BABCOCK & BROWN
WIND PARTNERS

UBS Utilities Conference

Presentation by Peter O'Connell

Chief Executive Officer, Babcock & Brown Wind Partners

15 November 2005

- **Babcock & Brown Wind Partners ("BBWP")**

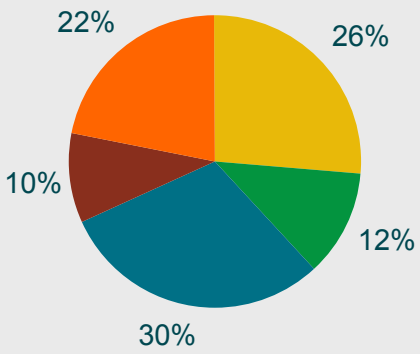
Babcock & Brown Wind Partners ("BBWP")

- **First listed wind investment globally**
- **Stapled security**
- **Managed by Babcock & Brown**
- **Issued at $1.40, listed on 28 October**
- **Strong increase in security price since listing (> 20% increase)**
- **Market capitalisation of ~ $850 million**
- **15 assets across 3 continents**

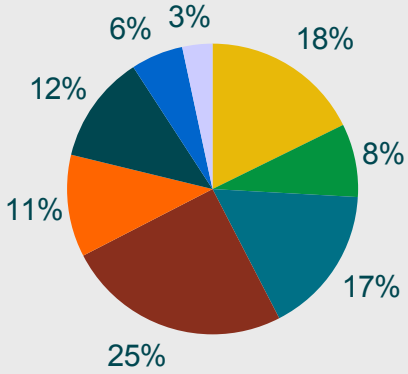
Quality portfolio of globally diversified assets

Expected Production (GWh[1]) – By wind farm within each region

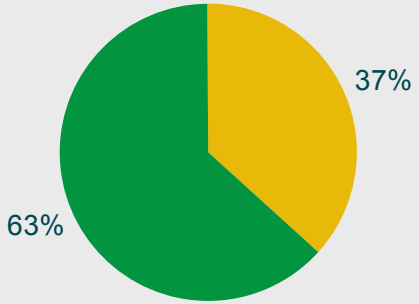
North American Portfolio[3]



European Portfolio



Australian Portfolio



- Initial portfolio of investments in 15 wind farms with total gross installed capacity of 671.6MW
- Average annual production of 2,181GWh
- Forecast to generate EBITDA after associates[2] of $76 million in FY06 (pro forma) and $80 million in FY07

[1] Based on long term mean energy production estimates by expert advisers.

[2] Forecast EBITDA after share of net profit of equity accounted investments.

Approximately $250[1] million reserved for investment opportunities

	US Framework Agreement	Spanish Framework Agreement	German Framework Agreement	LB2 Acquisition Agreement
Details	• Agreement to acquire further Class B membership interests in 4 wind farms in the US with estimated total gross capacity of 216MW	• Rights and obligations to acquire wind farms with capacity of up to 450MW in Spain over the next 3 years	• Rights of first refusal in relation to the acquisition of wind farms in Germany before the end of 2006	• Vendors of company obliged to develop a wind farm with long term mean net electricity output of 501GWh p.a.

- Three Framework Agreements and LB2 Acquisition Agreement are identifiable growth opportunities secured from Babcock & Brown
- These opportunities did not form part of the Directors' forecasts

[1] Assumes 469 million Stapled Securities issued at Offer Price of $1.40 per Stapled Security pursuant to the Offer

