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Listing Particulars

Empresa Eléctrica Angamos S.A.

(a closely held corporation organized under the laws of the Republic of Chile)

U.S.$800,000,000
4.875% Senior Secured Notes due 2029

We are offering U.S.$800,000,000 aggregate principal amount of 4.875% senior secured notes due 2029 (the "notes"). The notes will mature on May 25, 2029. Interest will accrue from November 25, 2014 and will be payable on May 25 and November 25 of each year, beginning May 25, 2015. Principal on the notes will be payable in consecutive semi-annual installments commencing on May 25, 2018.

We may redeem the notes in whole but not in part at any time at a redemption price equal to the greater of par and a make whole amount described herein and in addition, we may redeem all the notes in whole, but not in part, at par if the laws or regulations affecting certain taxes change in certain respects.

The notes will be our senior secured obligations and will be pari passu in right of payment to all of our existing and future similarly secured obligations and senior in right of payment and priority in security to any of our existing and future unsecured or subordinated obligations. The notes will not be guaranteed by any person or entity. The collateral for the notes will consist of substantially all of our tangible assets. We will also be permitted to use the collateral to secure certain of our other senior secured obligations. For a more detailed description of the notes, see "Description of Notes."

Issue Price: 98.528% plus accrued interest, if any, from November 25, 2014.

See "Risk Factors" beginning on page 16 for a discussion of certain risks that you should consider in connection with an investment in the notes.

The notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. We are offering the notes only to qualified institutional buyers under Rule 144A under the Securities Act and non-U.S. persons outside the United States in reliance on Regulation S of the Securities Act. For a description of certain restrictions on transfer of the notes, see "Transfer Restrictions."

The notes may not be publicly offered or sold, directly or indirectly, in the Republic of Chile ("Chile"), or to any resident of Chile, except as permitted by applicable Chilean law. The notes will not be registered under Law No. 18,045, as amended, (the securities market law of Chile) with the Superintendency of Securities and Insurance (*Superintendencia de Valores y Seguros* or "SVS") and, accordingly, the notes cannot and will not be offered or sold to persons in Chile except in circumstances which have not resulted and will not result in a public offering under Chilean law, and in compliance with Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the SVS ("SVS Rule 336"). Pursuant to SVS Rule 336, the notes may be privately offered in Chile to certain "qualified investors," identified as such therein (which in turn are further described in Rule No. 216, dated June 12, 2008, of the SVS). See "Notice to Chilean Investors."

We have applied to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF Market of the Luxembourg Stock Exchange. These listing particulars constitute a prospectus for the purposes of Luxembourg law on prospectuses for securities, dated July 10, 2005, as amended. These listing particulars may be used only for the purposes for which it has been published.

None of the U.S. Securities and Exchange Commission, any U.S. state securities commission or any securities regulatory authority has approved or disapproved of these securities or determined whether these listing particulars is accurate or complete. Any representation to the contrary is a criminal offense.

Delivery of the notes was made to investors in book-entry form through The Depository Trust Company ("DTC") for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, Société anonyme, on or about November 25, 2014.

Global Coordinators and Joint Book-Running Managers

Citigroup **HSBC** **J.P. Morgan**

Joint Book-Running Managers

Itaú BBA **Scotiabank** **SMBC Nikko**

The date of these listing particulars is December 3, 2014

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Unless otherwise indicated or the context otherwise requires, all references in these listing particulars to "Angamos," the "Issuer," the "Company," "we," "us", "our" and words of similar effect refer to Empresa Eléctrica Angamos S.A., unless the context otherwise requires.

For the sale of the notes in the United States, we are relying upon an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. By purchasing the notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer Restrictions." We are not, and the initial purchasers are not, making an offer to sell the notes in any jurisdiction except where such an offer or sale is permitted. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

These listing particulars is based on information provided by us and other sources that we believe to be reliable. We and the initial purchasers cannot assure you that such information provided to us is accurate or complete. These listing particulars summarizes certain documents and other information, and we refer you to them for a more complete understanding of what we discuss in these listing particulars. In making an investment decision, you must rely on your own examination of us and the terms of the offering and the notes, including the merits and risks involved. We accept responsibility for the information contained in these listing particulars. To the best of our knowledge, having taken all reasonable care to ensure that such is the case, the information contained in these listing particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

We are not making any representation to any purchaser regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in these listing particulars to be legal, business, tax or other advice. You should consult your own counsel, accountant, business advisor and tax advisor for legal, tax, business and financial advice regarding any investment in the notes.

