ASX Release

17 January 2007

WIND RESOURCE & ENERGY YIELD ASSESSMENT PRESENTATION

Babcock & Brown Wind Partners (ASX: BBW) has today released to the market a wind resource and energy yield assessment presentation (refer attached). The purpose of this presentation is to provide the market with educational material in relation to the process behind wind energy assessment and how this relates to BBW's business.

Following the release of this presentation, BBW will be presenting it to institutional investors and stock broking analysts at 9.30am today. There is a telephone conference facility available for other investors who also wish to participate (contact +61 2 9229 1800 for conference line details).

ENDS

Further Information:

Rosalie Duff
Investor Relations Manager
Babcock & Brown Wind Partners
Phone: + 61 2 9229 1800

Miles George
Acting Chief Executive Officer
Babcock & Brown Wind Partners
Phone: + 61 2 9229 1800

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.

BABCOCK & BROWN
WIND PARTNERS

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**

Wind Resource & Energy Yield Assessment

January 2007

Introduction

- Demonstrate that wind energy is predictable over the long term

- Define the process behind forecasting wind energy generation
  - Industry standard
  - Independent source

- Discuss interpretation of wind assessments
  - Actual BBW experience
  - Seasonality of generation
  - Portfolio benefits

BABCOCK & BROWN
WIND PARTNERS

Overview

Predictable Resource
- Aim of assessment is to forecast the **long-term mean energy generation** of a wind farm
- Actual annual generation will vary around the forecast long-term mean

Robust & Independent
- **Accurate measurement** and prediction of the wind resource
- **Correlation** with long-term reference data informs the assessment
- **Accurate modelling** – of wind, topographic effects, turbine characteristics, etc

Seasonality
- **Generation varies by season** within each year
- Influences BBW's interim and full year results

Variability & Portfolio Advantages
- Uncertainty of portfolio forecast reduces with **diversification & scale**
- Analysis addresses uncertainty and produces a **probability distribution of energy generation** incorporating all known – quantifiable – variables

BABCOCK & BROWN WIND PARTNERS

Agenda

1. Introduction & Overview

2. Wind & Energy Yield Assessment Methodology

3. Defining Uncertainty

4. BBW Experience - Wind Farm Performance

5. BBW Current Portfolio Seasonality

6. Portfolio Effect

7. Conclusion

Presenters: Miles George   Acting Chief Executive Officer

Geoff Dutaillis   Chief Operating Officer

For further information please contact:

Rosalie Duff

+61 2 9216 1362

rosalie.duff@babcockbrown.com

BABCOCK & BROWN
WIND PARTNERS

2. Wind & Energy Yield Assessment Methodology

Wind Resource & Energy Yield Assessment

FOCUS is to determine:

- Average long-term wind speed
- Variability in wind speed
- Direction – influences layout of wind farm
- Diurnal profile
- Seasonal profile

………….. **Energy yield of the wind farm**

STEPS in the process:

I. Wind Monitoring on-site

II. Wind Resource Assessment – long term wind prediction

III. Wind flow modelling & Energy yield forecast

IV. Identification and quantification of sources of uncertainty

Wind Monitoring

↓

Wind Resource Assessment

↓

Energy Yield Prediction

↓

Uncertainty Analysis
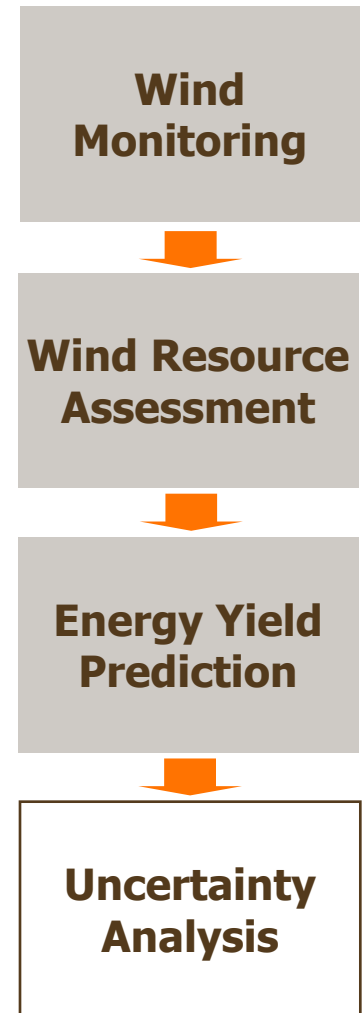
Aim is to produce a probability distribution of energy and revenue

BABCOCK & BROWN WIND PARTNERS

Wind Monitoring

When undertaken	How undertaken	Why undertaken
Development stage - prior to construction	• Short-medium term data from met tower on site • Long term data source • Cross correlation analysis	• Project/acquisition feasibility analysis
At completion of construction	• On site met towers	• Determine turbine compliance with performance guarantees (i.e. energy output is adequate given the actual wind experienced)
On-going monitoring of operating wind farms	• On site met towers • Long term data source • Cross correlation analysis	• Revenue forecasting and trend analysis • Determine WTG compliance with operator guarantees
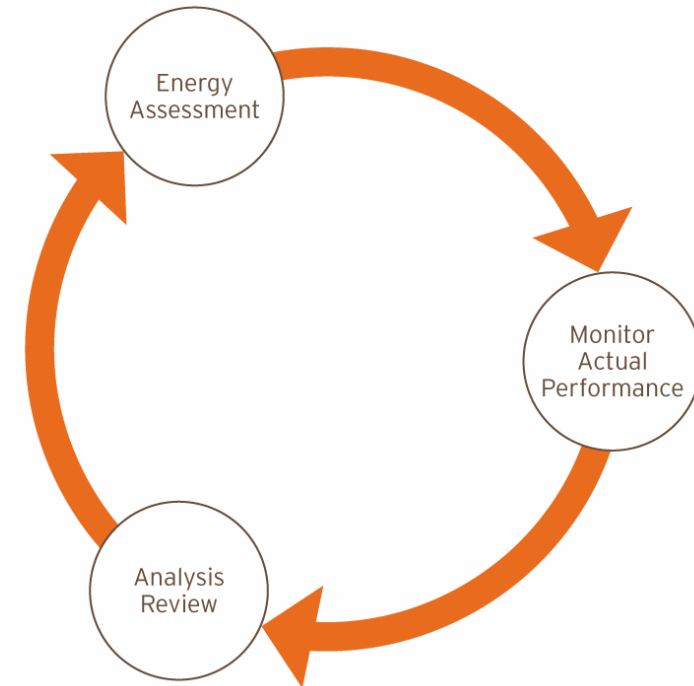
Critical for initial energy forecast and ongoing performance monitoring

BABCOCK & BROWN
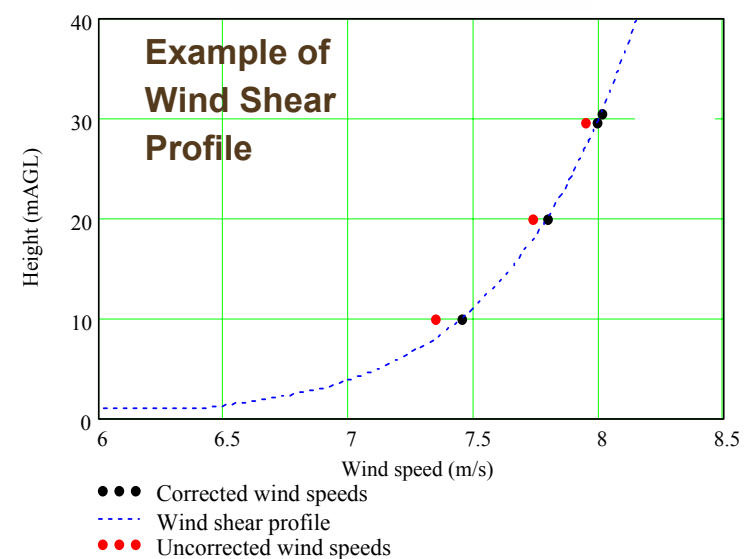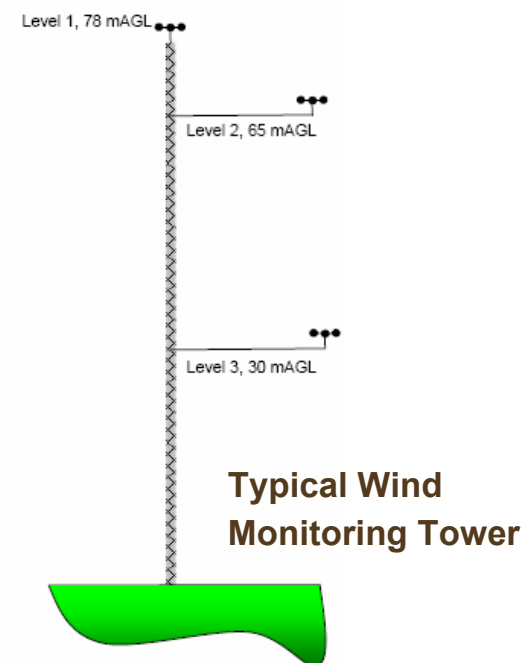WIND PARTNERS

