of opportunities from BNB with potential warehoused capacity of 3,000MW (in various stages of development) over the medium term;
- expected sell-down of some of the assets which BNB acquired from the Enersis transaction during 2006, as announced by BNB; and
- industry consolidation opportunities.

Further information regarding current operations, identified acquisition opportunities and use of capital and other financial information is set out in the Investor Presentation dated 10 May 2006, which is available from BBW's website www.bbwindpartners.com/ or free of charge to any Security Holder who requests it by contacting the Registry, Link Market Services, on +61 2 8280 7180 or, from within Australia, on 1800 226 671. The IPO disclosure document is also available from those same sources.

If each of Resolutions 1 and 2 are approved, the placement will be completed and UBS, or at UBS's direction, one or more of the BNB subsidiaries referred to above, will be issued Stapled Securities on the terms set out in these Explanatory Notes. The independent directors of the Company, the Board of the Foreign Company and the Board of the Responsible Entity believe that it is in the best interests of BBW that this occur for the reasons and purposes described in the Background section of these Explanatory Notes, and recommend that its respective shareholders and unitholders

⁶ Post interest, tax and corporate costs and prior to capex, acquisitions and principal debt repayments

approve Resolution 1. As the proposals involve issues of Stapled Securities to related parties, those directors of BBW who are associated with BNB have not given a recommendation.

RESOLUTION 2 – Increase of authorised share capital

The current authorised share capital of the Foreign Company under Bermuda law is A\$500 divided into 500,000,000 shares of A\$0.000001 each. In order to comply with the requirements of Bermuda law (there is no equivalent requirement under the Australian Corporations Act), the amount of this authorised share capital needs to be increased in order to:

- permit the issue of a further number of shares in the Foreign Company as part of the proposed further issue of Stapled Securities contemplated by these Explanatory Notes; and
- facilitate any future capital raising initiatives that BBW may wish to pursue from time to time, including the issue of Stapled Securities in part-payment of fees to BBIM under existing management services agreements, any pro rata offers or offers that may give priority to Security Holders, and future offers to Security Holders relating to corporate initiatives such as distribution reinvestment plans or security purchase plans.

BBW may not issue any further Stapled Securities unless the authorised capital of the Foreign Company is increased.

Accordingly it is proposed to increase the amount of the authorised share capital to A\$2,000 divided into 2,000,000,000 shares of A\$0.000001 each. BBW notes that Security Holders have the benefit of Listing Rules restrictions on new issues of capital which provide appropriate protections for Security Holders against significant dilution of their holdings.

The proposed issue of Stapled Securities will not proceed if this Resolution is not approved.

The Board of the Foreign Company (including its independent directors) accordingly believe that it is in the best interests of BBW that its shareholders approve the above resolution.

RESOLUTION 3 – Amendment of Trust Constitution

Presently, under the Trust Constitution, Stapled Securities (of which units in the Trust form part) must be issued at “market price”. “Market price” is currently defined as a volume weighted average price of Stapled Securities over a specific period. However, if in the Responsible Entity’s opinion, such a determination would not provide a fair reflection on the current market value of Stapled Securities, the “market price” may, under the Trust Constitution as it stands, be set by an independent valuer.

The market price determined on a volume weighted average price basis may not always be appropriate for a particular transaction, depending for example on the size of the intended issue and the number of subscribers. The Trust Constitution presently makes provision for determination of a market price by an independent valuer.

The term independent valuer is not defined in the Trust Constitution and in order to clarify that such a person may include an independent investment banker appointed by the Responsible Entity who has relevant market experience in determining market price, the Responsible Entity proposes to amend the definition of market price.

The purpose of this amendment is to provide for the basis on which an independent investment bank may determine the price of this proposed issue of Stapled Securities as well as future Stapled

Security issues. Future Stapled Security issues may also be able to be conducted on the basis of the other existing discretionary provisions of the Trust Constitution, as further explained below.