We have not, and the initial purchasers have not, authorized any person to provide you with different information or to make any representation not contained in these listing particulars. You should assume that the information contained in these listing particulars is accurate only as of the date on the front cover of these listing particulars. Our business, financial condition, results of operations and prospects may have changed since that date.

By purchasing any notes, you will be deemed to have acknowledged that: (1) you have received a copy and have reviewed these listing particulars; (2) you have had an opportunity to review all financial and other information considered by you to be necessary to make your investment decision and to verify the accuracy of, or to supplement, the information contained in these listing particulars and have been offered the opportunity to ask us questions, and received answers, as you deemed necessary in connection with your investment decision; (3) you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision; (4) the initial purchasers are not responsible for, and are not making any representation to you concerning us, our future performance or the accuracy or completeness of these listing particulars; and (5) no person has been authorized to give any information or to make any representation concerning us or the notes or the offer and sale of the notes, other than as contained in these listing particulars.

You should contact the initial purchasers with any questions about this offering or if you require additional information to verify the information contained in these listing particulars.

The initial purchasers and certain related entities may acquire for their own account a portion of the notes.

You must comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of these listing particulars and the purchase, offer or sale of the notes and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the initial purchasers will have any responsibility therefor.

These listing particulars has been prepared on the basis that any offer of notes in any Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State") will be

made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of notes that are subject to the offering contemplated in these listing particulars may only do so in circumstances in which no obligation arises for the issuer or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the issuer or the initial purchasers has authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the initial purchasers to publish a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive means Directive" 2010/73/EU.

In the United Kingdom, these listing particulars is only being distributed to, and is only directed at, (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"); and (b) high net worth companies and other persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any person in the United Kingdom that is not a relevant person should not act or rely on these listing particulars or any of its contents. Any investment or investment activity to which these listing particulars relates is available in the United Kingdom only to relevant persons, and will be engaged in only with such persons.

The notes may not be offered or sold, directly or indirectly, in the Republic of Chile or to any resident of Chile, except as permitted by applicable Chilean law.

The distribution of these listing particulars and the offering and sale of the notes in certain jurisdictions may be restricted by law. We and the initial purchasers require persons in possession of these listing particulars to inform themselves about and to observe any such restrictions. These listing particulars does not constitute an offer of, or an invitation to purchase, any of the notes in any jurisdiction in which such offer or invitation would be unlawful.

The contents of our website do not form part of these listing particulars.

These listing particulars contains some of our trademarks, trade names and service marks, including our logos. Each trademark, trade name or service mark of any company appearing in these listing particulars belongs to its respective holder.

The notes will be available initially only in book-entry form. We expect that the notes will be issued in the form of one or more registered global notes. The global notes will be deposited with, or on behalf of, DTC, and registered in our name or in the name of Cede & Co., its nominee. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected through, records maintained by DTC and its participants. We expect the Regulation S global notes, if any, to be deposited with the trustee as custodian for DTC, and beneficial interests in them may be held through the Euroclear System, Clearstream Banking S.A. or other participants. See "Description of Notes" for further discussion of these matters.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED ("RSA 421-B"), WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO CHILEAN INVESTORS

The offer of the notes is subject to General Rule No. 336 of the SVS. The notes being offered will not be registered under the Securities Market Law in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS and, therefore, the notes are not subject to the supervision of the SVS. As unregistered securities, we are not required to disclose public information about the notes in Chile. Accordingly, the notes cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding securities registry. The notes may only be offered in Chile in circumstances that do not constitute a public offering under Chilean law or in compliance with General Rule No. 336 of the SVS. Pursuant to General Rule No. 336, the notes may be privately offered in Chile to certain "qualified investors" identified as such therein (which in turn are further described in General Rule No. 216, dated June 12, 2008, of the SVS).