BBWP: Initial portfolio summary

Wind Farm	Location	BBWP's Equity interest (%)[1]	Operations Start Date	Installed Capacity (MW)	Number of Turbines	Long Term Mean Energy Production (GWh pa)
Australia						
Alinta	Western Australia	100 %	December 2005(estimated)[3]	89.1	54/NEG Micon 1.65MW	366.5
Lake Bonney Stage 1	South Australia	100 %	February 2005	80.5	46 / Vestas 1.75MW	211.2
Europe						
Olivo Portfolio		100 %[2]				
Sierra del Trigo	Spain – Jaen		January 2002	15.2	23 / Gamesa 660kW	32.3
La Muela Norte	Spain – Zaragoza		August 2003	29.8	35 / Gamesa 850kW	70.6
El Redondal	Spain – Leon		January 2005	30.6	36 / Gamesa 850kW	66.5
Serra da Loba	Spain – Galicia		October 2005 (estimated)[3]	36.0	18 / Gamesa 2MW	99.9
La Plata	Spain – C. La Mancha		June 2005	21.3[4]	25 / Gamesa 850kW	45.6
El Sardon	Spain – Andalucia		November 2005(estimated)[3]	25.5	30 / Gamesa 850kW	47.9
Niederrhein		99 %				
Wachtendonk	Germany – Northrhine-Westphalia		October 2005[3]	12.0	8 / Nordex 1.5MW	23.7
Bocholt-Lieden	Germany – Northrhine-Westphalia		October 2005[3]	7.5	5 / Nordex 1.5MW	13.3
North America						
Sweetwater 1	USA – Texas	40 %	December 2003	37.5	25 / GE 1.5MW	141.7
Sweetwater 2	USA – Texas	40 %	February 2005	91.5	61 / GE 1.5MW	361.8
Caprock	USA – New Mexico	64 %	December 2004/May 2005	80.0	80 / Mitsubishi 1MW	316.6
Blue Canyon	USA – Oklahoma	40 %	December 2003	74.3	45 / Vestas 1.65MW	264.1
Combine Hills	USA - Oregon	40 %	December 2003	41.0	41 / Mitsubishi 1MW	119.6
TOTAL				**671.6MW**		**2,181GWh p.a.**

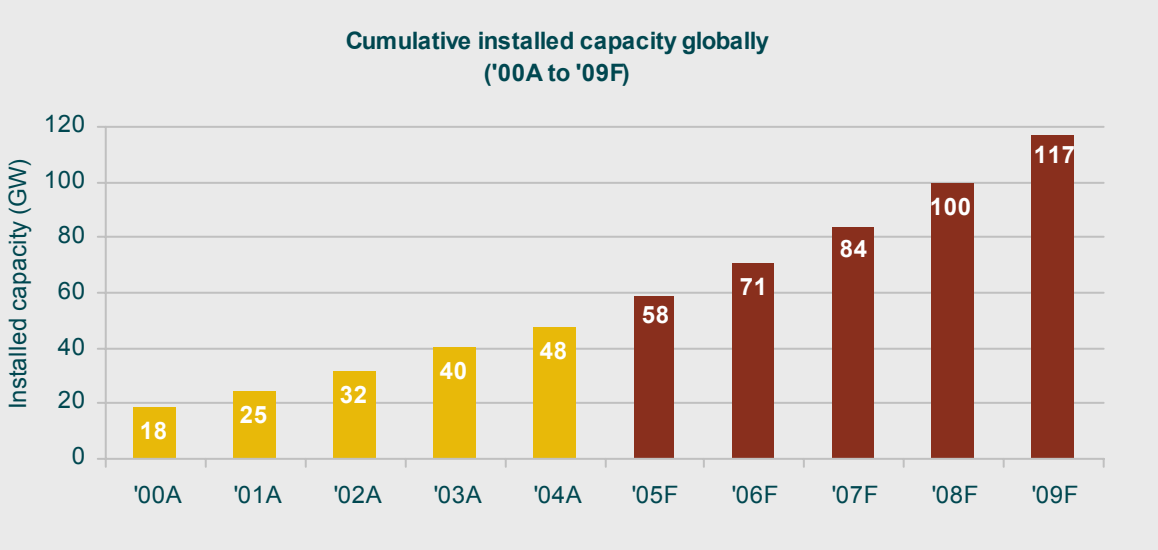
Notes:
[1] Percentages for North America constitute percentage ownership of Class B stock of project entity only
[2] Wind farms are not acquired by BBWP until commencement of operations and permits and approvals obtained
[3] Under construction
[4] Grid can currently only take capacity of 10MW

