



The Global Power Company

NEWS RELEASE

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AES MAKES GREENHOUSE GAS OFFSET COMMITMENT TO CLINTON GLOBAL INITIATIVE

ARLINGTON, Va., September 21, 2006 – In a pledge to the Clinton Global Initiative (CGI), the AES Corporation (NYSE: AES) today announced it has committed to produce 10 million tonnes of greenhouse gas emission offsets by 2012 and said it will pursue offset development projects under the Clean Development Mechanism of the Kyoto Protocol in Asia, Africa, Europe and Latin America. AES announced its commitment in conjunction with the CGI annual meeting, which opened in New York today.

“AES is proud to help meet the challenge of global warming through projects and technologies that reduce or offset greenhouse gas emissions,” said William Luraschi, AES Executive Vice President of Business Development. “AES first began investing in greenhouse gas emission reduction projects in the late 1980's. With this experience and our global platform, we are well positioned to play a leading role in this burgeoning sector, which is a key component of our broader alternative energy strategy.”

In April 2006, AES announced the formation of its alternative energy group and plans to invest approximately \$1 billion over the next three years in this sector. In addition to pursuing opportunities in renewable energy sources, through its Climate Change and Technology Development (CCTD) group, AES is actively developing offset projects in the agricultural, reforestation, landfill gas, and coal mine methane emission reduction sectors that meet the requirements of the Clean Development Mechanism of the Kyoto Protocol. AES announced its first significant business venture in the greenhouse gas emission offset production sector in May 2006, through the creation of AES AgriVerde. This majority-owned subsidiary will deploy offset technologies in ten developing countries in Asia, Europe and North Africa. AES AgriVerde utilizes a technology to capture methane from agricultural and animal waste sites, reducing net greenhouse gas emissions by approximately 95 percent over traditional organic waste management processes. Once captured, the methane is either destroyed or it is used to generate a renewable source of electricity.

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"Methane is a significant contributor to climate change and is 21 times more potent than carbon dioxide (CO₂)," said Bill Lyons, AES Managing Director of Climate Change and Technology Development. "In addition to the positive impacts on climate change, the technology deployed by AES AgriVerde also enhances AES's ability to meet new power needs in developing countries and creates numerous local health benefits including cleaner drinking water and soil as well as reduced exposure to mosquito- and other insect-borne diseases."

In addition to developing offset projects, AES's CCTD group also invests in and is working to develop technologies that will either directly reduce greenhouse gas emissions or serve as the underlying technology for new offset project activities. AES also has formed strategic partnerships with Los Alamos National Laboratory and other entities to identify, evaluate, and bring to market new technologies to further reduce greenhouse gas emissions.

Richard Darman, AES's Chairman of the Board, is a member of CGI.

About AES

AES is one of the world's largest global power companies, with 2005 revenues of \$11 billion. With operations in 26 countries on five continents, AES's generation and distribution facilities have the capacity to serve 100 million people worldwide. Our 14 regulated utilities amassed 2005 annual sales of over 82,000 GWh and our 121 generation facilities have the capacity to generate approximately 44,000 megawatts. Our global workforce of 30,000 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 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 investments at normalized investment levels and rates of return consistent with prior experience. 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 AES's 2005 Annual Report on Form 10-K. Investors and other interested parties are encouraged to read AES's filings to learn more about the risk factors associated with AES's business. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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