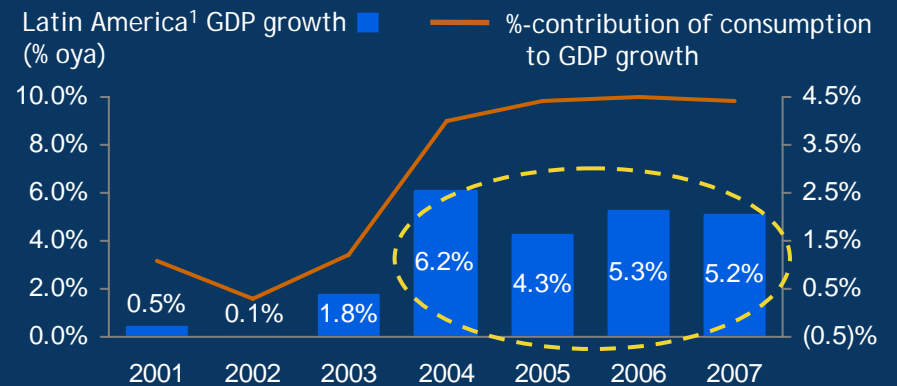


Latin America's economic expansion has resulted in solid growth and attractive potential for the energy sector

Key considerations

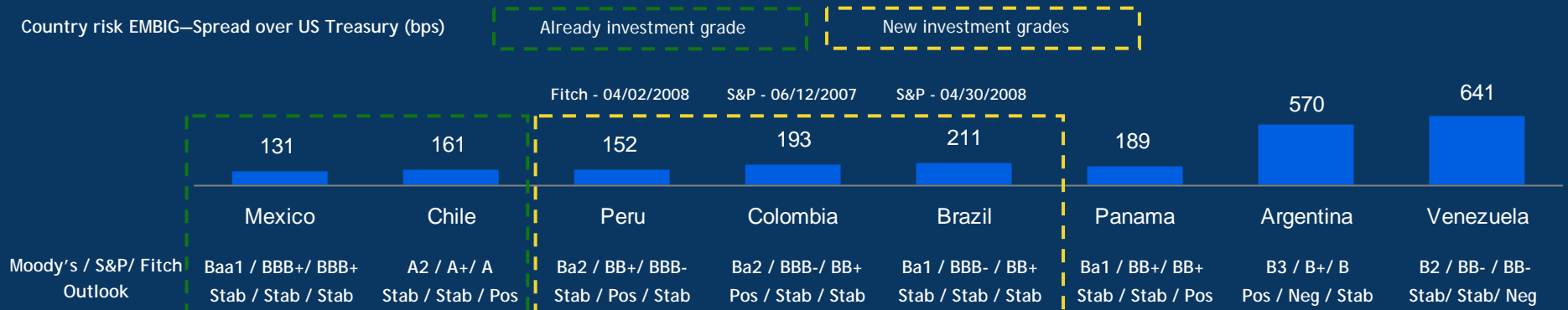
- Latin American economies in general have shown a strong growth profile in the past 4 years
 - High growth partially attributable to the benign international context and exports
 - Commodity prices, interest rates, high international liquidity generating EM appetite
 - Consumption has been one of the key factors fueling this economic expansion
 - Conservative fiscal policies also improved the regions liquidity and external debt ratios during this period
- Recent change to investment grade of some countries has improved the regional risk profile

Strong GDP expansion in the region fuelled by consumption...



Source: JPMorgan
¹ Includes Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela

... and improved risk profile in some counties (the new "Latin American investment grades")



The energy sector has become very dynamic and competitive in many countries...

Key considerations

Positive macro dynamics

- Significant economic expansion in most countries
- Recent changes to investment grade ratings of some countries
- Fundamentals of many countries remain strong
- Positive outlook for some of the region's key markets

Strong outlook for the energy sector

- Energy sector is a key segment with significant investment requirements to support economic growth
- Governments' acknowledgement of investments needs and plans to improve their energy infrastructure sector

Strong energy prices

- High energy prices expected to support significant investment requirements

New valuation environment

- Improved perception of both country and regulatory risks (with some exceptions)
- Investors' return expectations have decreased
- "Scarcity Value"
- Attractive market conditions for capital raising
- Synergy considerations

Strong universe of investors

- Increasing appetite of a broad universe of investors
- Strategic investors (both large and small cap companies depending on the sector)
- Financial investors (private equity/hedge funds/infrastructure funds/sovereign wealth funds)
- Local groups

The energy sector has become very dynamic and competitive in many countries...(cont.)