Agenda

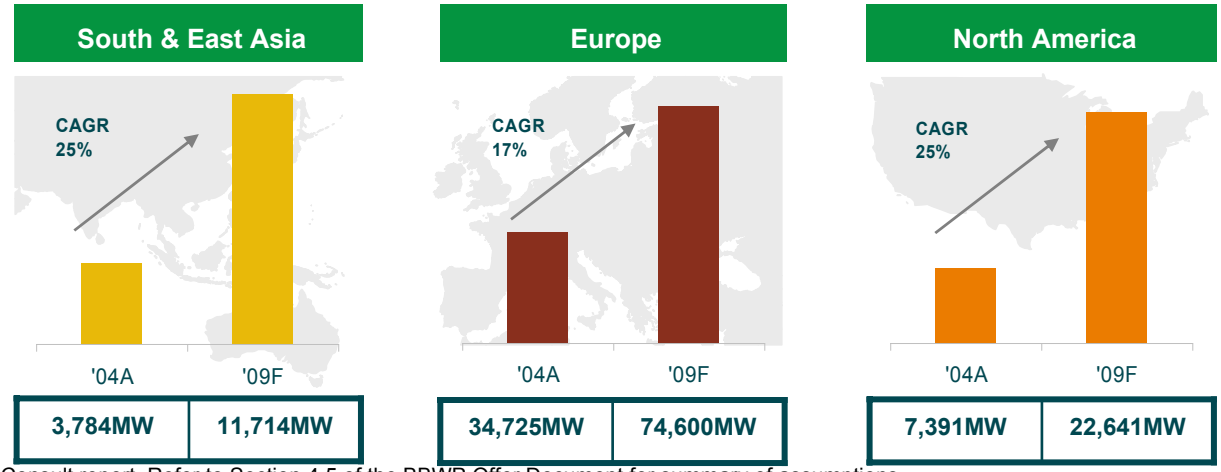
- **Industry Prospects**

Growing global wind energy industry

Wind energy is forecast to grow at 23% p.a. for the period of 2000 to 2009F



Projected industry growth is spread across the world

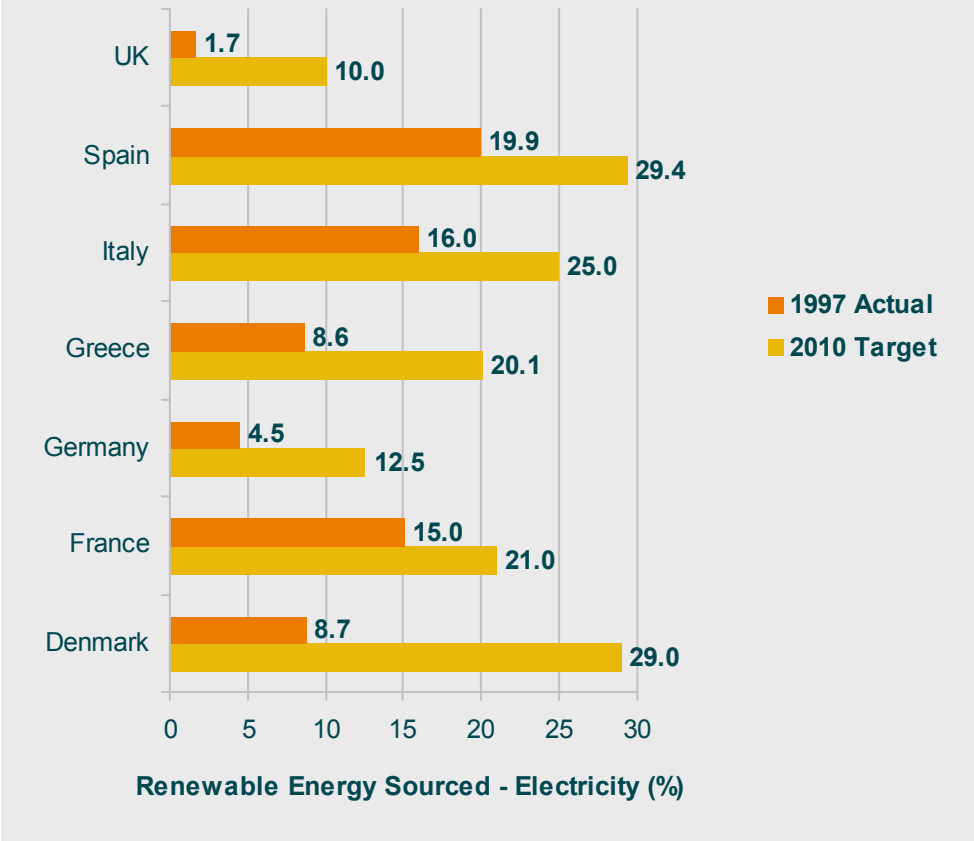


[1] Industry information as per BTM Consult report. Refer to Section 4.5 of the BBWP Offer Document for summary of assumptions on which industry forecasts are based

Growth driven by the desire to reduce greenhouse gas emissions . . .

BABCOCK & BROWN WIND PARTNERS

Legislated renewable energy targets (EU)



Source: Directive 2001/77/EC of the European Parliament of 27 Sept 01

Types of regulatory regimes

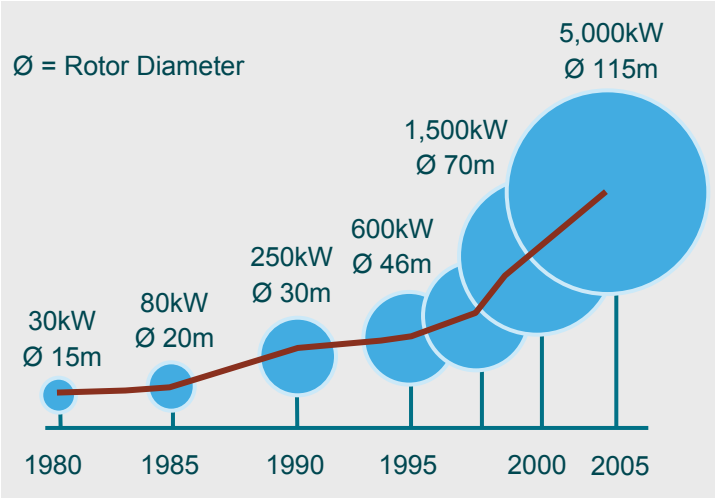
- Fixed price system – eg. Denmark, Germany and Spain
- Fixed quantity system – eg. UK and Australia
- Production tax credits – USA

Broader initiatives

- Kyoto Protocol: requires a 5.2% reduction in emissions by 2012 (compared to 1990)
- Emission Trading Scheme: allows for carbon credits to be traded internationally, commenced operation on 1 January 2005

