AES CORPORATION

AES Alternative Energy Strategy

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Safe Harbor Disclosure

Certain statements in the following presentation regarding AES's business operations may constitute "forward looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES's current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our contract generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES's filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A "Risk Factors" in the Company's 2005 Annual Report on Form 10-K as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

AES Alternative Energy Strategic Overview

Contains Forward Looking Statements

AES Goals	AES 2008 Target	AES Alternative Energy Role
Financial goals		
▪ Revenue growth	--	Above Average
▪ Gross margin growth	$3.5 Billion	Above Average
▪ Earnings per share growth	13-19% per year	Above Average
▪ ROIC improvement (1)	11%	Near-term Dampening
▪ Cash flow growth	$2.6-2.9 Billion	Above Average
▪ Subsidiary distributions (1)	--	Retain Cash for Growth
▪ Restructuring opportunities	--	Not Applicable
Growth goals		
▪ Platform expansion	--	Significant Opportunities
▪ Greenfield investment	--	Significant Opportunities
▪ Privatization/M&A	--	Significant Opportunities

(1) Non-GAAP financial measure. See Appendix.

The Case for AES Alternative Energy

Contains Forward Looking Statements

Why alternative energy?

- Energy demand increasing
- Energy security
- Public policy
- Technology

Alternative energy mission

To be a leader in:

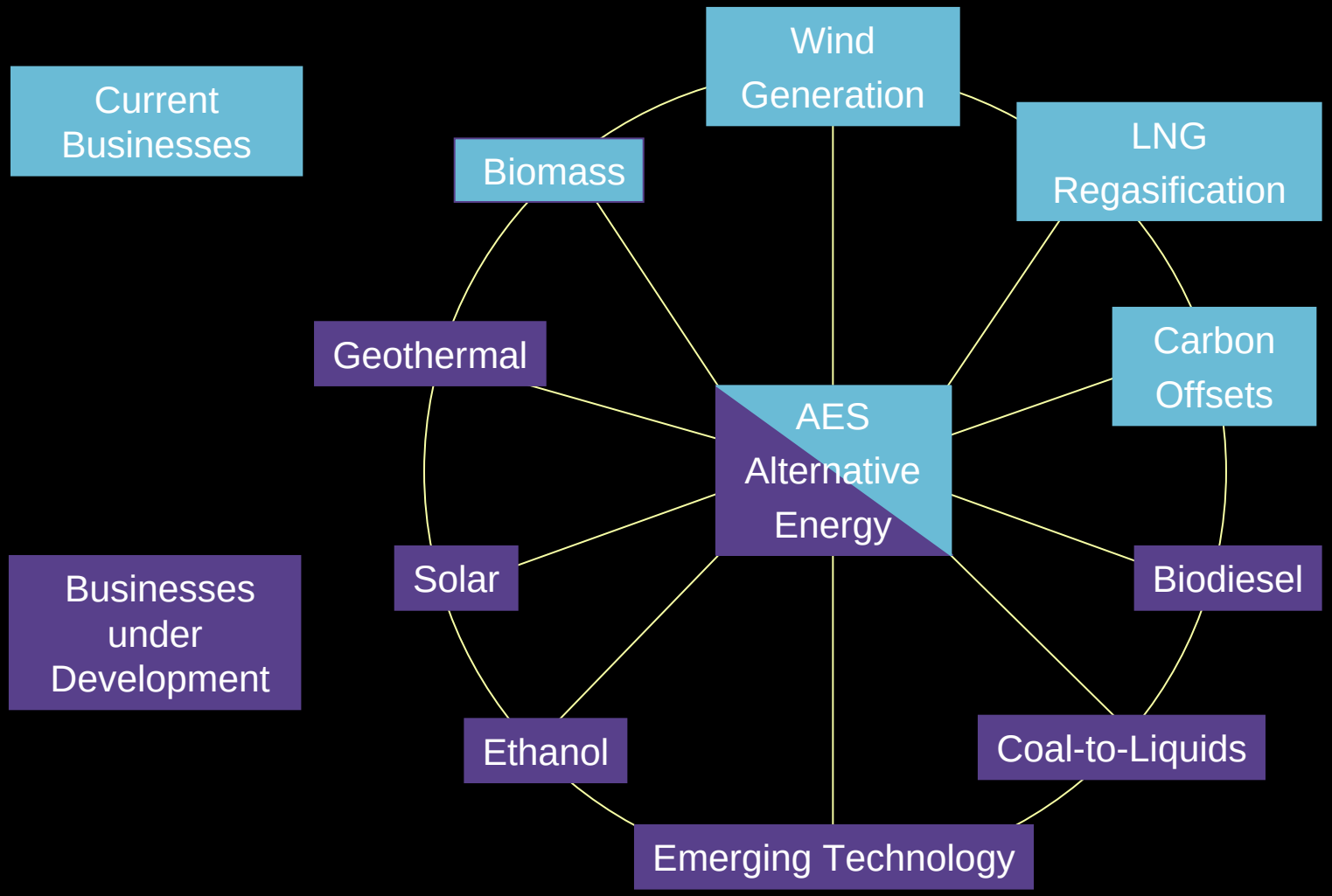
- Providing energy derived from alternative sources that reduce dependence on traditional fuel and power supplies
- Investing in developing sectors and technologies, delivering high return, rapid growth, and superior shareholder value

Why AES?

