AES Corporation

September 4, 2008

Victoria Harker, Executive VP and Chief Financial Officer

Lehman Brothers CEO Energy/Power Conference

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 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 Annual Report on Form 10-K for the year ended December 31, 2007, 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 Overview

AES the power of being global

Contains Forward Looking Statements

Unique Electric Power Company	• A mix of core power, renewables and climate solution businesses • Operations in 29 countries with workforce of over 28,000 • Holding company structure with broad capabilities – e.g., fuel/ technology, development and construction/operational management
Proven Operating Model with Strong Fundamentals	• 25 years of development, construction and operations experience • Focused on operating excellence • Active approach towards portfolio management • Continued improvement in financial metrics with strong and growing free cash flow
Well Positioned to Leverage Market Opportunities	• Global demand for electricity continues to grow • Favorable renewable energy policies • Environmental regulations create market for greenhouse gas offsets • Strong development pipeline, market knowledge and relationships with lenders, EPC contractors and offtakers

Diverse Growth Drivers to Yield 14-17%[1] Annual EPS Growth	• Organic growth
	• Greenfield development and focused M&A
	  ◆ Core Power
	  ◆ Renewables
	  ◆ Climate Solutions

[1] Compound Annual Growth Rate (CAGR) from 2007 through 2012

AES is Among the Largest Global Power Companies

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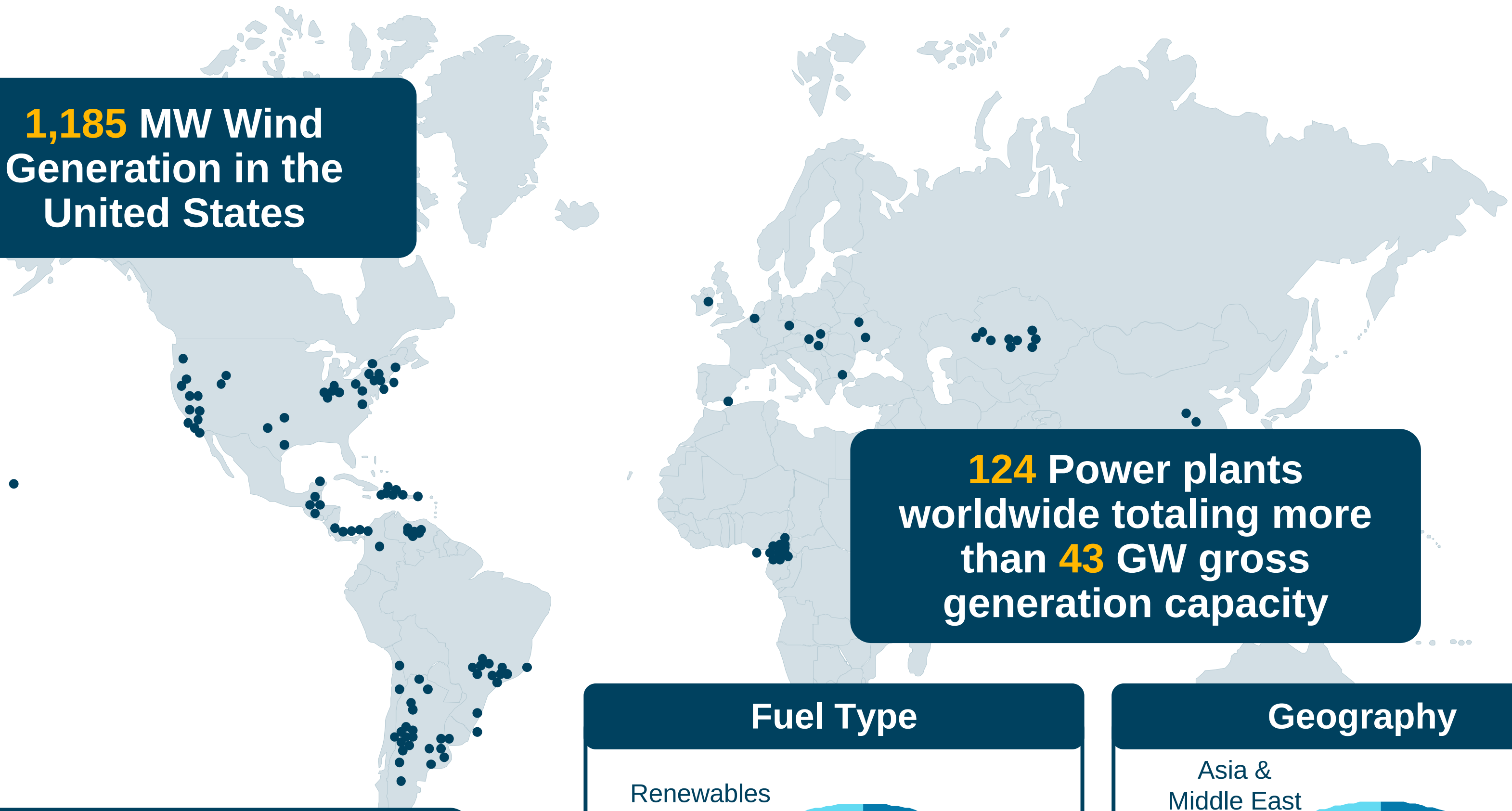
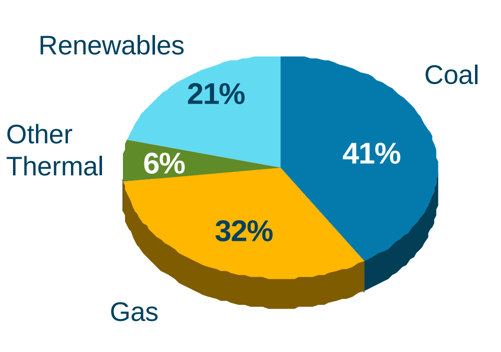


1,185 MW Wind Generation in the United States

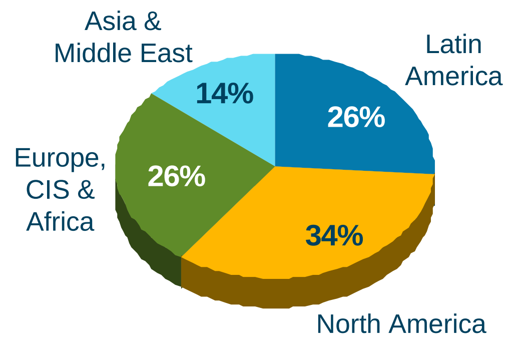
124 Power plants worldwide totaling more than 43 GW gross generation capacity

