

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
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ASX Release

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TERMINATION OF MANAGEMENT & ADVISORY AGREEMENTS AND INTERNALISATION OF BBW MANAGEMENT

Babcock & Brown Wind Partners (ASX: BBW) has today reached in principle agreement with Babcock & Brown (ASX: BNB) to terminate the management agreements and the exclusive financial advisory agreement and to internalise the management function of BBW for a total cash payment of A\$40 million comprising:

- an upfront payment of A\$35 million; and
- a deferred payment of A\$5 million, payable on 30 June 2009.

As part of the initial phase of the internalisation, the management agreements between BBW and Babcock & Brown Wind Partners Management Pty Ltd (Manager) (a wholly owned subsidiary of B&B) will be terminated. The existing BBW management team, which is currently employed by the Manager, will continue in their operational roles and will be offered positions as direct employees of BBW, to commence on 1 January 2009. BBW will assume existing employee entitlements, including certain incentive amounts relating to previous employment with B&B.

The in principle agreement which has been reached is subject to documentation. The initial phase of the internalisation is targeted to be completed by 1 January 2009. BBW is working with B&B to implement appropriate transition arrangements, with the transition to be completed as soon as possible and the full transition expected to be completed on or before 30 June 2009. B&B will complete a small number of existing mandates as agreed. BBW's US wind farm interests will continue to receive operations and maintenance services from B&B's US wind farm business on an ongoing basis under existing agreements.

As stated in the ASX release dated 26 November 2008, BBW is continuing discussions in relation to acquiring certain other B&B assets which are separate to this agreement.

Further, as foreshadowed in the ASX release dated 21 November 2008, the BBW Boards are pleased to confirm that Miles George will become Managing Director of BBW effective from 1 January 2009.

Graham Kelly, Independent Chairman of BBW, commented, "the Independent Directors are confident that the internalisation of BBW's management will further improve the Corporate Governance of BBW and strengthen the alignment of interests between BBW securityholders and management. We also intend to pursue a formal name change as soon as practical. Furthermore, the Boards are delighted to welcome Miles as Managing Director."

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Miles George, CEO of BBW, said, “with a high quality portfolio of wind farms, a strong balance sheet and the positive long term prospects for the renewable energy sector, BBW can look confidently to its future as a leading independent renewable energy business.”

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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 Securities Exchange on 28 October 2005 and has a market capitalisation of approximately A\$0.8 billion.

BBW's portfolio comprises interests in 55 wind farms that have a total installed capacity of approximately 2,698MW and are diversified by wind resource, currency, equipment supplier, off-take arrangements and regulatory regime.

Once the sale of the Spanish wind energy assets achieve financial close, BBW's portfolio will span four countries and comprise interests in 41 wind farms with a total installed capacity of approximately 2,277MW.

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). BBW is managed by Babcock & Brown Wind Partners Management Pty Ltd, a subsidiary of Babcock & Brown Limited (ASX: BNB).

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