

28 October 2005

ASX Announcement

PRE QUOTATION DISCLOSURE

1 ALLOTMENT OF STAPLED SECURITIES

Babcock & Brown Wind Partners (**BBWP**) is pleased to confirm that on 27 October 2005, 282,837,384 Stapled Securities were allotted at \$1.40 each, to the value of approximately \$396 million (including \$35 million in oversubscriptions).

Deferred settlement trading of Stapled Securities is expected to commence at 12pm on 28 October 2005.

2 BASIS OF ALLOCATION

Stapled Securities have been allocated on a firm basis under the Foundation Offer and Institutional Offer by means of a bookbuild process, with final allocations determined by the underwriters in consultation with BBWP. Applicants will receive the full amount of their allocation determined under that process. Applicants under the Broker Firm Offer should contact their broker to confirm their allocation.

The Foundation Offer, Institutional Offer and Broker Firm Offer were described in the combined prospectus and product disclosure statement (**Offer Document**) lodged with the Australian Securities and Investments Commission on 26 September 2005.

To assist applicants in determining their allocations prior to receipt of their holding statements, applicants may contact their broker or can call the Babcock & Brown Wind Partners Stapled Security Offer Information Line on 1300 657 114.

3 DESPATCH OF HOLDING STATEMENTS

Holding statements and refund cheques (if applicable) are expected to be despatched to successful applicants on 1 November 2005.

Any person who wishes to trade their Stapled Securities prior to receiving their holding statement is responsible for determining and confirming their allocation prior to selling any Stapled Securities.

4 VOLUNTARY ESCROW

The following parcels of securities are subject to voluntary escrow arrangements, described in section 12.2.3 of the Offer Document:

- 56,010,416 Stapled Securities, in aggregate, held by subsidiaries of Babcock & Brown Limited, for a period of 6 months from the date of listing (28 October 2005) and expiring on 28 April 2006;

- 7,142,857 Stapled Securities held, respectively, by each of NPP Projects II LLC and Babcock & Brown Australia Infrastructure Pty Ltd (as vendors of the interests in Lake Bonney 2 described in section 12.3.2 of the Offer Document), for a period of 6 months from 14 September 2005 and expiring on 14 March 2006, or until financial close occurs for the Lake Bonney 2 project (whichever occurs later);
- 10,971,428 Stapled Securities held, respectively, by each of Babcock & Brown Australia Infrastructure Pty Ltd and Babcock & Brown Investment Holdings Pty Limited (as mortgagee) (being Stapled Securities acquired by the vendors under the Walkaway acquisition agreement described in section 12.3.3 of the Offer Document), for a period of 6 months from 14 September 2005 and expiring on 14 March 2006; and
- 3,085,714 Stapled Securities held, respectively, by each of the Carbon Solutions entities (as defined in the Offer Document, being the other vendors of interests under the Walkaway acquisition agreement described in section 12.3.3 of the Offer Document), for a period of 3 months from 14 September 2005 and expiring on 14 December 2005.

5 BABCOCK & BROWN WIND PARTNERS (BERMUDA) LIMITED

Babcock & Brown Wind Partners (Bermuda) Limited (**BBWPB**) is incorporated in Bermuda.

Unlike Babcock & Brown Wind Partners Limited (**BBWPL**) and Babcock & Brown Wind Partners Trust (**BBWPT**), BBWPB is not subject to the sections in Chapters 6, 6A, 6B and 6C of the Corporations Act 2001 (Cth) dealing with the acquisition of shares (including substantial holdings and takeovers).

Bermudan company law does not have a takeover code which effectively means that a takeover of BBWP will be regulated under Australian takeovers law.

Section 103 of the Bermuda Companies Act provides that where an offer is made for shares of a company and, within four months of the offer the holders of not less than 90% of the shares which are the subject of such offer accept, the offeror may by notice require the non-tendering shareholders to transfer their shares on the terms of the offer. Dissenting shareholders may apply to the court within one month of the notice, objecting to the transfer. The test is one of fairness to the body of the shareholders and not to individuals, and the burden is on the dissentient shareholder to prove unfairness, not merely that the scheme is open to criticism.

6 IMPORTANT ASPECTS OF THE US ASSETS BEING ACQUIRED¹

Pre-emptive rights

Under the US Acquisition Agreement described in Sections 10.5.5, 12.3.7 and A3.5 of the Offer Document, BBWP has granted pre-emptive rights over its 80% economic interest in

¹ Terms used in this document and not otherwise defined have the same meaning as in the Offer Document

BBWPUS to the US Vendor. In return, BBWP has pre-emptive rights over the 20% economic interest in BBWPUS of the US Vendor. The key terms of these pre-emptive rights are described in Annexure 1 to this document.