La oferta de los bonos se acoge a la Norma de Carácter General N°336 de la SVS. Los bonos que se ofrecen no están inscritos bajo la Ley de Mercado de Valores en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Los bonos no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente. Los bonos solo podrán ser ofrecidos en Chile en circunstancias que no constituyan una oferta pública o cumpliendo con lo dispuesto en la Norma de Carácter General N°336 de la SVS. En conformidad con lo dispuesto por la Norma de Carácter General N°336, los bonos podrán ser ofrecidos privadamente a ciertos "inversionistas calificados," identificados como tal en dicha norma (y que a su vez están descritos en la Norma de Carácter General N°216 de la SVS de fecha 12 de junio de 2008).

ADDITIONAL INFORMATION

We have agreed that while any notes remain outstanding and are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, we will make available, upon request, to any holder or prospective purchaser of notes the information required pursuant to Rule 144A(d)(4) under the Securities Act with respect to us during any period in which we are not subject to Section 13 or 15(d) of the Exchange Act or exempt by virtue of Rule 12g3-2(b) thereunder. Any such request should be directed to us at our principal office at Calle Rosario Norte #532, 19th Floor, Las Condes, Santiago, Chile.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

We are a closely held corporation (*sociedad anónima cerrada*) organized under the laws of Chile. All of our directors and officers and the independent auditors named in these listing particulars reside outside the United States (principally in Chile), and substantially all of our assets and the assets of these persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or such persons or to enforce against us or them U.S. court judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

We have been advised by Claro & Cía. ("Claro"), our special Chilean counsel, that no treaty exists between the United States and Chile for the reciprocal enforcement of foreign judgments. It is the opinion of our Chilean counsel that Chilean courts would enforce judgments rendered by U.S. courts by virtue of the legal principles of reciprocity and comity, subject to review in Chile of any such U.S. judgment in order to ascertain whether certain basic principles of due process and public policy have been respected, without retrial or review of the merits of the subject matter. If a U.S. court grants a final judgment, enforceability of this judgment in Chile will be subject to obtaining the relevant *exequatur* decision from the Supreme Court of Chile (i.e., recognition and enforcement of the foreign judgment) according to Chilean civil procedure law in force at that time, and satisfying certain legal requirements. Currently, the most important of these requirements are:

- the existence of reciprocity, absent which the foreign judgment may not be enforced in Chile;
- the absence of any conflict between the foreign judgment and Chilean laws (excluding for this purpose the laws of civil procedure) and public policy;
- the absence of a conflicting judgment by a Chilean court relating to the same parties and arising from the same facts and circumstances;
- the Chilean court's determination that the U.S. courts had jurisdiction, that process was appropriately served on the defendant and that the defendant was afforded a real opportunity to appear before the court and defend his or her case; and
- the absence of any further means for appeal or review of the judgment in the jurisdiction where judgment was rendered.

We have been advised by Claro that there is doubt as to the enforceability, in original actions in Chilean courts, of liabilities predicated solely on the U.S. federal securities laws and as to the enforceability in Chilean courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of the U.S. federal securities laws.

We have appointed Corporation Service Company, with an office on the date hereof at 1180 Avenue of the Americas, Suite 210, New York, NY 10036, United States as our authorized agent for service of process in the United States, upon which process may be served in any action which may be instituted in any U.S. federal or state court having subject matter jurisdiction in the Borough of Manhattan, New York City, New York, arising out of or based upon the indenture governing the notes or the notes themselves.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

These listing particulars contains words such as "believe," "intend," "estimate," "expect," "could," "may," "will," "plan," "target," "project," "potential," "predict," "forecast," "guideline," "should," "anticipate" and similar expressions, that identify forward-looking statements reflecting our views about future events and financial performance. Words such as "believe," "could," "may," "will," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "potential," "predict," "forecast," "guideline," "should" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. Statements that are not historical facts, including statements about our strategy, plans, objectives, assumptions, prospects, beliefs and expectations, are forward-looking statements. Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties. These forward-looking statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Actual results could differ materially and adversely from those expressed or implied by the forward-looking statements as a result of various factors that may be beyond our control, including but not limited to:

- our ability to service our debt;
- our ability to fund and implement our ongoing maintenance capital expenditure programs;
- the maintenance of relationships with customers;
- our customers' ability to fund and implement their capital expenditure programs;
- the condition of the Chilean and world economies;
- the relative value of the Chilean peso as compared to the U.S. dollar;
- political and economic conditions in Chile;
- the price of copper, coal and other commodities;
- inflation;
- natural disasters;
- a change of control;
- the effects from competition and regulation;
- increases in interest rates; and
- changes in our regulatory environment, including the costs of complying with environmental and renewable energy regulations.

Some of these factors are discussed under "Risk Factors," but there may be other risks and uncertainties not discussed under "Risk Factors" or elsewhere in these listing particulars that may cause actual results to differ materially from those in forward-looking statements.

In any event, these statements speak only as of the date of these listing particulars, and we do not undertake any obligation to update or revise any of them as a result of new information, future events or otherwise.

PRESENTATION OF FINANCIAL AND MARKET INFORMATION

We prepare our annual audited financial statements and our unaudited interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Our financial information contained in these listing particulars includes:

- our unaudited interim financial statements as of September 30, 2014 and for the nine months and three months ended September 30, 2014 and 2013, included elsewhere in these listing particulars, which have been prepared in U.S. dollars (our "unaudited interim financial statements"); and

- our audited financial statements as of December 31, 2013 and 2012, and for the years ended December 31, 2013, 2012 and 2011, included elsewhere in these listing particulars, which have been prepared in U.S. dollars (our "audited financial statements").

Certain figures included in these listing particulars and in our financial statements have been rounded for ease of presentation. Percentage figures included in these listing particulars have not been calculated in all cases on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in these listing particulars may vary from those obtained by performing the same calculations using the figures in our financial statements. Certain other amounts that appear in these listing particulars may not sum as a result of rounding.

References in these listing particulars to "U.S.$," "U.S. dollars" and "dollars" are to United States dollars, references to "Chilean pesos" or "Ch$" are to Chilean pesos and references to "UF" are to Unidades de Fomento, a daily indexed Chilean peso denominated monetary unit calculated by the *Banco Central de Chile*, or the Central Bank of Chile, which we refer to as the "Central Bank of Chile" or the "Chilean Central Bank", that takes into account the effect of the Chilean inflation rate. These listing particulars contains certain translations of Chilean peso amounts into U.S. dollars at specified rates. Unless otherwise indicated and other than information derived from our audited financial statements and our unaudited interim financial statements prepared in U.S. dollars in accordance with IFRS, the U.S. dollar equivalent for information in Chilean pesos is based on the observed exchange rate reported by the Central Bank of Chile. The Federal Reserve Bank of New York does not report a noon buying rate for Chilean pesos. On December 3, 2014, the observed exchange rate for Chilean pesos was Ch$614.77 to U.S.$1.00. You should not construe these translations as representations that the Chilean peso amounts actually represent, or have been or could be converted, into U.S. dollars at the rates indicated or at any other rate. See "Exchange Rates." Unless otherwise specified, references to the depreciation or the appreciation of the Chilean peso against the U.S. dollar are in nominal terms (without adjusting for inflation) based on the observed exchange rates published by the Central Bank of Chile for the relevant period.

Some market information regarding production costs and estimated market shares has been derived by Angamos from third-party sources, including the annual statistical compendium published by the Economic Load Dispatch Center of the Northern Interconnected Electricity System (*Centro de Despacho Económico de Carga del Sistema Interconectado del Norte Grande* or "CDEC – SING"), an autonomous entity in charge of coordinating the efficient operation and dispatch of generation units to satisfy demand, and public documents published by the National Energy Commission (*Comisión Nacional de Energía* or "CNE"), a governmental entity operating under the Chilean regulatory framework, and from Angamos's own industry research. While we believe that our own estimates and the estimates of CDEC – SING and CNE are reliable, the accuracy and completeness of such estimates are not guaranteed, nor have such estimates been confirmed by other independent sources.