Wind Monitoring

Towers & Instruments

- Get the best data possible
- Accuracy & duration important to improve estimate
- Site coverage

International Standards

Wind Shear

- Hub height measurement - extrapolation adds uncertainty

Typical Wind Monitoring Tower

Level 1, 78 mAGL
Level 2, 65 mAGL
Level 3, 30 mAGL

Example of Wind Shear Profile

Height (mAGL)

Wind speed (m/s)

● ● ● Corrected wind speeds
---- Wind shear profile
● ● ● Uncorrected wind speeds

BABCOCK & BROWN
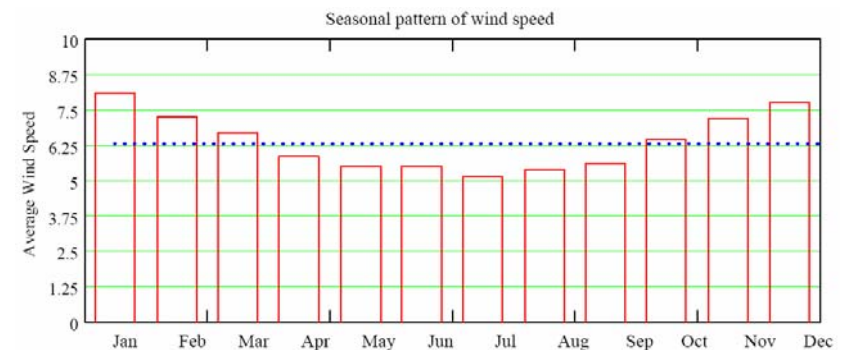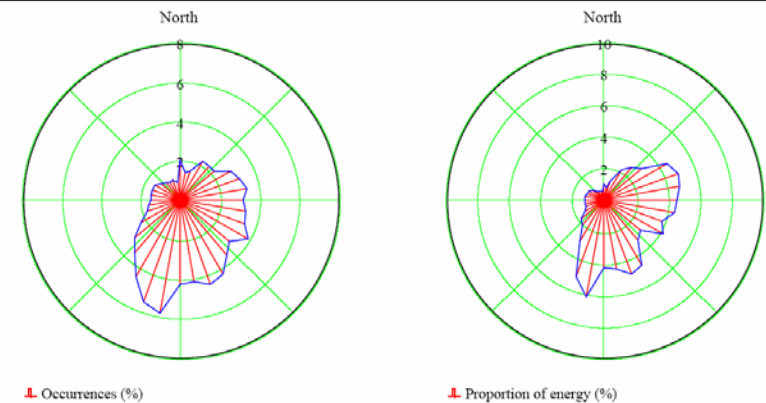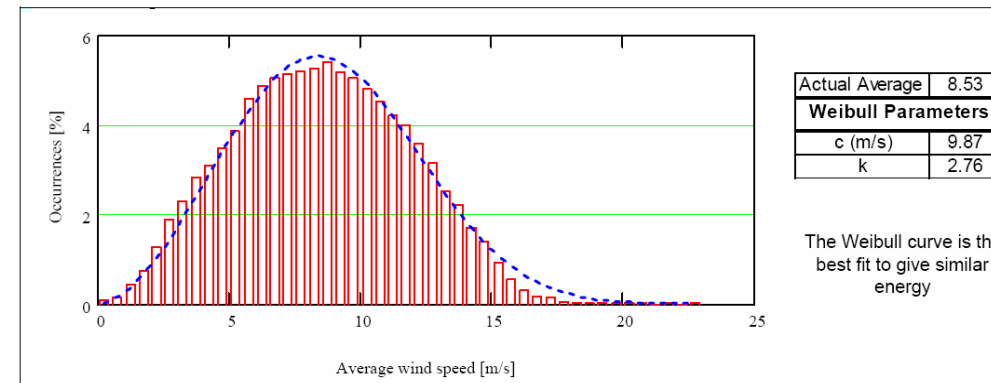WIND PARTNERS

Wind Monitoring

Wind Speed Distribution

- Weibull distribution can provide a good approximation

- Provides concise description

Wind Direction

- Provides directional distribution of energy

- Important for wake effects and design optimisation

Seasonal & Diurnal pattern

- Opportunity to match generation with demand

- Provides basis for planning operational activities

Actual Average	8.53
Weibull Parameters	
c (m/s)	9.87
k	2.76

The Weibull curve is th best fit to give similar energy

Provides wind speed distribution and direction profile for site

BABCOCK & BROWN
WIND PARTNERS

Wind Resource Assessment

Reference Station

⏶ Long-term data source

⏶ Duration varies by country, region and site

⏶ Consistency of measurement is vital

⏶ Typically provides 10min or hourly data over periods of 5-10 years or more

Measure – Correlate – Predict (MCP)

⏶ Site data typically correlated with reference site for each of 12, 30^0 direction sectors

⏶ Wind speed ratios determined

⏶ Used to convert the reference data into the expected long-term wind speed at the site
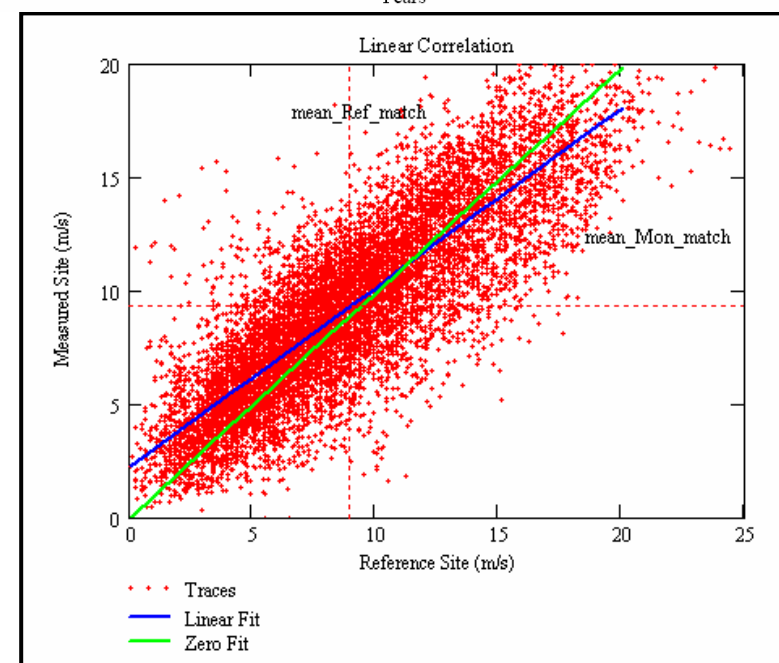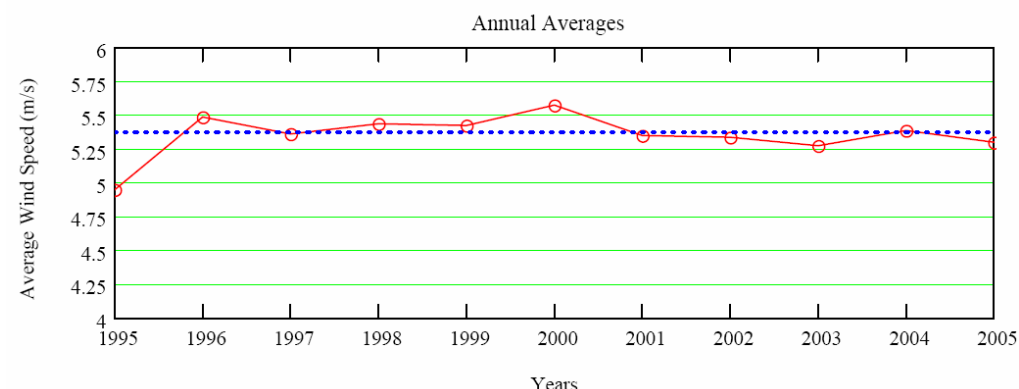
Long-term reference station data correlated with on-site data – informs the long term on-site wind resource prediction

BABCOCK & BROWN
WIND PARTNERS

Energy Yield Prediction

In order to Predict Energy:

I. Model the variation in wind speed across the site at the hub height – 'wind flow modelling'

II. Convert wind resource to energy and optimise

III. Estimate losses – e.g. wake, electrical, etc

Wind Monitoring

↓

Wind Resource Assessment

↓

Energy Yield Prediction

↓

Uncertainty Analysis
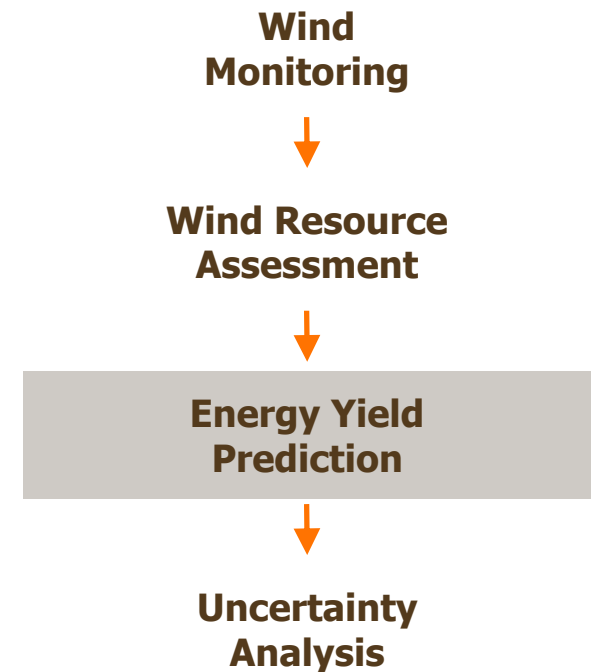
Computer programs developed to accurately model dynamics of wind moving across a site
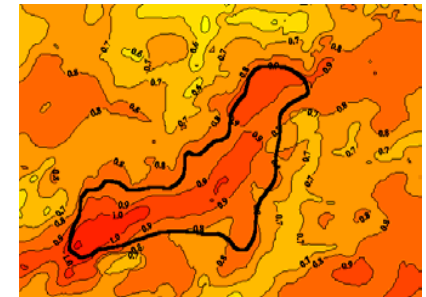
BABCOCK & BROWN
WIND PARTNERS