- Global platform
- Greenfield development
- Project structuring expertise
- Culture

AES Alternative Energy Vision

Contains Forward Looking Statements

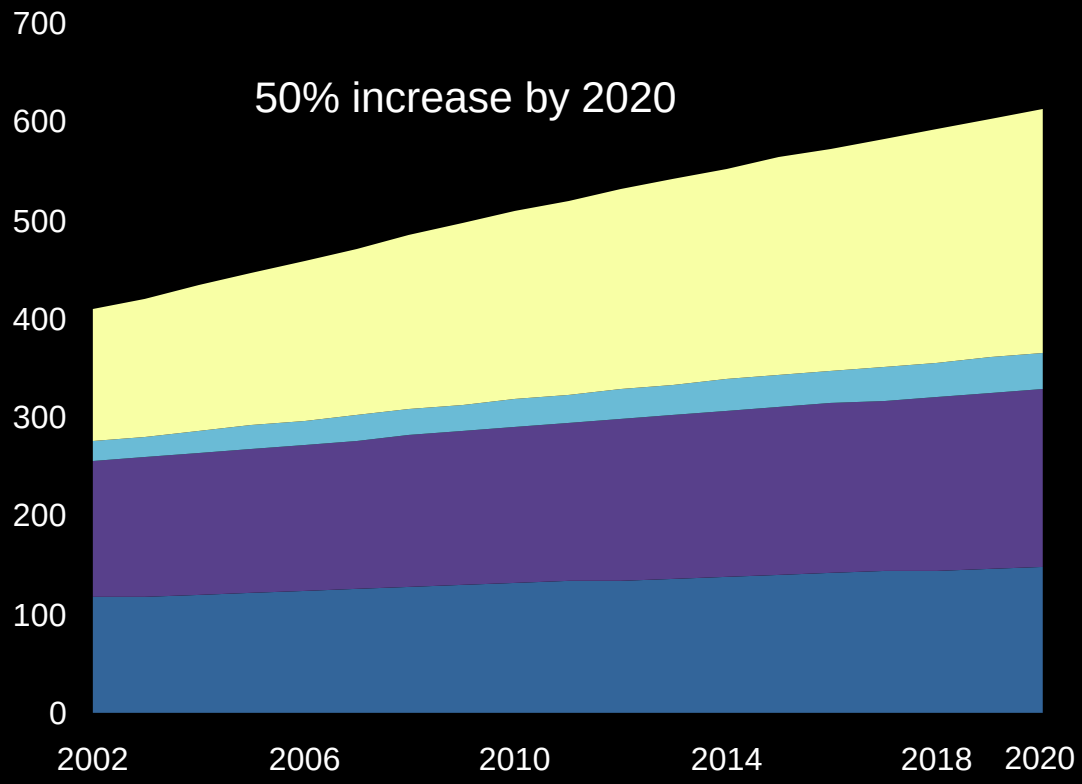


Energy Growth by Region

Contains Forward Looking Statements

World Total Energy Consumption 2002-2020

Quadrillion Btu



	Annual Growth Rate
Asia	3.5%
Latin America	2.3%
Europe & Africa	1.5%
North America	1.3%

Source: US Department of Energy.

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New Investment Opportunities