Unless otherwise indicated, statistics provided in these listing particulars with respect to power generation facilities are expressed in megawatts (MW), in the case of the installed capacity of such facilities. Statistics relating to aggregate annual electricity production are expressed in gigawatts per hour (GWh) and are based on a year of 8,760 hours, except for the leap year 2012, which had 8,784 hours. Statistics relating to installed capacity and production of the power industry do not include electricity of auto-generators. Statistics relating to our production do not include electricity consumed by us from our generators.

Energy losses in transmission are calculated by subtracting the number of GWh of energy sold from the number of GWh of energy purchased and generated (that excludes our energy consumption and losses of the relevant power plant) within a given period.

Special Note about Non-IFRS Financial Measures

In these listing particulars, we include a calculation of Adjusted EBITDA, which we define as net income after adding back (to the extent the number is negative) or subtracting (to the extent the number is positive), as the case may be, (1) income tax expense, (2) foreign currency exchange differences, (3) finance expense, (4) finance income, (5) other gains (losses), (6) asset retirement obligation accretion expense and (7) depreciation and amortization. Adjusted EBITDA is not an IFRS measure but we use it to present a measure of our operational economic performance from management's perspective. Adjusted EBITDA is not an accounting measure recognized by IFRS and should not be considered in isolation or as a substitute for net income, cash flow from operations or other IFRS measures of operating performance or liquidity. Adjusted EBITDA does not have a standardized meaning and our calculation of Adjusted EBITDA may not be comparable to other companies' calculation of similarly titled measures.

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Glossary

Argentina:	Republic of Argentina.
CDEC – SING:	Economic Load Dispatch Center of the Northern Interconnected Electricity System ("*Centro de Despacho Económico de Carga del Sistema Interconectado del Norte Grande*"), a private organization regulated by the Chilean Electric Law (as defined below), in charge of coordinating the operation of an interconnected electricity system. Members of the CDEC – SING are representatives of different companies that own power generation plants or transmission facilities along with appointed representatives from Unregulated customers that use transmission facilities in the grid. Among other functions, the CDEC – SING seeks to preserve the overall reliability of electricity supply as well as the efficient operation and the dispatch of generation units to satisfy electricity demand. Additionally, the CDEC – SING operates a dispatch system for the northern regions of Chile that places the power plants that will operate in the grid in order according to their respective variable cost of production, starting with the lowest cost plants, such that electricity is supplied at the lowest available cost.
Chile:	Republic of Chile.
Chilean Bankruptcy Law:	Law for the Reorganization and Liquidation of Assets of Companies and Individuals (*"Ley de Reorganización y Liquidación de Empresas y Personas"*) or Law No. 20,720 of the Ministry of Economy, enacted on January 9, 2014 and effective October 9, 2014, which replaces in its entirety the bankruptcy law previously in effect as contained in Book IV of the Chilean Commercial Code.
Chilean Electric Law:	General Law of Electric Services (*"Ley General de Servicios Eléctricos",* or D.F.L. N° 4/2006 of the Ministry of Economy), as amended.
Chilean Government:	Government of the Republic of Chile.
CNE:	National Energy Commission ("*Comisión Nacional de Energía*"), a governmental consulting agency in charge of developing and coordinating plans, policies and standards for the proper development of the energy industry, overseeing compliance and advising the Chilean Government on matters related to energy. Among other functions, the CNE calculates retail and wholesale tariffs, or node prices. The CNE also prepares a four-year expansion plan of the grid that must be consistent with the calculated node prices.
Combined cycle gas turbines ("CCGT"):	A type of thermoelectric turbine that can use various fuels, including natural gas or diesel, to drive an alternator to generate power, and then uses the heat that escapes from that process to produce steam to generate additional power via a steam turbine.
Contract customers:	Customers (whether Regulated customers or Unregulated customers) to which energy is sold under a contract and not through the spot market.
CPI:	Consumer price index (*Índice de Precios al Consumidor*) as reported by the Chilean National Institute of Statistics (*Instituto Nacional de Estadísticas*).
Distribution:	The transmission of electricity to the end customer.
Distributor:	An entity supplying electricity to a group of end customers by means of a