15 Utilities worldwide, serving 11 million customers, with sales of more than 78,000 GWh

Fuel Type



Geography



Track Record of Growth in Key Financial Metrics

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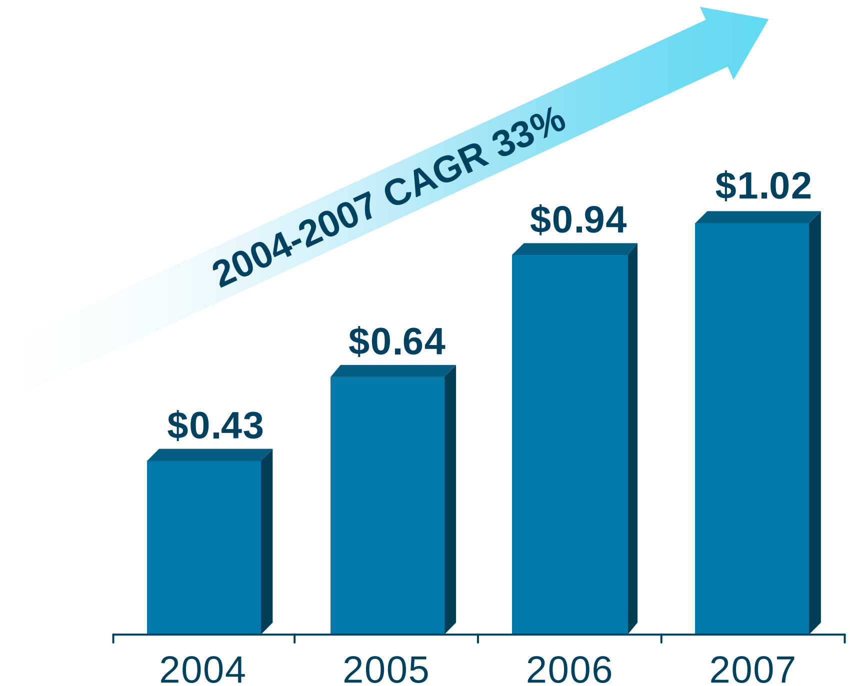
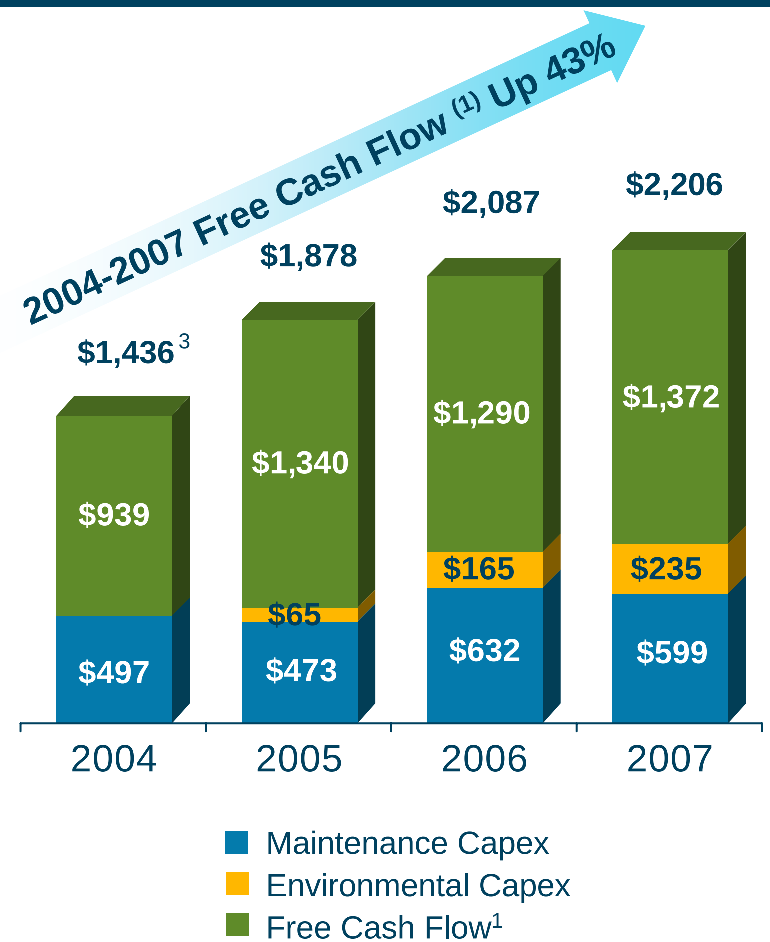
Adjusted Earnings Per Share[1]



Operating Cash Flow ($ in Millions)[2]



[1] A non-GAAP financial measure
[2] Excludes EDC, a business sold in May 2007, see appendix for reconciliation
[3] Unaudited

Our Strategy is Aligned With Key Market Trends

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Market Conditions

Global demand for new generation capacity continues to grow

- Higher GDP growth, increasing per capita consumption, lack of infrastructure investments in recent years and aging capacity
- Nuclear renaissance delayed

Resource Scarcity

- Higher fuel prices
- Concerns about energy security

Environmental Regulations

- Stricter regulations are driving need for renewable power
- Kyoto protocol and EU's emission trading schemes

AES Strengths

- More than 16 years international development, construction and operation experience
- Presence in 29 countries
- 28,000 people around the world
- Proven management team
- Strong development pipeline

AES Focus

Core Power

- Gas
- Coal
- Other fossil fuel generation

Renewables

- Wind
- Solar
- Hydro

Climate Solutions

- Greenhouse Gas Offsets

2,500 GW[1] of Additional Global Power Needed by 2020

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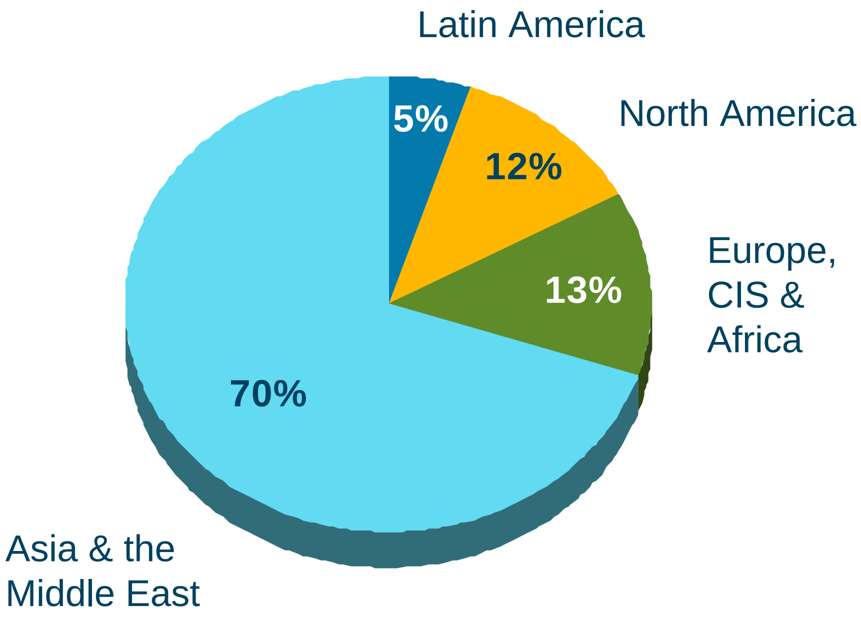
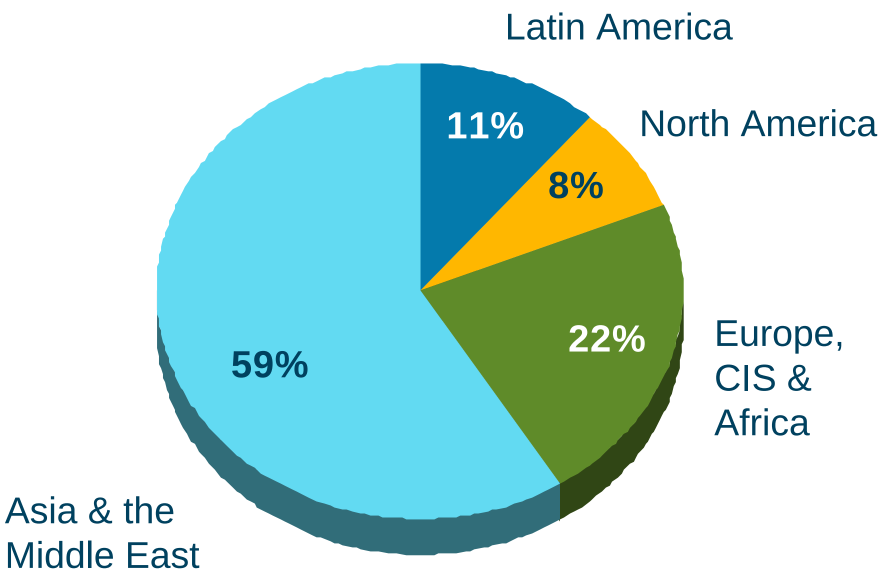
Greenfield Gross Capacity Investment Needs by 2020
2,500 GW