These pre-emptive rights would, if exercised, entitle the US Vendor to re-acquire the interests in BBWPUS for fair market value. The US Vendor would be entitled to exercise the pre-emptive rights to purchase BBWP (US) LLC's membership interest in BBWPUS if BBWP (US) LLC ceases to be a subsidiary of BBWP, or if BBWP is subject to a takeover bid or scheme of arrangement which would, if successful, result in a change of control of BBWP, or if BBWP to the extent it relates to the US Assets, ceases to be managed by a Babcock & Brown entity. In these circumstances, where the US Vendor's prior consent has not been obtained and the pre-emptive rights are exercised, BBWP would cease to hold the 80% interest in BBWPUS.

Change of control provisions

Under the limited liability company agreements of a Project LLC (described in the Offer Document) for US Assets, other members in that Project LLC have the benefit of change of control provisions. The nature of these is described in Annexure 1 to this document. These change of control clauses are triggered by a change of manager outside the Babcock & Brown Group or a change of ownership. A change of this kind requires the prior consent of the Class A Members in the Project LLC. The relevant limited liability company agreements provide that a change purported to be made in breach of these provisions is void and that specific performance in respect of those clauses can be sought. In addition, breach of these provisions may give rise to a claim for damages.

The BBWPUS LLC Agreement also contains similar restrictions on transfers of membership interests and changes in control or management of the investment fund that controls BBWP (US) LLC's membership interest.

7 STAPLING

ASX reserves the right (without limiting its absolute discretion) to remove any or all of the entities comprised in BBWP from the official list if any of the securities in those entities cease to be "stapled" together, or any equity securities are issued by those entities which are not stapled to equivalent securities in the other entities.

8 20 LARGEST HOLDERS

The names of the twenty largest holders of Stapled Securities (being the only class of securities of Babcock & Brown Wind Partners to be quoted), and the number and percentage of Stapled Securities held by those holders are as follows.

Largest 20 holders	Number of Stapled Securities	% of total issued Stapled Securities
1 BBI ENERGY (WIND) PTY LTD	81,377,927	16.47
2 TRICOM NOMINEES PTY LTD <LPG A/C>	33,531,825	6.79

3	B&B WIND NOMINEES PTY LTD <BABCOCK & BROWN BLUE WIND LLC A/C>	27,952,704	5.66
4	BT (QUEENSLAND) PTY LTD	27,428,500	5.55
5	BABCOCK & BROWN AUSTRALIA INFRASTRUCTURE PTY LTD	24,485,712	4.95
6	BABCOCK & BROWN AUSTRALIA INFRASTRUCTURE PTY LTD	18,114,285	3.67
7	ANZ NOMINEES LIMITED <CASH INCOME A/C>	17,619,060	3.57
8	WESTPAC CUSTODIAN NOMINEES LIMITED	14,826,194	3.00
9	BABCOCK & BROWN INVESTMENT HOLDINGS PTY LTD <NPP PROJECTS II LLC A/C>	10,971,428	2.22
10	NATIONAL NOMINEES LIMITED	10,835,416	2.19
11	J G L INVESTMENTS PTY	8,646,669	1.75
12	NPP PROJECTS II LLC	7,142,857	1.45
13	J P MORGAN NOMINEES AUSTRALIA LIMITED	6,696,064	1.36
14	B&B WIND NOMINEES PTY LTD	6,357,417	1.29
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,986,947	1.21
16	UBS PRIVATE CLIENTS AUSTRALIA NOMINEES PTY LTD	5,634,223	1.14
17	ASG HOLDINGS PTY LTD <DANNY GOLDBERG FAMILY A/C>	5,325,173	1.08
18	CITICORP NOMINEES PTY LIMITED <CFS FUTURE LEADERS FUND A/C>	5,286,000	1.07
	CITICORP NOMINEES PTY LIMITED <CFSIL CFS WS SMALL COMP A/C>	5,286,000	1.07
19	NEW PLYMOUTH DISTRICT COUNCIL	4,821,000	0.98
20	B&B WIND NOMINEES PTY LIMITED <WIND CORPORATION AUSTRALIA A/C>	4,692,164	0.95

9 DISTRIBUTION SCHEDULE OF RANGE OF HOLDERS

An indicative distribution schedule of the numbers of holders of Stapled Securities is as follows:

Range of holders	Number of holders	Number of Stapled Securities	% of total issued Stapled Securities
1 -1,000	29	21,707	0.1
1,001 - 5,000	1,033	3,894,276	0.79
5,001 - 10,000	1,028	8,579,090	1.74
10,001 - 100,000	1,068	30,482,876	6.17
100,001 and over	209	451,186,715	91.30

Annexure 1 - Important Aspects of the acquisition of the US Assets

1 Pre-emptive rights

As set out in Section 12.3.7 of the Offer Document in respect of the acquisition of the US Assets, a member's rights to transfer its interests in BBWPUS are limited to the circumstances set out in the agreement. Transfers are prohibited without the consent of all members holding greater than 0% economic interests except for transfers that comply with the pre-emptive rights provisions and will not have securities or investment company or tax law implications or trigger a default under an agreement to which BBWPUS or a subsidiary or Project LLC is a party. Each of BBWE and BBWP (US) LLC has the benefit of pre-emptive rights as regards the other's membership interest consisting of a right of first offer at fair market value (subject to the selling member's right to withdraw such offer upon a determination of fair market value by an appraiser) and a right of first refusal in the event the selling member fails to sell its interest at a price at or above fair market value if the other members decline their right to first offer.

