

Wind & Solar: Powering change conference
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10 December 2008

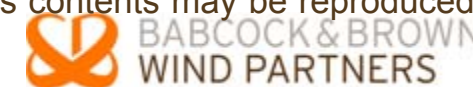
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Agenda

1. BBW – a Global Wind Energy Specialist
2. Business Performance
3. Governance Update
4. US Wind farm Portfolio
5. Balance Sheet
6. Outlook
7. Appendix

Presenter: Miles George Chief Executive Officer

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Introduction to Babcock & Brown Wind Partners (BBW)

Key Information

Listing Date	28 October 2005
Securities on issue ¹	848,219,126
Market Capitalisation ^{1,2}	A\$721 million US\$469 million
Listing exchange	ASX (Australia) S&P/ASX200
Security price	At 1 Dec 08 A\$0.85 12 mth low A\$0.52 12 mth high A\$1.91
FY09 Distribution	At least 9.0cps ³ Prospective Yield 10.6% Expected to fully tax deferred

Recent News

- A proposal by BBW to B&B on 24 November 2008 to terminate the Management Agreements, internalise BBW management and acquire certain assets from B&B.
- Independent Directors intend to change BBW's name.
- Corporate governance - changes to Board composition, BBW management arrangements, the base fee, incentive fee hurdle and financial advisory service obligations.
- BBW has initiated a security buy-back of up to 30% of securities.
- On 17 November 2008, BBW announced it had sold its Portuguese (Enersis) assets.
- On 21 August 2008, BBW announced it had agreed to sell its portfolio of Spanish wind energy assets. Financial close expected by mid December 2008.

¹ As at 28 November 2008. 28,779,580 securities cancelled under current buyback program.

² Assuming AUD/USD FX rate of 0.65

³ FY09 distribution guidance assumes P50 production and no performance fee. Based on current Portfolio.

Value Proposition

GLOBAL WIND ENERGY BUSINESS	<ul style="list-style-type: none"> • Diversified portfolio of 41 wind farms totalling 1789MW • High quality assets: 35% average capacity factor
MANAGEMENT EXPERTISE	<ul style="list-style-type: none"> • Networked, multi-national asset management team • Direct control of all operational activities
LONG TERM CASH FLOW CERTAINTY	<ul style="list-style-type: none"> • High, stable EBITDA margin across the portfolio • 83%¹ of BBW's portfolio supported by fixed tariff & long term PPA's • Long term land leases with extension options • Long term re-powering & market participation opportunities add terminal value
LIMITED COMMITMENTS	<ul style="list-style-type: none"> • No development risk • All remaining construction CAPEX funded with committed bank facilities & cash • Maintenance CAPEX is low & included within operating expenses
CONSERVATIVE BALANCE SHEET	<ul style="list-style-type: none"> • Long term amortising debt (15 years); Gearing: 62%, Net Debt/EBITDA: 4.4x, ICR: 3.1x • Significant cash balances enable further flexibility
DISTRIBUTIONS & BUY-BACK	<ul style="list-style-type: none"> • FY09 prospective yield 10.6%: covered by cash flow after debt repayments • On market buy-back of up to 30% of securities

