

BABCOCK & BROWN WIND PARTNERS



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ASX Release

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BBW REACHES AGREEMENT ON PURCHASE OF ENERSIS (50%) & US07 AND PROVIDES REVISED DISTRIBUTION GUIDANCE & GROWTH TARGET

Babcock & Brown Wind Partners (ASX: BBW) announces that it has reached agreement with the Babcock & Brown Group (“**B&B**”) for the acquisition of a 50% interest in the Enersis portfolio of wind farms (“**Enersis Portfolio**”) for approximately €133 million (approximately A\$219 million) and 100% of B&B’s Class B membership interests in the US07 Portfolio (“**US07 Portfolio**”) for approximately US\$309 million (approximately A\$374 million). The proposed acquisitions require BBW Securityholder approval as related party transactions in accordance with ASX Listing Rule 10.1, as previously announced on 26 April 2007.

Miles George, Chief Executive Officer of BBW said, “The proposed acquisition of the Enersis and US07 Portfolios represents a step change in BBW’s growth profile, increasing the generation capacity of the portfolio by approximately 42.5% and expected long-term mean energy production by 1,878 GWh¹. The Enersis and US07 Portfolios would enhance the “portfolio effect” of BBW’s assets, thereby reducing the impact of the natural variability of individual wind farms and individual wind regions on BBW’s overall portfolio performance.”

If approved by Securityholders at the BBW Annual General Meeting on 9 November 2007, the acquisitions are expected to be immediately accretive to BBW’s net operating cash flows and are expected to increase these operating cash flows by \$57.4 million² to \$177.4 million² in FY08 and by \$72.1 million² to \$213.1 million² in FY09. Net operating cash flow after notional debt repayment per security is expected to increase by 7.1% to 15.0 cents per security in FY08 and by 13.8% to 17.4 cents per security in FY09 as a result of these acquisitions.

¹ Based on BBW’s proposed 50% proportionate interest in the Enersis Portfolio.

² Assumes P50 production, no performance fee and the Enersis & US07 Portfolios are acquired in line with the proposed timing. Notional interest of \$20m pa on cash balances of \$355m would be generated if these funds were not applied to the proposed acquisitions or alternative accretive acquisitions.

The acquisition of the 50% interest in the Enersis Portfolio and 100% of B&B's Class B membership interests in the US07 Portfolio would be funded using a combination of existing cash and additional borrowing facilities. On a pro-forma basis it is expected that BBW's gearing as represented by a ratio of net debt to enterprise value will increase to approximately 61%³.

FY08 Distribution Upgrade and FY09 Distribution Guidance

In recognition of the strong cash flows associated with the potential acquisition of interests in the Enersis and US07 Portfolios, the BBW Boards have increased BBW's FY08 distribution guidance to 14.5 cents per security⁴, an increase of 16% on FY07 and provide FY09 distribution guidance of 15.5 cents per security⁵. In addition, the Boards have reconfirmed the medium term distribution growth target of at least 3.5% pa from the current portfolio and set an additional medium term growth target for BBW of at least 5% pa assuming continued accretive acquisitions of a similar level of accretion as achieved by BBW to date.

Enersis (50%)

Enersis is a portfolio of 30 wind farms located in Portugal. The wind farms have total installed capacity of 524.8MW, including 68.6MW under construction and an expected long-term mean energy production of 1,295 GWh pa. The Enersis wind farm portfolio would provide additional diversification in terms of wind resource, regulatory regime and exposure to a variety of reputable turbine manufacturers.

BBW intends to fund the acquisition of the 50% interest in the Enersis Portfolio from cash on hand.

Under the proposed transaction, BBW would acquire 50% of the issued capital of the holding company for the Enersis Portfolio. BBW would also hold a first right of refusal to acquire the remaining 50% interest. The acquisition of the remaining 50% interest would be conditional upon the approval of BBW Independent Directors and BBW Securityholders.

The Enersis Portfolio also has the potential to grow via the acquisition of wind farm assets from the Enersis development pipeline. The Enersis development pipeline consists of four additional wind farms with a total installed capacity of 156.3MW, which are expected to reach construction phase by 30 June 2009. As BBW does not take on development risk, these wind farms would only be acquired as part of the Enersis Portfolio once they had reached construction phase.

³ BBW's gearing defined as net debt to enterprise value was 45% as at 30/6/07 (after deducting cash of \$182 million relating to the purchase of Allegheny Ridge Phase I & GSG on 2/7/07.)

⁴ Assumes P50 production, no performance fee and the Enersis & US07 Portfolios are acquired in line with the proposed timing. Previously issued FY08 distribution tax deferred guidance assumes current portfolio and anticipated pipeline of acquisitions.

⁵ Assumes P50 production, no performance fee and the Enersis & US07 Portfolios are acquired in line with the proposed timing. FY09 distribution tax deferred guidance will be provided with the 1H08 financial result.