The effect of the amendment is that, where the Responsible Entity considers that a market price derived from a volume weighted average price does not provide a fair reflection of the current market value of Stapled Securities or it is not an appropriate determinant having regard to the nature of the transaction, the Responsible Entity may consider it more appropriate to determine that market price by engaging an independent investment bank to make this determination either under a bookbuild process or otherwise. Importantly, the amendment does not detract from the principle that is otherwise provided under the Trust Constitution, that Stapled Securities must be issued at market price - it simply clarifies that market price may be determined by an independent investment bank. The Trust Constitution already provides that certain types of Stapled Securities issues may be effected at a discretionary price determined by the Responsible Entity, for example in relation to certain rights offers and (except for issues of Stapled Securities to an associate as is the case here) in relation to a placement.

The proposed amendments to the definition of “market price”, which will be included in the Supplemental Deed, are reflected in a mark-up in the Annexure to these Explanatory Notes. The effect of the amendments is that any determination of “market price” by an independent valuer (including an independent investment bank) will, where a volume weighted average price is available, represent no more than a 12.5% discount to that price. The price for the Stapled Securities to be placed by UBS and for the issue of Stapled Securities by BBW has been determined on the basis of the terms of the amendment proposed, and at a discount of less than 1.0% to the 10 day volume weighted average price.

Section 601GC(1)(a) of the Corporations Act states that the constitution of a registered scheme may be modified by special resolution of the members of the scheme. Section 601GC(1)(b) permits a Responsible Entity to modify a constitution unilaterally if it reasonably considers that the change will not adversely affect members’ rights. The Responsible Entity is of the opinion that, as the amendments are designed to provide for a basis on which an independent valuer, i.e. an independent investment bank, may determine a market price, and are consistent with the powers presently in the Trust Constitution, they will not adversely affect members’ rights. However, the Responsible Entity considers it appropriate, having regard to the need for members to consider the resolutions above, to put the proposed amendments to members. A copy of the Supplemental Deed to the Trust Constitution is available free of charge to any Security Holder who requests it by contacting the Registry, Link Market Services, on +61 2 8280 7180 or, from within Australia, on 1800 226 671.

In considering Resolution 3, Security Holders should note that the proposed amendment would be available to facilitate both this proposed issue of Stapled Securities and future issues of Stapled Securities. If Resolution 3 is not approved, then for the purposes of implementing the transaction involving a further issue of Stapled Securities as outlined in these Explanatory Notes, the Responsible Entity intends to amend the Trust Constitution to specify a specific price at which units will be issued for this particular proposed transaction. This price will be equal to the Responsible Entity’s current valuation of units in the Trust (considered on a standalone basis). The Responsible Entity would implement this amendment under its power to make changes to the Trust Constitution unilaterally where the Responsible Entity reasonably considers that the change will not adversely affect members’ rights. To ensure that the overall price of the Stapled Securities issued pursuant to the proposed transaction reflects the bookbuild price under the placement, the price per Stapled Security would be allocated first to the units in the Trust at the market value determined by the Responsible Entity above, and the balance allocated between the shares in the Company and (if applicable) the shares in the Foreign Company.

The independent directors of the Responsible Entity believe that it is in the best interests of the Trust that Security Holders approve Resolution 3 as it will provide for the basis on which the price for both this proposed issue of Stapled Securities and future issues of Stapled Securities may be determined by an independent investment bank. In contrast, the proposed unilateral amendment, which will be made if Resolution 3 is not approved, will permit only the issue of Stapled Securities

outlined in these Explanatory Notes to proceed. As the proposals involve issues of Stapled Securities to related parties, those directors of BBW who are associated with BNB, whose subsidiaries may receive new Stapled Securities as part of the proposal, have not given a recommendation.

Information for Shareholders:

Eligibility

For the purposes of the meeting, Stapled Securities will be taken to be held by those persons who are registered as Security Holders at 7pm (Sydney time) on 12 June 2006 and the entitlement of Security Holders to vote at the meeting will be determined by reference to that time.

Accordingly, Stapled Security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting exclusion

In accordance with the ASX Listing Rules, the Company, the Foreign Company and the Responsible Entity of the Trust will disregard any votes cast on Resolution 1, by:

- any person who may receive securities in relation to BBW, BNB, BNB's subsidiaries referred to in these Explanatory Notes and any person who may receive an allocation of Stapled Securities on a conditional basis under the placement described in these Explanatory Notes; and
- any person who might obtain a benefit, except a benefit solely in the capacity of a Security Holder, if Resolution 1 is passed,

and any associate of those persons.