Energy Yield Prediction

1. Wind Flow Modelling

- Predict the long-term wind speed & direction across the site
- Industry commonly uses the WAsP modelling tool – Riso National Lab, Denmark
- Takes into account topography & surface roughness

2. Wind Resource to ENERGY

- Turbine Characteristics – Power Curve
- Optimise turbine layout, accounting for:
  – Site specific wind variations
  – Turbine wake interactions
  – Land constraints
- Iterative process to optimise

3. Estimate Energy Loss Factors

- Mainly to consider topographic effect, wake effects, electrical transmission efficiency and turbine availability

Terrain Map >

Wind Speed Map

WTG measured power curve

Typical Wind Turbine Power Curve

BABCOCK & BROWN WIND PARTNERS

Energy Yield Prediction

BABCOCK & BROWN
WIND PARTNERS
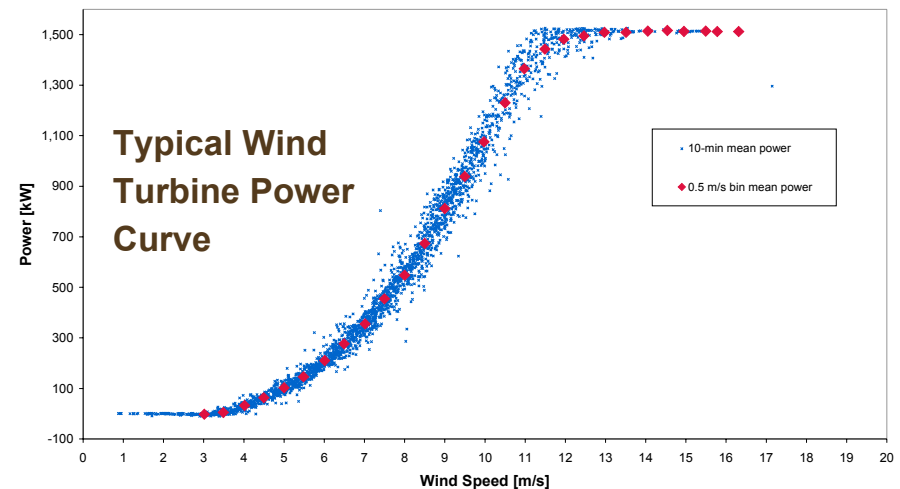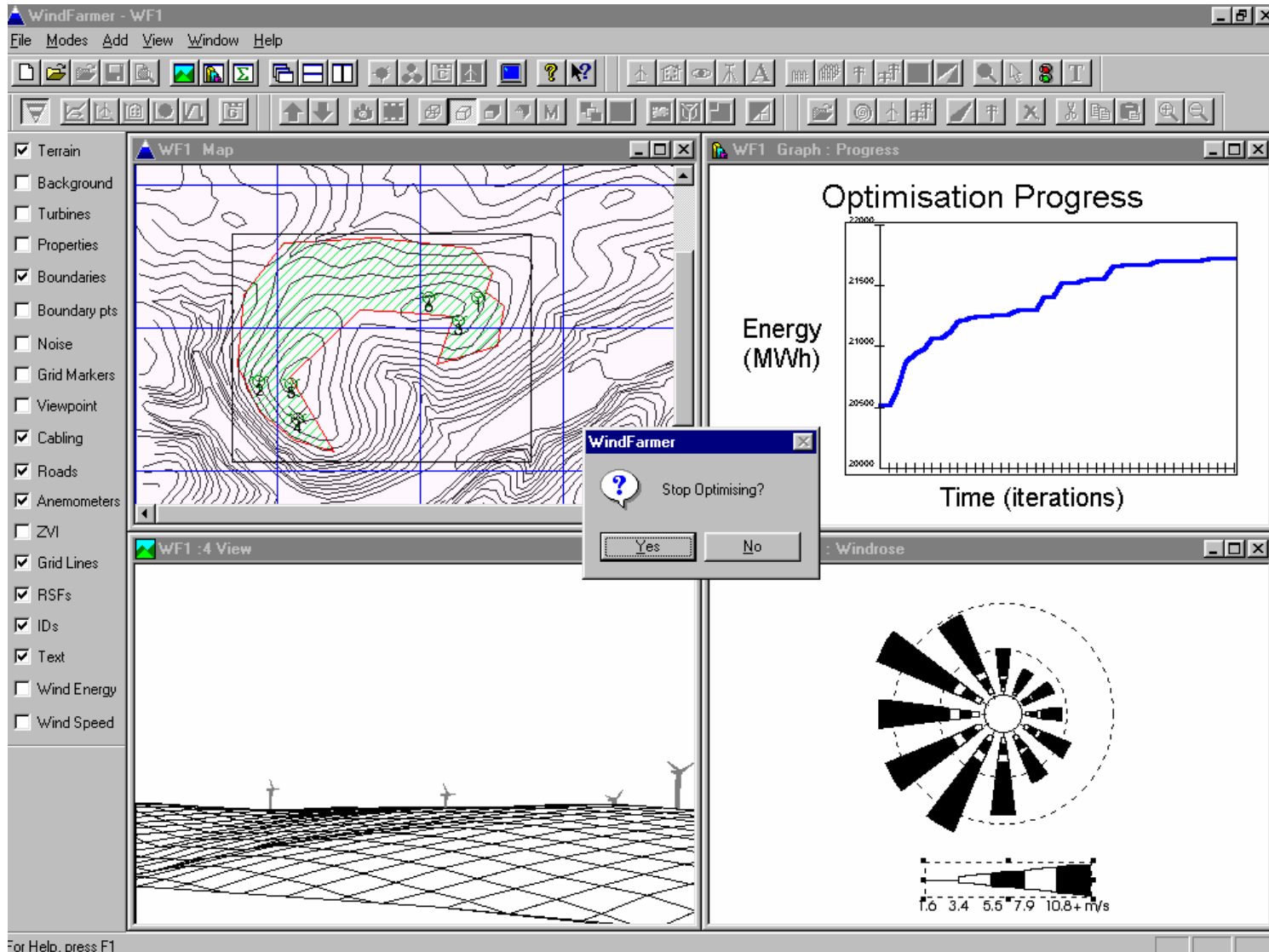
3. Defining Uncertainty

Defining Uncertainty

⌃ Recognises that the methodology introduces a number of sources of uncertainty into the predicted energy yield:

1. *Wind Data and Measurement*

2. *Analysis and Modelling*

3. *Future Wind Variability*

⌃ **ALL** are quantifiable

⌃ **Provides ability to forecast probability of performance at, or above, a specified level**

> Commonly quoted as "**Probability of Exceedence**" or **P50 / 75 / 90** values
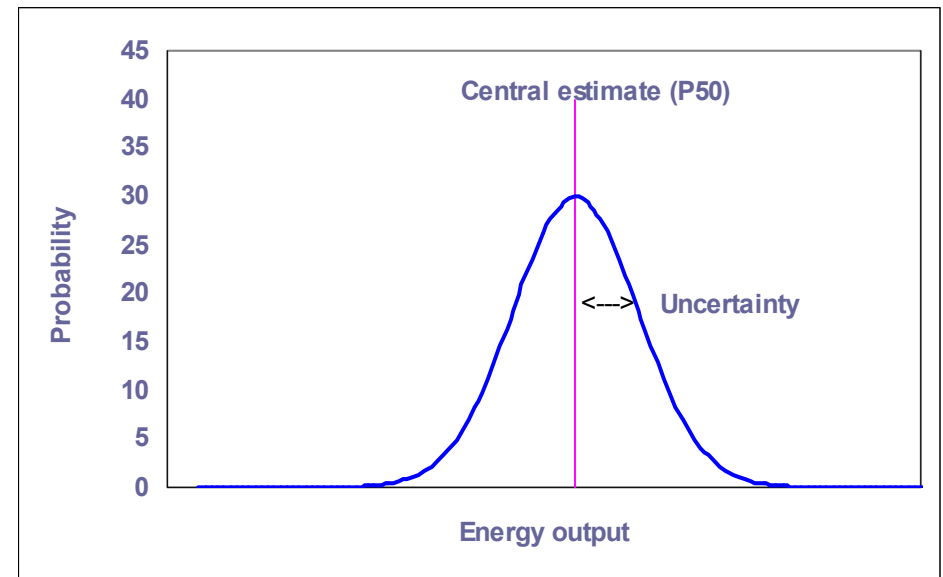
All sources of uncertainty can be quantified