AES's Global Core Power Pipeline As of May 2008
29 GW



[1] Cambridge Energy Research Associates (CERA), May 2008

Progress Continues in Projects Under Construction

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- Currently 3,000 MW under construction in 8 countries
- Since December 2007, began construction on 4 power projects in 3 countries totaling 954 MW [1] (100% platform expansion); Commenced simple cycle operations for the 370 MW Amman East facility in Jordan

	Core Power										Renewables		
	Chile	Jordan	Chile	Bulgaria	Chile	Chile	Chile	Chile	UK	Cameroon	China	Turkey	Panama
Project	Santa Lidia[2]	Amman East	Guacolda 3	Maritza East	Nueva Ventanas	Guacolda 4	Angamos	Campiche	Kilroot OCGT	Dibamba	Huanghua JV	I.C. Energy JV	Changuinola I
Type	Diesel	Gas	Coal	Coal	Coal	Coal	Coal	Coal	Gas	Diesel	Wind	Hydro	Hydro
Gross MW	130 MW	370 MW	152 MW	670 MW	267 MW	152 MW	518 MW	270 MW	80 MW	86 MW	49 MW	62 MW	223 MW
Expected COD	2H 2008	1H 2009	2H 2009	Unit 1: 1H 2010 Unit 2: 2H 2010	1H 2010	2H 2010	Unit 1: 1H 2011 Unit 2: 2H 2011	1H 2011	1H 2009	2009	2009	2H 2010	1H 2011
Long Term Offtake Contract	✓	✓	✓	✓	✓	✓	✓	✓			✓		✓
Platform Expansion	✓		✓		✓	✓	✓	✓	✓	✓			✓

[1] Chile: 788 MW (Angamos and Campiche), UK: 80 MW (Kilroot OCGT) and Cameroon: 86 MW (Dibamba)
[2] Peaking facility with fixed capacity payments



We Are Aggressively Executing Our 29,000 MW Core Power Development Pipeline – Examples

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Countries	Capacity	Fuel Type	Platform Expansion	Letter of Intent Signed/ Awarded	Land Rights for the Power Plant Secured	Environmental Permits		Water Rights Secured/ Available	Fuel Supply Secured Tolling/ Pass Through	Engineering and Construction Contract	Power Purchase Agreement/ Not Required	Financial Close	Commercial Operation Date
						Applied	Secured						
Chile	530 MW	Hydro	✓	NA	✓	✓		✓	NA			Q2 2009	Q3 2013
El Salvador	267 MW	Coal	✓	NA	✓	✓		✓	✓	✓	✓	Q4 2008	Q4 2011
North America	600 MW	Coal		✓	✓			✓	✓			Q2 2009	Q2 2013
Trinidad	720 MW	Gas		✓	✓	✓		✓	✓			Q4 2008	Q4 2010
Cameroon	150-215 MW	Gas	✓	✓		✓		✓				Q4 2008	Q2 2010
Hungary	330 MW	Coal	✓	✓	✓	✓	✓	✓				Q2 2009	Q4 2012
Northern Ireland	430 MW	Gas	✓	NA	✓	✓		✓			✓	Q2 2009	Q4 2012
India	1,200 MW	Coal				✓		✓	✓			Q2 2010	Q4 2013
India	1,200 MW	Coal	✓	✓	✓	✓		✓	✓			Q4 2009	Q2 2013
Vietnam	1,200 MW	Coal		✓		✓	✓	✓				Q4 2009	Q2 2013

- Development lead time ranges between three and five years with most key agreements executed within six months prior to the financial close. Construction period is typically between two and four years
- Critical milestones including project award/LOI, siting and permitting requires significant development duration

Note: The table set forth above includes examples of some of the more advanced greenfield projects in our pipeline. Other projects not currently on the table, whether developed through acquisitions or otherwise, may be brought online before these projects. In addition, some of these examples may not close as anticipated due to uncertainty inherent in the development process.

We Are Well-Positioned to Achieve Our Core Power Growth Targets

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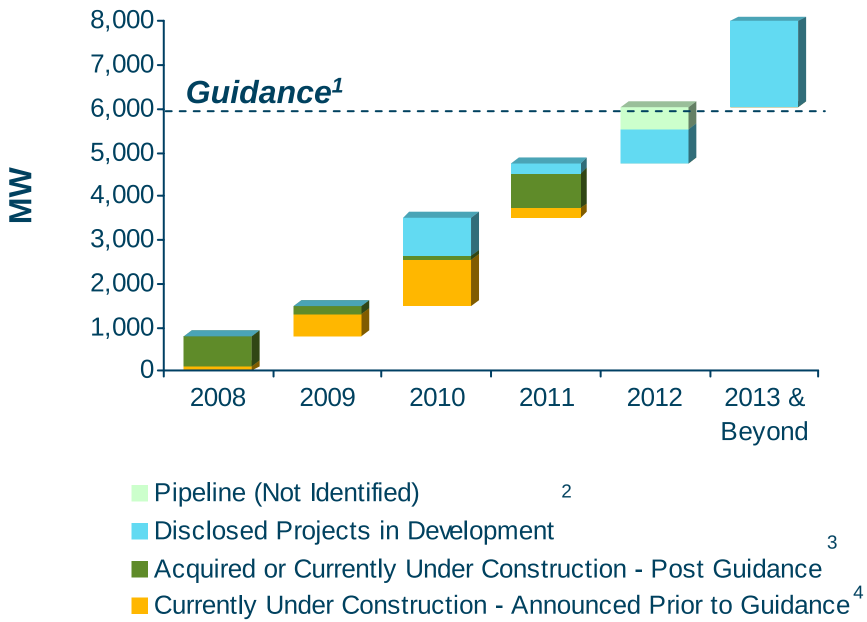
Expected New Capacity Additions in MW by Year 2012