Global Wind Energy Portfolio

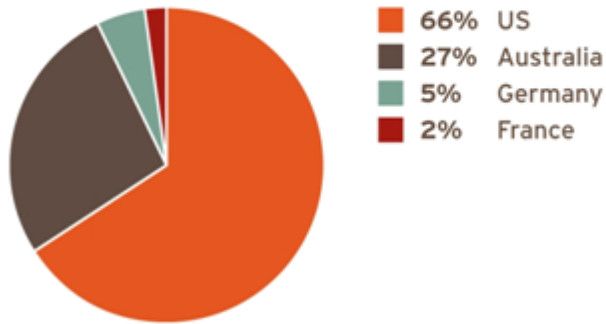
As at 1 December 2008



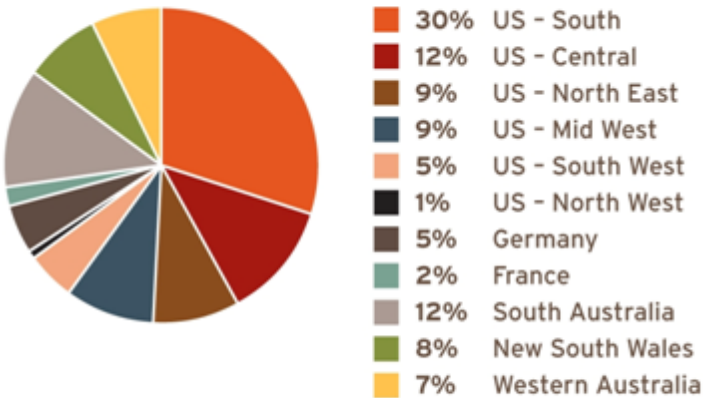
* Represents BBW's % ownership of Class B Member Units. BBW owns 100% of Class B Member Units of a 95% interest in Aragonne Mesa.

Diversified and high quality portfolio of assets

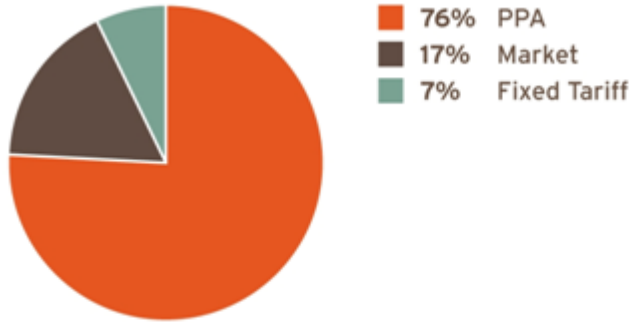
REGULATORY REGIME



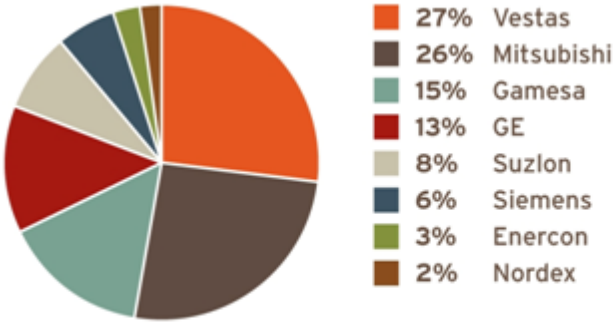
WIND RESOURCE



REVENUE ASSURANCE



EQUIPMENT AND SERVICE



Statistics reflect BBW's equity ownership of current Portfolio (Operating + Construction) on a GWh pa basis. Excludes Spain & Portugal.

Achievements of the Strategic Initiative

- Successful sale of Spanish and Portuguese (Energis) portfolios

	Spain	Portugal
Size	421MW	335MW
Sale price	\$1.42bn	\$998m
- \$m/MW	\$3.4m/MW	\$3.6m/MW