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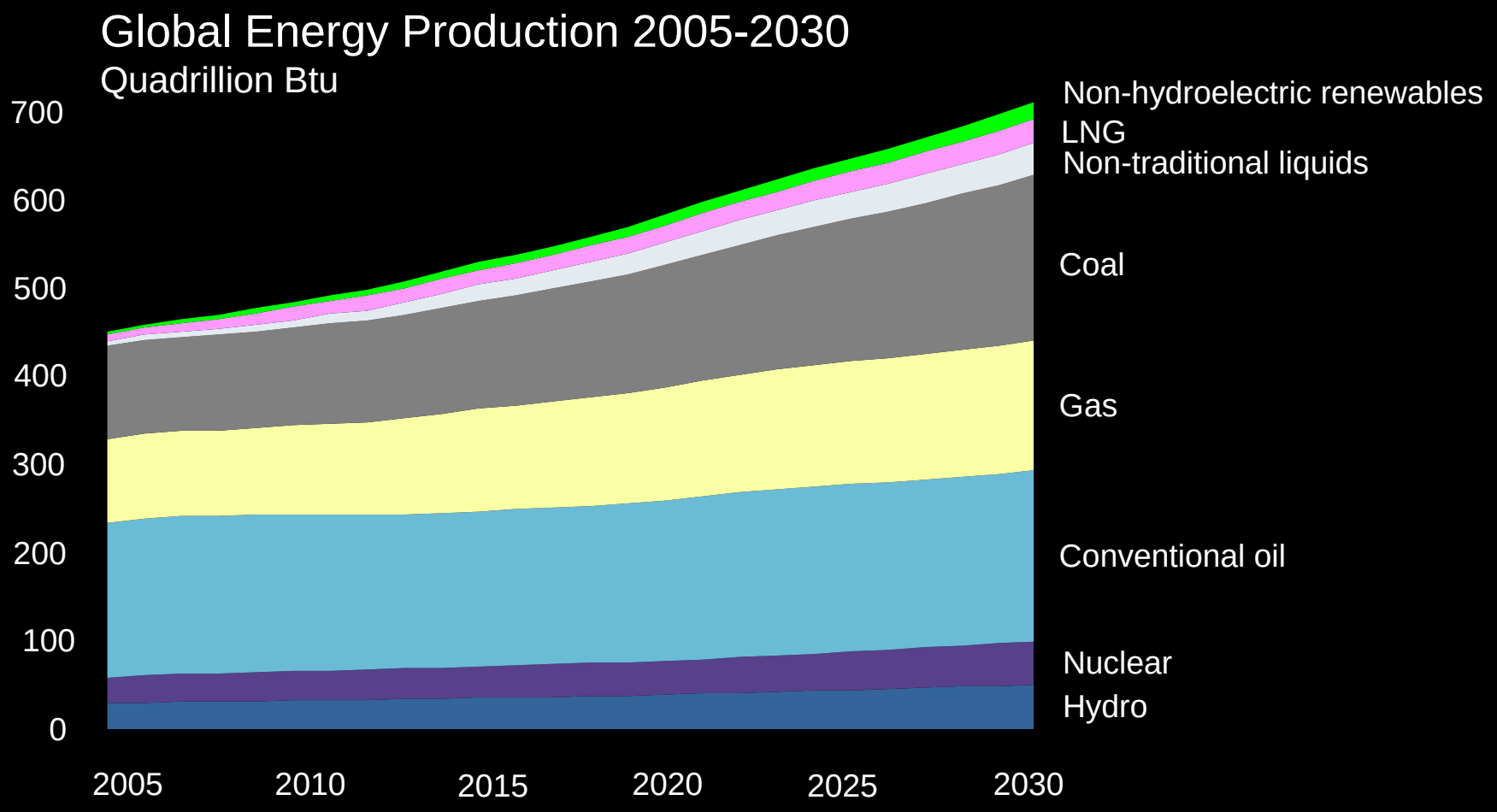
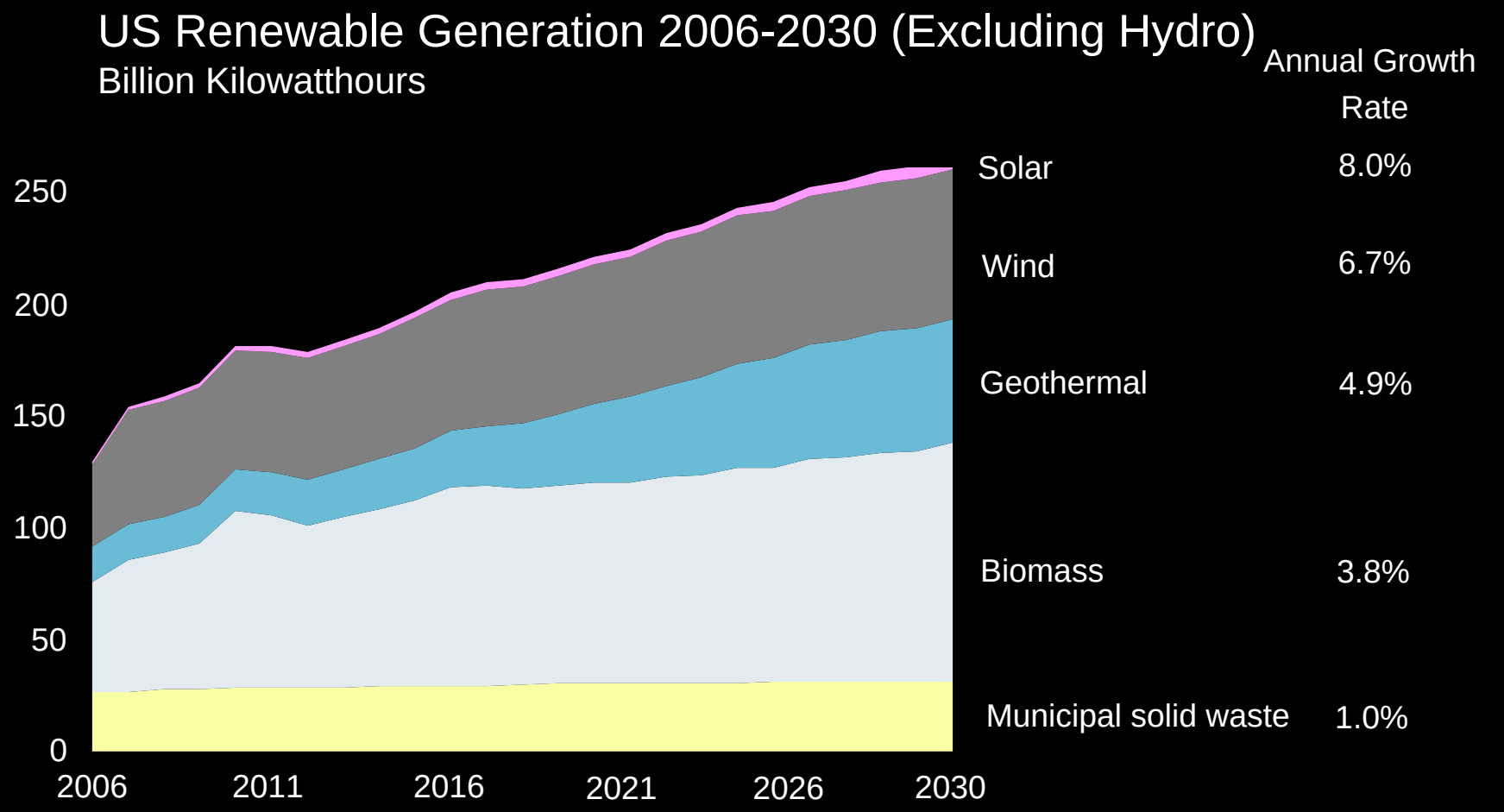


