STATEMENT ON RESOLUTIONS 3, 4 and 5 – TO APPROVE CERTAIN REMUNERATION (EQUITY-RELATED) PLANS WHICH AIM TO FURTHER ALIGN THE INTERESTS OF EMPLOYEES AND SECURITYHOLDERS

20 March 2009

Dear fellow Babcock & Brown Wind Partners (**BBW**) securityholders and members of the BBW board of directors,

The Children's Investment Master Fund (TCI)

TCI has been a significant securityholder in BBW since February 2008 and currently owns in excess of 14% of BBW's securities. We are very concerned that, despite the ongoing separation from Babcock & Brown (**BNB**) and improvements to corporate governance, the current security price remains at a substantial discount to the intrinsic value of BBW's assets. Such value gaps are not uncommon for many listed small cap, illiquid assets, given weak equity markets. In our view, this value gap is likely to persist while BBW remains a listed entity and can only be closed through a private market transaction, or series of transactions, leading to the ultimate sale of BBW. We support the principle of aligning the interests of employees and securityholders. However, we feel it is necessary that securityholder interests are properly articulated and understood so that this exercise achieves what must be its ultimate goal: crystallising and maximising securityholder value.

The interests of securityholders

The Strategy and Outlook section of the recent Interim Results Statement states that BBW will "*focus its attention on growth markets where it can demonstrate sustainable competitive advantages and consider recycling capital from existing lower yield/mature assets to fund that growth"*.

In TCI's view, the primary focus of BBW's board should be to crystallise and maximise securityholder value as soon as practicable through a series of parallel asset sales and processes to test market appetite for BBW's assets. In conjunction with this, BBW's board should expedite other measures to ensure that securityholder value is enhanced wherever possible.

Disposal of remaining European assets

After the sale of the Spanish and Portuguese assets, the residual assets in Germany and France amount to only 10% of total capacity including assets under construction. These sub-scale, mature assets are clearly "non-core" and the Board should seek to dispose of them expeditiously.

Disposal of US assets

The US portfolio of 1,069MW represents approximately 60% of BBW's total capacity. While dominant in terms of capacity, the cash flows are also mature and predictable, resembling an annuity income stream.

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PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies

BBW has no development capability or pipeline in the US and we would not encourage BBW to pursue this route. We do not therefore see any realistic opportunity to add value to securityholders through the continuing ownership of the US assets. While the financial markets remain challenging, the political and economic backdrop for renewables is much improved under the Obama Administration. According to the American Wind Energy Association, BBW’s portfolio ranks fourth largest in the US behind FPL Energy, Iberdrola Renovables and EDP Renovaveis. We believe such a material existing asset portfolio should be attractive to major US utilities, European utilities with significant global wind operations and wind infrastructure businesses. We therefore urge the Board and management to instigate immediately a process of “price discovery” to test market appetite for the US portfolio with a view to ultimate sale on a timely basis.

Disposal of Australian assets

The Australian portfolio is BBW’s most attractive asset. With net operating and under construction capacity of 508MW, it is the largest wind energy business in Australia. In addition, the Australian government’s aim of increasing renewable energy targets by nearly fivefold by 2020 and the likely introduction of a carbon emissions cap and trade scheme provide an attractive market backdrop. We also support the completion of existing windfarm developments and management’s aim to acquire development assets from BNB for relatively low cost. Taken together, these initiatives should enhance the overall attractiveness of the portfolio. In our view, the pending disposals of European and US assets should make the Australian business highly attractive to Australian utilities, global wind operators seeking a scale position in the Australian market and wind infrastructure businesses. We therefore urge the Board and management to undertake a “price discovery” and value realisation process for the Australian business in parallel with the sales of European and US assets.

Cost cutting

Management’s expected run rate for corporate costs of around A$28 million per annum is excessive for an operation of BBW’s scale and scope. This is particularly the case assuming timely execution of asset sales. Given BBW’s aim to be “cost competitive”, we believe that the cost base can be reduced significantly. By way of example, each A$5m saved when taxed and capitalised at 15x would be worth around 7-8% of current market capitalization.

Security buyback

We strongly encourage the completion of the 30% security buyback programme as soon as possible. We echo the view of BBW’s management that the buyback offers the highest IRR to existing securityholders, and is materially higher than any other investment opportunity available to BBW.

Aligning the interests of securityholders with the interests of employees

Given the separation from BNB and the consequent internalisation of BBW management, we understand the need to propose changes to executive and employee incentive plans.

Such remuneration plans must ensure that executives and employees are positively incentivised to realise BBW’s full intrinsic value. In particular, they must ensure that any short and long term incentives vest in the event of a change of control of BBW.

Yours sincerely,

Philip Green, Partner
The Children’s Investment Fund Management (UK) LLP
as investment manager for
The Children’s Investment Master Fund