BABCOCK & BROWN
WIND PARTNERS

Definition of Uncertainty

⚊ An example - "**Probability of Exceedence**" or **P50/75/90** values

Probability of Exceedance [%]	Net energy output	
	1 year average [GWh/annum]	10 year average [GWh/annum]
90	387.5	415.6
75	430.3	445.1
50	477.9	477.9

E.g. 'P90' means that there is a 90% probability that this level of energy output will be exceeded

Uncertainty in data measurement, analysis and modelling can be reduced over time by analysis of operating history

BABCOCK & BROWN
WIND PARTNERS

4. BBW Experience – Wind Farm Performance

BBW Experience – Wind Farm Performance

Lake Bonney 1 Generation (Annual)
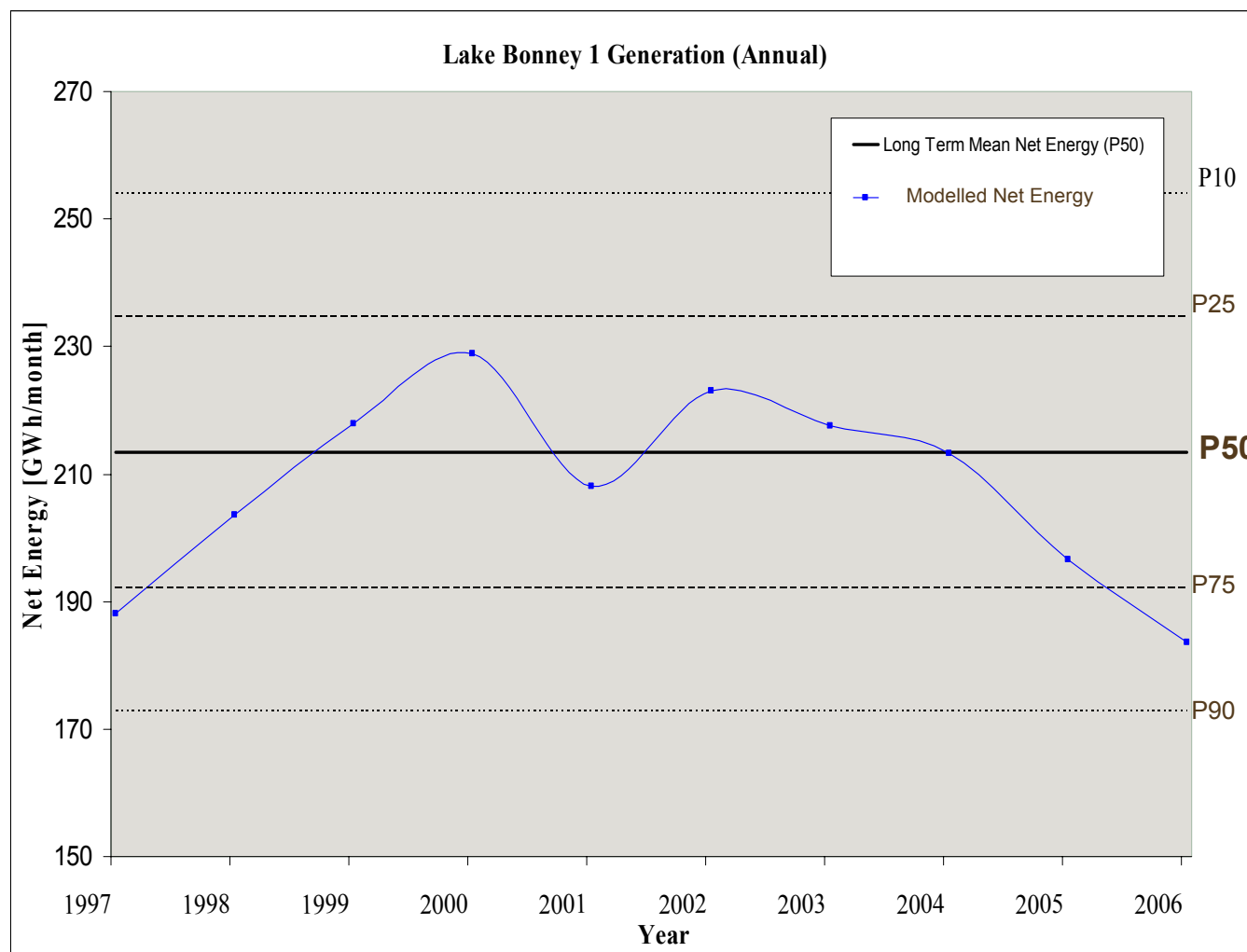
EXAMPLE … Australia

- Demonstration of variability around the long term mean

- Pre-operation modeling based on recorded wind speeds

- Forecasts will be continually reviewed with the benefit of operational performance
  - 2-3 yr rolling program
  - Communicate to Investors with regular Portfolio Summary updates

Yearly performance historically varies around the long-term mean

BABCOCK & BROWN
WIND PARTNERS

BBW Experience – Wind Farm Performance

Wachtendonk Generation (Annual)

Chart legend:
- Long Term Mean Net Energy (P50)
- Modelled Net Energy

Y-axis: Net Energy [GWh/month], ranging 10 to 35
X-axis: Year, 1988 to 2007

Right-side markers: P10, P25, **P50**, P75, P90

EXAMPLE … Germany

⏶ Demonstration of variability around the long term mean

⏶ Pre-operation modeling based on recorded wind speeds

⏶ Forecasts will be continually reviewed with the benefit of operational performance
  - 2-3 yr rolling program
  - Communicate to Investors with regular Portfolio Summary updates

Yearly performance historically varies around the long-term mean

BABCOCK & BROWN WIND PARTNERS

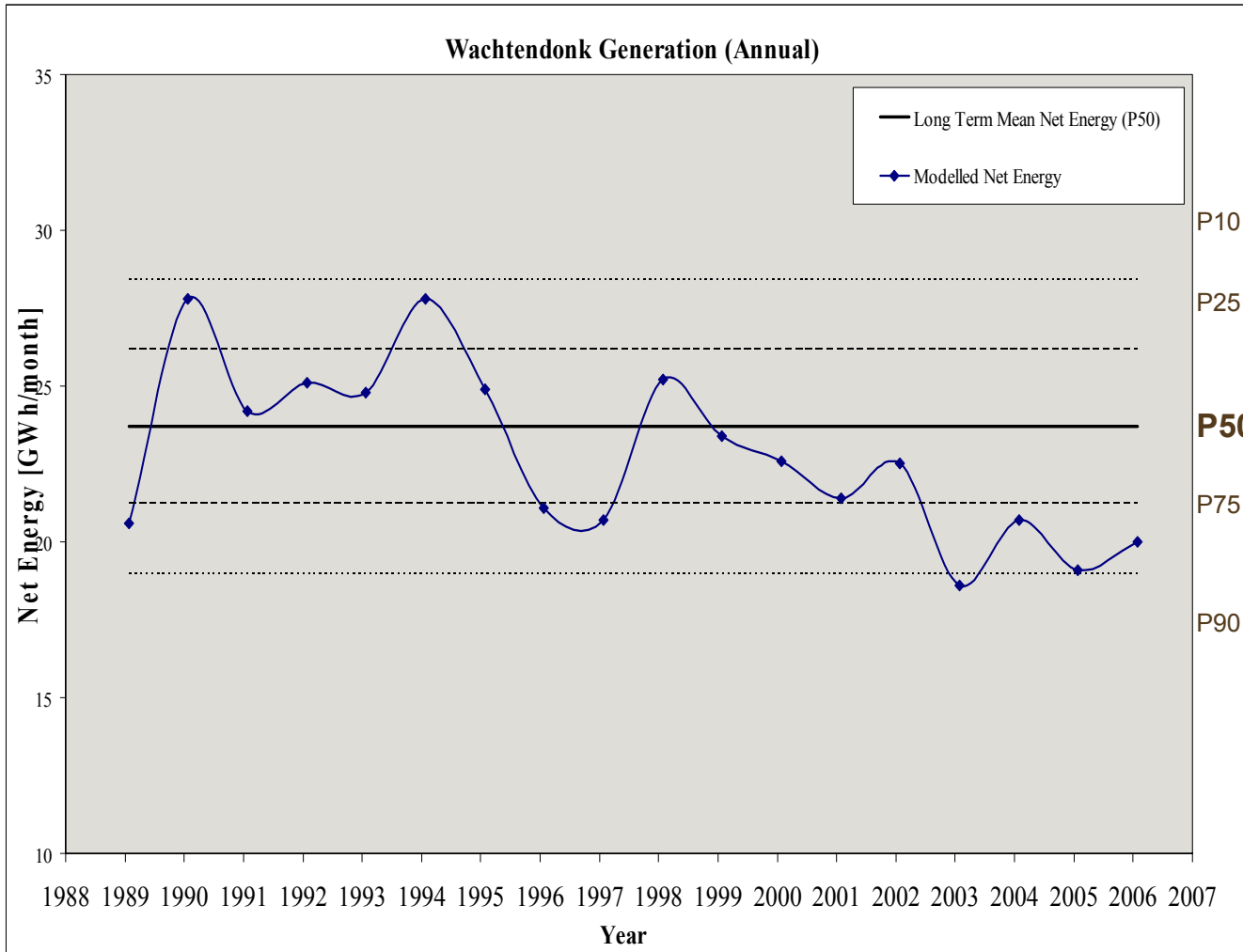# BBW Experience – Wind Farm Performance

La Muela Norte Generation (Annual)