Based on BBW's 50% shareholding in the Enersis Portfolio, BBW's equity commitment for these four wind farms is expected to be between €40 million and €50 million.

US07 Portfolio

The US07 Portfolio comprises interests in three large wind farms with a total installed capacity of 621.8MW. The potential acquisition of the US07 Portfolio would add an additional wind region with the Cedar Creek wind farm located in Colorado, and introduce an additional reputable turbine manufacturer, Siemens, into BBW's portfolio.

Sweetwater 4 is currently operational, having commenced operations in May 2007. The remaining two wind farms, Sweetwater 5 and Cedar Creek, are scheduled to commence commercial operation in the first half of 2008.

The acquisition of the US07 Portfolio is expected to occur in stages. The acquisition of Sweetwater 4 is expected to occur in late 2007, while the acquisition of Sweetwater 5 and Cedar Creek is expected to occur in the first half of 2008. BBW intends to fund the acquisition of the US07 Portfolio with cash on hand and additional borrowing facilities under its existing global corporate facility.

Timetable

The proposed acquisitions are subject to approval at the BBW Annual General Meeting of Securityholders to be held on 9 November 2007. It is anticipated that the AGM Notice of Meeting will be sent to Securityholders on or before 5 October 2007 and will include an independent expert's report commenting on the fairness and reasonableness of the transaction.

Outlook

BBW is well positioned for growth in FY08 and FY09 through the proposed acquisitions of a 50% interest in the Enersis Portfolio & 100% of B&B's Class B membership interests in the US07 Portfolio. Medium term growth prospects are robust and are underpinned by potential acquisitions from B&B's development pipeline which currently exceeds 3,000MW of installed capacity in the US, Australia and Europe. In addition, future potential growth opportunities are available via BBW's current Spanish Framework Agreement and Plambeck Framework Agreement (in Germany), and via negotiated third party transactions.

Details of each wind farm in the Enersis and US07 Portfolios are provided as an attachment to this announcement.

ENDS

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BABCOCK & BROWN WIND PARTNERS

About Babcock & Brown Wind Partners

Babcock & Brown Wind Partners (ASX: BBW) is a global wind energy business which owns and operates a portfolio of wind farms spanning five countries and three continents. BBW listed on the Australian Stock Exchange on 28 October 2005 and has a market capitalisation of approximately A\$1.3 billion.

BBW 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 interests in 68 wind farms that have a total installed capacity of approximately 2,872MW and are diversified by wind resource, currency, equipment supplier, offtake arrangements and regulatory regime.

BBW is managed by Babcock & Brown Wind Partners 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 over 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 roles as manager and financial advisor for BBW.

BBW's investment strategy is to grow security holder wealth through efficient management of the initial portfolio and by selective acquisitions of additional wind energy generation assets.

For further information please visit our website : www.bbwindpartners.com

SWEETWATER 4

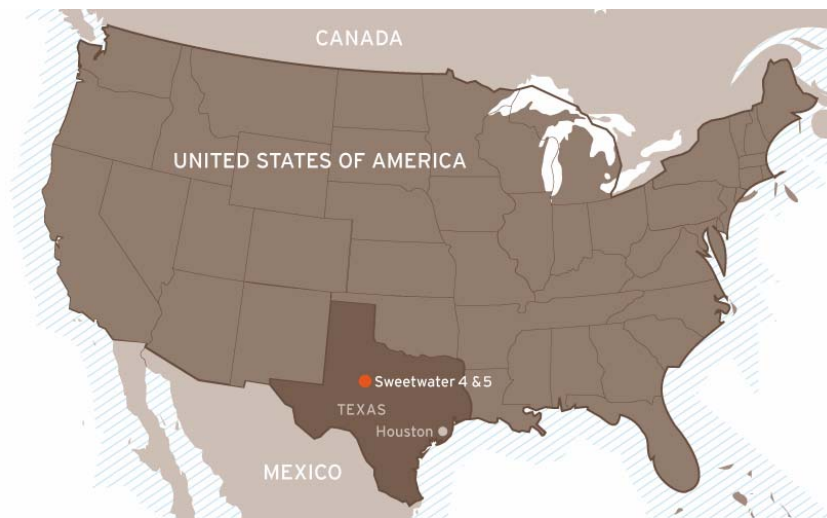
Sweetwater 4 wind farm commenced operation in May 2007 and has a total installed capacity of 240.8MW and an average long term energy production of 835.7 GWh per annum. Located in Texas, US, Sweetwater 4 consists of a total of 181 wind turbines, 135 Mitsubishi MWT 1,000A turbines with a rating of 1MW and 46 Siemens SWT 2.3 turbines with a rating of 2.3MW.