	distribution network.
DS 130:	*Decreto Supremo 130*, a supreme decree enacted in December 31, 2012 by the Ministry of Energy. This decree provides a mechanism to compensate for the over-costs incurred by generation units running at their technical minimum mode, which according to current regulations, are not paid for their variable operating costs per the CDEC's balance of energy transactions among generation companies. The over-cost, at any given time, is equal to the difference between (a) the variable costs reported by electricity generation units operating at their technical minimum mode and (b) the marginal cost, and is paid by all generation companies in proportion to the electricity withdrawn from the system to supply their contracted demand. See "Regulation—Chilean Electricity Framework—Fines and Compensations."
End customer:	A party that uses electricity for its own needs.
EPC:	Engineering, procurement and construction.
Firm capacity:	The capacity that a generator is able to supply to the system on an annual basis calculated at certain peak hours, taking into consideration statistical and annual information regarding, among other things, the system over-installation factor (calculated as the quotient between the system peak demand over the system total installed capacity), the time the generator will be out of service for maintenance, the forced outage rate (FOR), self-consumption, the start-up time and the ramp-up rate. The firm capacity of each generator in the SING is determined by the CDEC.
Gigawatt (GW):	One billion watts.
Gigawatt hour (GWh):	One gigawatt of power supplied or demanded for one hour, or one billion watt hours.
Kilovolt (kV):	One thousand volts.
Kilowatt (kW):	One thousand watts.
Kilowatt hour (kWh):	One kilowatt of power supplied or demanded for one hour, or one thousand watt hours.
LNG:	Liquefied natural gas.
Megawatt (MW):	One million watts.
Megawatt hour (MWh):	One megawatt of power supplied or demanded for one hour, or one million watt hours.
Ministry of Economy:	Ministry of Economy, Development and Tourism of Chile
MMm3/day:	Millions of cubic meters per day.
MVA:	Mega volt ampere.
NCREs:	Non-conventional renewable energies.
Node price:	The regulated price of electric power provided to Regulated customers, calculated twice per year by the CNE by means of a method that estimates the average of the expected spot price for the subsequent 48 months.

Nox:	Nitrous oxide.
Particulate matter:	Fine particles or tiny subdivisions of solid or liquid matter suspended in a gas or liquid.
PPAs:	Power purchase agreements.
Regulated customers:	Customers with (i) a maximum hourly demand lower than 500kW or (ii) a maximum hourly demand between 500kW and 2,000kW that have not opted to be subject to an unregulated regime.
RM 39:	*Resolución Ministerial 39* of the Ministry of Economy, an administrative regulation issued in 2000, whereby an additional tariff is included in the price at which energy is transacted on the spot market to compensate for the additional costs of complying with certain technical and security requirements, including costs arising from the forced dispatch of combined cycle units, the spinning reserve to respond to temporary shortages of electricity supply and conducting new unit tests that displace efficient generation. See "Regulation—Chilean Electricity Framework—Fines and Compensations."
SDEC:	Chilean Superintendency of Electricity and Fuels (*Superintendencia de Electricidad y Combustibles*), a governmental entity in charge of supervising the Chilean electricity market. The SDEC sets and enforces the technical standards of the system and monitors and enforces compliance with the law and regulations related to energy matters, including all rules related to security and service quality. It is also in charge of processing electric concessions and easements related thereto for hydroelectric facilities, transmission lines, and distribution networks.
SIC:	Central Interconnected Electricity System (*Sistema Interconectado Central*), Chile's main interconnected power grid, covering most of Chile except the north (covered by the SING) and the extreme south of the country.
SING:	Northern Interconnected Electricity System (*Sistema Interconectado del Norte Grande*), a grid covering the northern regions of Chile (Regions I, II and XV).
Sm3/day:	Standard cubic meters per day, a unit used to measure the flow of gas at standard pressure and temperature conditions during one day.
SO_2:	Sulfur dioxide.
Spot market:	Wholesale market of electricity in which electricity generation companies purchase electricity as necessary to fulfill their contractual electricity sales requirements or sell electricity to other generation companies when their electricity production exceeds their contractual requirements. Electricity trades on the spot market are made at spot prices set hourly by the CDEC – SING based on the marginal cost of production of the last generation facility dispatched.
Substation:	An assemblage of equipment that switches and/or regulates the voltage of electricity in a transmission and distribution system.
SVS:	Superintendency of Securities and Insurance (*Superintendencia de Valores y Seguros*), a governmental entity in charge of regulating Chilean public companies, issuers of publicly traded securities, the local securities markets and the local insurance sector.