Source: CERA.

Select New Investment Opportunities: US

Contains Forward Looking Statements



Source: EIA.

Select Investment Opportunities: EU

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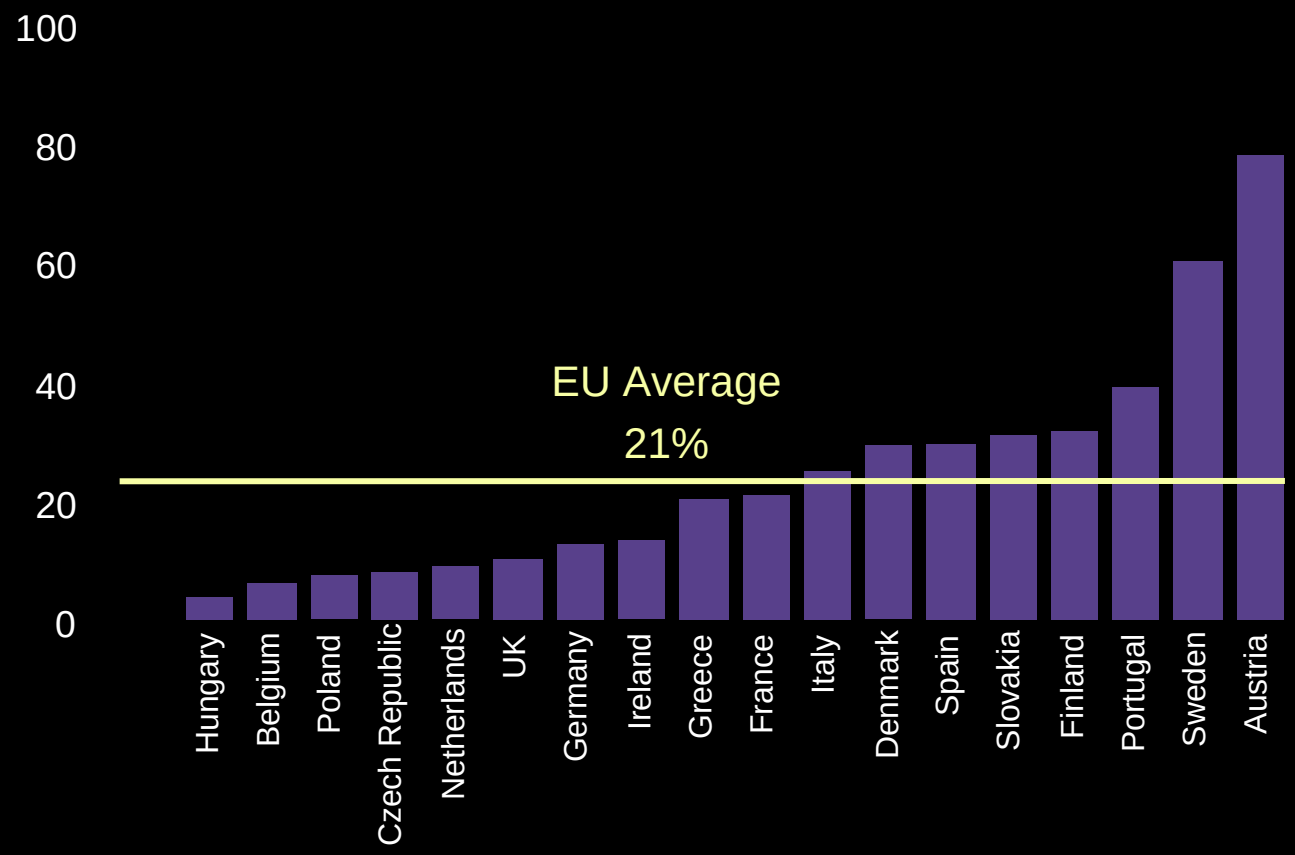
European Union 2010 Renewable Electricity Targets

Percent



Source: CERA.