Accordingly, if you or your associates have been allocated Stapled Securities under the placement, on a conditional basis, you should not vote on Resolution 1.

However, the Company, the Foreign Company and the Responsible Entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the general meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Responsible Entity and its associates may not vote on any resolution of the Trust, if they have an interest in the resolution other than as a member of the Trust (section 253E of the Corporations Act).

Method of voting

The votes on Resolutions 1 and 2 will be by a show of hands, unless a poll is demanded. The vote on Resolutions 3 will be taken on a poll because it is a special resolution of the Trust.

On a show of hands, each Security Holder who is present in person and each other person who is present as a proxy, attorney or duly appointed corporate representative of a Security Holder has one vote.

On a poll:

- in the case of a resolution of the Company or the Foreign Company, each Security Holder present in person has one vote for each share they hold. Also each person present

as a proxy, attorney or duly appointed corporate representative of a member, has one vote for each share held by the Security Holder that the person represents; and

- in the case of a resolution of the Trust, each Security Holder present in person has one vote for each one dollar of the value of the units in the Trust held by the Security Holder. Also, each person present as proxy, attorney or duly appointed corporate representative of a Security Holder has one vote for each one dollar of the value of the units in the Trust held by the Security Holder that the person represents.

If your Stapled Securities are held jointly and more than one Security Holder votes in respect of that Stapled Security, then only the vote of the person named first in the register counts.

Resolution 1 is an ordinary resolution for all of the Company, the Foreign Company and the Trust. It will be passed if a majority of eligible votes cast on the resolution are in favour of the resolution.

Resolution 2 is an ordinary resolution for the Foreign Company. It will be passed if a majority of eligible votes cast on the resolution are in favour of the resolution.

Resolution 3 is a special resolution of the Trust. It will be passed if at least 75% of the eligible votes cast on the resolution are in favour of the resolution.

You need not exercise all your votes in the same way, nor need you cast all your votes.

Quorum requirements

The quorum requirement for the meeting of members of the Company is 2 members present in person or by proxy, attorney or by duly appointed corporate representative.

The quorum requirement for the meeting of members of the Foreign Company is 2 members present in person or by proxy or attorney.

The quorum requirement for a meeting of members of the Trust is at least two members present in person or by proxy or by duly appointed corporate representative, holding or representing the holders of at least 10% of all units in the Trust on issue.

If a quorum for the General Meetings is not present within 15 minutes after the scheduled time for the General Meetings, then the General Meetings will be adjourned. Those Security Holders present:

- in person or by proxy or corporate representative in the case of the Trust;
- in person or by proxy, attorney or corporate representative in the case of the Company; and
- in person or by proxy or attorney in the case of the Foreign Company,

constitute a quorum at the adjourned General Meetings.

Voting in person

Individuals

If you plan to attend the General Meetings, we ask you to arrive at the venue at least 30 minutes before the time designated for the General Meetings. This gives time for us to note your attendance

and to check the value of your Stapled Securities against our Register of Security Holders. That value forms the basis for determining the number of votes you have in relation to the Trust.

Corporations

To vote at the General Meetings, a Security Holder that is a corporation must appoint an individual to act as its representative, whether through a corporate representative, an attorney or a proxy.

The appointment in respect of the Company must comply with section 250D of the Corporations Act. An appointment in respect of the Trust must comply with section 253B of the Corporations Act. An attorney or corporate representative should bring to the meetings evidence of his or her appointment including any authority under which it is signed, and in the case of appointment of a corporate representative a form of "Certificate of Appointment of Corporate Representative" may be obtained from BBW's registry (see contact details below). Alternatively, a corporation may appoint a proxy.

Proxies

If you do not plan to attend the meeting in person, you are encouraged to complete and return the Proxy Form which accompanies this Notice of General Meetings.

Any member entitled to attend and vote at the meeting is entitled to appoint one or two proxies. If two proxies are appointed, the member may specify the proportion or number of votes each proxy is appointed to exercise, failing which each proxy may exercise half of the votes.