. . . and dependence on non–renewables combined with significant technology improvements

Efficiencies in production have reduced cost of wind energy generation by 80% in the last 25 years

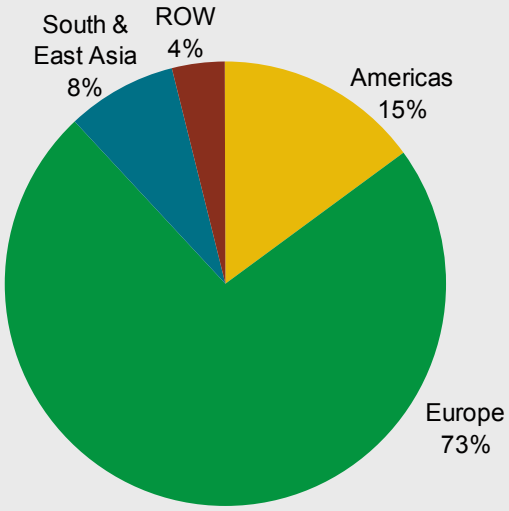


Source: diagram not used in offer document instead diagram has been adopted from materials of the German Wind Energy Association

- The desire to reduce the dependence on, and depletion of, non-renewable resources, together with many countries seeking to diversify the sources of their energy supply are key drivers of future growth
- Security of energy supply is also becoming an increasingly significant issue for many countries, particularly with the level and volatility of fossil fuel prices having increased considerably over the past three years
- Over the last 25 years, the cost of producing electricity from wind energy has reduced by 80% (Industry information as per BTM Consult report.)
- Cost reduction is expected to continue at a rate of 3% to 5% p.a. on average (Refer to Section 4.5 of the BBWP Offer Document for summary of assumptions on which industry forecasts are based)