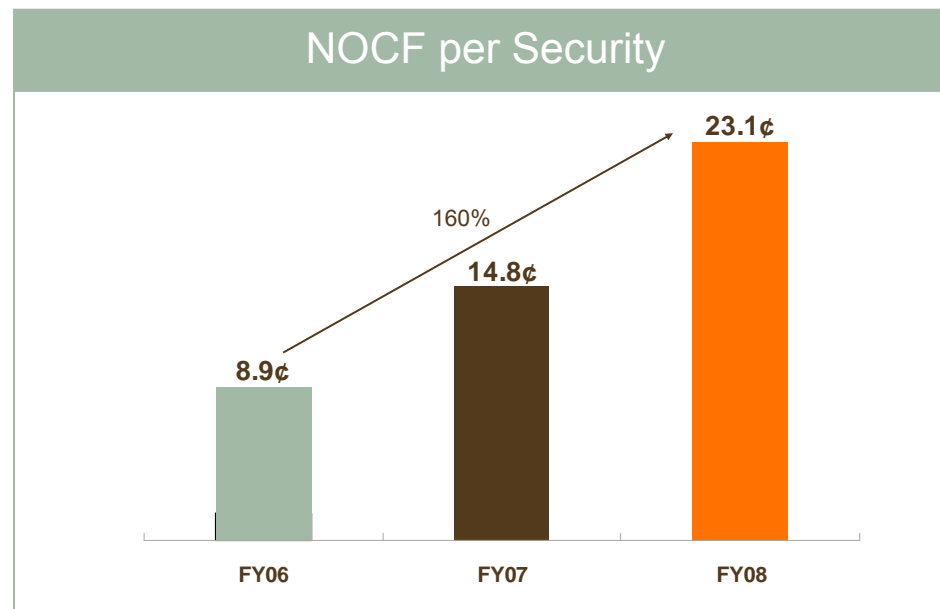
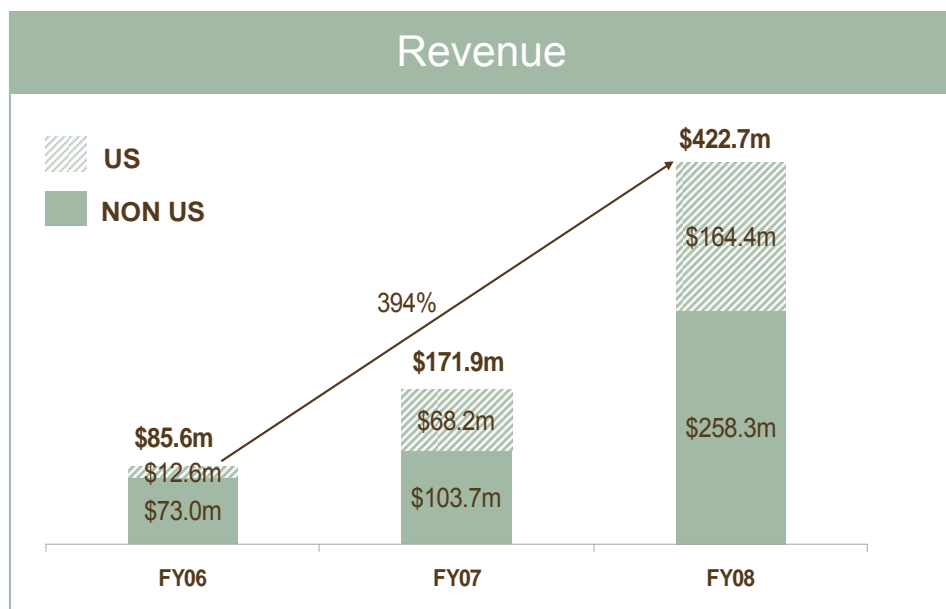
- Expect to achieve financial close for the Spanish portfolio by mid December
- Portuguese (Energis) portfolio sale signed and settled simultaneously
- Demonstrate underlying asset values of portfolio
- Benefits of sales process:
 - Increased financial flexibility
 - Ability to implement a buy-back to enhance securityholder returns
 - Substantial debt reduction
- Negotiations continuing for sale of French portfolio
- German sale unlikely