Energy Security

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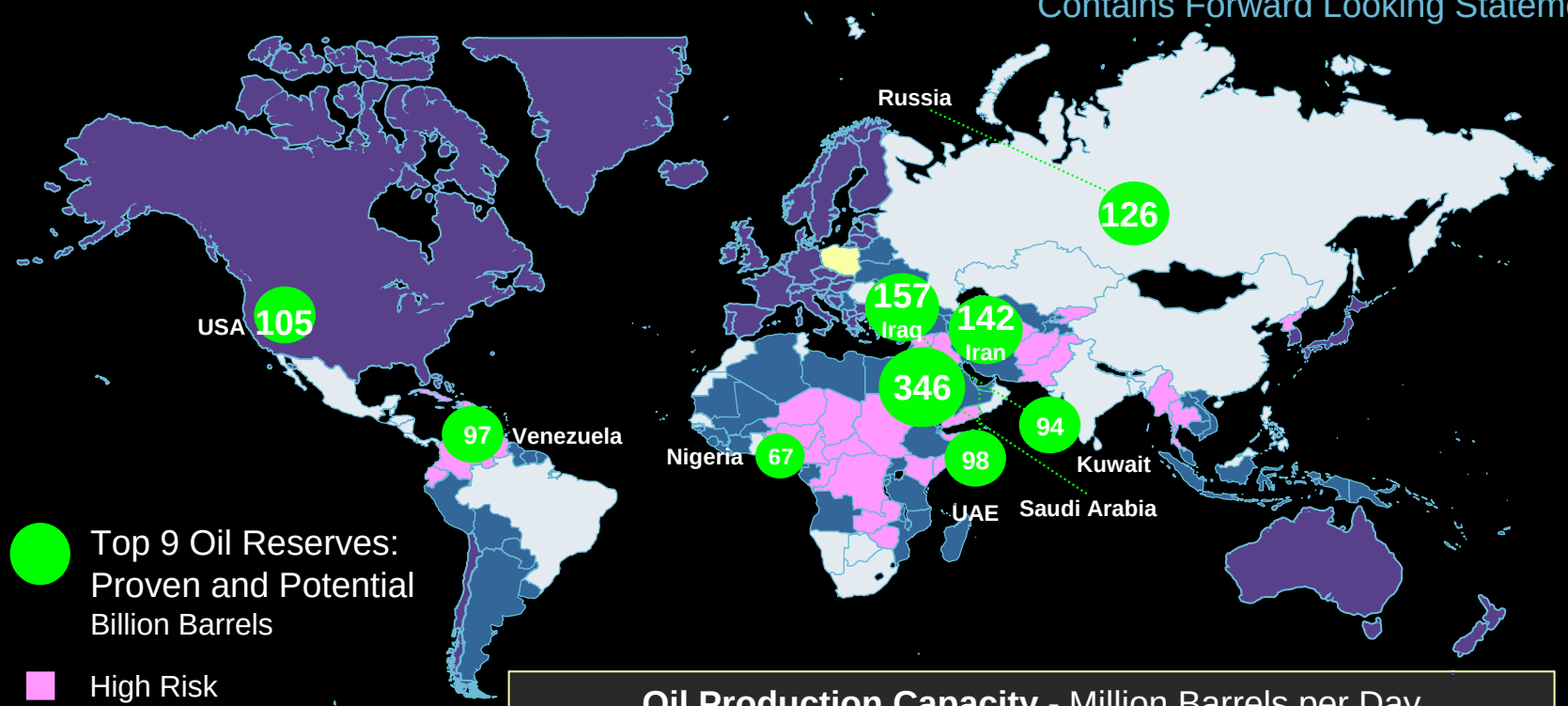


