

BABCOCK & BROWN WIND PARTNERS

Babcock & Brown Wind Partners Limited · ABN 39 105 051 616
Babcock & Brown Wind Partners Trust · ARSN 116 244 118
Babcock & Brown Wind Partners (Bermuda) Limited · ARBN 116 360 715
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia
T +61 2 9229 1800 · F +61 2 9231 5619 · www.bbwindpartners.com



ASX Release

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BBW STRENGTHENS AUSTRALIAN WIND FARM LEADERSHIP WITH ACQUISITION OF THE CAPITAL WIND FARM

Babcock & Brown Wind Partners (ASX: BBW) announces that it has acquired the Capital wind farm now under construction from a consortium comprising of National Power, the principals of Carbon Solutions (Carbon Solutions) and Babcock & Brown. Once complete, the Capital wind farm, which is located near Bungendore in New South Wales, will have a total installed capacity of 132.3MW and a total enterprise value of approximately \$370 million.

The acquisition of the Capital wind farm is a significant step in further strengthening BBW's position as Australia's leading wind farm owner and operator and consolidating its position as one of the top five global wind energy owners and operators. This acquisition increases the total capacity of BBW's Australian portfolio to 460.9MW.

The Capital wind farm has been under development since 2002 and is the first large, utility scale wind farm to be located in New South Wales. The wind farm is expected to be fully operational by June 2009 and will comprise 63 Suzlon S88 wind turbines.

The acquisition satisfies BBW's investment strategy - exceeding its investment hurdle rates, whilst also providing portfolio diversification benefits with respect to wind resource, regulatory regime, revenue assurance, and equipment / service providers.

The Capital wind farm enjoys an excellent wind resource as demonstrated by a capacity factor of approximately 36% and a diurnal profile that is well aligned to demand.

It is expected that the wind farm will initially be operated substantially as a merchant facility, taking advantage of increasing electricity prices and renewable energy certificate prices. BBW will also consider contracting a portion of the output of the wind farm at completion in accordance with its revenue diversification strategy.

Once operational the wind farm will be managed by BBW's Australian asset management team using BBW's global asset operations and management systems. This approach should enable BBW to achieve asset and corporate level cost savings across its large portfolio.

Accordingly, the Capital wind farm is expected to be immediately accretive to net operating cash flow on completion and will make a full year contribution to net operating cash flow from FY10.

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Miles George, Chief Executive Officer said "Following the election of the Federal Labor Government, which has committed to a "20% by 2020" national renewable energy target, BBW is well positioned to participate in expected strong growth in renewable energy generation in Australia.

"The Capital wind farm is a premium quality addition to our portfolio with capacity factor and load profile characteristics at the top end of the range for a New South Wales based wind farm. We are very pleased to have secured this wind farm for our market leading Australian portfolio.

"Today's announcement marks another large scale wind farm acquisition sourced on attractive terms via BBW's extensive medium term global pipeline of over 3000MW of wind farms. The acquisition provides an ongoing demonstration of BBW's ability to source and negotiate uncontested acquisitions on favourable terms and conditions."

The acquisition will be funded from BBW's global corporate debt facilities, and a combination of existing cash and scrip, with approximately 14 million BBW securities to be issued to National Power and Carbon Solutions as part consideration.

A fact sheet for the Capital wind farm is provided as an attachment to this announcement.

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Further Information:

Rosalie Duff
Investor Relations Manager
Babcock & Brown Wind Partners
Phone: + 61 2 9216 1362

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

CAPITAL WIND FARM

The Capital wind farm is currently under construction and when complete is expected to have a total installed capacity of 132.3MW. The wind farm is expected to be operational by June 2009 and will comprise 63 Suzlon S88 wind turbines which all have a rating of 2.1MW. The Capital wind farm is located near Bungendore in New South Wales, Australia and has a net capacity factor of approximately 36%.



KEY INFORMATION

Funding	Additional debt facilities under existing global corporate facility, existing cash and scrip. Approximately 14 million BBW securities to be issued to National Power and Carbon Solutions as part consideration.
Revenue assurance	Market
Customers	NEMMCO (for spot market energy) and spot REC sales to various counterparties.
Operation	Services and maintenance agreement with Suzlon for five years
Land	25 year land leases with additional five year option
BBW's % ownership	100%
Regulatory regime	Current and proposed, Federal and State based renewable energy policies.

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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\$1.5 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 72 wind farms that have a total installed capacity of approximately 3,037MW and are diversified by wind resource, currency, equipment supplier, offtake arrangements and regulatory regime.

BBW is managed by Babcock & Brown Wind Partners Management Pty Ltd, a 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 has been a longstanding participant in the wind energy sector with 20 years experience. 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 Securityholder 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