1.1 Right of First Offer.

If a member desires to sell its membership interest, the other economic members shall have the opportunity for 30 days after receiving notice to acquire the selling member's interest at fair market value as determined by an appraiser (subject to the selling member's right to withdraw such offer upon the appraiser's determination of fair market value of the interest to be sold). If the selling member declines to sell its interest after learning of the appraiser's valuation, it may not sell its membership interest to any other person for a period of 6 months. If the buying member declines to purchase the interest after learning of the valuation given by the appraiser, the selling member may sell to third parties provided it consummates such sale within a limited period of time after the buying member declines to purchase such interest.

1.2 Right of First Refusal.

If the member desiring to sell cannot sell its interest at or above the fair market value within such limited period of time of another member declining to buy at fair market value, it may sell at a lower price provided that the buying member who previously declined to buy has a right of first refusal to acquire such interests at the revised offer price. The buying member shall have 30 days to consider such price after receiving notice from the selling member and shall have 15 days after notifying seller of its intent to buy to execute a purchase contract. If the buying member fails to follow the procedures outlined in the agreement, the selling member can sell its interest freely to third parties.

1.3 Upstream Change of Control.

If BBWP (US) LLC's membership interest ceases to be controlled by an investment fund or a change of control occurs in respect of its controlling investment fund, then the other members shall have certain pre-emptive rights to purchase such membership interests.

2 Change of control provisions

2.1 LLC Project Agreement - change of control provisions

The limited liability company agreements (each a “LLC Project Agreement”) of the various Project LLCs for the US Assets provide for two levels of membership interests: Class A and Class B. The Class B members serve as the managing members of the company.

The managing members have control over and manage the affairs of the Project LLC, but the consent of the Class A members is required for certain material actions to be taken by the Project LLC (such as the incurrence of debt, sale of material assets, mergers, acquisitions, sale of the Project LLC or other similar actions).

Transfers of membership interests are permitted subject to (a) a right of first bid procedure for the benefit of non-transferring members, (b) a prohibition against transfers to certain disqualified transferees (such as competitors of the Project LLC), (c) prior to the Reallocation Date, transfers of Class B interests require consent of a designated super-majority of the Class A interest, and (d) Class A interest may be transferred after 10 years if the Reallocation Date has not been reached and distributions have failed to exceed the sum of the Class B members’ capital contributions. A change of control must comply with the foregoing transfer restrictions, except that an event causing a change of control of a company member’s parent company does not constitute a change of control.

Cash is distributed first to the Class B members until they receive a return of their capital contributions, second to the Class A members until the Reallocation Date has been reached, and thereafter a designated percentage to the Class B members (approximately 80%) and to the Class A members (approximately 20%).

If the Class A members suffer losses resulting from the Class B members’ breach of covenants or misrepresentations under the LLC Project Agreement or if the Project Administrator fails to perform its obligations under applicable administration agreements, cash that would otherwise be distributed to the Class B members is diverted instead to the Class A members until the full amount of the loss is recovered. The Investment LLC that is the Class B Member in the Project LLC has an option to acquire the Class A interests after the Reallocation Date has been reached or after ten years.

2.2 Back to back guarantees re covenants in the LLC Project Agreements

In addition, each of BBWPL and Babcock & Brown Wind Partners Services Limited in its capacity as responsible entity of BBWPT (together, the “Guarantors”) will enter into guarantees (the “Back-to-Back Guarantees”) in favour of Babcock & Brown International Pty Ltd and/or Babcock & Brown LP (the “Beneficiaries”).

The Back-to-Back Guarantees support guarantees (“Downstream Guarantees”) given by the Beneficiaries to support the obligations of the Investment LLCs which are Class B Members of Project LLCs (that own and operate wind farm projects in the United States) in favour of the Class A members of those Project LLCs.

The Back-to-Back Guarantees guarantee the payment of 80% (or, in the case of a certain guarantee in respect of Caprock LLC, 64%) of the Beneficiaries’ obligations paid from time to time under the relevant Downstream Guarantee that arise as a result of a breach of the covenants of an Investment LLC, acting in its capacity as the managing member or “tax matters partner” under the relevant LLC Project Agreement.

If the pre-emptive rights described above are triggered and exercised, this may reduce the likelihood of a claim being made against a BBWP guarantee, but this risk cannot be entirely removed because while claims under the guarantee would be eliminated in relation to future breaches it would not eliminate claims under the guarantee which occurred prior to the transfer of membership.