If you wish to appoint one proxy, please use the form provided. If you wish to appoint two proxies, please contact BBW's registry, Link Market Services, on +61 2 8280 7180, or from within Australia, on 1800 226 671, or you may copy the form provided.

Proxy voting instructions are provided on the Proxy Form. A proxy need not be a member of BBW.

The Constitutions of each of the Company, the Foreign Company and the Trust provide that, on a show of hands, every person present and qualified to vote has one vote. If you appoint one proxy, that proxy will have a vote on a show of hands. Under the Corporations Act if you appoint more than one proxy, neither proxy may vote on a show of hands, but they will both be entitled to vote on a poll.

If you appoint a proxy who is also a Security Holder or is also a proxy for another Security Holder, your directions may not be effective on a show of hands, but your directions will be effective if a poll is required and your proxy votes.

The proxy form contains further information on voting by proxy, and how the Chairman of the meetings proposes to cast undirected proxy votes given to him.

To be effective, proxy forms (duly completed) must be sent to BBW's share registry, Link Market Services:

- in the enclosed reply paid envelope; or
- by mail to Locked Bag A14, Sydney South NSW 1235; or
- by hand to Level 12, 680 George Street, Sydney NSW 2000; or
- by fax to +61 2 9287 0309; or
- by electronic lodgment online at Link Market Services' website www.linkmarketservices.com.au in accordance with the instructions provided on the

website. You will need your Holder Identification number (HIN) or Security Reference Number (SRN) to lodge your proxy online,

and must be received at least **48 hours** before the time notified for the meeting, that is, by **1am Sydney time on Monday, 12 June 2016**.

Scrutineer

BBW's external auditor, PricewaterhouseCoopers, will act as scrutineer for any polls that may be required at the meeting.

Questions and Comments by Security Holders at the meeting

In accordance with the *Corporations Act 2001*, a reasonable opportunity will be given to Security Holders – as a whole – to ask questions about or make comments on the management of BBW at the meeting.

Further information

Should you require any further information or assistance, please contact BBW's share registry, Link Market Services, on +61 2 8280 7180 or, from within Australia, on 1800 226 671.

Annexure - Proposed amended definition of Market Price

Market Price: of a Security on a particular day is:

- (a) subject to paragraphs (b) and (c), the volume weighted average price per Security for sales on the ASX (excluding any special crossings) for the period of 10 Trading Days immediately prior to the relevant day (whether or not a sale was recorded on any particular day); or
- (b) if ~~Securities~~ Securities:
 - (i) Securities have not been Officially Quoted for at least 10 consecutive Trading Days before the relevant day; or
 - (ii) in the Manager's opinion a determination under paragraph (a) of this definition would not provide a fair reflection of the current market value of the Security,

the price per Security that an independent valuer appointed by the Manager determines to be the market price of the Security on the relevant day. The independent valuer may be an independent investment bank with relevant market experience in determining a market price in circumstances similar to those in which the determination of the market price of the Security is required to be made. The independent investment bank may, in its discretion, determine the price per Security using the method of a bookbuild in accordance with usual market practice in the Australian equity market. Matters to which the independent investment bank may have regard in making its determination include:

- (A) the nature of the proposed offer of Securities for which purpose the market price of a Security is being calculated;
- (B) the circumstances in which the proposed offer of Securities will be made;
- (C) the level and quality of institutional demand at various price points;
- (D) the desire for an orderly aftermarket; and
- (E) prevailing market conditions.

Where paragraph (b)(ii) is applicable, the price per Security determined under paragraph (b) must represent no more than a 12.5% discount to the price which would otherwise be determined under paragraph (a).

- (c) Where Securities are to be issued to the BBW Manager or any of its related bodies corporate as part payment of fees pursuant to the BBWS Management Agreement or any other management services agreement to which a Stapled Entity or the Manager is a party, the volume weighted average price per Security for sales on the ASX (excluding any special crossings) over the first 20 Trading Days following the end of the relevant period.