Key considerations

Consolidation trend

- Emergence of country and regional leaders
- Relevant size of upcoming opportunities
- Cost reduction/synergies

Importance of equity capital markets

- Equity capital markets will continue to shape sector's landscape
- Attractive investor base for regional infrastructure/energy sector
- Need to affirm growth stories to equity investors has led companies to pursue expansion
- Private placement is also a viable option

Increasing relevance of national energy companies

- Stronger financial position
- Political/social considerations
- Aggressive investment agenda in many cases

Growing interest on renewables

- Significant potential
- Bio-fuels have been the main focus
- Wind and solar energy in early stages of development

The energy sector has become very dynamic and competitive in many countries...(cont.)

Key considerations

Significant changes in oil and gas downstream

- Significant investments needed in the Latin American downstream sector, particularly in refining
 - More stringent environmental standards
 - Aging infrastructure in many segments of the fuel and energy chain
- Further ownership reshuffling/consolidation expected
 - International players exploring/executing alternatives to reduce/optimize their exposure
 - Difficult outlook for companies lacking integrated strategy

Growing interest in oil and gas upstream

- Record-high crude prices
- Consistent growth in capital investment
- Intense M&A activity and increasing valuation multiples
- Reserve replacement remains one of the key challenges
- Stronger interest in the services segment of the oil & gas sector
- Particular focus in certain country-specific plays:
 - Brazil
 - Andean region

LNG's increasing relevance

- Changing dynamics have led to the need to import gas from outside Latin America
- Uncertainty regarding LNG international prices vis-à-vis local regulated prices
- Large gas infrastructure projects

...however, it still faces a number of challenges and opportunities

Key considerations

“Not all countries are the same”	<ul style="list-style-type: none">■ Negative developments in some countries
Regional energy integration has not worked yet	<ul style="list-style-type: none">■ Could lead to development of “non-optimal” projects■ Capacity of consumers to pay extra cost of certain projects could be challenged■ High oil prices in the long run could have major impact on some countries’ energy matrix
Challenging agenda for implementing growth	<ul style="list-style-type: none">■ Companies are struggling to identify/pursue growth opportunities■ Scarcity/profile/size of new investment opportunities■ Tough competitive landscape
Significant investment requirements	<ul style="list-style-type: none">■ Development of new generation is challenging (financing construction costs, environmental concerns, availability of sites, fuel availability, equipment, etc.)■ Significant investments required in infrastructure
Environmental considerations	<ul style="list-style-type: none">■ With limited access to gas, there is a renewed interest in coal and hydro■ Upstream investments
Need to maintain a proven regulatory framework	<ul style="list-style-type: none">■ Important to promote significant investments in the medium and long term■ Uncertainty regarding competition of government controlled companies
High energy prices	<ul style="list-style-type: none">■ Could have social and political implications in some countries
Global financial markets crisis	<ul style="list-style-type: none">■ Still uncertain how the capital markets turmoil will evolve■ To date, Latin America has not been deeply affected by this crisis

Significant investments needed: capital raising will play a key role in the future development of the energy sector

Equity capital markets landscape summary

- Latin America capital markets are reopening, with 10 offerings priced YTD¹
- Brazil was recently raised to investment grade by S&P
- The continued attractiveness of the region is reflected in positive index performance (e.g. Bovespa +14.6% and Mexbolsa 7.4% YTD²) and by the increasing mutual fund inflows
- Strong development of some local markets and increasing importance of pension funds have led to successful local IPOs
- The increasing importance of equity markets is evidenced in the following key dynamics:
 - Strong reference for asset valuation
 - Acquisition currency
 - Heightens “competitive environment”

¹ Note: includes IPOs (4) and follow-ons (6)