Top 9 Oil Reserves:
Proven and Potential
Billion Barrels

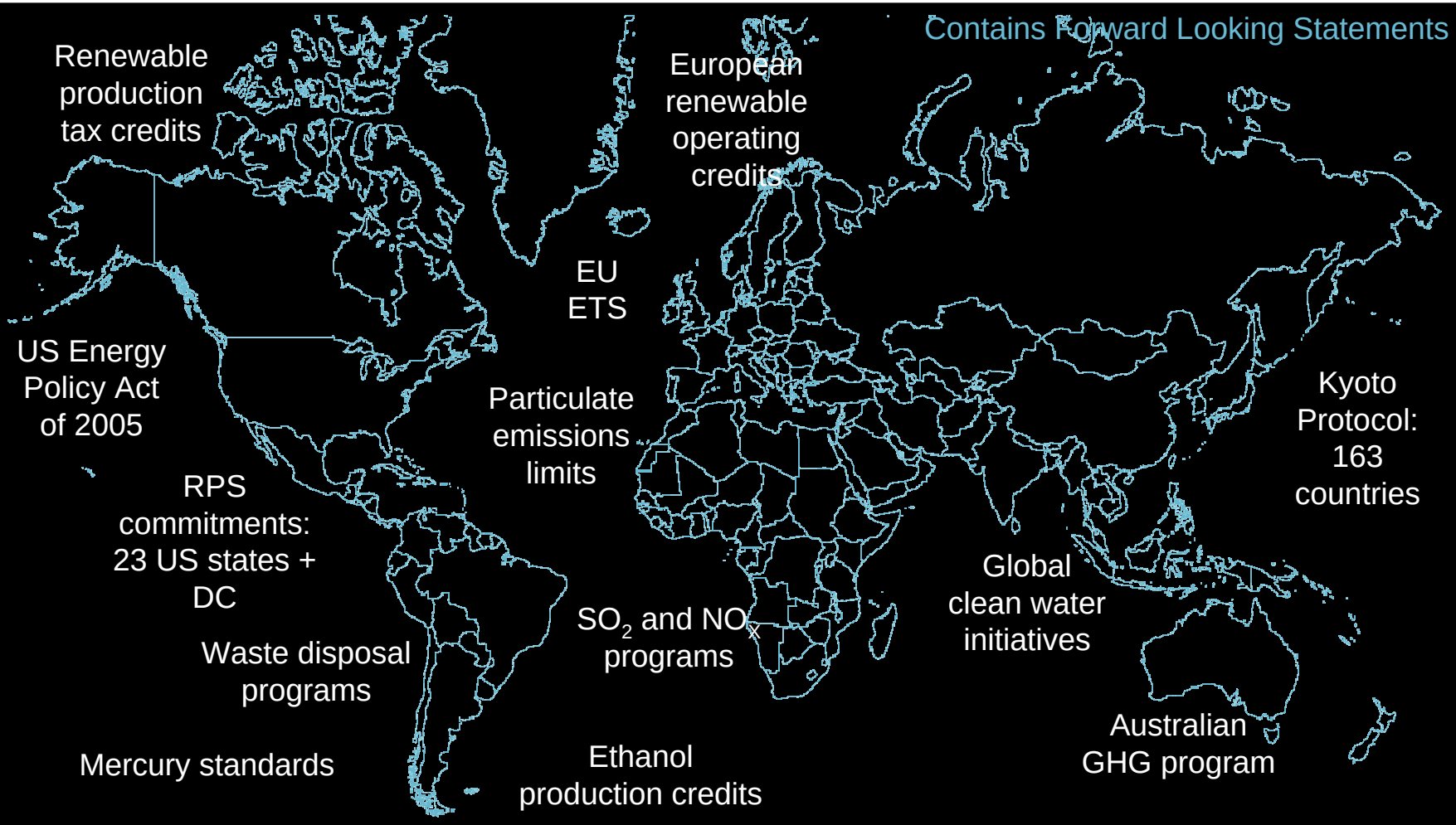
- High Risk
- Medium - High Risk
- Medium Risk
- Medium - Low Risk
- Low Risk

Oil Production Capacity - Million Barrels per Day

Rank	Country	2005	2015	Rank	Country	2005	2015
1	Saudi Arabia (1)	12.7	13.0	6	Venezuela (1)	3.0	4.5
2	Russia	9.6	11.5	7	UAE (1)	3.1	3.9
3	Iran (1)	4.3	5.7	8	Kuwait (1)	2.9	3.7
4	Iraq (1)	2.6	5.5	9	Nigeria (1)	2.9	3.6
5	Canada	3.5	5.3	10	Kazakhstan	1.2	3.1

Sources: CERA, AON, BP and EIA.
(1) OPEC member.

Changing Environmental Regulations



Create opportunities, especially in the areas of renewables and carbon offsets.

