AES CORPORATION

LNG Review

Aaron Samson
Director, LNG Projects



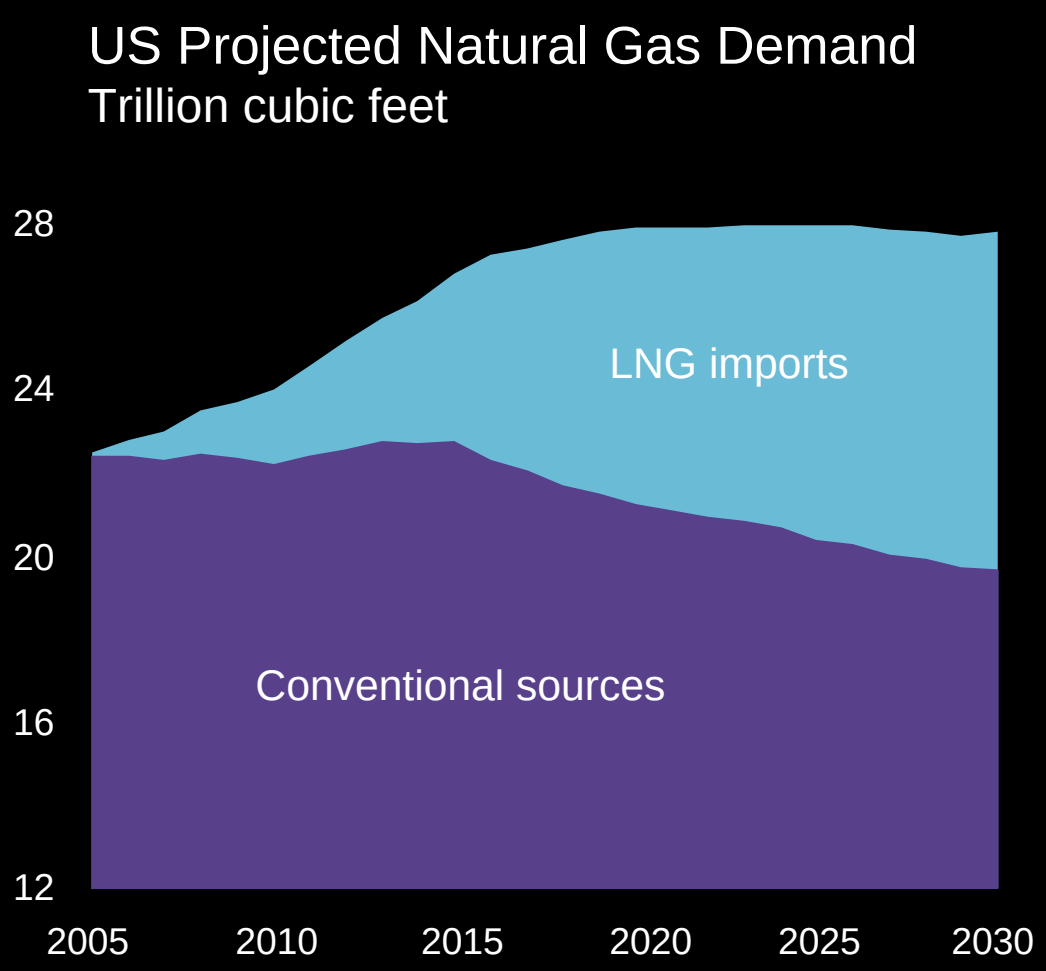
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Safe Harbor Disclosure

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 LNG Regasification Opportunity

Contains Forward Looking Statements



Source: Energy Information Administration.

Advanced Development

Ocean Cay, Bahamas
- 2010 expected COD
- 0.9 Bcf per day
- 7.0 Bcf storage

Sparrows Point, Baltimore
- 2011 expected COD
- 1.5 Bcf per day
- 10.5 Bcf storage