Key markets are Europe and North America

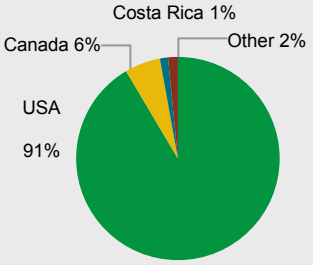
Global Installed Capacity 2004



Total = 47,912MW

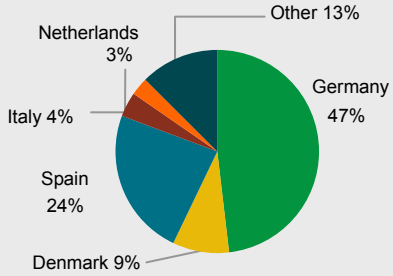
Installed Capacity by Regions 2004

Americas installed capacity



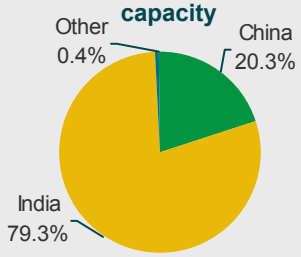
Total = 7,391MW

Europe installed capacity



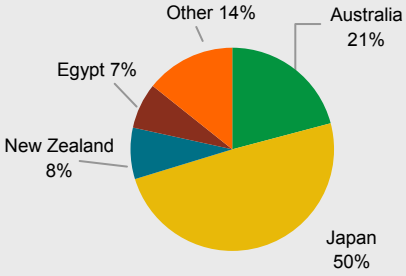
Total = 34,725MW

South & East Asia installed capacity



Total = 3,784MW

ROW installed capacity



Total = 2,012MW

Source: BTM Consult Report 2004

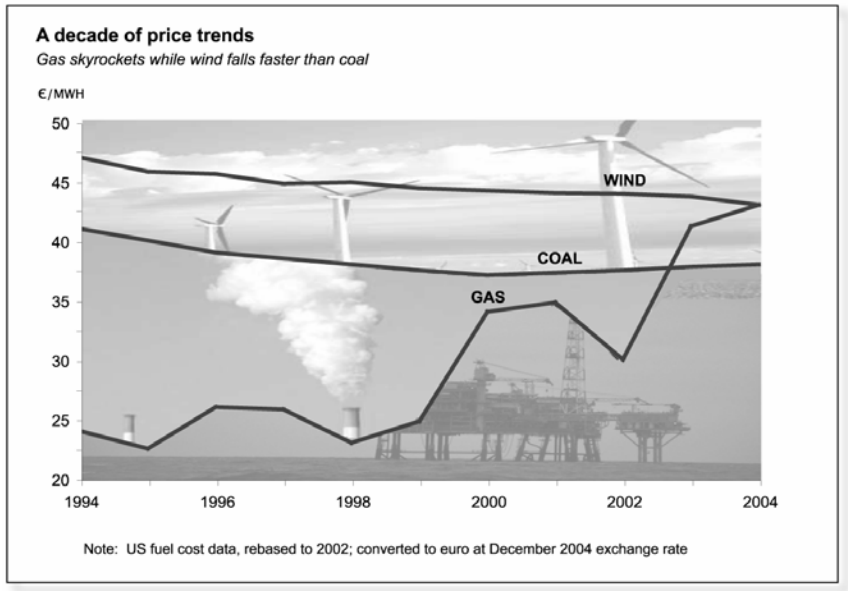
Cost of wind projects reported in 2004

- A limited selection from the *WINDPOWER MONTHLY* database
- Shows The Global nature of wind energy investment