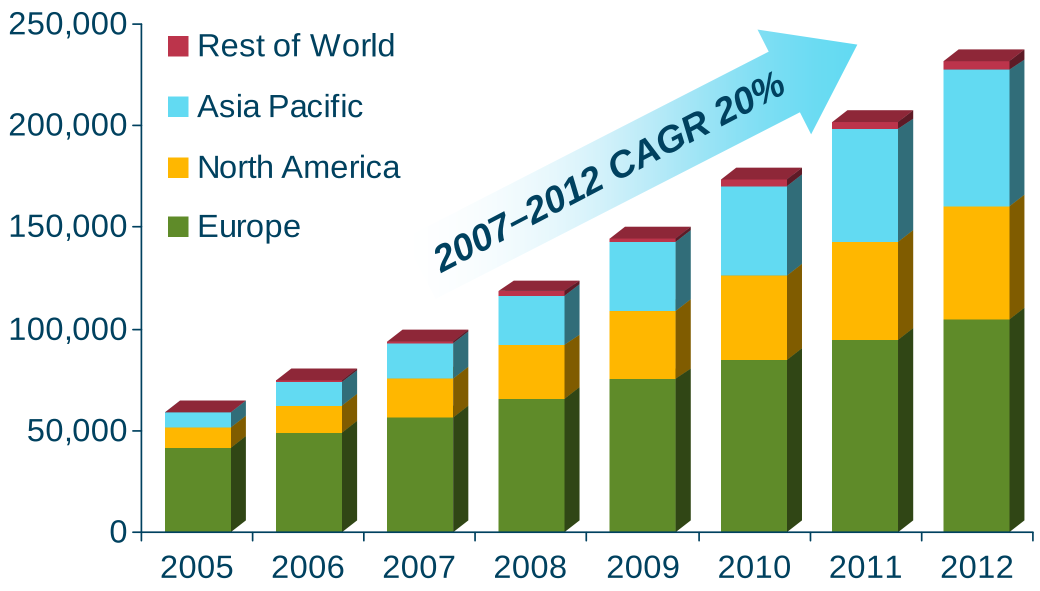
- Core Power Already in Construction prior to Guidance
  - 1,964 MW[4] under construction at the time of long term guidance
- Incremental Capacity Embedded in Core Power Growth Guidance[5]
  - 4,100 MW additional capacity in operation by 2012
- Progress Towards Guidance Goals[3]
  - 1,676 MW already announced
    - Acquisition of 660 MW Masinloc Project in the Philippines
    - 1,016 MW projects under construction announced post long term guidance
- Approximately 29,000 MW pipeline supports our growth targets

[1] Includes 4,100 MW of incremental capacity embedded in core power growth guidance, plus 1,964 MW under construction at the time of long term guidance
[2] In development projects expected to come on line through 2012 and disclosed on the previous slide
[3] Projects announced post long term guidance. Includes acquisition of 660 MW Masinloc coal plant in the Philippines, as well as projects under construction, including 520 MW Angamos coal plant in Chile, 267 MW Campiche coal plant in Chile, 62 MW hydro plants in Turkey, 80 MW Kilroot OCGT in Northern Ireland and 86 MW Dibamba project in Cameroon
[4] Includes 130 MW Santa Lidia diesel plant in Chile, 152 MW Guacolda 3 coal plant in Chile, 370 MW Amman East gas plant in Jordan, 670 MW Maritza East coal plant in Bulgaria, 152 MW Guacolda 4 coal plant in Chile, 267 MW Nueva Ventanas coal plant in Chile and 223 MW Changuinola I hydro plant in Chile
[5] Guidance updated in March 2008

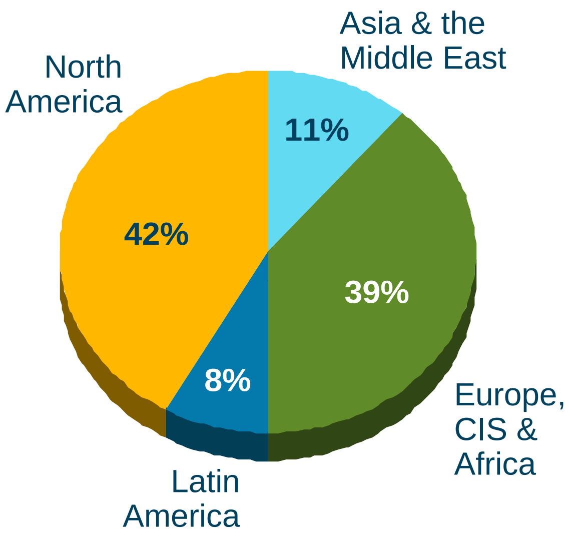
We Are Also Successfully Growing Our Global Wind Pipeline

Contains Forward Looking Statements

Global Wind Potential Installed Capacity (MW)[1]



AES's Global Wind Pipeline (6,000 MW)



- Long term energy demand and regulatory support continue to favor wind build out
- North America, Europe, Brazil and China continue to be the main growth markets, due to favorable tariff regimes

[1] Source: Emerging Energy Research forecast as of April 2008

Significant Milestones Already Achieved to Deliver Wind Growth – Examples

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Countries	Capacity MW	Wind Data	Site Control	Environmental Permitting		Turbine Delivery Secured	Interconnection		Long-Term PPA/Tariff	Construction Start	Commercial Operation Date
				Applied	Secured		Advanced	Signed			
USA – CA	80 MW	✓	✓	✓		✓	✓	✓	✓	1Q 2010	4Q 2010
USA – CA	49 MW	✓	✓	✓			✓		✓	1Q 2010	1Q 2011
USA – PJM	100 MW	✓	✓	✓	✓	✓	✓		✓	4Q 2008	4Q 2009
USA – PJM	125 MW	✓	✓	✓		✓	✓			4Q 2009	4Q 2010
USA – PJM	125 MW	✓	✓				✓			4Q 2009	4Q 2010
USA – PJM	50 MW	✓	✓				✓			3Q 2010	3Q 2011
USA – TX	130 MW	✓	✓	✓			✓			1Q 2011	1Q 2012
Bulgaria	156 MW	✓	✓	✓	✓	✓	✓			4Q 2008	4Q 2009
France	34 MW	✓	✓	✓	✓	✓	✓	✓	✓	3Q 2008	3Q 2009
France	68 MW	✓	✓	✓	✓	✓	✓	✓	✓	4Q 2008	4Q 2009
Scotland	22 MW	✓	✓	✓		✓	✓	✓		4Q 2008	4Q 2009
Scotland	108 MW	✓	✓	✓			✓	✓		4Q 2010	4Q 2011
Scotland	48 MW	✓	✓				✓	✓		4Q 2010	4Q 2011
China	49 MW	✓	✓	✓	✓	✓	✓		✓	2Q 2008	2Q 2009
China	49 MW	✓	✓	✓	✓	✓	✓		✓	3Q 2008	4Q 2009
China	49 MW	✓	✓	✓	✓	✓	✓		✓	4Q 2008	3Q 2009
China	49 MW	✓	✓	✓	✓	✓	✓		✓	4Q 2008	3Q 2009

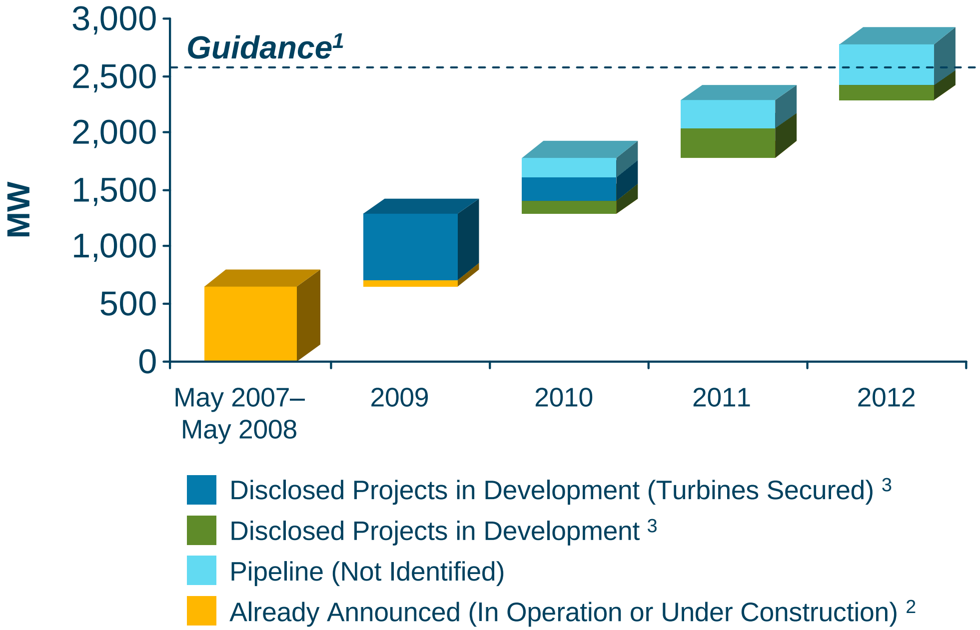
- Development lead time ranges between three and five years. Construction period is typically twelve months

Note: The table set forth above includes examples of some of the more advanced greenfield projects in our pipeline. Other projects not currently on the table, whether developed through acquisitions or otherwise, may be brought online before these projects. In addition, some of these examples may not close as anticipated due to uncertainty inherent in the development process.

