

BABCOCK & BROWN WIND PARTNERS

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ASX Release

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SALE OF SPANISH PORTFOLIO AND UPDATE ON STRATEGIC INITIATIVE

On 28 February 2008, Babcock & Brown Wind Partners (ASX: BBW) announced a strategic initiative in relation to its European wind energy portfolio. The initiative aims to demonstrate and capture unrecognised value in the BBW European wind energy portfolio via a coordinated process of potential individual country sales.

BBW has agreed to sell its portfolio of operating Spanish wind energy assets with an installed capacity of 420.7MW to Formento de Construcciones y Contratas, S.A. This sale, representing a disposal of approximately 17% of BBW's total wind energy portfolio, results in an estimated profit before transaction costs for BBW of approximately \$266 million.¹

The sale was achieved at a price, measured on a per megawatt basis, at the upper end of the range for recent comparable trade sales of Spanish operating wind energy assets.

Miles George, Chief Executive Officer said "The sale of our Spanish wind energy portfolio clearly demonstrates the underlying quality of BBW's wind energy business. The final EV sale price of approximately \$1.42 billion produces a large gain on sale for BBW and, importantly, is materially higher on a per megawatt basis than the current market implied value of BBW's total portfolio. Such a positive outcome, despite the further deterioration in debt and equity markets during the process, is a significant achievement."

"Furthermore BBW retains access to the Spanish wind energy market via opportunities to acquire wind farms yet to be delivered under the Gamesa Framework Agreement which remains in place."

The sale is subject to two local authority consents. These administrative procedures are expected to take approximately three months, with financial close occurring thereafter.

BBW will provide further information regarding the financial impact of the sale of the Spanish wind energy portfolio at its annual financial result presentation on Thursday, 28 August 2008.

¹ Transaction costs include tax, fees and other expenses.

STRATEGIC INITIATIVE UPDATE

As indicated previously the BBW Board and management team are committed to achieving the best outcome for security holders through the strategic initiative and will only divest assets where unrecognised value is captured. Following the evaluation of offers received for BBW's German portfolio which represents approximately 5.0% of BBW's total wind energy portfolio, it is considered that a sale of the German assets would not achieve that objective in the short term.

In relation to Portugal and France the sale process continues and has been extended to provide further time for bidders to complete their analysis. It is now anticipated that any potential sale would be agreed in the final quarter of 2008.

As indicated previously, the total proceeds realised through the strategic initiative will be utilised firstly to reduce debt, and thereafter to be applied to fund future accretive investments, including acquisitions under BBW's Framework Agreements and to make a return to security holders where appropriate. The potential for proceeds to be applied towards a combination that includes all of these potential uses is dependent on the final outcomes associated with the strategic initiative.

BBW expects to update the market with respect to the deployment of the total proceeds that result from the strategic initiative at the conclusion of the process - now expected in the final quarter of 2008.

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APPENDIX

The Spanish wind farms included in the sale are outlined in the following table.

Wind Farm	Total Capacity (MW)
Sierra del Trigo	15.2
La Muela Norte	29.8
El Redondal	30.6
Serra da Loba	36.0
La Plata	21.3
El Sardon	25.5
Monte Seixo	35.0
Serra do Cando	29.2
Conjuro	17.0
Valdeconejos	31.2
Carrascal I	50.0
Carrascal II	28.0
Cerradilla I	50.0
Cerradilla II	22.0
TOTAL	420.7

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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 six countries and three continents. BBW listed on the Australian Stock Exchange on 28 October 2005 and has a market capitalisation of approximately A\$1.1 billion.

BBW's portfolio comprises interests in 83 wind farms that have a total installed capacity of approximately 3,206MW and are diversified by wind resource, currency, equipment supplier, offtake arrangements and regulatory regime. Once the sale of the Spanish wind energy assets reaches financial close, BBW's global wind energy business will span five countries and its wind farm portfolio will comprise interests in 69 wind farms with a total installed capacity of approximately 2,785MW.

BBW is managed by Babcock & Brown Wind Partners Management Pty Limited, 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 its portfolio of wind energy generation assets.

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).

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