Advances in Technology

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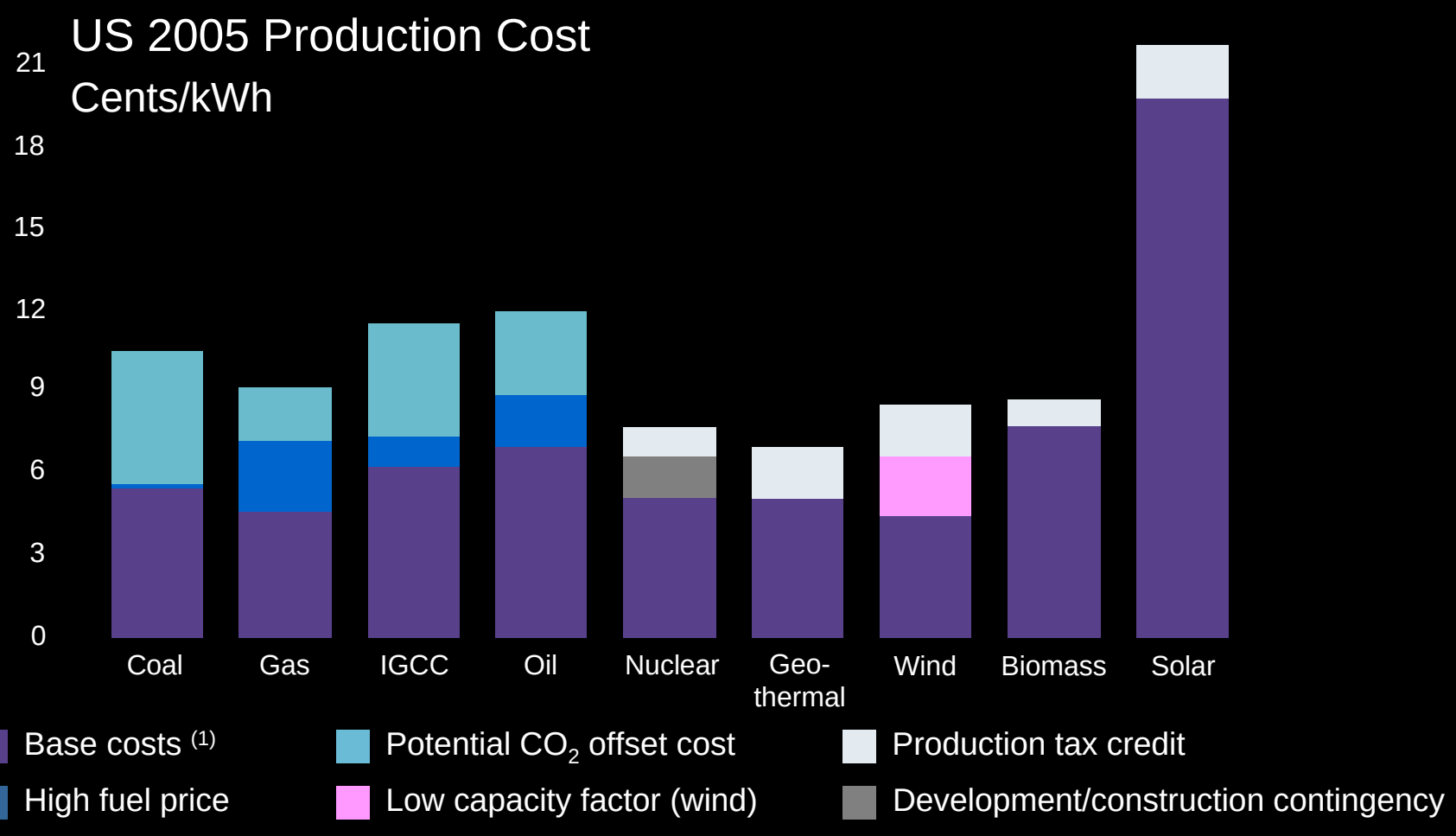

(1) Base costs include fixed and variable costs except carbon offset cost, less any production tax credit or subsidy.

Sources: CERA, EIA, AWEA.

Announced Capital Investments

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Wind

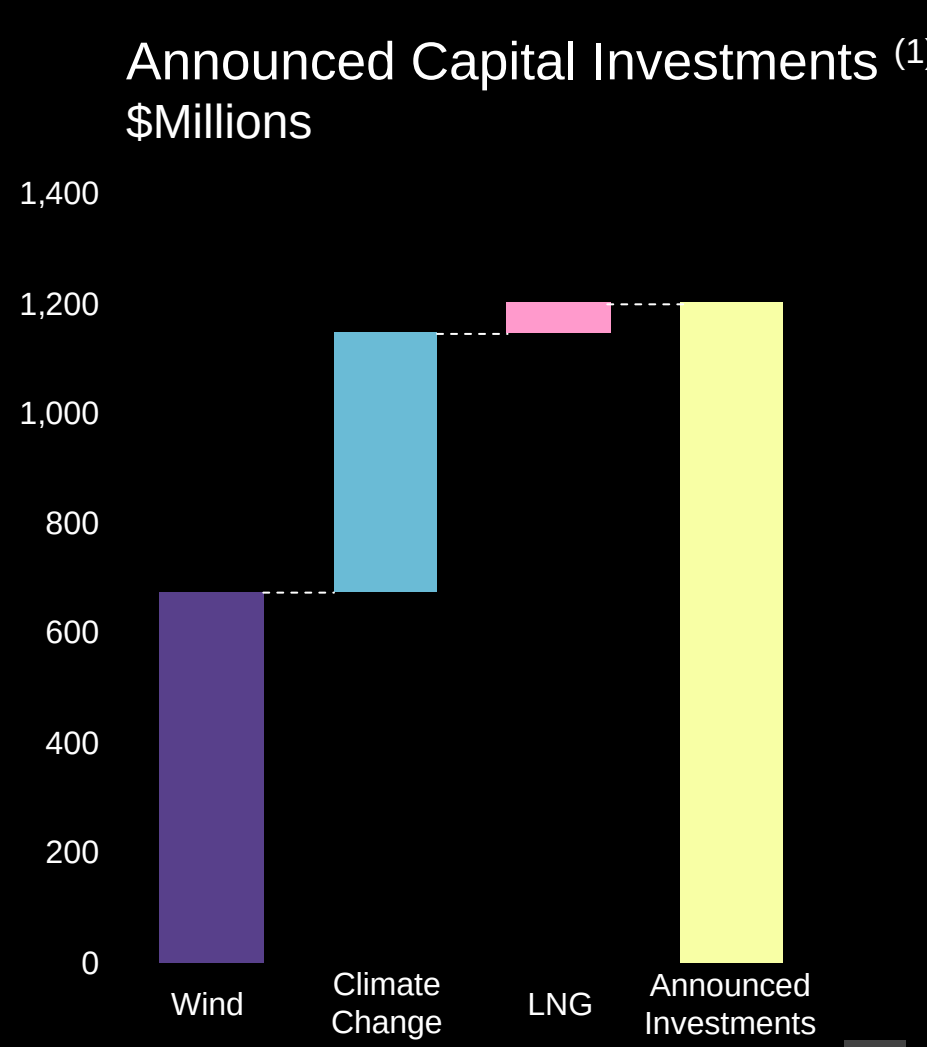
- Purchase of SeaWest, WEL, Innovent, California assets, Kavarna
- Development and construction of Buffalo Gap 1 and 2

