

BABCOCK & BROWN WIND PARTNERS

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ASX Release

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ACQUISITION OF KAARST WIND FARM IN GERMANY

Babcock & Brown Wind Partners (ASX: BBW) announces that it has agreed to acquire the Kaarst wind farm from German developer Plambeck Neue Energien AG (Plambeck) under the current Framework Agreement, for approximately \$30m¹. The Plambeck Framework Agreement was concluded between BBW and Plambeck in March 2006².

The Kaarst wind farm currently has a total installed capacity of 10 MW and an expected net energy production of 19,342 MWh per annum. A further 2 MW is expected to be constructed during 2007. The wind farm consists of Vestas V80 2 MW wind turbines and is located in Western Germany, in the state of North Rhine-Westphalia. This acquisition represents a continuation of BBW's strategy of investing in and managing a diversified global portfolio of wind farms and will increase the total number of operational wind farms to 22.

Given the timing and relative size of the Kaarst wind farm, its impact on net operating cash flow in FY07 is expected to be neutral. Kaarst will be accretive to net operating cash flows in FY08 when it will make a full year contribution. 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 results announcement in September 2006 and this forecast remains unchanged³.

A fact sheet relating to the Kaarst wind farm is provided as an attachment to this announcement.

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¹ This includes the cost of the additional 2 MW, transaction and advisory fees.

² Under the Framework Agreement, BBW has secured the rights to acquire a portfolio of wind farms comprising up to approximately 300 MW over the next 3 years.

³ 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.

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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\$950 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 25 wind farms on three continents that have a total installed capacity of approximately 1,200 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 3000 MW 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

FACT SHEET – KAARST Wind Farm

The Kaarst wind farm has total installed capacity of 10 MW and an expected net energy output of 19,342 MWh per annum. Following the expected construction of a further 2 MW turbine during 2007, Kaarst will have a total installed capacity of 12 MW and expected net energy of 22,990 MWh per annum. Currently, the wind farm consists of 5 Vestas V80 2 MW wind turbines and is located in Western Germany, in the state North Rhine-Westphalia. Kaarst has a net capacity factor of 21.87%.

Location map



Funding	Acquired using BBW's existing cash reserves and debt facilities.
Revenue assurance	Fixed Tariff (Regulated) for 20 years
Customers	N/A
Operation	Operations and maintenance contract for a 2 year term with Vestas.
Land	Land leases with initial terms of 25 years, with extensions of up to 5 years.
BBW's ownership	100%
Regulatory regime	German Renewable Energy Sources Act (2004)