



Mr

Alberto Etchegaray de la Cerda
Superintendent of Securities and
Insurances



2006060038295

15/06/2006 - 11:16

Operador: ESALINAS

División Control Financiero Valores



SUPERINTENDENCIA
VALORES Y SEGUROS

Of my consideration:

REF. ORD SVS N° 06339 of 13/06/2006. .

In virtue of what has been requested in ORD of the reference, I allow myself to inform you the following:

There are, effectively, some agreements between AES GENER and AGUAS ANDINAS in order to study the alternatives of development of a hydroelectric generation project in the upper basin of Maipo river that is why several technical, environmental, legal and economic feasibility studies are in development. The existing agreements with AES GENER are purely of research and analysis of the situation, in order to determine the future feasibility of carrying out a hydroelectric project, without having a determination or agreement adopted for its development so far. In view of the above, there is no business structure determined.

The project in study considers that AES GENER and AGUAS ANDINAS can make use of the rights of use of water that they have in the upper basin of the Maipo River, as well as the existing great slopes which would allow building 2 run-of-the-river power plants. Thus, the rights of use of water of AGUAS ANDINAS could be used for the generation of electric power, without affecting the safe supply of drinking water for the concessions of public sanitary service which they are own for the city of Santiago and other towns of the Metropolitan Region.

As described to the National Energy Commission in a presentation done in June 8th 2006, the preliminary plan contemplates two run-of-the-river plants that in total would generate 530 MW approximately, and taking in consideration the economic pre-feasibility study of itself, an estimated investment of US\$500 million approximately.

Sincerely yours,


Felipe Larrain Aspillaga
Gerente General
Aguas Andinas S.A.

See enclosure, cc

- Commerce Chamber of Santiago.
- Electronic Stock Exchange of Chile.
- Stock Exchange of Valparaíso.
- Risk Classification Commission.
- Feller & Rate, Risk Classifier.
- Humphreys, Risk Classifier.
- Banco de Chile.

CLS

Oficio Ordinario N° **6339** - 13/06/2006



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División Control Financiero Valores



SUPERINTENDENCIA VALORES Y SEGUROS



ORD.: N° **06339 13.06.2006**

SUPERINTENDENCIA VALORES Y SEGUROS

ANT.: **Press Information.**

MAT.: **Construction of Alto Maipo hydroelectric complex.**

FROM: SUPERINTENDECY OF SECURITIES AND INSURANCES
TO: MR
GENERAL MANAGER
AGUAS ANDINAS S.A.

Dated in June 13th 2006, a press article in the "Diario Financiero" newspaper was published, informing that: "AES Gener and Aguas Andinas are joining to build a 530 MW power plant", stating that the project called "Alto Maipo", was presented with date June 8th to the authorities of the National Commission of Energy (CNE) and would involve an investment over US\$500 million. The participation of its representatives would be through the contribution of rights of water which would own in the zone of the project, with a generation capacity about 200 MW.

With regards the above, the Superintendence Office requests you kindly to report the truthfulness of such information and in case of being truth, must point out the main features of the quoted project, for instance, amount of investment, operation mode (direct or through subsidiaries), datelines, etc..

The requested information must be sent to the Service, at the latest, the following business day next to the date of notification of the this Official Letter, mentioning the express reference in its reply to the number of the Official Letter and date of it. Likewise, a copy of its reply must be sent to the stock exchanges within the same dateline

Yours sincerely,

HERNAN LÓPEZ BÖHNER
INTENDANT OF SECURITIES BY THE SUPERINTENDET ORDER

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