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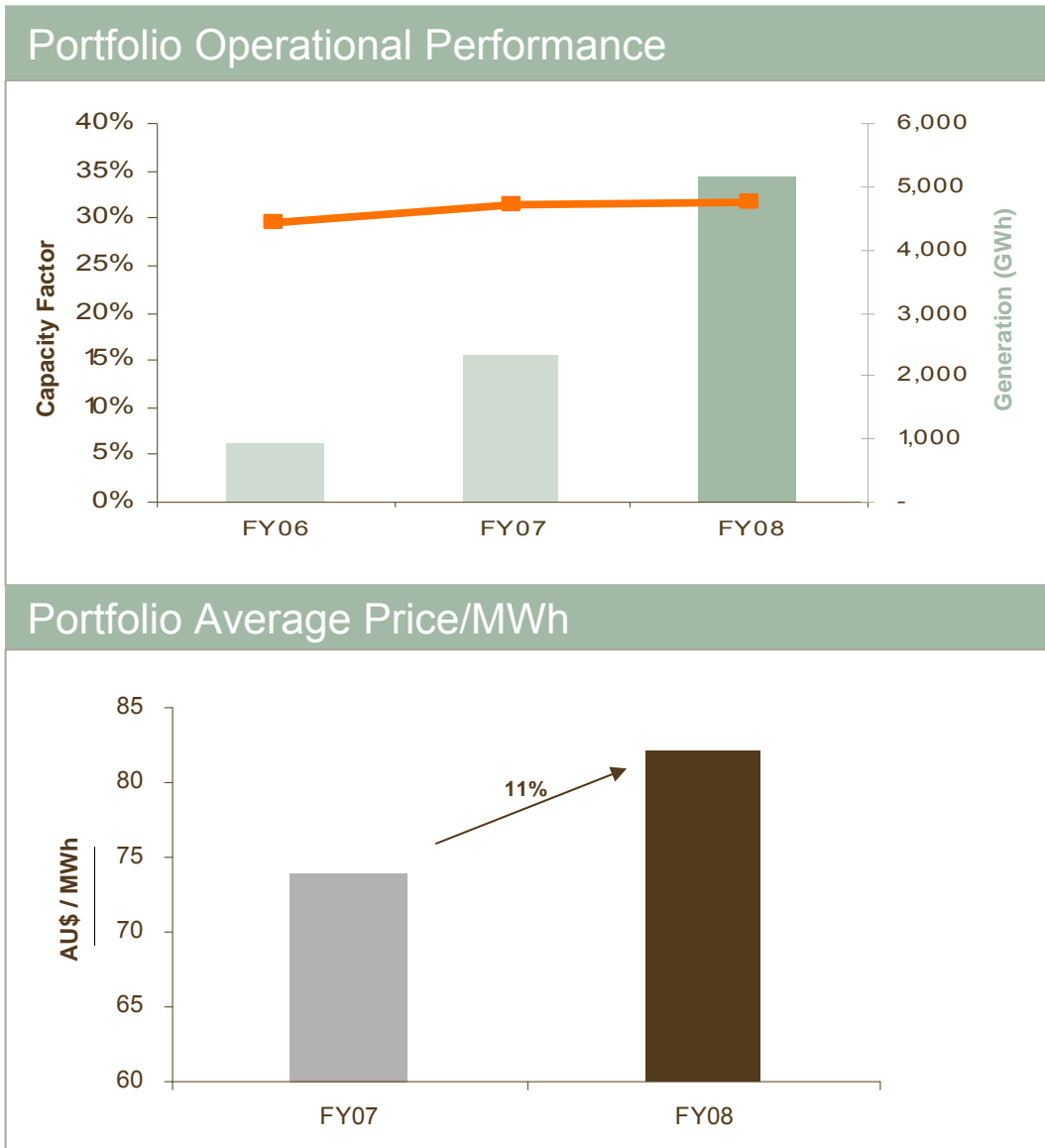
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FY08 - Financial Highlights

	FY06	FY07	FY08	Increase since FY06
A\$M unless stated				
Revenue	85.6	171.9	422.7	↑ 394%
EBITDA from Operations	64.6	126.5	333.7	↑ 417%
Net Operating cash flow	34.2	87.8	188.8	↑ 452%
Distributions (cps)	10.2	12.5	14.5	↑ 42%