We Are Also Well Positioned to Achieve Our Wind Power Targets

Contains Forward Looking Statements

Expected New Capacity Additions in MW by Year 2012



Wind Power Growth Guidance[1]

- 2,600 MW additional capacity in operation by 2012

Progress

- 700 MW[2] already in operation or under construction
- Over 6,000 MW pipeline supporting our goal to add 500 MW annually

[1] Guidance updated in March 2008

[2] Projects announced or completed since our guidance and includes Buffalo Gap II (233 MW), Buffalo Gap III (170 MW), GE Acquisition (186 MW), Mountain View I & II (67 MW) and Huanghua JV (50 MW)

[3] Projects in development expected to come on line by 2012 and disclosed on the previous slide.

Solar Offers Significant Growth Opportunities

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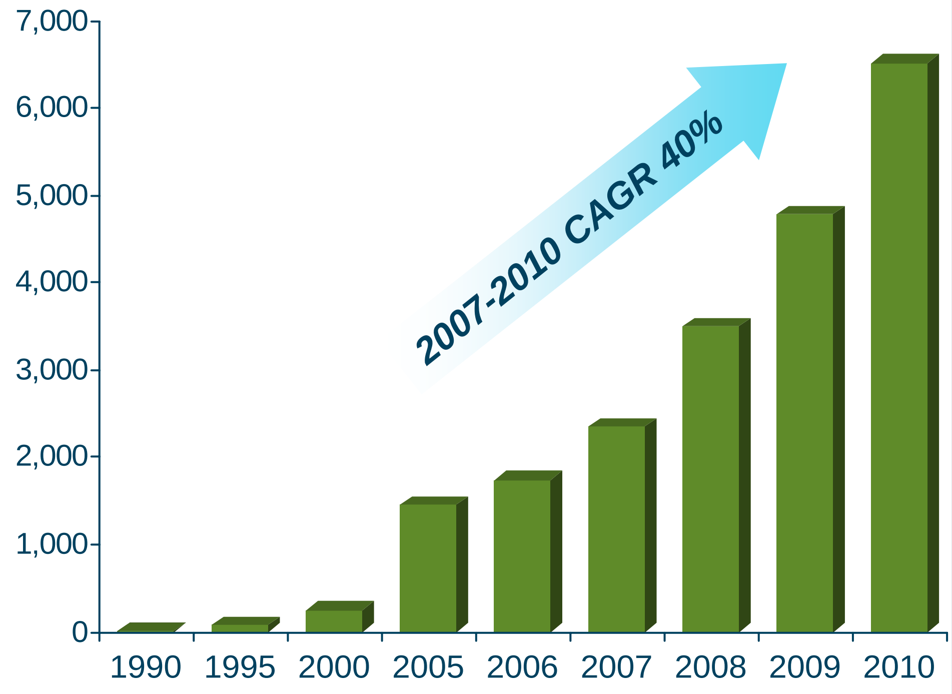
Market Drivers

- Significant increase in fossil fuel prices
- Government incentives
- Steadily dropping cost of solar energy from more efficient photovoltaic (PV) cells and related manufacturing technology

AES

- Long-term contract market is a good fit with AES's core contract generation business model
- Focusing on Spain, Italy and Greece; currently 24 MW under construction in Spain with very favorable tariffs in place
- Formed joint venture with Riverstone in March 2008

Projected Global Solar PV Installed Capacity (MW)[1]



[1] Pacific Growth Equities Research, January 2008

Carbon Regulations Are Expected to Create a Need for Carbon Reductions/Offsets

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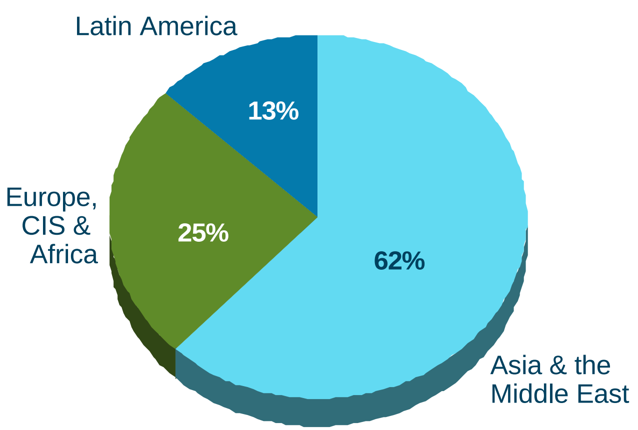
Kyoto Protocol: Phase II Potential Market Size of 1,500–3,000 Million Tonnes of Offsets per Year

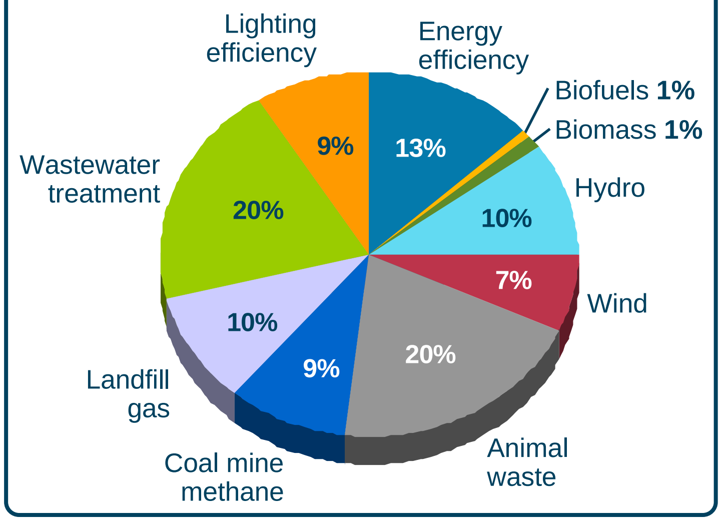
AES Climate Solutions Pipeline by Region

19 million tonnes



AES Climate Solutions Pipeline by Sector

19 million tonnes



- Current pipeline includes projects representing more than 19 million tonnes per year
- Already achieved 1.8 million tonnes per year capacity[1]
- Near-term goal is to bring 6 million tonnes per year capacity into production by December 2009

[1] Annualized production over project life

High Quality Development Pipeline Positions AES to Help Meet Market Demand Through 2012