KEY INFORMATION	
Funding	Additional debt facilities under existing global corporate facility and cash on hand
Revenue assurance	All electricity is sold under a PPA with a term of 20 years
Customers	CPS Energy – City of San Antonio
Operation	Services and Maintenance agreement with Mitsubishi Power Systems for a period of 5 years and Siemens for a period of 2 years
Land	30 year land lease
BBW's % ownership	BBW would acquire 53% of the Class B Membership interests
Regulatory regime	US Production Tax Credit under the Energy Policy Act (2005)

SWEETWATER 5

Sweetwater 5 wind farm is currently under construction and is expected to be fully operational in the first half of 2008 with a total installed capacity of 80.5MW and an average long term energy production of 275.9GWh per annum. It is the fifth instalment to the Sweetwater wind farms located in Texas, US. When constructed, Sweetwater 5 will have 35 Siemens SWT wind turbines with a rating of 2.3MW.



KEY INFORMATION

Funding	Additional debt facilities under existing global corporate facility and cash on hand
Revenue assurance	Market
Customers	Merchant facility selling power at prevailing market price.
Operation	Services and Maintenance agreement with Siemens for a period of 2 years
Land	30 year land lease
BBW's % ownership	BBW would acquire 53% of the Class B Membership interests
Regulatory regime	US Production Tax Credit under the Energy Policy Act (2005)

CEDAR CREEK

Cedar Creek wind farm is expected to be fully operational in the first half of 2008 and will have a total installed capacity of 300.5MW. Located in Colorado, US, when constructed it will have 221 Mitsubishi MWT 1000A wind turbines with a rating of 1MW and 53 GE 1.5sle wind turbines with a rating of 1.5MW.



KEY INFORMATION

Funding	Additional debt facilities under existing global corporate facility and cash on hand
Revenue assurance	All electricity will be sold under a PPA with a term of 20 years
Customers	Public Services Company of Colorado
Operation	Services and Maintenance agreement with Mitsubishi for a period of 5 years and GE for a term of 2 years (parts)
Land	35 year land lease
BBW's % ownership	BBW would acquire 66.67% of the Class B Membership interests
Regulatory regime	US Production Tax Credit under the Energy Policy Act (2005)

ENERSIS PORTFOLIO

The Enersis Portfolio consists of 30 wind farms located across eight regions in Portugal. The portfolio has a total installed capacity of 524.8MW, including 68.6MW under construction and an average long term mean energy production of 1295 GWh pa.



BABCOCK & BROWN
WIND PARTNERS

KEY INFORMATION	
Funding	Acquisition of 50% equity interest to be funded by existing cash on hand. As at 30 June 2007, the amount of debt outstanding under the Enersis Portfolio facility was approximately €708m (A\$1,172m) and it is expected that a further €54m (A\$90m) will be drawn down to fund remaining construction payments.
Revenue assurance	Fixed tariff
Customers	The Portuguese National Transmission Network - Rede Eléctrica Nacional (REN)
BBW's % ownership	BBW would acquire 50% of the issued capital of Babcock & Brown Riva Holdings S.a.r.l (Riva Holdings). Riva Holdings is the holding company for the Enersis Portfolio.

ENERSIS WIND FARMS

Wind Farm	Total Installed Capacity (MW)	Long Term Mean Energy Production (GWh)	Number of Wind Turbines	Wind Turbine Supplier
Achada	6.9	21.3	3	Nordex
Arcela**	11.5	26.6	5	Nordex
Bigorne	7	15.4	4	Vestas
Borninhos	2	5.1	1	Enercon
Cabeço Alto	11.7	25.9	9	Nordex
Candeeiros	111	312.9	37	Vestas
Chão Falcão I	34.5	74.6	15	Nordex
Degracias**	20	47.2	10	Vestas
Freita I	18.4	39.8	8	Nordex
Igreja Nova	3.3	15.5	2	Vestas
	3.9		3	Nordex
Jarmeleira	0.9	1.9	1	Vestas
Lagoa Funda	9	13.1	18	Mitsubishi
Lomba da Sixa I	13	23.5	10	Nordex
Lomba da Seixa II	12	24.9	8	GEWE
Lousã I*	35	100.4	14	GEWE
Malhadas	9.9	25.1	15	Vestas
Malhadizes	12	25.9	6	Enercon
Meroicinha	9	21.4	4	Vestas
Na Sra da Vitória	12	22.6	8	GEWE
Pampilhosa	114	291.0	38	Vestas
Rabaçal**	2	5.5	1	Vestas
São Cristóvão	3.3	7.2	2	Vestas
São Cristóvão II*	2	4.5	1	Vestas
Sao Mamede	6.9	12.0	3	Nordex
Serra de Escusa	2	3.9	2	WinWind
S. de Todo o Mundo	10	24.8	5	Vestas
Vila Lobos	10	27.8	20	Enercon
Chiqueiro*	4	8.9	2	Vestas
São Macário*	11.5	26.2	5	Nordex
Leomil*	16.1	40.2	7	Nordex
Total	524.8	1295.1	267	

* indicates the wind farm is under construction

** indicates less than 100% ownership interest in the wind farm