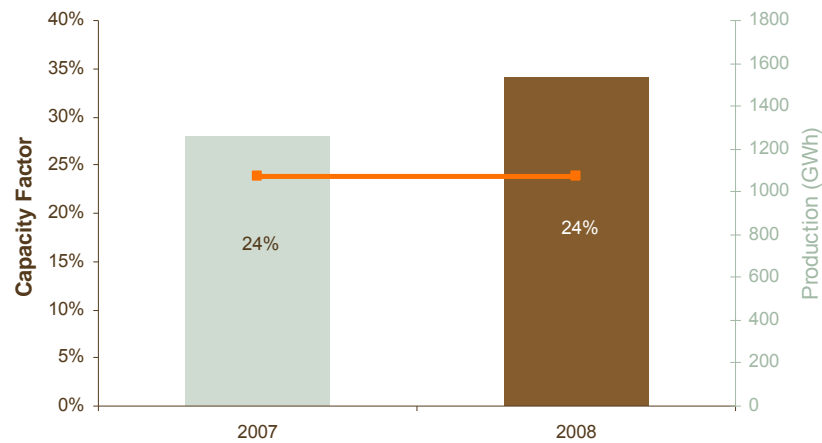


FY08 Portfolio Operational Performance

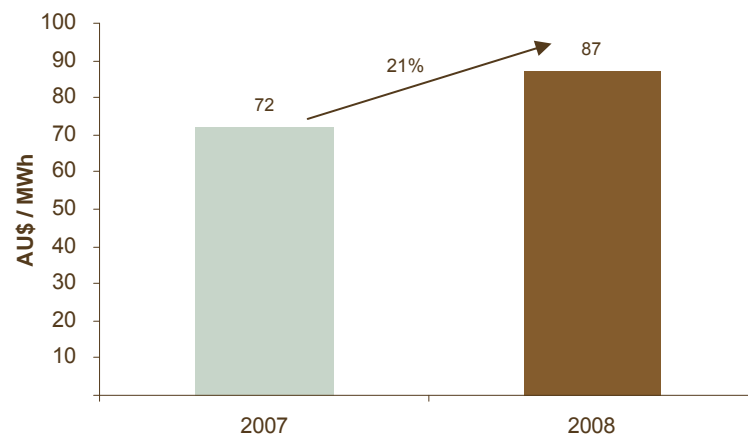


Operational Performance – FY09 to date

Portfolio* Operational Performance – July to October



Portfolio* Average Price/MWh – July to October



* Includes Spain & Portugal



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Corporate Governance & Management Agreement changes

- Initial Corporate Governance changes announced 21 November 2008 as follows:
 - Restructuring of Boards:
 - Independent Chairman
 - 3 other Independent Directors
 - Senior B&B executive
 - CEO of BBW
 - BBW management directly employed by management company
 - Reduction in base fee
 - Additional incentive fee hurdles
 - B&B's financial advisory services not required for related party matters
- Further changes sought

Proposal to internalise management & acquire certain assets from B&B

- Seeking to maximise benefits for BBW securityholders and negotiate further changes to the relationship with B&B
- UBS and leading law firm, Mallesons Stephen Jaques, appointed to advise the Independent Directors during negotiations with B&B
- BBW has submitted a proposal to B&B to further enhance BBW's independence
- The proposal seeks to:
 - Terminate the management agreement and internalise the management function
 - Acquire certain assets from B&B
- B&B have expressed their willingness to enter into discussions
- It is considered to be in the best interests of all securityholders

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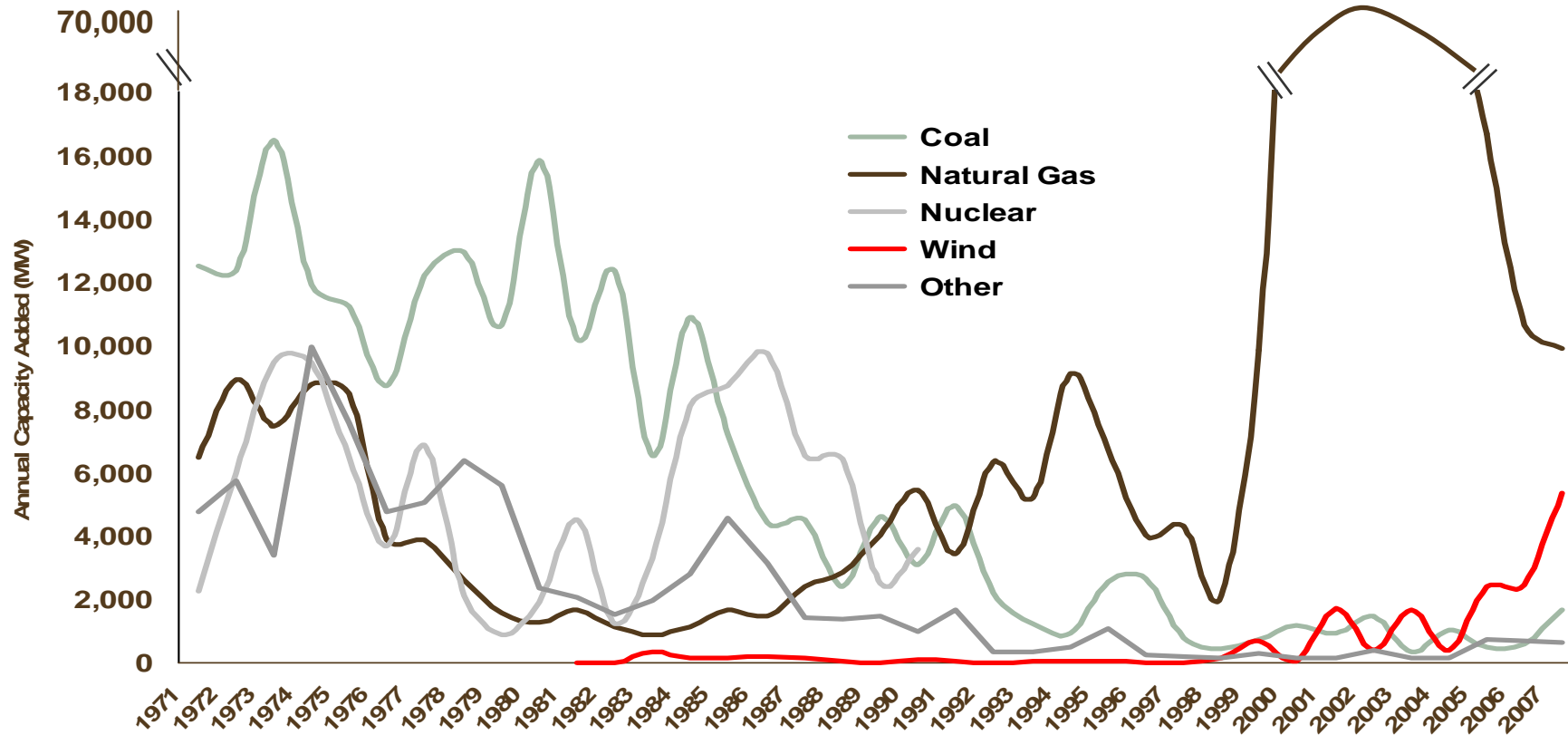
US Wind Farm Portfolio