LOCATION	No. OF MACHINES	UNIT MW	CAPACITY MW	PROJECT PRICE (MILLION)	EURO/KW
Australia, Mount Millar	35	2.0	70.0	A$130.0	1077
Canada, Alberta	20	1.5	30.0	C$48.0	1008
China, Fujian	-	-	100.0	$94.2	707
Finland, Raache	5	2.3	11.5	€13.0	1130
France, Picardie	6	2.0	12.0	€12.8	1067
India, Jaisalmer	-	-	25.0	$22.0	660
Ireland, Donegal	38	Mixed	72.0	€20.0	1111
Jamaica, Wigton	23	0.9	20.7	$24.0	870
Japan, Nagaski	15	1.0	15.0	$27.0	1350
Morocco, Tangier	-	-	140.0	€167.0	1193
Spain, three Gamesa projects	-	-	132.0	€115.0	871
UK, Scotland	27	1.75	74.0	£60.0	1176

Global Trends: Escalating gas prices alter competitive position of Power Generation Technologies.

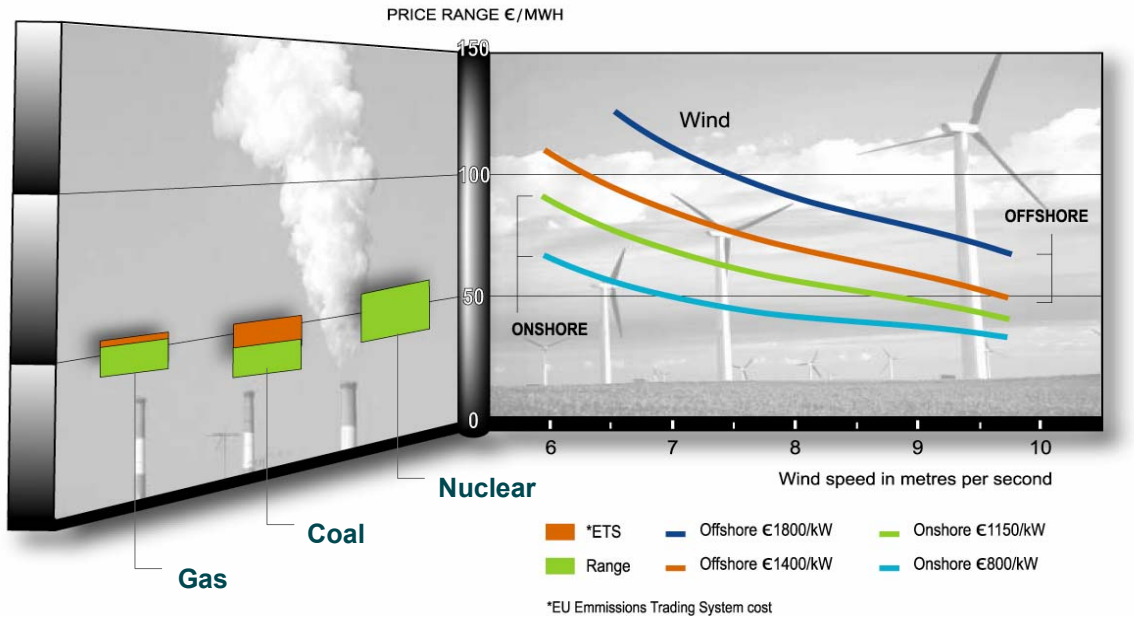
- Gas prices have risen so fast that onshore wind power costs are comfortably within range of gas fired generation.
- Coal is now the competitor wind has to beat in most geographical areas.
- Escalating fuel costs provides no risk to wind power and are advantageous for demand. Price stability is important.
- On 1 Jan 2006 the EU Emissions Trading Shares kicks off. Polluters must buy permits if they emit more CO^2 than allowed: EU expects CO^2 to trade at €8/tonne pushing up new coal generation costs by €8/MWH and new gas by €32/MWH.



Wind Power: Global development trends.

- Trend to larger wind turbines shows no sign of slackening:
  - Benefits include reduced project costs from savings in foundations, transport and electrical connections.

- Trend to larger wind farms likely to be more pronounced: Saving in construction, project management and grid connection costs.