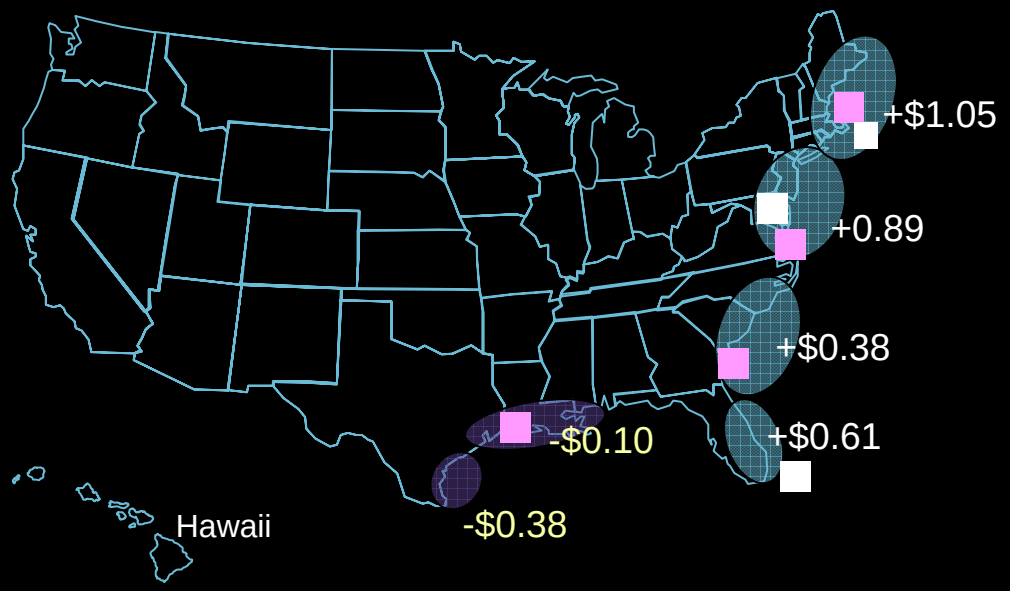
Early Development

Battery Rock, Boston
- 0.8 Bcf per day
- 6.0 Bcf storage

Market vs. Production Area LNG Terminals

Contains Forward Looking Statements

Natural Gas Basis Differentials to Henry Hub $/MMBtu (1)



AES LNG Strategy

- Site regasification terminals in market areas, not production areas
- Local basis in market areas trades at substantial premium to production areas because of avoided transport charges
- Higher valued markets will attract supply, realize high capacity factors
- Difficulty of siting in market areas is more than compensated by higher basis

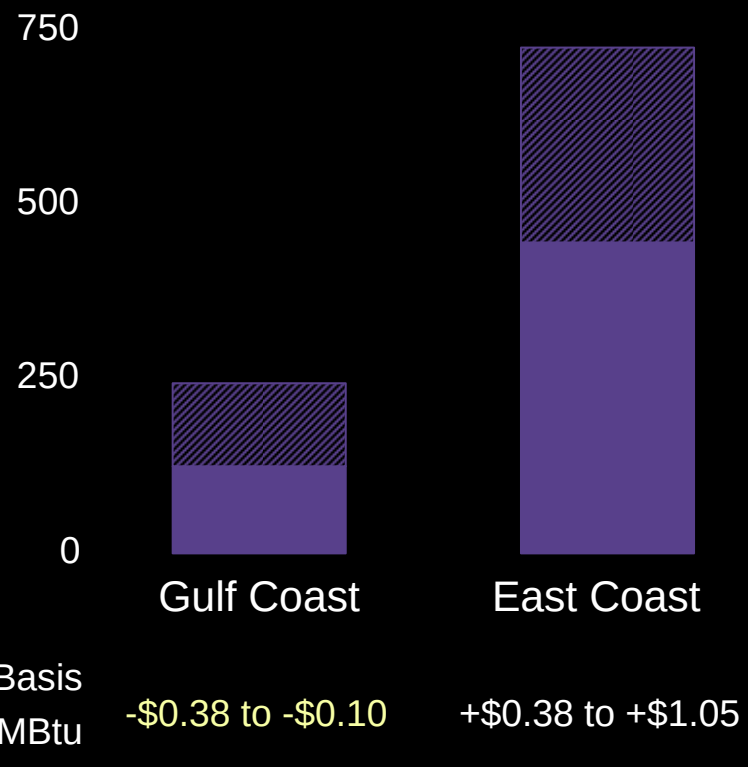
(1) Source: Platt's Historical "Gas Daily" cash basis numbers using a split year Nov '03-Oct '05; excludes West Coast markets.

East Coast LNG Economic Advantage

Contains Forward Looking Statements

Gross Margin Potential
for Operator & Supplier $MM

1 Bcf per day Terminal



Assumptions

- Sale of gas at Henry Hub ($6/MMBtu) + local basis
- Purchase of gas at 10% discount to Henry Hub
- Aggregate margin potential at market area terminals could be multiples higher than Gulf of Mexico due to basis

Sources: Platts Historical “Gas Daily” cash basis numbers using a split Nov ’03-Oct ’05; AES estimates.