Carbon Offsets

- 9% Equity stake in AgCert (AGC: LN)
- Up to $325 MM committed to AES AgriVerde (joint venture with AgCert)
- Forward CER purchases

LNG

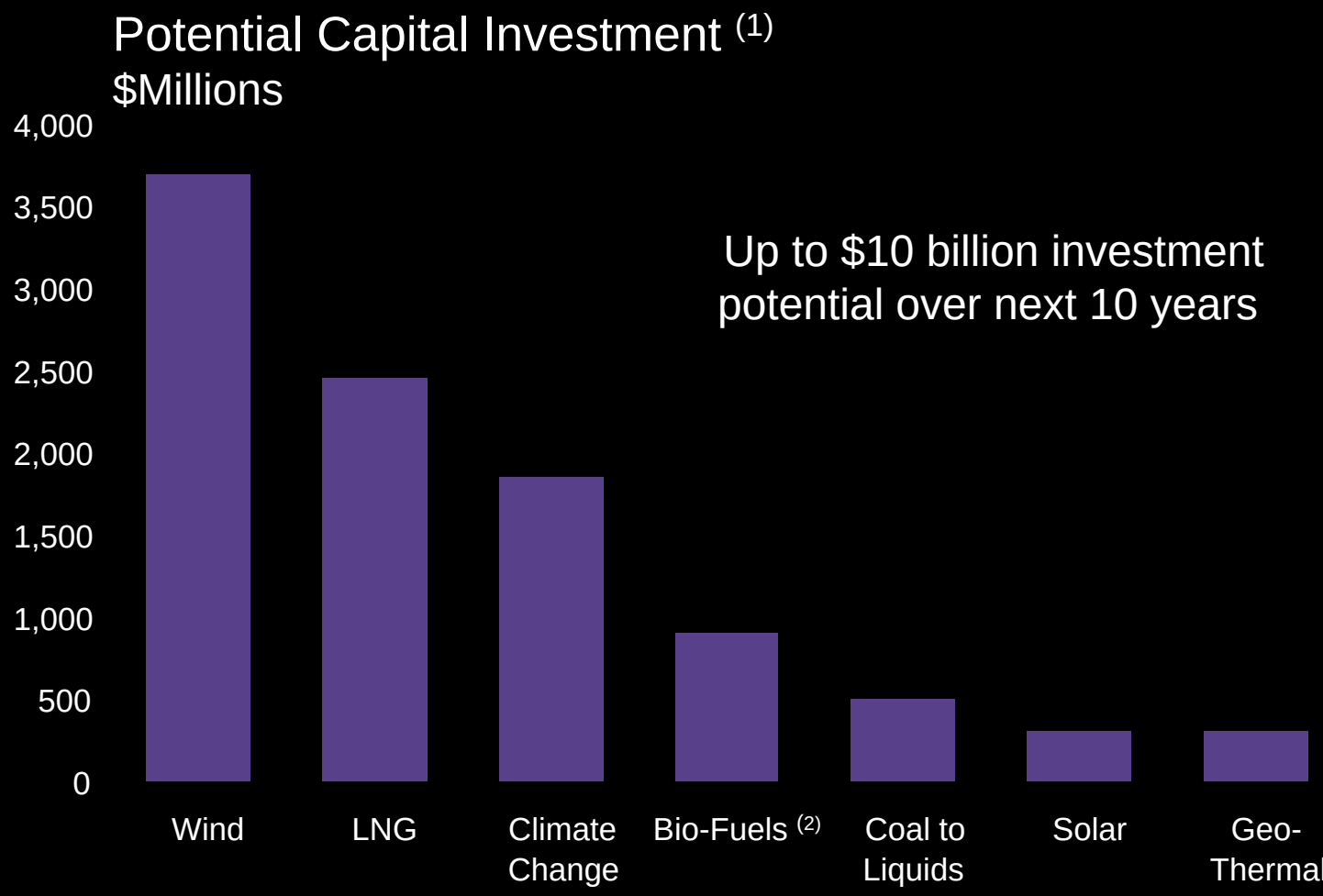
- Development costs including land acquisition



(1) Includes all sources of funds.

Significant Ten Year Development Opportunities

Contains Forward Looking Statements



(1) Includes all sources of funds, and is based on current assumptions, expectations and available knowledge.

(2) Bio-Fuels includes Ethanol, Biodiesel and Biomass.