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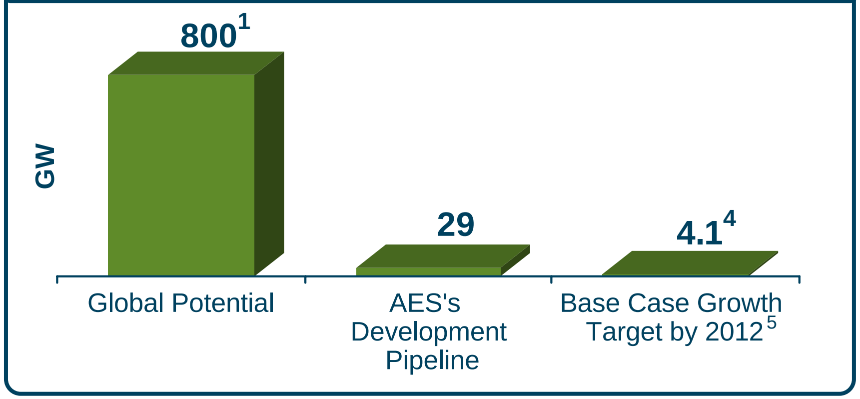
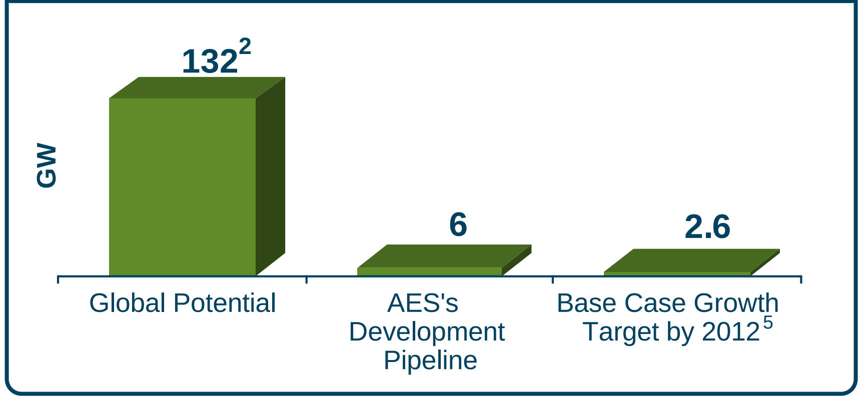
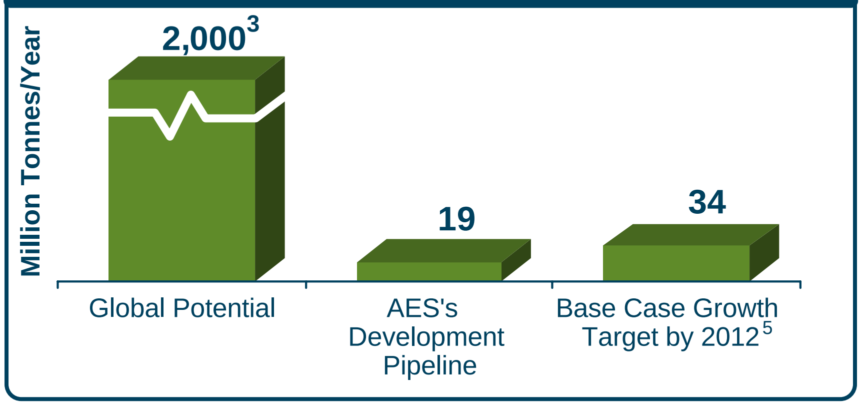
Core Power



Wind Power



Climate Solutions (GHG)



1 CERA and IEA forecasts (2006)

2 Emerging Energy Research (March 2008)

3 World Bank (2007)

4 Target is to close 6,500 MW, primarily greenfield projects, 4,100 of which are expected in operation by December 2012, and remaining 2,400 projects will still be under construction by 2012.

5 Guidance updated in March 2008

Focused Acquisition Strategy

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Masinloc – the Philippines
660 MW Coal-Fired Plant

- $930 million acquisition closed in April 2008
  - Closed on ~$650 million non-recourse financing
- One of the lowest cost thermal plants in the system
- Excellent entry point into the robust and growing Philippines market
- Opportunity for performance improvements
  - Lower availability during last three years vs. similar plants in AES portfolio
- Expansion options
  - Existing infrastructure supports expansion potential of up to 600 MW

TEG and TEP – Mexico
460 MW Pet Coke-Fired Plants

- $611 million acquisition closed in February 2007
  - Refinanced $454 million (upsized from $421 million) in Q4 2007 non-recourse financing with term exceeding 15 years
  - Raised non-recourse financing with the longest tenor in the history of Mexican power sector
- Opportunity for performance improvement
  - Last three years availability ~77% vs. AES CFB fleet average of 92%
  - AES pioneered the CFB technology in the USA – 5 power plants totaling 1,400 MW in operation in the USA


Portfolio Management is Also a Good Source of Capital to Grow Our Business

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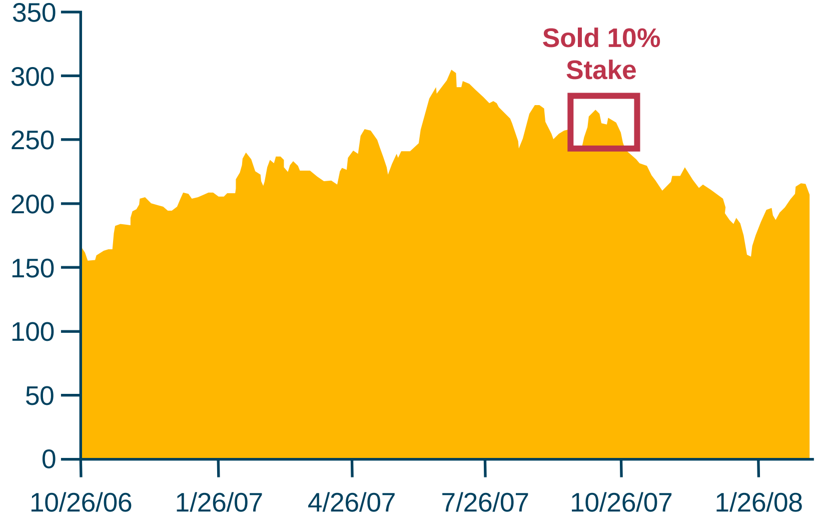
Continuous Assessment of Asset Hold Versus Market Value, Risk Profiles, and Strategic Fit Drive Capital Market Transactions

Examples

Gener, Chile

- Sold 10% stake in Gener (Chile) for approximately $300 million net proceeds to AES Corp (Oct 2007)
- Recorded net gain of $124 million
- AES still maintains 80% interest with a market cap of more than $2 billion

Gener Stock Price (CLP/Share)



Kazakhstan

- Sold northern Kazakhstan assets for up to $1.48 billion
  - Already received approximately $1.1 billion
  - Up to $381 million over next 3 years
- AES will maintain its existing business in eastern Kazakhstan
  - Owns 1,655 MW coal-fired capacity and additional 1,000 MW hydro capacity under long-term concessions

Earnings Growth Driven by Diversified Factors

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As a Result, We Target 14–17% Growth in EPS Over the Next Five Years (CAGR), Tied To Pipeline Projects in Each Segment

[1] A non-GAAP financial measure. See Appendix.