* Represents BBW's % ownership of Class B Member Units

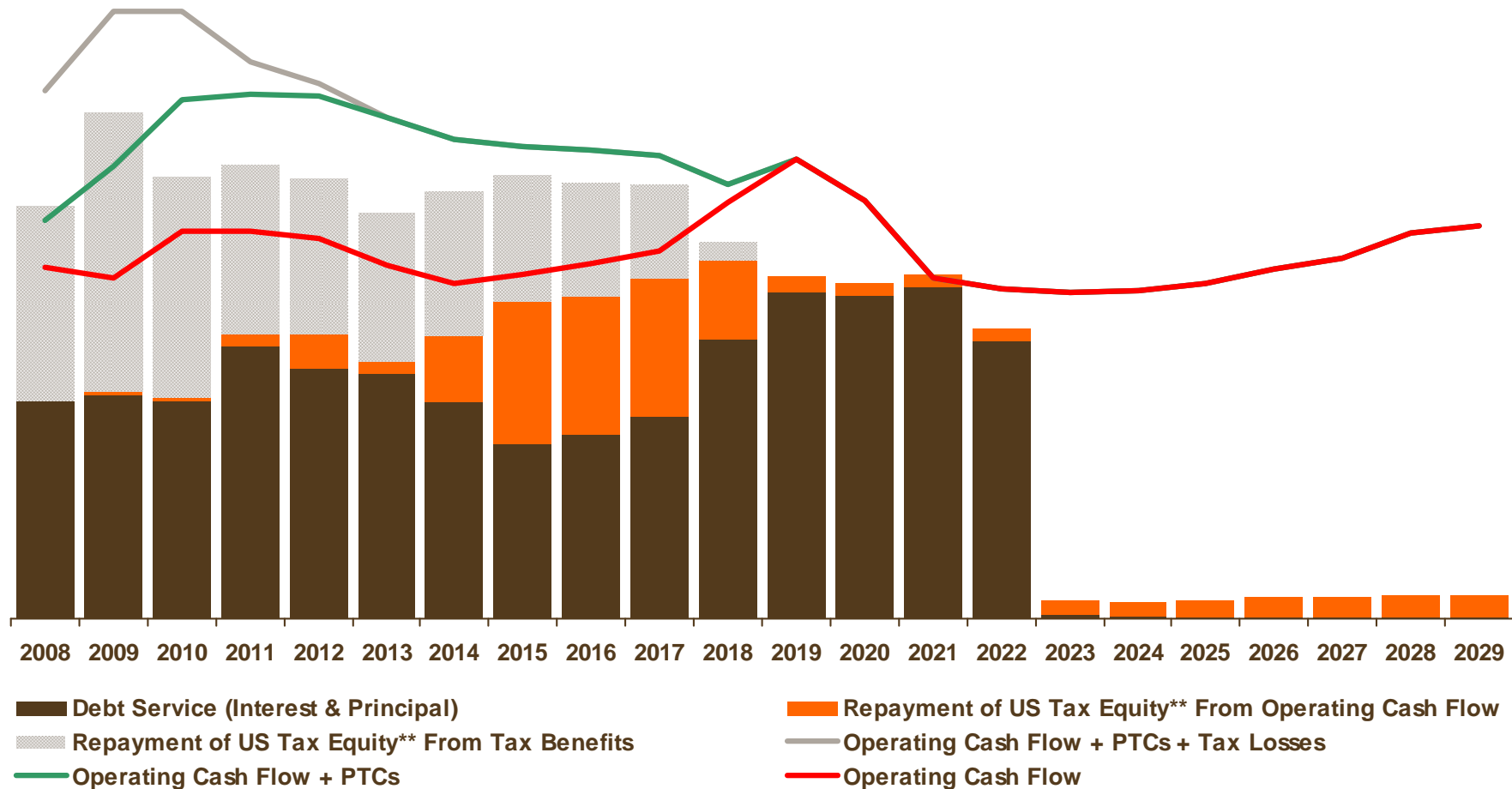
	Installed Capacity (MW) *	Net Capacity factor (%)
Allegheny Ridge I	80.0	34
Allegheny Ridgell	70.0	34
Aragonne Mesa	85.5	34
Bear Creek	14.2	35
Blue Canyon	37.1	41
Buena Vista	38.0	33
Caprock	64.0	45
Cedar Creek	200.3	36
Combine Hills	20.5	33
Crescent Ridge	40.8	36
GSG	80.0	33
Jersey Atlantic	4.4	29
Kumeyaay	50.0	38
Mendota	51.7	25
SW1	18.8	42
SW2	45.8	43
SW3	67.5	42
SW4	127.6	39
SW5	42.7	37
Total	1,138.9	37

