



## **Statement and Agreement**

**between**

### **AES Gener SA and Comunidad de Aguas Canal El Manzano.**

AES Gener SA, hereinafter referred to as Gener, is developing the Alto Maipo Hydroelectric Project (the Project or PHAM), which contemplates the construction of two hydroelectric plants, called Alfafal II and Las Lajas which, together, will have a maximum power of 531 MW. The Project is located south of the city of Santiago, and uses the waters of the Colorado River, among others.

To implement the Project, and according to the provisions of Law 19,300 and its Regulations, Gener has prepared and submitted the corresponding Environmental Impact Assessment (EIA) to the competent authorities.

As a result of said EIA, both the Comunidad de Aguas Canal El Manzano (the Community) and the pertinent organisms, have expressed their concern about the eventual effects which the use of the water rights on the Colorado River on the part of the PHAM could have upon the intake works that the Community owns on that water course, which allows to collect the sixteen shares or irrigators of the "Sociedad del Canal del Maipo", as collected from the Colorado River, owned by the associates, and carry them through El Manzano canal.

Although Gener is quite certain that, in the legitimate use of its water use rights, both of the Colorado River and the other water courses included in the PHAM, it does not cause damages to third parties downstream the intake works, it declares by this act its engagement before CONAMA and the pertinent organisms, to assume the responsibility to solve at its cost the eventual effects that that use might have upon the intake capacity of the present headrace of the El Manzano Canal.

For this reason, Gener has engaged itself in the EIA to ensure that the required complementary intake works to be built on the Colorado River so that the water may enter that canal at any time, according to the legally constituted rights, and the laws in force during the whole life cycle of the PHAM.



In view of the engagements entered into by Gener in this instrument, the Community, represented by the Chairman of the Board, Mrs. Ilse Johanna Cavada Orb, declares to be fully satisfied with this document, as the same satisfies all and every one of the requirements and observations stated by the Community within the Environmental Impact Assessment process of the Alto Maipo Hydroelectric Project. It also engages itself - provided that the engagements stated by Gener are complied with - not to initiate any action in future that could affect the development of the Project.

In this respect, the engagements and obligations that Gener enters into with CONAMA in respect to the Comunidad de Aguas Canal El Manzano which will also be established in detail in an agreement to be subscribed between Gener and the Community, and of which the present instrument will be a part are listed below, specifying the rights and obligations both of Gener and of the Community concerning the engagements and statements of the present instrument, as well as the sanctions and fines which Gener will be liable for in case of noncompliance with the terms of the agreement. It is hereby stated that the signature of an Agreement between the parties is pending.

1. Gener will study the seasonal variations of the flow of the Colorado River, before the commissioning of the PHAM, and the effect of such fluctuations to the intake capacity of the present intake works of the Community.
2. According to the results of that study, and in a period of three years after the start of the construction of the PHAM and before the start of operations, Gener will process at its cost before the Water General Directorate, the approval of the project to build complementary intake works oriented to mitigate the eventual effect that its operation might have on the intake capacity of the present Canal El Manzano headrace. It is stated that the request must be authorized and signed by the Community. By means of a specific document, the Community will authorize Gener to build the indicated works as a function of the engagements stated herein. The corresponding submittal will be coordinated with the Community and supervised by the Comunidad de Aguas El Manzano attorney.



3. Once the project has been approved by the DGA, Gener engages to:
- Build the complementary intake works at its own cost, so that they may be finished before the commissioning of the PHAM.
  - Take in charge the additional maintenance costs for the present intake works that the Community would eventually have to incur into, if it should be verified that those additional work were a consequence of the operation of the PHAM.
  - Take in charge the necessary maintenance of the new works built by it, so as to keep the intake system in operation and assure the availability of water for the Community - in quantity and quality of the water resource - according to the legally constituted rights and the laws in force, during the whole life cycle of the PHAM.

The powers of Mr. Carlos Mathiesen de Gregori to represent AES Gener S.A. are stated in the public deeds granted before the Santiago Notary Mr. Pedro Sadá Azar dated March 31 2003 and before the Notary Mrs. Antonieta Mendoza Escalas dated 18 October, 2006 and December 17, 2007.

The powers of Mrs. Ilse Johanna Cavada Orb to represent the Comunidad de Aguas Canal El Manzano are stated in the public deeds granted before the Puente Alto Notary Public Mr. Eugenio Camus Mesa dated August 23, 1994, August 10, 2007 and June 26, 2008.

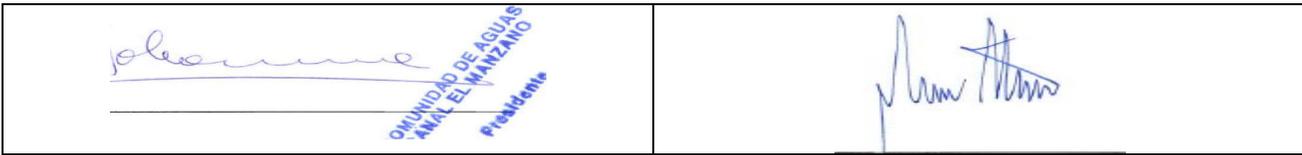
The present instrument is issued in three copies of the same wording and date.

The representatives sign the following page in agreement.



Comunidad de Aguas Canal El Manzano.

AES Gener S.A



Ilse Johanna Cavada Orb  
Chairman

Carlos Mathiesen De Gregori  
Manager  
Alto Maipo Hydroelectric Project

Santiago, December 9, 2008