EXAMPLE … Spain

- Demonstration of variability around the long term mean

- Pre-operation modeling based on recorded wind speeds

- Forecasts will be continually reviewed with the benefit of operational performance
  - 2-3 yr rolling program
  - Communicate to Investors with regular Portfolio Summary updates

Yearly performance historically varies around the long-term mean

BABCOCK & BROWN
WIND PARTNERS

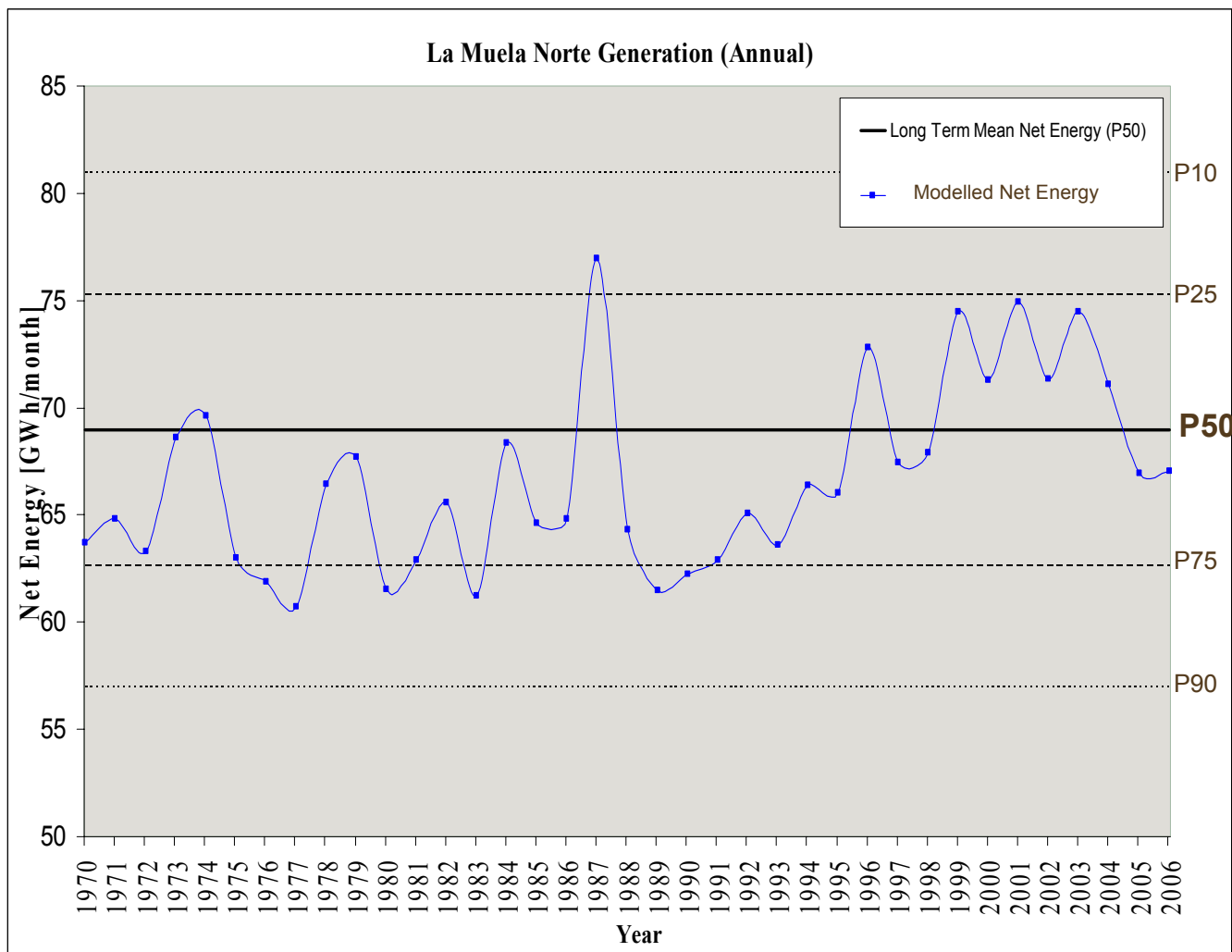# BBW Experience – Wind Farm Performance

Blue Canyon Generation (Annual)

EXAMPLE … USA
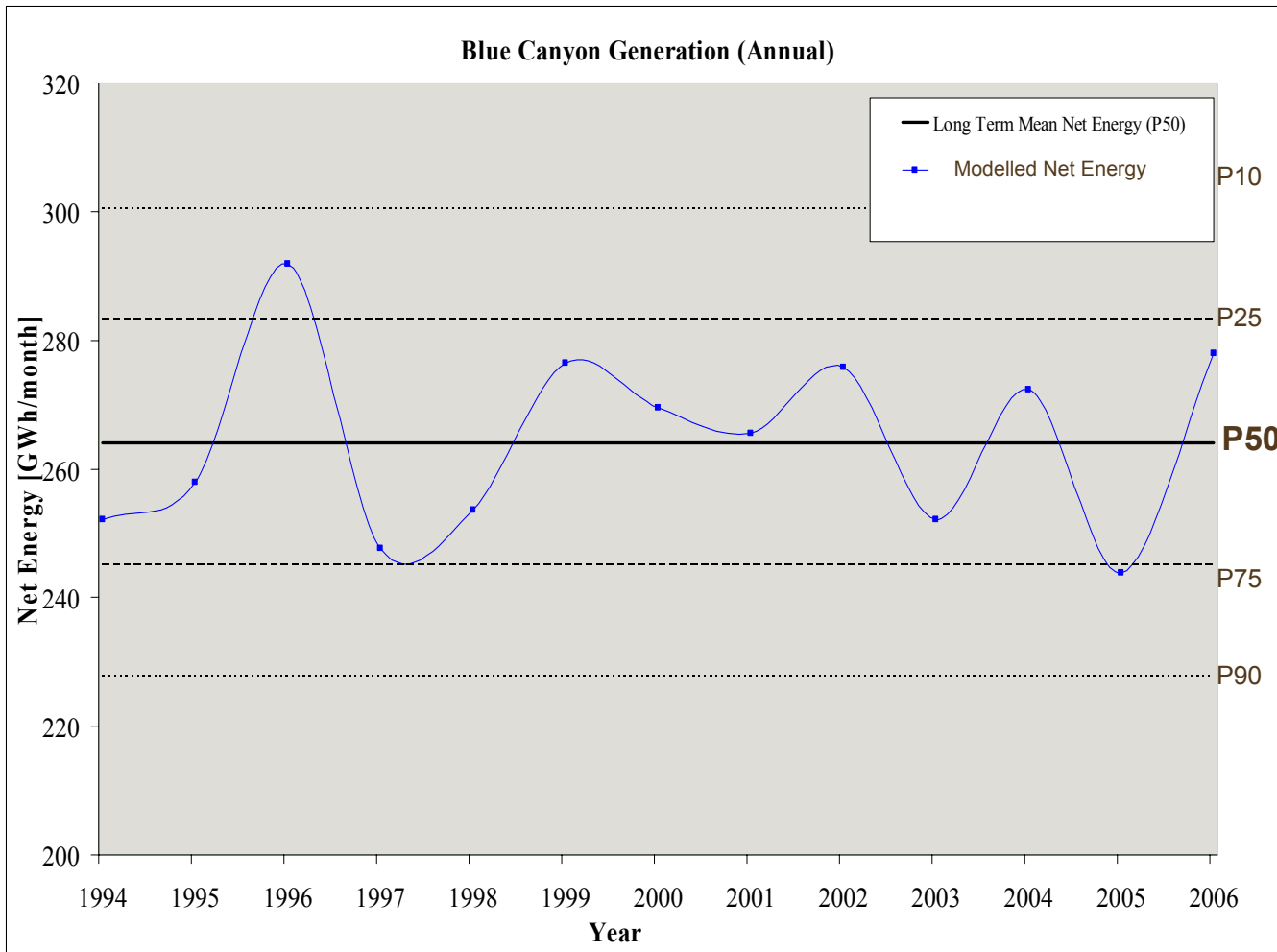
▲ Demonstration of variability around the long term mean

▲ Pre-operation modeling based on recorded wind speeds

▲ Forecasts will be continually reviewed with the benefit of operational performance
  - 2-3 yr rolling program
  - Communicate to Investors with regular Portfolio Summary updates