US annual capacity by type



Source: EIA, Emerging Energy Research
Note: Other includes Hydro, Fuel Oil and other renewables

Cash Flow* Available to Service Debt & US Tax Equity**



* Cash Flow Including US Tax Benefits and Before Debt Service

** Institutional Equity Partnerships Classified as Liabilities (Class A)

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30 June 2008 Balance Sheet

Balance Sheet (AUD'm)	30 June 08	Elimination of Minorities	BBW economic Interest	Sale of Spain & Portugal	Committed Capex	FX & Interest rate Adjustment	30% Buyback \$0.92	Pro Forma
Property Plant & Equipment	4,888	(955)	3,933	(1,360)	440	746	-	3,759
Other Tangible Net assets	(239)	15	(224)	(92)	-	232	-	(84)
Goodwill & Intangibles	1,003	-	1,003	(633)	-	112	-	482
Value of Derivatives	101	(32)	69	(48)	-	(240)	-	(219)
	5,753	(971)	4,782	(2,133)	440	850	-	3,938
Borrowings	(3,499)	635	(2,864)	1,904	(297)	(512)	-	(1,769)
Lease Liabilities & Capitalised Loan Costs	(22)	-	(22)	-	-	-	-	(22)
Cash	209	(15)	194	484	(143)	12	(241)	306
Net Debt	(3,312)	620	(2,692)	2,388	(440)	(500)	(241)	(1,485)
US Institutional Equity Partnerships classified as liabilities	(1,306)	210	(1,096)	-	-	(453)	-	(1,549)
Net Asset	1,135	(141)	994	255	0	(103)	(241)	904
Minority Interest	(166)	166	-	-	-	-	-	-
BBW Net Assets	969	25	994	255	-	(103)	(241)	904

Rates:

Pro Forma AUD/EUR 0.53

Pro Forma AUD/USD 0.68

30 June 08 AUD/EUR 0.61

30 June 08 AUD/USD 0.96

868M	SECURITIES	608M
\$1.14	NAV/SECURITY	\$1.49
73%	BOOK GEARING	62%
9.07x	NET DEBT/EBITDA	4.42x
2.58x	EBITDA/INTEREST	3.10x
1.45x	DSCR	1.64x

