

BABCOCK & BROWN WIND PARTNERS

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ASX Release

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BBW ANNOUNCES ACQUISITION OF FRUGES II WIND FARMS

Babcock & Brown Wind Partners (ASX: BBW) announces that it has agreed to acquire Fruges II wind farms from vendors including Ostwind International SARL (Ostwind), a subsidiary of the German developer Ostwind-Group. The wind farms comprising Fruges II are currently under construction and the total enterprise value of Fruges II when completed will be approximately \$94m. Progressive payments for the acquisition of the Fruges II wind farms will initially be funded by BBW's existing cash reserves and debt facilities, with refinancing anticipated at the end of the construction phase.

The Fruges II wind farms are adjacent to the Fruges I wind farms acquired by BBW in June 2006. The Fruges I and II wind farms are located in a productive wind region in Northern France close to the English Channel. The Fruges I and II wind farms are the first investment by BBW in France and continue BBW's strategy of investing in and managing a global, diversified portfolio of wind farms. The Fruges II wind farms are expected to be fully operational in the first half of 2008. On completion, Fruges II will have a total installed capacity of 30MW and an expected net energy production of 69.1 GWh per annum.

As the Fruges II wind farms are currently under construction, this acquisition is expected to be neutral to net operating cash flow in FY07 and FY08, and positive in FY09. BBW's FY07 distribution forecast was upgraded from 11.2 cents to 12.5 cents per stapled security at the time of the FY06 annual result announcement in September 2006 and this forecast remains unchanged.¹

A fact sheet relating to the Fruges II wind farms is provided as an attachment to this announcement.

ENDS

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¹ As stated at the time of the forecast FY07 distribution upgrade, the FY07 distribution is subject to the portfolio achieving P50 wind generation, the payment of no performance fee and no material reduction in the Spanish tariff.

FACT SHEET – Fruges II

The Fruges II wind farms are currently under construction and are expected to be fully operational in the first half of 2008. The wind farms will have a total installed capacity of 30MW and an expected net energy production of 69.1 GWh per annum. The wind farms consist of 15 Enercon E-70 E4 2MW wind turbines and are located in Northern France close to the English Channel.



KEY INFORMATION	
Funding	Initially acquired using BBW's existing cash reserves and debt facilities, with refinancing anticipated at the end of the construction phase.
Revenue assurance	The electricity produced will be sold on 15 year agreements with Electricite de France in accordance with French Law.
Construction	Ostwind Engineering SAS, with a parent company guarantee from the German parent covering all obligations of the General Contractor under the General Contractor Agreements (GCAs). The GCAs provide for a fixed price, turnkey supply, erection and commissioning of the Wind Turbine Generators (WTGs), including the necessary infrastructure works and grid

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	connection. The GCAs also provide for a completion time guarantee in relation to the in-service date of the last WTG.
Operation	Operations and maintenance agreements with Enercon GmbH, Germany, with a term of 12 years.
Land	Land leases with 25 year terms with options to extend.
BBW's % ownership	100%
Regulatory Regime	Fixed Tariff. Ministerial Order, July 2006.

About Babcock & Brown Wind Partners

Babcock & Brown Wind Partners (ASX: BBW) is a specialist investment fund focused on the wind energy 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 1,150MW 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 for nearly 20 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