Yearly performance historically varies around the long-term mean

BABCOCK & BROWN
WIND PARTNERS

BBW Experience – Portfolio Performance
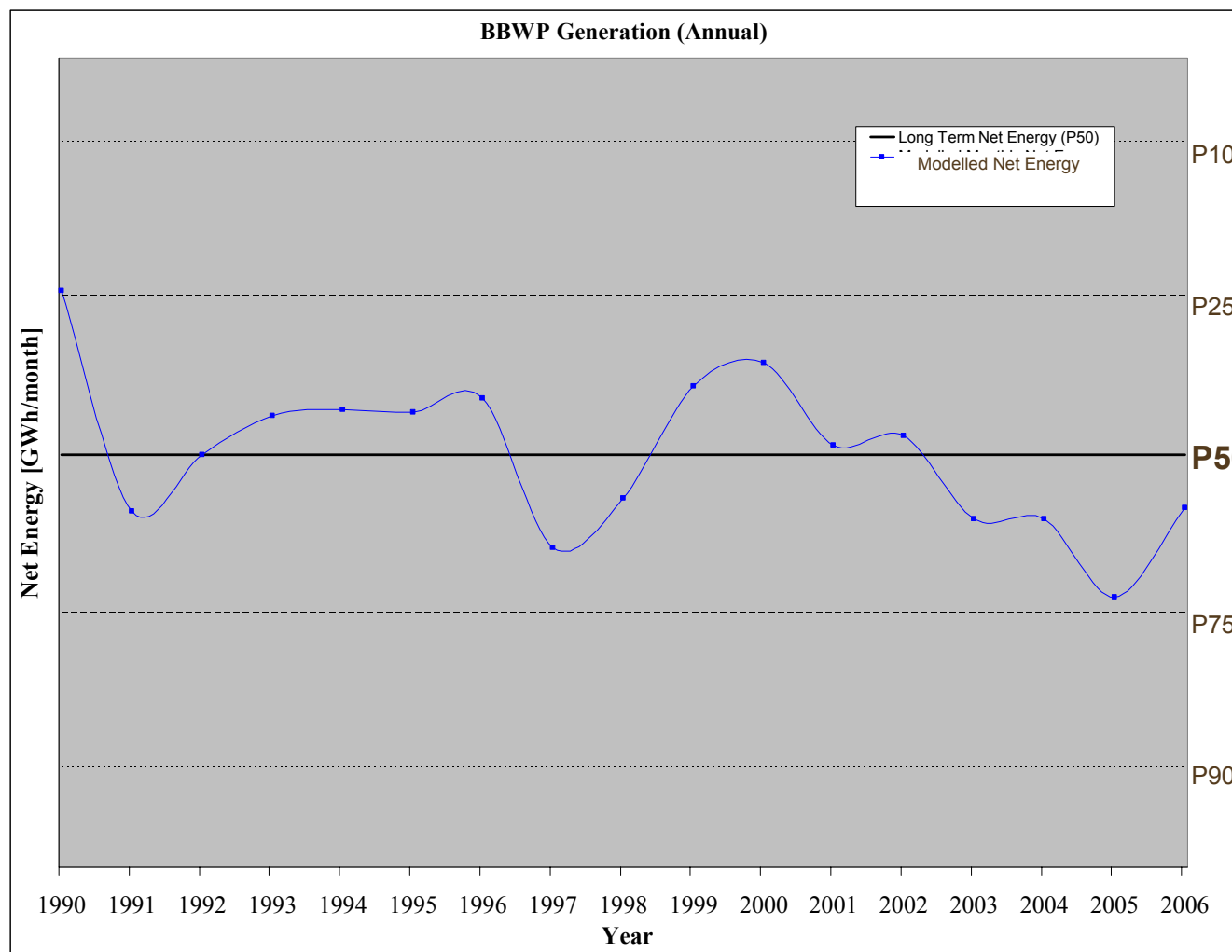
PORTFOLIO

- Constructed BBW portfolio based on modelled performance pre-operation

- Demonstrates similar performance to individual wind farms – **variability around the long term mean**

- **Portfolio benefit will narrow variability over long-term**

Yearly performance historically varies around the long-term mean

BABCOCK & BROWN
WIND PARTNERS

BBW Experience – Wind Farm Performance

Lake Bonney 1 Generation

— LT Mean Net Energy Profiled (P50)

- ▲ More detailed analysis and review of the operational period for each wind farm
- ▲ Provides ability to review accuracy of energy assessments and identify the need for review and/or update

Actual performance fits comfortably within probability limits

BABCOCK & BROWN
WIND PARTNERS

BBW Experience – Wind Farm Performance

Lake Bonney 1 Generation

- More detailed analysis and review of the operational period for each wind farm
- Provides ability to review accuracy of energy assessments and identify the need for review and/or update

Actual performance fits comfortably within probability limits

BABCOCK & BROWN
WIND PARTNERS

BBW Experience – Wind Farm Performance

Lake Bonney 1 Generation

Legend:
- LT Mean Net Energy Profiled (P50)
- Modelled Monthly Net Energy
- Actual Net Energy

Y-axis: Net Energy [GWh/month] (0 to 40)
X-axis: Month (Jan-05, Jan-06)

Right side labels: P10, P25, **P50**, P75, P90

Cycle diagram: Energy Assessment → Monitor Actual Performance → Analysis Review →
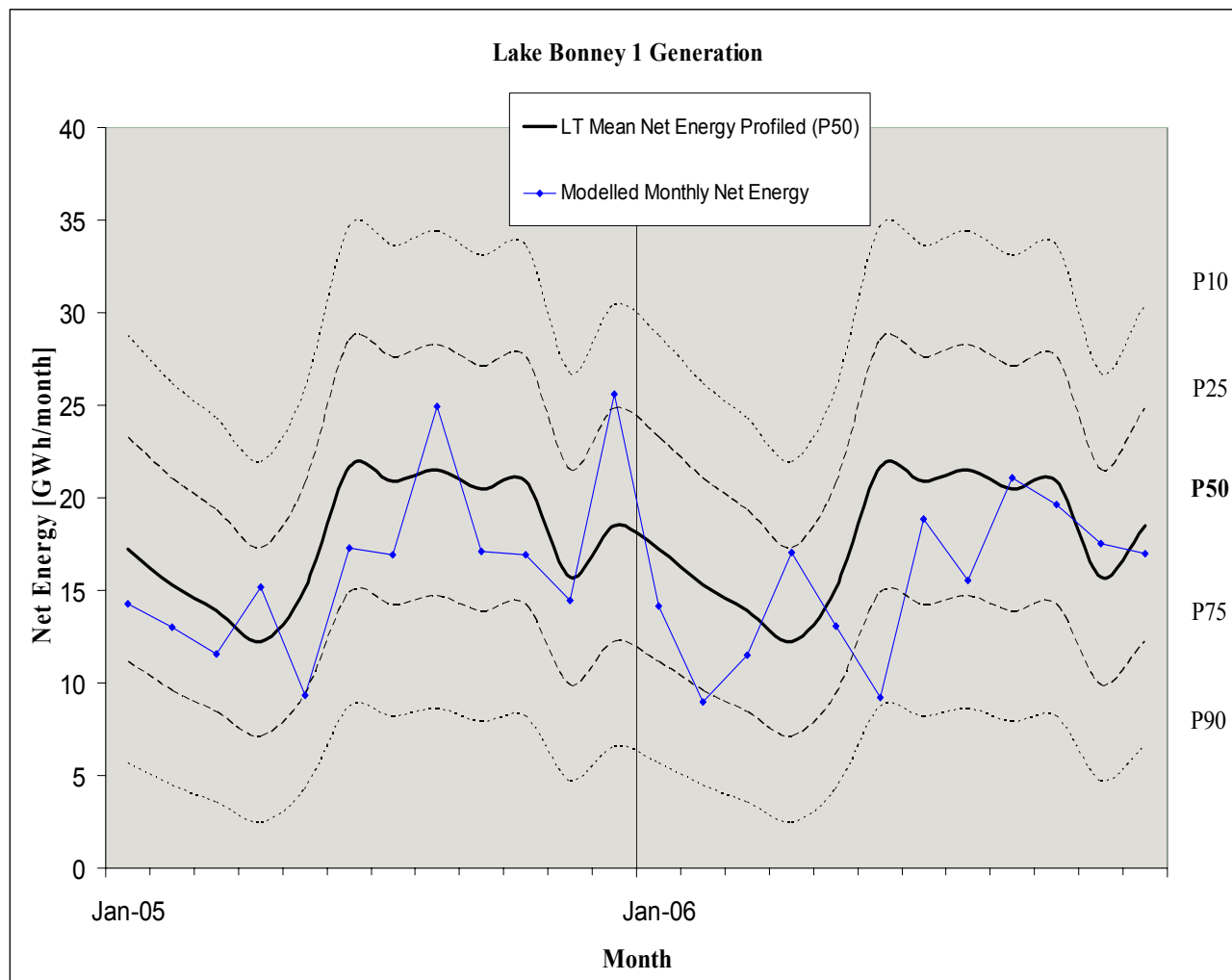
▲ More detailed analysis and review of the operational period for each wind farm

▲ Provides ability to review accuracy of energy assessments and identify the need for review and/or update

