



The Global Power Company

NEWS RELEASE

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AES EXPANDS WIND GENERATION BUSINESS INTO FRANCE AND BULGARIA More Than Doubles Wind Development Pipeline in Europe

ARLINGTON, Va., October 18, 2006 - The AES Corporation (NYSE: AES) today announced it has expanded its wind generation business into France and Bulgaria, increasing the company's wind development pipeline in Europe to more than 1,300 MW.

AES purchased a minority interest in InnoVent SAS, a French wind farm developer with more than 600 MW of wind projects in development. AES also acquired a minority stake in the 120 MW Kavarna wind project in Bulgaria, one of the largest wind development projects in southeast Europe. AES has the option to acquire majority control of a significant portion of InnoVent projects during the next five years and a majority stake in the Kavarna project once development is completed. Financial terms of the transactions were not disclosed.

"AES's investments in InnoVent and Kavarna allow us to enter the fast-growing wind energy markets in France and Bulgaria early, quickly and with established players. Through these investments, AES will more than double its wind development pipeline in Europe," said Keith Oberg, Managing Director, AES Europe Wind Generation. "Installed wind generation capacity in Bulgaria and France is expected to increase by more than 5,000 MW over the next five years. AES's investments in InnoVent and Kavarna provide us with a solid base on which to build our wind generation presence in these markets."

InnoVent is an independent, privately held developer of wind energy projects in France. The company expects to begin construction of 40 MW of projects in 2007 and anticipates adding at least 50 MW to 100 MW each year during the next five years.

"We are pleased to partner with AES to continue providing wind generated power to France," said InnoVent President, Gregoire Versaeghe. "AES has 25 years of experience developing large-scale power projects all over the world and the company's further expansion into wind generation leverages these proven capabilities."

The 120 MW Kavarna wind project is located in northeastern Bulgaria, in one of the windiest areas of the country. Kavarna is expected to be operational by mid-2008 and will sell power to NEK, the national grid owner and operator, which provides preferential connection status for wind projects. Kavarna is being developed in partnership with Geo Power Ltd., a Bulgarian-German renewable energy development firm.

“We are pleased to partner with AES on the Kavarna project and to help Bulgaria achieve its ambitious renewable energy targets,” said Eng. Dimitar Hristov, Manager, Geo Power Ltd. “The combination of AES’s global reach and expertise in the wind sector and our experience in the European renewable energy market positions us well to continue to collaborate on wind energy projects in Bulgaria and southeast Europe.”

Earlier this year, AES began construction of AES Maritza East 1, a 670 MW lignite-fired power plant, in Bulgaria. The \$1.4 billion project is the single largest foreign investment in Bulgaria’s power sector and the largest greenfield investment in southeast Europe to date. AES expects to generate almost 800 MW of power in Bulgaria by 2010 once AES Maritza East 1 and the Kavarna project reach commercial operation.

“AES has more than 1,300 MW of wind projects in development in some of the most attractive markets in Europe,” said Ned Hall, President, AES Wind Generation. “Wind energy is a key component of our expansion into alternative energy and these transactions continue to build on AES’s strategy of becoming a leader in wind generation development and operation worldwide.”

In July, AES announced the acquisition of majority control of the Wind Energy Ltd. (WEL) group companies, a UK-based wind development company, which is currently pursuing 640 MW of wind projects throughout Scotland.

AES has been in the wind generation business since 2004 and currently has more than 600 MW of wind facilities in operation or under management, more than 200 MW under construction and has more than 3,000 MW of wind projects in active development worldwide.

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.

About InnoVent

Founded by Grégoire Verhaeghe in 2001, InnoVent is a leading French wind farm developer headquartered in Bondues (59 - Nord), France. InnoVent has successfully developed 7 wind farms totaling over 46 MW of wind capacity. InnoVent intends to install nearly 55 MW of new wind capacity in 2007 and has over 550 MW of additional wind projects in permitting or under study.

About Geo Power

Geo Power is private Bulgarian-German company established in 2003 and is a member of the German-Bulgarian Industrial and Trade Chamber. Geo Power works in the field of renewable energy development and realization. Since its establishment, the company has worked to create and enhance necessary conditions for development of such projects and facilitating the introduction of modern technologies in the field of renewable energies in Bulgaria and Balkan countries. The first such project of Geo Power is this 120 MW wind farm project on the Bulgarian Black sea coast.

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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