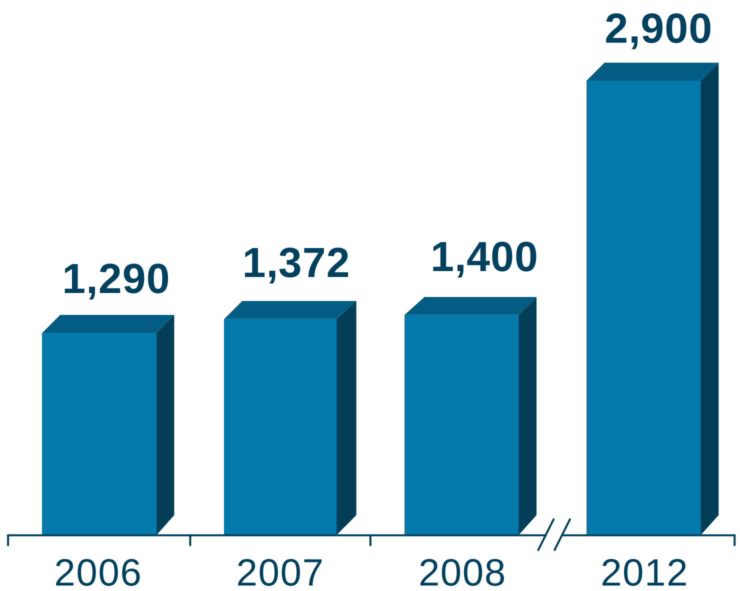
[2] For 2012, Diluted EPS from Continuing Operations and Adjusted EPS for the purposes of this slide are assumed to be the same and reflect the Base Case for our March 2008 Guidance

[3] Projects under construction at the time of long term guidance include 670 MW in Bulgaria (Maritza East), 701 MW in Chile (Guacolda 3 & 4, Nueva Ventanas, and Santa Lidia), 370 MW in Jordan (Amman East) and 223 MW in Panama (Changuinola I).

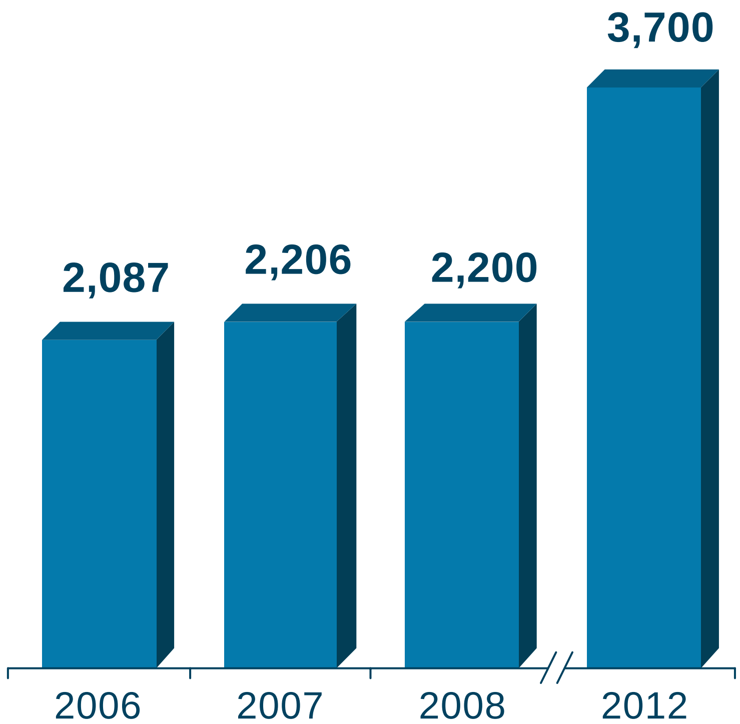
Forecast Shows Strong Cash Flow Growth

Contains Forward Looking Statements

Free Cash Flow[1,2] ($ in Millions)



Net Cash from Operating Activities[2] ($ in Millions)



[1] A non-GAAP financial measure. See Appendix.

[2] Excludes EDC, a business sold in May 2007, see appendix for reconciliation. 2012 projections reflect the Base Case for our March 2008 Guidance

Strategy to Increase Shareholder Value

- Unique position
  - Growing free cash flow
  - Proven development, construction and operation capabilities
  - Global growth potential with:
    - Organic growth of existing portfolio through performance improvements and increased demand
    - Platform expansion opportunities and presence in 29 countries
    - Strong pipeline of development projects in core power, renewables and climate solutions
- Focused approach to growth:
  - Investing in high growth markets
  - Pursuing emerging opportunities (wind, solar, climate solutions)

Goal to Deliver 14–17% EPS Growth (CAGR) Through 2012

The World Needs Power…

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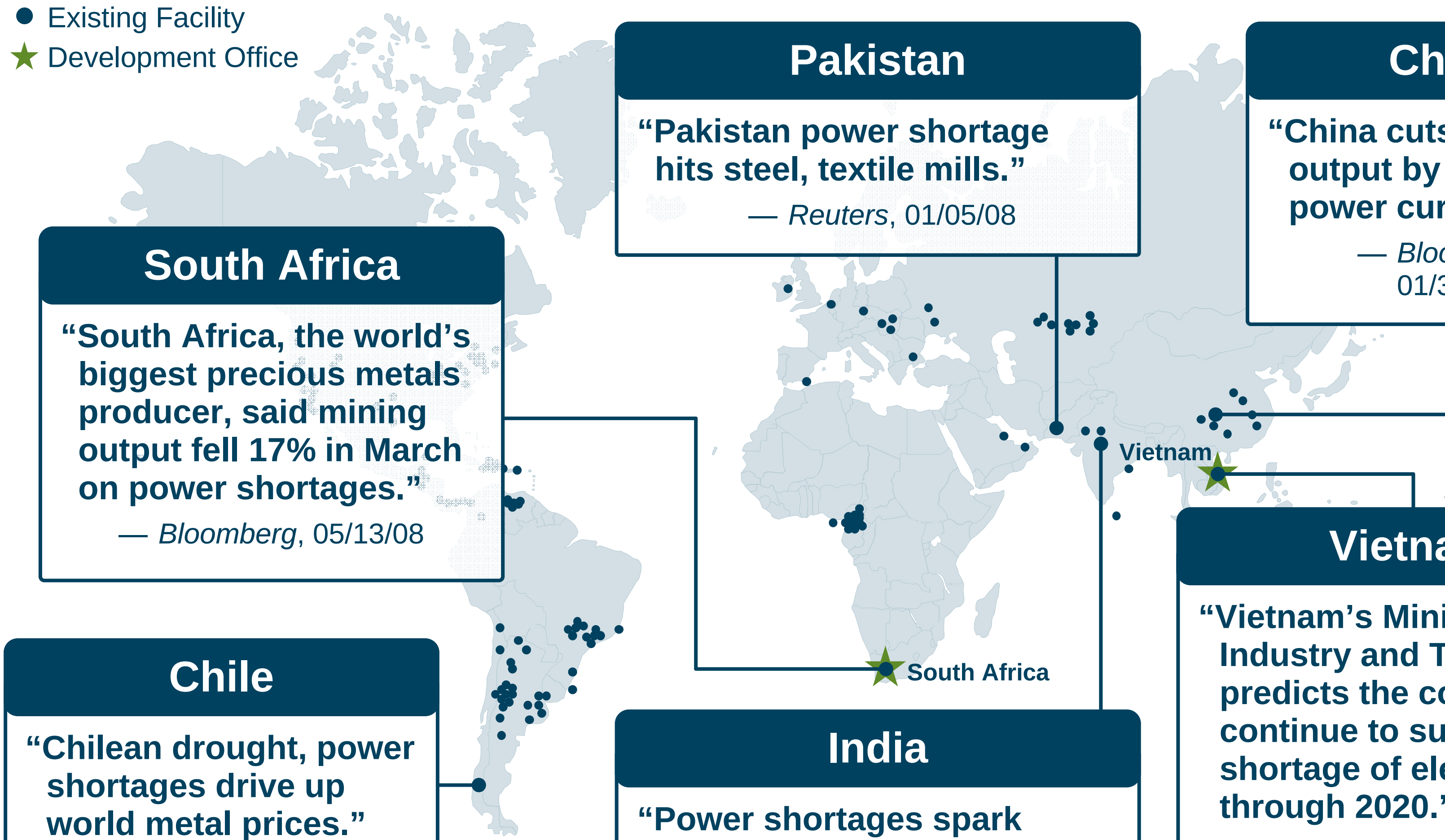

Pakistan

"Pakistan power shortage hits steel, textile mills."