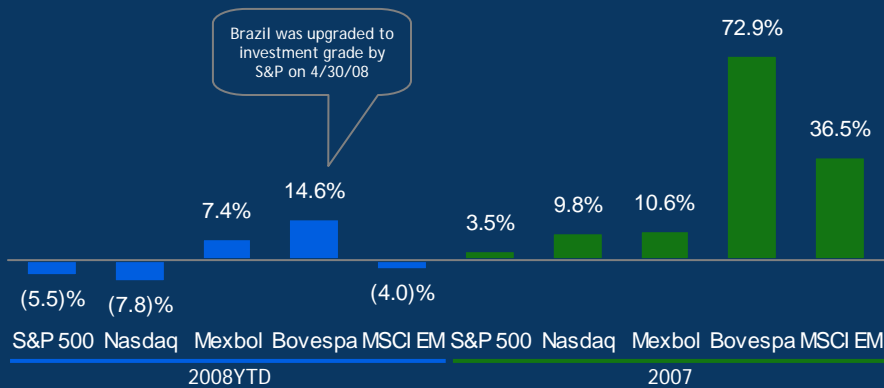
² Note: YTD as of 05/07/08

Debt capital markets landscape summary

- As global investors gain confidence in the market and credit spreads tighten across asset classes, the primary issuance market in Emerging Markets is starting to experience a pick up in activity, mainly in US\$
- Investors stand ready to put money to work in strong credits across regions, including Latin America
- New issue activity is expected to continue increasing in the following weeks as issuers see that the market is receptive and execution risks diminish, though new issue premiums remain relatively high
- New issue premium remains high relative to the last few years at levels of 40bps or higher
 - Premium should decrease in the following weeks as investors gain more confidence in the markets and new transactions continue to perform well in secondary markets
- Attractive debt market in some countries and increasing appetite for good credit stories in local markets (i.e. need from pension funds to mitigate risk allocating capital to healthy companies and stable sectors)

Despite volatile equity market conditions, recent rating upgrades in some countries are a positive signal...

International market performance 2008YTD (as of 5/09/08)

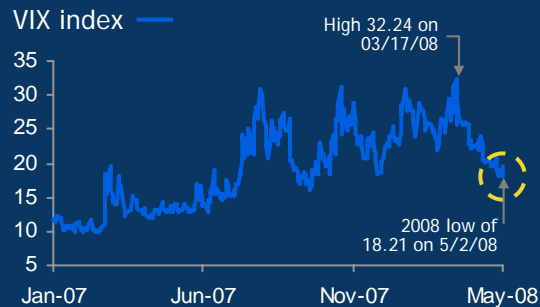


Mutual fund flows by investment style

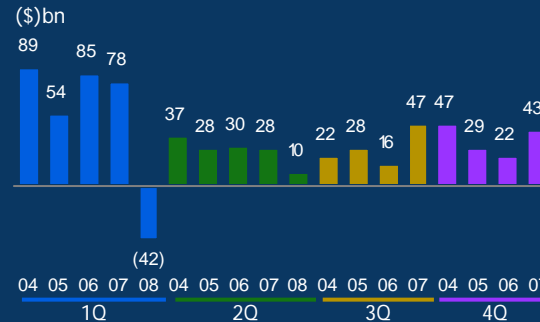
\$bn	2008YTD	2007	2006	2005	2004
Growth	(15.8)	0.3	2.3	14.7	35.6
Value	(24.7)	59.7	13.7	3.7	32.5
Income	(18.8)	(14.1)	(9.5)	18.2	48.1
International	7.2	144.8	135.6	104.0	72.9
Other	19.5	4.9	9.5	(1.0)	5.4
Total	(32.6)	195.6	151.6	139.6	194.5

Source: Bloomberg, JPMorgan, AMG Data Services
Market data as of 5/09/08; excludes closed-end funds

