

Press Release



Media Contact Robin Pence 703 682 6552

AES Investor Contact Scott Cunningham 703 682 6336

GE Energy Financial Services Contact Andy Katell 203 961 5773

GE, AES Plan Partnership To Lead US Market In Offsetting Greenhouse Gas Emissions

Target: 10 Million Tonnes Of Carbon Offsets Per Year

Arlington, VA and Stamford, CT, January 16, 2007 – In a breakthrough toward US leadership in carbon reduction, the AES Corporation (NYSE:AES) and GE Energy Financial Services, a unit of General Electric (NYSE:GE), announced today that they intend to create a partnership to develop greenhouse gas emission reduction projects in the United States.

The partnership would seek to create an annual production volume of 10 million tonnes (metric tons) of greenhouse gas offsets by 2010, primarily through the reduction of emissions of methane – a potent greenhouse gas with a warming potential 21 times greater than carbon dioxide. Projects to capture and destroy methane emissions would include agricultural waste, landfills, coal mines and wastewater treatment. In addition to methane-based projects, the partnership may also pursue development of offsets through energy efficiency projects and electricity generation from renewable sources. The partnership would sell offsets from these projects to commercial and industrial customers seeking to reduce the environmental impact of their operations or to provide climate-friendly products or services to their customers.

“AES is committed to helping address climate change as part of our broader alternative energy strategy,” said Paul Hanrahan, President and CEO of AES. “Our partnership with GE will enhance the ability of the United States to expand energy resources while mitigating the negative environmental impacts of growth. We are pleased to team with GE because the combination of our skills will allow us to lead the development of the US market for carbon offsets.”

The partnership would invest in projects using equipment from a variety of manufacturers, potentially including GE products certified by its ecomagination program. GE Energy Financial Services and AES are taking this step with an immediate focus on voluntary demand for greenhouse gas reductions but with an eye toward possible future mandatory emissions limits.

Press Release



“This initiative will help GE Energy Financial Services double its already sizeable \$1.5 billion portfolio of investments in renewable energy projects by the end of 2008, and will contribute to GE’s ecomagination program,” said Alex Urquhart, President and CEO of GE Energy Financial Services.

Through its ecomagination program, GE has committed to help its customers meet their environmental challenges while reducing its own greenhouse gas emissions. GE has pledged to more than double its investment in the development of cleaner energy technologies, from \$700 million to \$1.5 billion by 2010, reduce its greenhouse gas emissions one percent by 2012, reduce the intensity of its greenhouse gas emissions 30 percent by 2008, and improve the company’s energy efficiency 30 percent by the end of 2012.

Kevin Walsh, Managing Director and leader of renewable energy at GE Energy Financial Services, added: “Our capital, sales channels and risk management – along with AES’s expertise in project development -- make for a powerful combination that will lead the US carbon market.”

Last April, AES announced formation of its alternative energy group, making a \$1 billion commitment to investments in wind, LNG, and climate change sectors. Last December, AES adjusted its guidance on investment in this sector to potentially as much as \$10 billion over the next 5-10 years. It has already announced a target to produce up to 40 million tonnes of greenhouse gas emission offsets per year by 2012, through development projects under the Clean Development Mechanism of the Kyoto Protocol in Asia, Africa, Europe and Latin America.

"Carbon offsets play an important role in the fight against global warming," said William Luraschi, Executive Vice President, Business Development and leader of AES's Alternative Energy business. "AES began investing in greenhouse gas reduction projects in the late 1980's. With our 25 years of experience in energy and a presence in virtually every region of the world, AES is well positioned to play a leading role in this sector."

The AES/GE partnership would establish strict standards for the creation, certification and registration of US greenhouse gas emissions credits. It plans to have internationally accredited and independent environmental organizations assure that each carbon offset meets the highest scientific and technical standards.

Press Release



About GE Energy Financial Services

GE Energy Financial Services' 300 experts invest globally with a long-term view, across the capital spectrum and the energy and water industries, to help their customers and GE grow. With \$13 billion in assets, GE Energy Financial Services, based in Stamford, Connecticut, invests more than \$5 billion annually in two of the world's most capital-intensive industries, energy and water. In renewable energy, GE Energy Financial Services has developed a strong record investing in wind, solar, biomass, hydro and geothermal power, and is growing its portfolio of \$1.5 billion in renewable energy assets. More information: www.geenergyfinancialservices.com.

About GE

GE (NYSE: GE) is Imagination at Work -- a diversified technology, media and financial services company focused on solving some of the world's toughest problems. With products and services ranging from aircraft engines, power generation, water processing and security technology to medical imaging, business and consumer financing, media content and advanced materials, GE serves customers in more than 100 countries and employs more than 300,000 people worldwide. For more information, visit www.ge.com.

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

Press Release



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.

###