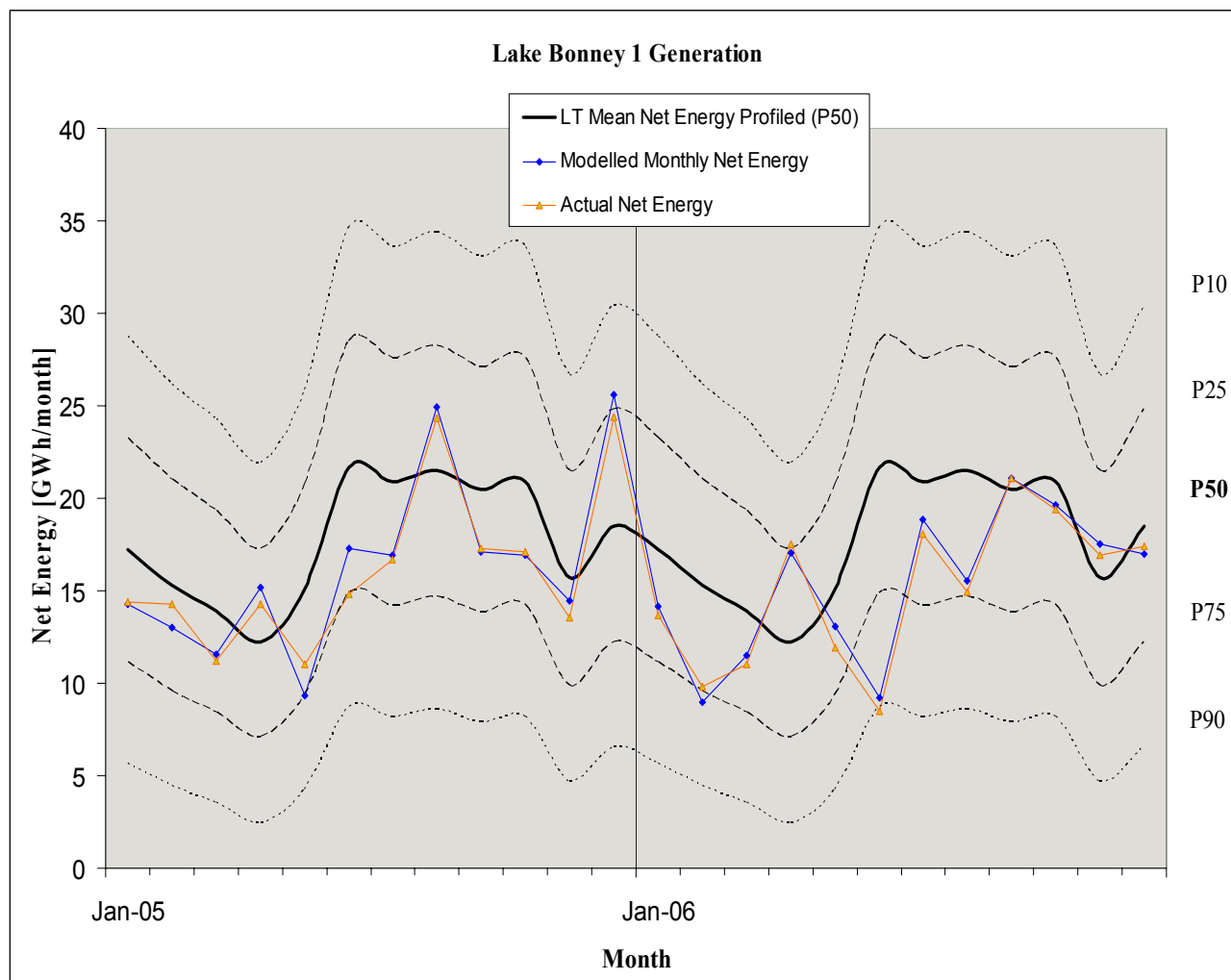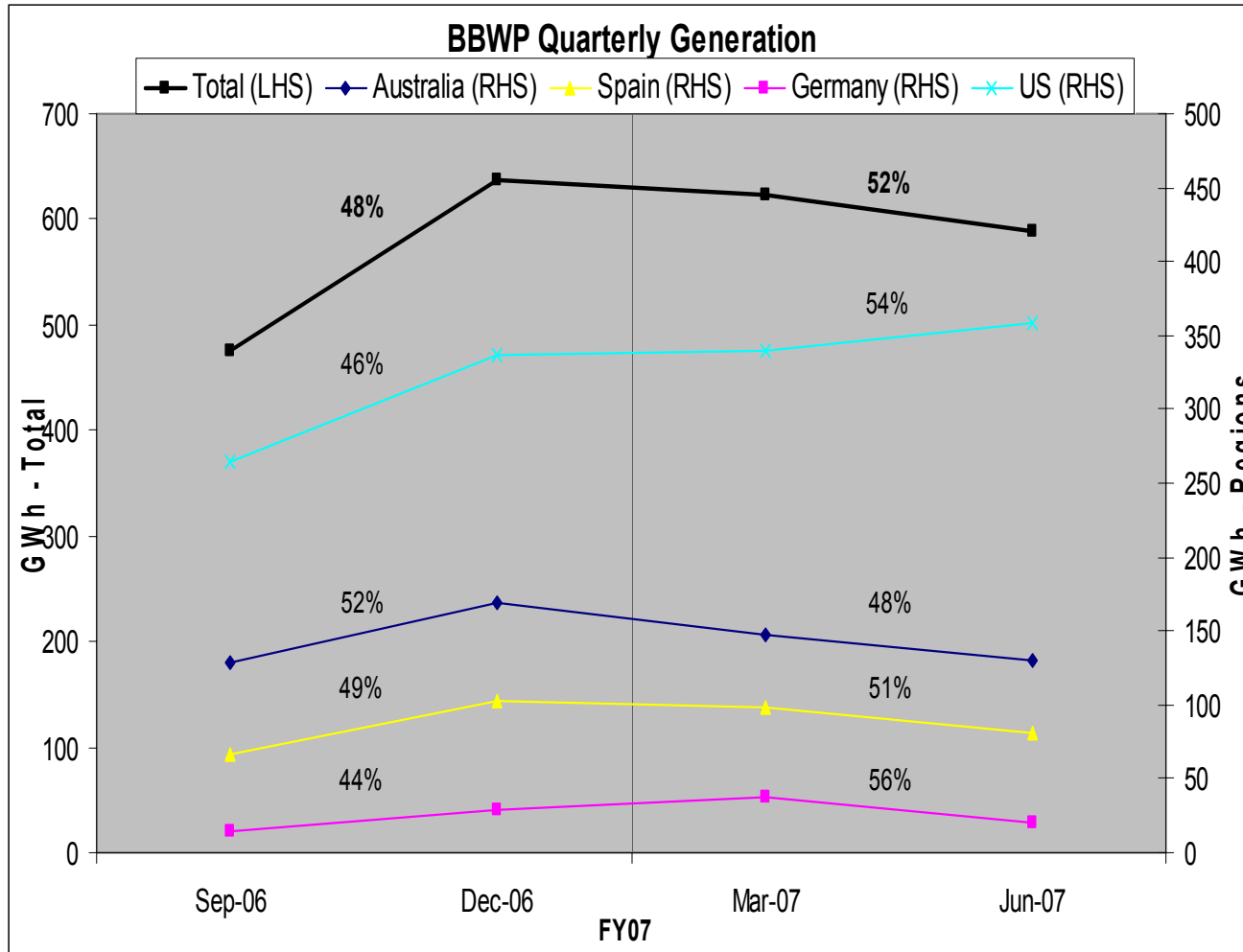**Actual performance fits comfortably within probability limits**

BABCOCK & BROWN WIND PARTNERS

5. BBW Current Portfolio Seasonality

BBW Current Portfolio Seasonality

BBWP Quarterly Generation

Legend: Total (LHS) · Australia (RHS) · Spain (RHS) · Germany (RHS) · US (RHS)

Y-axis (left): GWh - Total
Y-axis (right): GWh - Regions
X-axis: Sep-06, Dec-06, Mar-07, Jun-07 (FY07)

Labels on chart: 48%, 52%, 46%, 54%, 52%, 48%, 49%, 51%, 44%, 56%

- Wind energy generation reflects seasonal weather patterns for the specific region
  - Europe peak production is through winter months
  - US generally, peak production is late winter and spring months
  - Australia is summer months

- Overall BBW's current portfolio generation is skewed to the second half of the FY in the ratio of 48 : 52%

Generation profile skews generation to the second half of the FY

BABCOCK & BROWN WIND PARTNERS

6. Portfolio Effect

Portfolio Effect

USA
Crescent Ridge

USA
Jersey Atlantic
Bear Creek

FRANCE
Fruges 1 & 2

GERMANY
Eifel
Wachtendonk
Bocholt-Liedern
Kaars...