AES LNG Experience

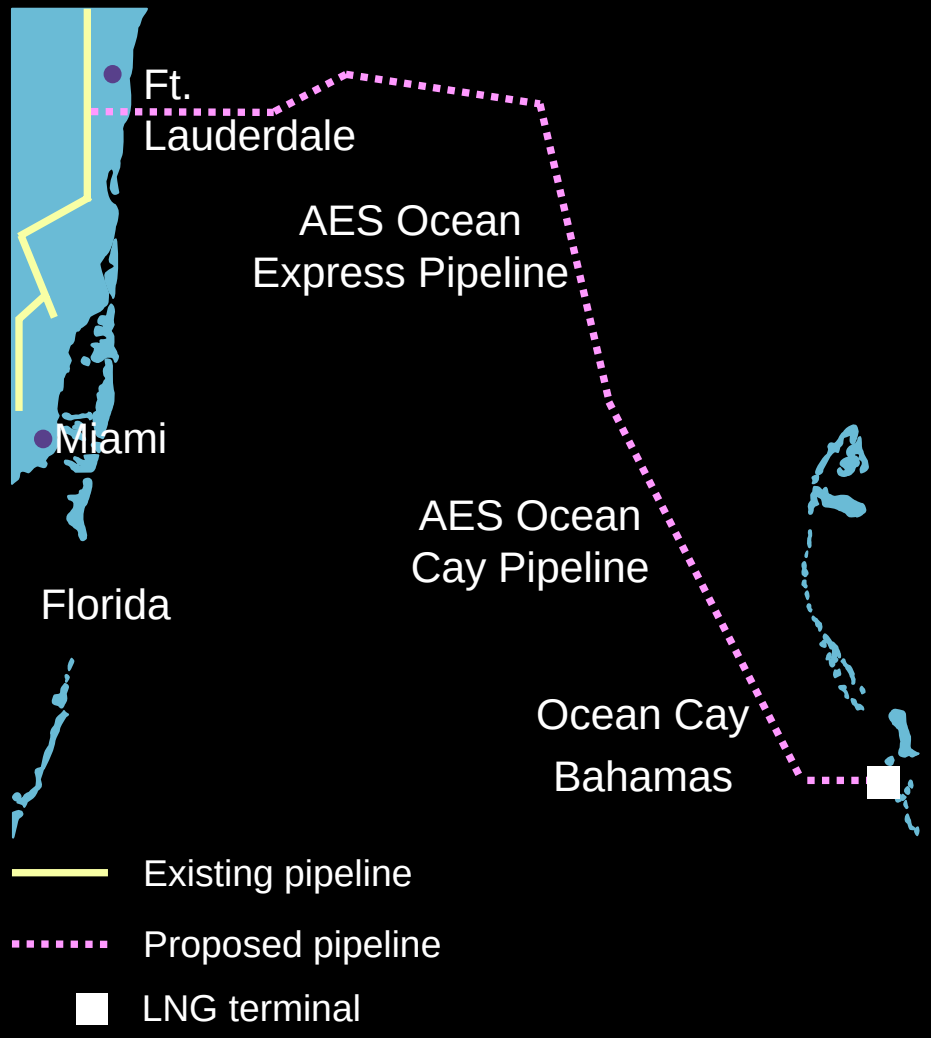


AES Andres, Dominican Republic

- Combined LNG regasification terminal and 319 MW combined cycle power plant developed by AES
- Built to US standards
- 3.5 Bcf storage
- Dedicated LNG ship berth
- 0.24 Bcf per day
- 20 year LNG supply contract with BP
- Received first cargo in February 2003

