

AES Expands Global Reach into South Africa

Named Preferred Bidder for Two Peaking Power Plants by Department of Minerals and Energy

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The AES Corporation (NYSE:AES) today announced that the Department of Minerals and Energy of the Republic of South Africa (DME) has selected the AES consortium as the Preferred Bidder to build, own and operate two open cycle gas turbine peaking power plants, a 760MW plant in KwaZulu Natal Province and a 342MW plant in the Eastern Cape Province.

Electricity will be sold through a fifteen year power purchase agreement with Eskom, the South African state-owned power utility. Financial closure is expected by early December 2007, with commercial operations expected to begin by the end of 2009.

'These projects are an important element of AES's strategy to expand in areas where there is a real and growing need for new capacity, such as the Southern Africa Region,' said AES President and Chief Executive Officer Paul Hanrahan. 'These two new plants will help position AES for further projects in the region. In addition to conventional thermal power, we hope to explore opportunities in alternative energy as well.'

AES's construction of these plants in South Africa will contribute to Eskom's efforts to improve the power system's reserve margin that has fallen in recent years due to exceptionally strong economic growth in the country.

To address the need for new generation capacity, the Government has set a policy requiring that the private sector build 30 percent of the new generating power through independent power plants. This peaking power generation project represents the first of these planned investments by the private sector in addition to Eskom's plans to invest \$21 billion (R150bn) over the next five years.

AES undertakes this project in partnership with three South African Black Economic Empowerment (BEE) partners: Tiso Energy, Mbane Power and Kurisani Youth Development Trust, the investment arm of loveLife, a high-profile HIV/AIDS awareness program.

'This is a great success for AES and our BEE partners in South Africa that will help reduce the country's power supply challenges and support economic growth, while also promoting skills and knowledge transfer,' said AES President of Europe, CIS and Africa, John McLaren.

AES has been operating in Africa since 2001. AES SONEL provides power to the country of Cameroon. As an integrated utility, it both generates power and distributes it to over 528,000 customers in the country. AES SONEL expects to add approximately 750,000 new electricity connections throughout the country by 2021 by adding approximately 50,000 new electricity connections each year over the next 15 years. AES also operates 305MW of gas-fired generation in Nigeria.

In India, AES is investing around USD 1.2 billion for its power plants at Orissa and Chhattisgarh over the next three years. This will be the largest investment by any multi-national company in the Indian power sector. It is also evaluating opportunities for

partnerships with other companies for power projects in Jharkhand and Orissa.

AES currently operates and owns a minority stake in the OPGC power plant-also known as Orissa Power Generation Corporation Limited-the first and only generation privatization in India. The 420 MW coal-fired power plant provides approximately 12% of the State of Orissa's generation capacity.

Committed to helping shape India's power sector and economy, AES actively participates in the US-India CEO Forum, which seeks to bring more investment in India's infrastructure, liberalize the country's financial sector and encourage more bilateral trade.

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AES is one of the world's largest global power companies, with 2006 revenues of \$11.6 billion. With operations in 28 countries on five continents, AES's generation and distribution facilities have the capacity to serve 100 million people worldwide. Our 13 utilities amass annual sales of over 73,000 GWh and our 121 generation facilities have the capacity to generate approximately 40,000 megawatts. Our global workforce of 32,000 people is committed to operational excellence and meeting the world's growing power needs. To learn more about AES, please visit www.aes.com or contact AES media relations at media@aes.com.

Safe Harbor Disclosure

This news release contains forward-looking statements within the meaning of the Securities Act of 1933 and of the Securities Exchange Act of 1934. 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 levels of operating performance and electricity volume at our distribution companies and operational.

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