Terawatt (TW):	One trillion watts.
Terawatt hour (TWh):	One terawatt supplied or demanded for one hour, or one trillion watt hours.
Thermoelectric plant:	A generating unit that uses combustible fuel, such as coal, diesel or natural gas, as the source of energy to drive the power generator.
Unregulated customers:	Customers with (i) a maximum hourly demand for electricity supply of at least 2,000 kW or (ii) a maximum hourly demand for electricity supply of at least 500 kW that opt to be subject to an unregulated regime. The tariffs and conditions of PPAs with Unregulated customers are negotiated freely between the generator and the customer.
Volt:	The basic unit of electric force, equivalent to one joule of energy per coulomb of charge.
Watt:	The basic unit of electrical power, equivalent to one joule of energy per second.

SUMMARY

Please read the following summary, together with the information set forth under the heading "Risk Factors" and in the financial statements and accompanying notes appearing elsewhere in these listing particulars.

Overview

We are engaged in the generation, transmission and supply of electricity in northern Chile. We own and operate two coal-fired power units, Angamos I and Angamos II, with an aggregate gross capacity of 545 MW, located on the Pacific coast of northern Chile near the town of Mejillones (the "Complex"). These units have been fully operational since April and October 2011, respectively. Additionally, our 20 MW battery energy storage system ("BESS") project initiated operations in December 2011 and allows us to increase generation by replacing generation capacity set aside for frequency regulation and spinning reserve.

We sell electricity in the SING, Chile's second largest power grid, which supplies approximately 24.2% of Chile's total energy demand. Demand within the SING is dominated by large mining, iodine and nitrate companies with operations in northern Chile (Regions I of Tarapacá, II of Antofagasta and XV of Arica and Parinacota). Given the conditions prevailing in the northern regions, electricity supply comes mainly from thermal capacity (coal, natural gas and diesel), with a small contribution from NCREs. According to the CNE, in terms of generation, we are the second largest electricity generation company in the SING. As of September 30, 2014, our market share in the SING was approximately 22.2% and 13.4% as measured by generation and installed capacity, respectively.

Since the mid-2000's, the SING has faced a severe imbalance in efficient electricity generation due to the curtailment of natural gas imports from Argentina. This circumstance produced a power shortage that led thermoelectric generators to turn to higher cost fuels such as diesel to supply their customers in the SING. Following a period of significant instability in the industry due to price volatility, a number of investments in natural gas and coal-fired plants have been made to meet existing demand with efficient technologies. We were the first efficient and largest, in terms of installed capacity, electric generation power plant to enter into operation in the SING in the last decade. The start of our commercial operations in 2011 improved the reliability and efficiency in the electricity supply at competitive prices in the SING.

We sell the electric power generated by us primarily to large mining companies through long-term PPAs and, to a lesser degree, to power generation companies in the spot market. Our long-term PPAs provide a very stable source or recurring cash flow. We have PPAs with Minera Escondida Ltda. ("MEL"), Minera Spence S.A., ("Spence"), both subsidiaries of BHP Billiton, and Compañía Minera Teck Quebrada Blanca S.A. ("QB"), a subsidiary of Teck Resources Ltd., for the supply of 340 MW, 90 MW and 80 MW, respectively. Under the PPAs with MEL and Spence, we currently have 88% of the total installed capacity of our Complex contracted. Following the commencement of obligations under our PPA with QB in 2018, approximately 100% of such total installed capacity will be contracted under our PPAs. These PPAs have tenors ranging from 12 to 23 years and include certain "pass-through" provisions that allow us to transfer the majority of our generation costs to our customers. See "Business –Main Contracts."