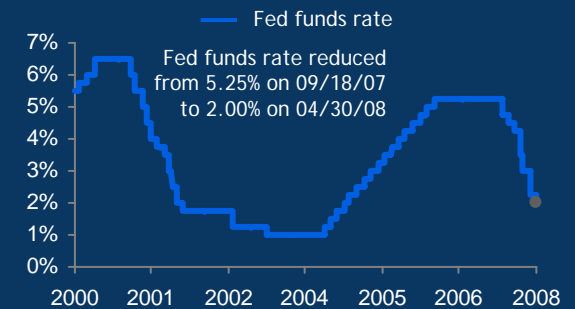
VIX volatility index¹



Mutual fund flows, all equities²



Fed funds rate¹

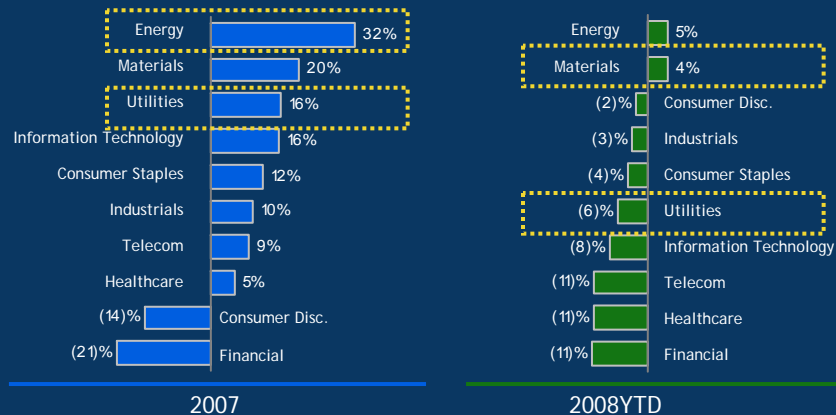


¹ Bloomberg as of 05/07/08, unless noted

² AMG Data Services, as of 05/09/08

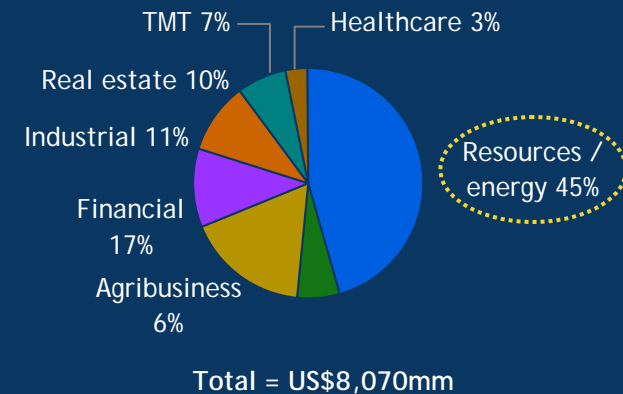
...and energy equities continue to outperform in the middle of a still very slow IPO market

S&P 500 Index sector performance¹



¹ YTD as of 05/09/08

Latin American 2008 filed equity pipeline by sector



Latin American IPO activity, 2006–2008YTD (US\$m)

Volume (\$mm)



Note: JPMorgan, company filings as of 05/09/08

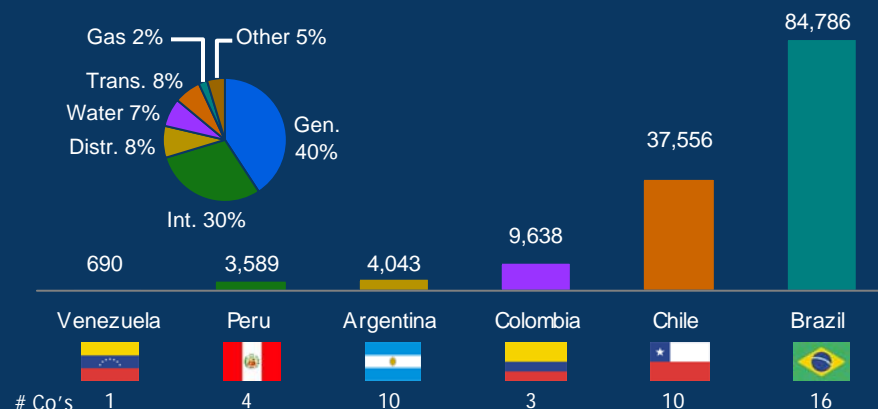
Equity markets will continue playing a key role in shaping the landscape of the energy sector