SPAIN
Serra da Loba
El Redondal
El Sardon
Sierra del Trigo
La Plata
La Muela Norte

USA
Kumeyaay
Combine Hills
Caprock
Sweetwater 1, 2 & 3
Blue Canyon

AUSTRALIA
Alinta
Lake Bonney 1&2

● Number of wind farms at IPO
● Additional wind farms at December 2006
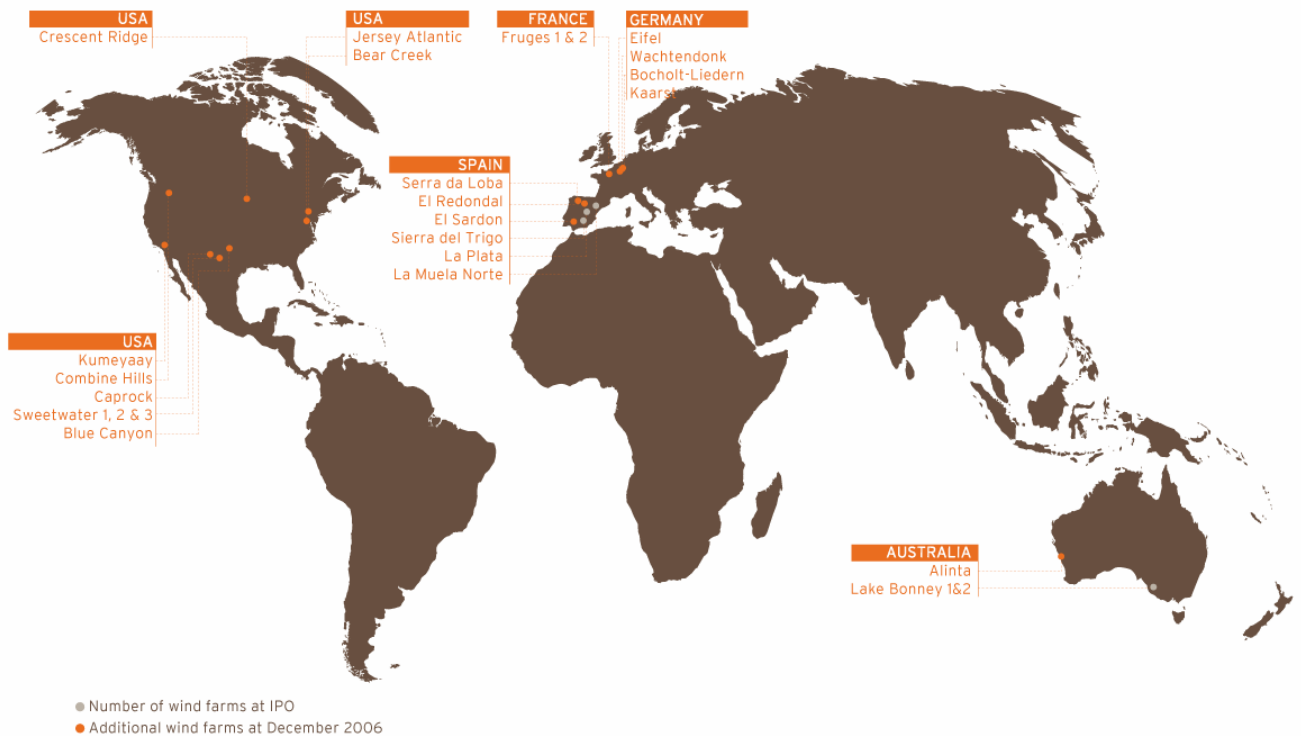
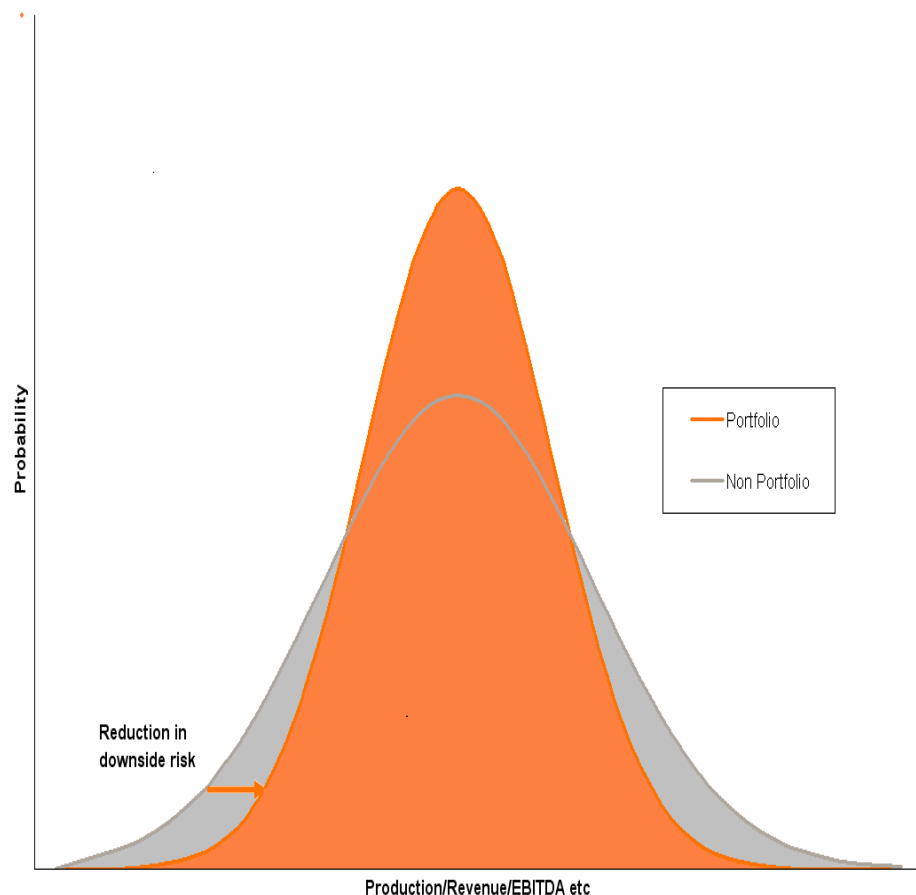- Geographical diversification provides benefit of reduced variability around the forecast energy generation – the 'Portfolio Effect'

- Results from limited correlation of:
  - Wind regions; and
  - Other sources of uncertainty

Strategy of diversification & scale to mitigate natural variability of wind and reduce impact of uncertainties from individual wind farms

BABCOCK & BROWN
WIND PARTNERS

Portfolio Effect – a definition

Reduction in downside risk

Production/Revenue/EBITDA etc

Probability

Portfolio
Non Portfolio

In summary

- The standard deviation of a portfolio of independent (or partially dependent) variables will be less than the sum of the standard deviations of the individual variables.

- By the addition of wind farms with uncorrelated or partially correlated sources of energy prediction error, the overall certainty of BBW's earnings is improved.

The Portfolio Effect reduces the portfolio uncertainty resulting in a narrower probability distribution

BABCOCK & BROWN
WIND PARTNERS

Portfolio Effect

- The 'Portfolio Effect' benefit at P90 level for the current BBW portfolio is shown below

	Non Portfolio GWh/Annum	Portfolio GWh/Annum	Improvement
1 year	3,190.3	3,406.6	6.8 %

- Portfolio Effect benefits to BBW include:
  - Increased certainty of achieving generation
  - Increases earnings certainty
  - Portfolio financing benefits – optimises cost of capital

The Portfolio Effect increases earnings certainty

BABCOCK & BROWN
WIND PARTNERS

7. Conclusion

Conclusions

- Wind energy is a predictable energy source

- The process for wind & energy assessments is well established and independently verified

- BBW continually monitors and reviews ongoing performance of wind generation

- Energy generation of BBW's portfolio is seasonal and generation profile is currently skewed to the second half

- BBW's strategy for dealing with wind variability and the impact of other uncertainties is diversification and scale

As BBW acquires more assets, the portfolio benefits will enhance long term generation and earnings certainty

BABCOCK & BROWN
WIND PARTNERS

BABCOCK & BROWN
WIND PARTNERS

DISCLAIMER

This presentation is for the confidential use of those persons to whom it is presented or transmitted. The information contained in this presentation is given without any liability whatsoever to Babcock & Brown Wind Partners Limited, Babcock & Brown Wind Partners (Bermuda) Limited and Babcock & Brown Wind Partners Trust, and any of their related entities (collectively "Babcock & Brown Wind Partners") or their respective directors or officers, and is not intended to constitute legal, tax or accounting advice or opinion. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the content of the information. The recipient should consult with its own legal, tax or accounting advisers as to the accuracy and application of the information contained herein and should conduct its own due diligence and other enquiries in relation to such information.

The information in this presentation has not been independently verified by Babcock & Brown Wind Partners. Babcock & Brown Wind Partners disclaims any responsibility for any errors or omissions in such information, including the financial calculations, projections and forecasts. No representation or warranty is made by or on behalf of Babcock & Brown Wind Partners that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

Please note that, in providing this presentation, Babcock & Brown Wind Partners has not considered the objectives, financial position or needs of the recipient. The recipient should obtain and rely on its own professional advice from its tax, legal, accounting and other professional advisers in respect of the recipient's objectives, financial position or needs.

This presentation must not be disclosed to any other party and does not carry any right of publication. This presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Babcock & Brown Wind Partners. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of Babcock & Brown Wind Partners.

BABCOCK & BROWN WIND PARTNERS