Source: Windpower Monthly, January 2005

The real world: *Coal, gas and wind costs are from actual projects in 2004, while nuclear prices are industry estimates. Track the €50/MWh line and it becomes clear that low-cost wind plant can be competitive with the thermal technologies at all but the lowest wind speeds. With good winds, more expensive wind projects on land can hold their own too. Only the very cheapest offshore wind plant get under the wire, and are competitive as yet*

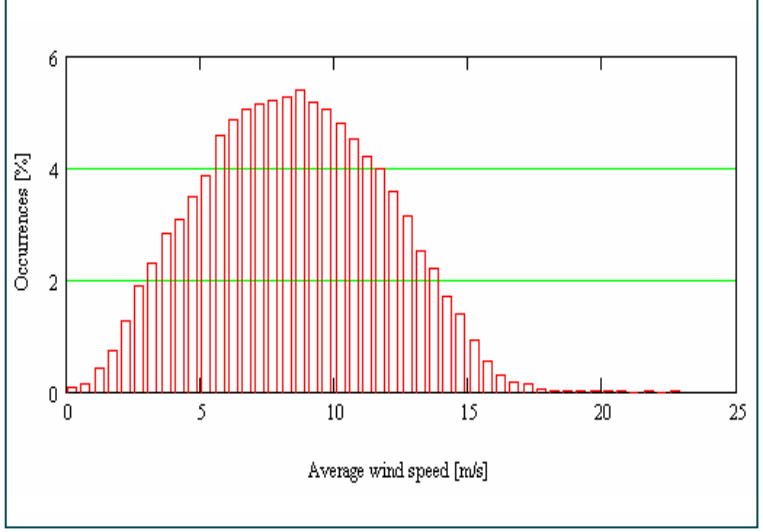
Wind assessment and energy prediction

Wind assessment and energy prediction process

A typical wind assessment and energy prediction process involves determining:

- Wind speed at wind turbine hub height: establishes the long-term (typically 10 years) wind characteristics at particular point/s on the proposed site
- Gross energy output of the wind farm: optimises the wind characteristics with the site topography and surface cover, turbine profile, wind farm layout, turbulence and air density
- Net energy output of the wind farm: takes account of a number of wind farm specific loss factors, including turbine availability, electrical efficiency and interference between turbines

Wind speed distribution for one of BBWP's wind farms (Source: an energy assessment adviser to BBWP wind farm)



Certainty of predicted energy production

- Some uncertainty due to the natural variability of certain parameters
- "Probability of Exceedence" means the probability that a given level of energy production will be exceeded in any year
  - for example, P90 means that there is a 90% probability that a given level of energy production will be exceeded in any year
- P50 represents the best estimate of energy production in any year and may be referred to as the "long term mean energy production"

Global portfolio effect and sensitivity analysis

BABCOCK & BROWN WIND PARTNERS

Sensitivity analysis

($'000)	Impact on 2006		Impact on 2007	
	EBITDA	NPAT	EBITDA	NPAT
P75 (Total net output production = 2,056.6GWh)	(4,627)	(3,315)	(6,948)	(5,148)
P90 (Total net output production = 1,944.3GWh)	(8,883)	(6,495)	(12,585)	(9,436)
Low market price scenario for Olivo Portfolio	(4,085)	(2,930)	(4,999)	(3,753)
+ 1% in interest rates	8	1,166	45	1,981
- 1% in interest rates	(8)	(1,154)	(44)	(1,934)
+ 5% change in A$/ US$ rate	(98)	7	(181)	17
- 5% change in A$/ US$ rate	108	(9)	200	(18)
+ 5% change in A$/ € rate	(1,729)	(362)	(2,180)	(486)
- 5% change in A$/ € rate	1,910	399	2,410	538

- Caution should be taken in drawing conclusions from the P75 and P90 scenarios above because it is unlikely that each individual wind farm in the Initial Portfolio will achieve the P75 or the P90 level simultaneously
- Hence the "portfolio effect" may provide the following benefits (in terms of output generated compared to the sum of the same level for the individual wind farm projects in the Initial Portfolio):
  - At the P75 level: the Initial Portfolio is expected to generate 2.9% more than the sum of the individual levels
  - At the P90 level: the Initial Portfolio is expected to generate 5.9% more than the sum of the individual levels