Financial risk management policies

- BBW continues to uphold prudent financial risk management policies
- Gearing Policy: Interest Cover >2.5 times
- Funding Policy: Long-dated facilities matching asset life
- Interest Rate Policy:
 - > 75% fixed interest rate
 - Average maturity of swaps being 9.5 years
 - Average interest rate in FY08 was 6.15%
- Currency Policy:
 - Assets matched with borrowings in the same currency as a “natural hedge”
 - Net cash flow from foreign operations hedged on 3 year rolling basis
- Liquidity Policy: \$50m cash buffer

Liquidity

- BBW's debt facilities are long term amortising facilities, with a 15 year term
- All existing commitments covered by committed bank facilities & cash
- All maintenance Capital Expenditure included within operating expenses
- All debt covenant ratios continue to be comfortably met
- Significant cash balances enable flexibility
- Distributions continue to be paid from net operating cash flow after debt repayment
- Medium term distribution guidance confirmed of at least 3.5% pa growth
- BBW financing arrangements independent from B&B
 - BBW has no loans to or from B&B
 - BBW has no loans to or from B&B managed vehicles
 - BBW's Global Corporate Debt Facility does not reference B&B
 - Trading balance immaterial

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Outlook

INDUSTRY	<ul style="list-style-type: none">• Long term regulatory support for wind energy continues to strengthen• Business operations insulated from current economic conditions
PORTFOLIO PERFORMANCE	<ul style="list-style-type: none">• FY09 to date generation achieved a capacity factor of 24%• Average electricity prices across the portfolio continued to increase
CASHFLOW & DISTRIBUTION	<ul style="list-style-type: none">• Revenues & costs highly contracted• High, stable EBITDA margin across the portfolio• FY09 distribution of at least 9cps; medium term distribution guidance confirmed
ACQUISITIONS & INVESTMENTS	<ul style="list-style-type: none">• On market buy-back of up to 30% of securities• Limited commitment under existing framework agreements• Extension to Lake Bonney 2, Allegheny Ridge II wind farm
RELATIONSHIP WITH B&B	<ul style="list-style-type: none">• Proposed internalisation & asset acquisition• Intention to change entity name
FINANCIAL POSITION	<ul style="list-style-type: none">• Strong liquidity & financial risk management position• Debt covenant ratios comfortably met



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Appendix: Portfolio Summary – December 2008

Country	No. of Wind Farms	Capacity (MW)		No. of Turbines	Long Term Mean Energy Production		Capacity Factor	Energy Sale ²
		Total	Ownership ¹		Total	Ownership ¹		
AUSTRALIA		89.1	89.1	54	367	367	47%	
		239.5	239.5	99	691	691	33%	
		140.7	140.7	67	443	443	36%	
Sub Total	4	469.3	469.3	220	1,501	1,501	37%	PPA & Market
SPAIN	14	421.8	420.7	397	997	994	27%	Market + Fixed
GERMANY	12	128.7	128.5	78	276	276	25%	Fixed
FRANCE	6	52.0	52.0	26	119	119	26%	Fixed
US		829.6	488.9	607	2,908	1,703	40%	
		41.0	20.5	41	120	60	33%	
		88.0	88.0	63	273	273	35%	
		181.5	168.7	92	540	501	34%	
		300.5	200.3	274	959	640	36%	
		186.2	172.5	136	513	470	31%	
Sub Total	19	1,626.7	1,138.9	1,213	5,313	3,647	37%	PPA & Market
Sub Total - Operational	49	2,439.7	1,950.7	1,808	7,433	5,764	34%	
Sub Total - Under Construction	6	258.7	258.7	126	772	772	34%	
TOTAL	55	2,698.4	2,209.4	1,934	8,205	6,536	34%	
Proposed Divestment								
Spain	14	421.8	420.7	397	997	994	27%	
Sub Total - Operational	35	2,018.0	1,530.0	1,411	6,437	4,770	36%	
Sub Total - Under Construction	6	258.7	258.7	126	772	772	34%	
TOTAL - Net of Proposed Divestment	41	2,276.7	1,788.7	1,537	7,209	5,543	35%	

¹ Ownership represents equity interest. For the USA wind farms this is on the basis of active ownership as represented by the percentage ownership of Class B Member interest.

² "PPA": Power Purchase Agreement.