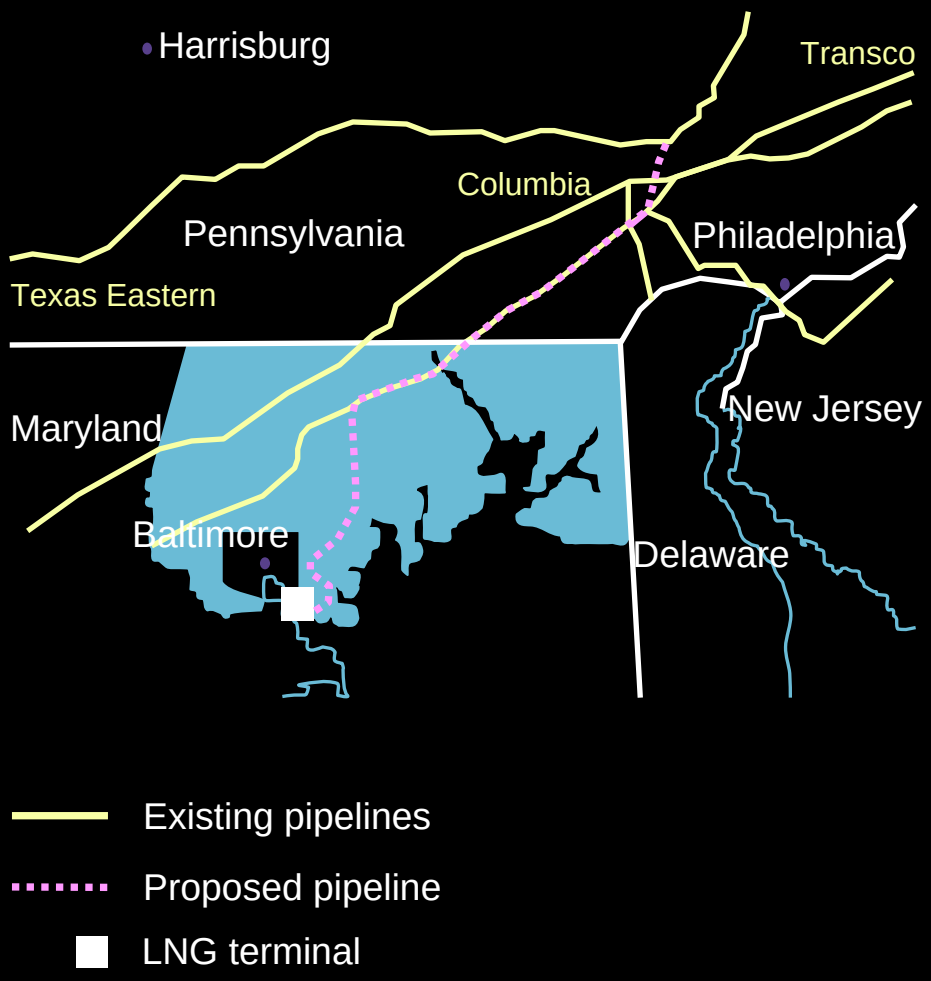
Ocean Cay, Bahamas

Contains Forward Looking Statements



- Import terminal and regasification facility located on uninhabited island in Bahamas
- Subsea pipeline to gas constrained southern Florida market
- Construction expected to begin in 2007 with COD in 2010
- Approvals for US facilities received:
  - FERC certificate
  - Florida State, county, local agreements
- Finalized Heads of Agreement with Bahamian government; execution pending draft regulations
- 65% AES ownership interest

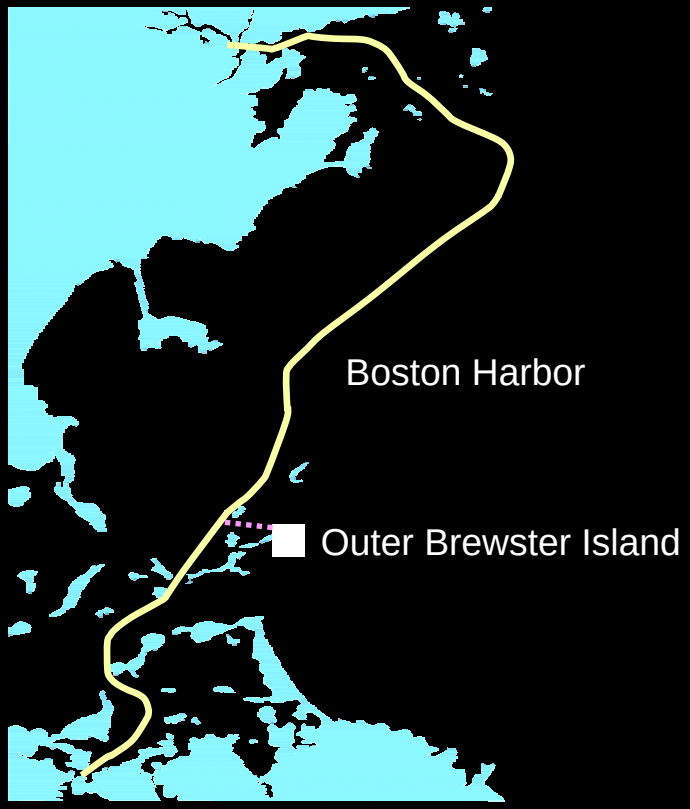
Sparrows Point, Baltimore



Contains Forward Looking Statements

- Import terminal and regasification facility on site in Baltimore county (former Bethlehem steel facility)
- 88 mile pipeline to interconnection with three interstate pipelines
  - Texas Eastern
  - Columbia
  - Transco
- Access to liquid Mid-Atlantic market, including sales into New York
- Construction expected to begin in 2008 with COD in 2011
- Prefiling stage with FERC; application expected January 2007
- 100% AES ownership interest

Battery Rock, Boston



Existing pipeline

Proposed pipeline

LNG terminal

Contains Forward Looking Statements

- Import terminal and regasification facility situated on one of the outer Boston Harbor islands
- Only 1.2 miles to existing pipeline
- Access to Northeast markets
- Site control must come via legislative approval and bid process
- Pipeline connection via third party

Characteristics of AES LNG Investments

Revenues	▪ Preferred structure: largely terminal use agreements (tolling) with excess capacity for market gas sales
Cost of Sales	▪ Nominal operating expenses
Capital Expenditures	▪ Tanks, pipeline, vaporizers, etc.
Leverage	▪ Non-recourse financing
Cash Flows	▪ Tolling provides stable, predictable cash flows ▪ Market sales provide upside