— *Reuters*, 01/05/08

China

"China cuts aluminum output by 6% on power curbs."

— *Bloomberg*, 01/31/08

South Africa

"South Africa, the world's biggest precious metals producer, said mining output fell 17% in March on power shortages."

— *Bloomberg*, 05/13/08

Chile

"Chilean drought, power shortages drive up world metal prices."

— *The Washington Post*, 5/11/08

India

"Power shortages spark outrage in northern India."

— *AP*, 05/07/08

Vietnam

"Vietnam's Ministry of Industry and Trade predicts the country will continue to suffer from a shortage of electricity through 2020."

— *dpa*, 04/14/08

…AES is Well Positioned

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Appendix

Reconciliation of Adjusted EPS

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Contains Forward Looking Statements

	Actual				Forecast				
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Diluted EPS from Continuing Operations	$0.29	$0.56	$0.27	$0.73	$2.22	$1.20-$1.25	$1.45-$1.65	$1.70-$1.95	$1.95-$2.25
FAS 133 Mark to Market (Gains) Losses	–	0.03	(0.05)	0.03	–	–	–	–	–
Currency Transaction Losses	0.04	0.05	0.01	–	–	–	–	–	–
Net Asset Losses & Impairments	0.08	0.00	0.68	0.18	(1.06)[1]	–	–	–	–
Debt Retirement Losses	0.02	0.00	0.03	0.08	–	–	–	–	–
Adjusted EPS	**$0.43**	**$0.64**	**$0.94**	**$1.02**	**$1.16**	**$1.20-$1.25**	**$1.45-$1.65**	**$1.70-$1.95**	**$1.95-$2.25**

[1] Includes (a) estimated net gain of approximately $908 million or $1.31 per share primarily from sale of two indirectly owned subsidiaries in Kazakhstan, which closed on May 29, 2008, (b) tax expense of $0.19 per share related to the repatriation of a portion of Kazakhstan sale proceeds and $0.06 losses related to refinancing of Corporate and Subsidiary debt.

Note: For 2009-2012, Diluted EPS from Continuing Operations and Adjusted EPS for the purposes of this slide are assumed to be the same.

Cash Flow Reconciliation

Contains Forward Looking Statements

	Actual				Forecast				
	2004[1] (Restated)	2005 (Restated)	2006 (Restated)	2007	2008	2009	2010	2011	2012
Net Cash Provided by Operating Activities	1,487	2,220	2,351	2,357	2,200	2,200-2,500	2,300-2,900	2,900-3,600	3,300-4,100
EDC Impact[1]	(51)	(342)	(264)	(151)	–	–	–	–	–
Net Cash Provided by Operating Activities, Excluding EDC	1,436	1,878	2,087	2,206	2,200	2,200-2,500	2,300-2,900	2,900-3,600	3,300-4,100
Maintenance Capital Expenditures	528	571	867	878	800	800	700	800	800
Maintenance Capital Expenditures, EDC[1]	31	33	70	44	–	–	–	–	–
Free Cash Flow[2]	959	1,649	1,484	1,479	1,400	1,400-1,700	1,600-2,200	2,100-2,800	2,500-3,300
Free Cash Flow, Excluding EDC[1,2]	939	1,340	1,290	1,372	1,400	1,400-1,700	1,600-2,200	2,100-2,800	2,500-3,300

[1] Unaudited

[2] A non-GAAP financial measure

Definitions of Non-GAAP Financial Measures

Adjusted earnings per share – Adjusted earnings per share (a non-GAAP financial measure) is defined as diluted earnings per share from continuing operations excluding gains or losses associated with (a) mark-to-market amounts related to FAS 133 derivative transactions, (b) foreign currency transaction impacts on the net monetary position related to Brazil and Argentina, (c) significant asset gains or losses due to disposition transactions and impairments, and (d) costs related to early retirement of recourse debt. Effective January 1, 2008, the Company has decided to include costs associated with early retirement of non-recourse debt, in addition to recourse debt. This modification will apply prospectively and is not reflected in the 2007 results presented in this presentation. AES believes that adjusted earnings per share better reflects the underlying business performance of the Company, and is considered in the Company's internal evaluation of financial performance. Factors in this determination include the variability associated with mark-to-market gains or losses related to certain derivative transactions, currency gains and losses, periodic strategic decisions to dispose of certain assets which may influence results in a given period, and the early retirement of corporate debt.

Free cash flow – Free cash flow (a non-GAAP financial measure) is defined as net cash from operating activities less maintenance capital expenditures (including environmental capital expenditures). AES believes that free cash flow is a useful measure for evaluating our financial condition because it represents the amount of cash provided by operations less maintenance capital expenditures as defined by our businesses, that may be available for investing or for repaying debt.

Liquidity – Defined as cash at the Parent Company plus availability under corporate revolver plus cash at qualifying holding companies (QHCs). AES believes that unconsolidated Parent Company liquidity is important to the liquidity position of AES as a Parent Company because of the non-recourse nature of most of AES's indebtedness.

Assumptions

Forecasted financial information is based on certain material assumptions. Such assumptions include, but are not limited to: (a) no unforeseen external events such as wars, depressions, or economic or political disruptions occur; (b) businesses continue to operate in a manner consistent with or better than prior operating performance, including achievement of planned productivity improvements including benefits of global sourcing, and in accordance with the provisions of their relevant contracts or concessions; (c) new business opportunities are available to AES in sufficient quantity to achieve its growth objectives; (d) no material disruptions or discontinuities occur in GDP, foreign exchange rates, inflation or interest rates during the forecast period; and (e) material business-specific risks as described in the Company's SEC filings do not occur individually or cumulatively. In addition, benefits from global sourcing include avoided costs, reduction in capital project costs versus budgetary estimates, and projected savings based on assumed spend volume which may or may not actually be achieved. Also, improvement in certain KPIs such as equivalent forced outage rate and commercial availability may not improve financial performance at all facilities based on commercial terms and conditions. These benefits will not be fully reflected in the Company's consolidated financial results.

The cash held at qualifying holding companies (QHCs) represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries had no contractual restrictions on their ability to send cash to AES, the Parent Company. Cash at those subsidiaries was used for investment and related activities outside of the U.S. These investments included equity investments and loans to other foreign subsidiaries as well as development and general costs and expenses incurred outside the U.S. Since the cash held by these QHCs is available to the Parent, AES uses the combined measure of subsidiary distributions to Parent and QHCs as a useful measure of cash available to the Parent to meet its international liquidity needs. AES believes that unconsolidated parent company liquidity is important to the liquidity position of AES as a parent company because of the non-recourse nature of most of AES's indebtedness.