LatAm utility assets

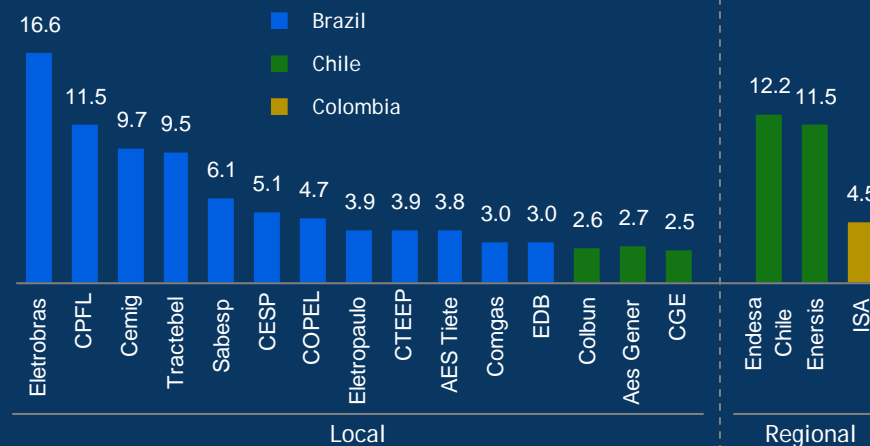
Firm (US\$mm)	Market cap.	Firm value	Business
Eletrobras	16,600	20,422	Generation
CPFL	11,459	14,724	Integrated
Cemig	9,698	13,822	Integrated
Tractebel	9,457	10,030	Generation
Sabesp	6,069	9,004	Water
CESP	5,062	8,794	Generation
Eletropaulo	3,896	5,736	Distribution
COPEL	4,675	5,400	Integrated
Energias do Brasil	2,979	4,629	Integrated
AES Tiete	3,810	4,181	Generation
CTEEP	3,919	4,134	Transmission
Comgas	3,027	3,684	Gas distribution
Terna	1,524	2,038	Transmission
Coelce	923	1,231	Distribution
CELESC	1,018	904	Distribution
Equatorial	668	743	Distribution
Total Brazil	84,786	109,473	
Enersis	11,499	24,033	Integrated
Endesa Chile	12,207	17,872	Generation
CGE	2,496	5,628	Distribution
AES Gener	2,683	3,616	Generation
Colbun	2,597	3,432	Generation
Aguas Andinas	2,461	3,119	Water
Inversiones Metropolitanas	1,241	2,331	Water
Gasco	746	1,872	Gas distribution
Eskal	898	1,383	Water
Edelnor Chile	726	843	Generation & gas transportation
Total Chile	37,556	64,130	
Edegel	1,179	1,629	Generation
Enersur	929	1,094	Generation
Luz del Sur	827	1,030	Distribution
Edelnor Peru	654	907	Distribution
Total Peru	3,589	4,660	
Pampa holding	947	1,668	Gen./trans./distr
Edenor	828	1,107	Distribution
TGS Argentina	638	1,008	Gas transmission
CAPEX	469	657	Integrated
Metrogas	200	425	Gas distribution
Transener	179	405	Transmission
Costanera	187	387	Generation
Gas Natural Ban	194	292	Gas
EMDERSA	238	265	Distribution
Central Puerto	163	228	Generation
Total Argentina	4,043	6,441	
ISA	4,468	7,991	Transmission
Promigas	2,818	2,912	Generation
ISAGEN	2,353	2,507	Gas
Total Colombia	9,638	13,410	
EDC	690	822	Integrated
Total Venezuela	690	822	
Grand Total	140,302	198,937	

LatAm utilities market caps breakdown (US\$mm)

Breakdown by type of business (US\$mm)



LatAm utilities market caps ranking (US\$bn)



Source: Bloomberg as of 05/09/08, company info as of 4Q07

Note: For some companies with illiquid classes of share, market cap has been calculated using the price of the most liquid share

Median market cap and firm value for all companies are US\$1,383mm and US\$2,184mm, respectively; average market cap and firm value are US\$3,189mm and US\$4,521mm, respectively

Latin America energy sector expects a very busy year ahead

- Global dynamics continue to support the development of the Latin American energy sector
- Significant investments are needed in various segments of the energy chain
- Transformational deals should not be ruled out
- Need to maintain proven and transparent regulatory frameworks
- Access to capital will be key