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 AFSL 290 710
 as Responsible Entity for Babcock & Brown Wind Partners Trust ARSN 116 244 118

Please return your Proxy form to:
 Link Market Services Limited
 Level 12, 680 George Street, Sydney, NSW, 2000
 Locked Bag A14, Sydney South, NSW, 1235
 Telephone: 1800 226 671
 Facsimile: (02) 9287 0309
 International Telephone: +61 2 8280 7180
 ASX Code: BBW
 Website: www.linkmarketservices.com.au

APPOINTMENT OF PROXY

If you would like to attend and vote at the General Meetings, please bring this form with you. This will assist in registering your attendance.

You can also lodge your vote on-line at www.linkmarketservices.com.au



X99999999999

I/We being a member(s) of Babcock & Brown Wind Partners Limited and Babcock & Brown Wind Partners (Bermuda) Limited and being a unitholder of Babcock & Brown Wind Partners Trust (together **BBW**), and entitled to attend and vote, hereby appoint

A the **Chairman of the Meetings (mark box)** **OR** if you are **NOT** appointing the Chairman of the Meetings as your proxy, please write the name of the person or body corporate (excluding the registered security holder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meetings, as my/our proxy to act generally at the Meetings on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the General Meetings of BBW to be held concurrently at 10:00am Sydney time on Wednesday, 14 June 2006 and at any adjournment of those meetings.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the registry. Proxies will only be valid and accepted if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meetings intends to vote undirected proxies in favour of all items of business.

B To direct your proxy how to vote on any resolution please insert in the appropriate box below.

ORDINARY BUSINESS	For	Against	Abstain*	SPECIAL BUSINESS	For	Against	Abstain*
Resolution 1 To approve a new issue of stapled securities to related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 3 To approve an amendment of the Constitution of Babcock & Brown Wind Partners Trust regarding definition of market price of units for purpose of new issue of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 To approve an increase of authorised share capital of Babcock & Brown Wind Partners (Bermuda) Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

IMPORTANT: FOR RESOLUTIONS 1 AND 3 ABOVE

If the Chairman of the Meetings is to be your proxy or may be appointed by default and you have not directed your proxy how to vote on Resolutions 1 and 3 above, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meetings may exercise your proxy even though he has an interest in the outcome of those Resolutions and that votes cast by him, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meetings will not cast your votes on Resolutions 1 and 3 and your votes will not be counted in computing the required majority if a poll is called on those Resolutions. The Chairman of the Meetings intends to vote undirected proxies in favour of Resolutions 1 and 3.

C

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

D SIGNATURE OF SECURITY HOLDERS – THIS MUST BE COMPLETED

Security holder 1 (Individual) <input type="text"/> Sole Director and Sole Company Secretary	Joint security holder 2 (Individual) <input type="text"/> Director/Company Secretary (Delete one)	Joint security holder 3 (Individual) <input type="text"/> Director
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This form should be signed by the security holder. If a joint holding, either security holder may sign. If signed by the security holder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the security holder's constitution and the *Corporations Act 2001* (Cwth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a security holder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).



How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on BBW's register. If this information is incorrect, please make the correction on the form. Security holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meetings as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meetings please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meetings, the Chairman of the Meetings will be your proxy. A proxy need not be a security holder of BBW. A proxy may be an individual or a body corporate.

3 Votes on Resolutions

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution in section B. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes for a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

If you wish to appoint the Chairman of the Meetings as your proxy and you do not wish to direct your proxy how to vote, please place a mark in the box in section C. By marking this box you acknowledge that the Chairman of the Meetings may exercise your proxy even if he has an interest in the outcome of Resolutions 1 and 3 and that votes cast by him, other than as proxyholder, would be disregarded because of that interest. The Chairman of the Meetings intends to vote undirected proxies in favour of those Resolutions.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meetings and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning BBW's registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided in section D:

Individual: where the holding is in one name, the security holder must sign.

Joint Holding: where the holding is in more than one name, either security holder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meetings the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from BBW's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am Sydney time on Monday, 12 June 2006, being not later than 48 hours before the commencement of the meetings. Any Proxy Form received after that time will not be valid for the scheduled meetings.

Proxy forms may be lodged using the reply paid envelope or:

- by posting, delivery or facsimile to BBW's registry as follows:
Babcock & Brown Wind Partners
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309
- lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website);
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.