For the year ended December 31, 2013 and the nine months ended September 30, 2014, our total generation under our PPAs was 1,972 GWh and 1,511 GWh respectively, and sales pursuant to our PPAs represented 73.2% and 70.7% of our operating revenues, respectively. During the same periods, our net income totaled U.S.$28.3 million and U.S.$6.5 million, respectively, and our Adjusted EBITDA generation has remained stable at U.S.$119.4 million and U.S.$83.2 million, respectively.

The map below shows the location of our Complex and the mines of our main customers:

Since the inception of our Complex, we have received several awards given its competitive strengths in terms of asset quality and customer base. In 2008, we received the following awards: *LatinFinance – Best Project Finance Deal, Project Finance International – Power Deal of the Year, Infrastructure Journal – Power Deal of the Year*. In 2012, shortly after the commencement of our commercial operations, we received the *85th Annual EEI Edison Award*, the electric utility industry's most prestigious honor, for our distinguished leadership, innovation and contribution to the advancement of the electric utility industry.

We are a wholly-owned indirect subsidiary of AES Gener S.A. ("AES Gener"), which is rated Baa3 by Moody's Investors Service, Inc. ("Moody's") and BBB- by Fitch Ratings, Inc. ("Fitch") and Standard & Poor's Ratings Services, a division of McGraw-Hill ("S&P"). AES Gener is the holding company for a group of companies involved in the generation, transmission and supply of electricity in Latin America and one of the largest power generation companies in Chile. See "— Our Controlling Shareholder" below.

Competitive Strengths

We believe our key competitive strengths are:

- *Fully contracted electric power generated by our Complex under long-term PPAs with creditworthy customers, providing stable and predictable cash flows.*

As of September 30, 2014, we have long-term PPAs with creditworthy mining companies currently representing 88% of the expected generation of our Complex, which will rise to approximately 100% from 2018 onwards, following the commencement of obligations under our PPA with QB. Our customers are MEL, which is rated Baa1 by Moody's and BBB+ by S&P, Spence and QB. MEL and Spence, are both subsidiaries of BHP Billiton, an Anglo-Australian multinational mining, metals and petroleum company headquartered in Melbourne, Australia, rated A1/A+/A+ by Moody's, Fitch and S&P, respectively, that as of December 31, 2013, was the world's largest mining company in terms of revenues. QB, is a subsidiary of Teck Resources Ltd, a diversified resource company committed to responsible mining and mineral development, rated BBB by Fitch and S&P, headquartered in Vancouver, Canada, that is the second largest seaborne exporter of steelmaking coal, a top ten copper producer in the Americas and the third largest producer of zinc concentrate.

Our PPAs have favorable tariff structures that allow us to significantly mitigate our cash flow risk. This structure includes (i) a fixed monthly charge, which operates as a take-or-pay provision whereby we receive payment for the contracted capacity regardless of whether the customer uses it, except in force majeure circumstances that extend beyond certain periods of time, and (ii) a variable monthly charge proportional to the actual energy we deliver.

Our PPAs also include pass-through provisions that allow us to charge our customers for variations in fuel prices, subject to certain performance requirements of our power generation units, and other costs such as maintenance, certain changes in law and transmission tolls, among others. Due to these provisions, we believe fluctuations in the price of fuel have minimal impact on our financial results.

- *Strategic asset in an area with growing demand*

We operate in Chile, the country with the highest credit rating in Latin America (S&P: AA-/Moody's: Aa3/Fitch: A+), and we benefit from its sound and stable regulatory environment. The power sector regulatory framework, which has been in place since 1982, was consolidated through a broadly supported legislative reform to the power sector regulatory framework in 2005. The mining sector is Chile's largest source of hard currency generation and is also an important sector of the Chilean economy, representing approximately 13% of the country's GDP in 2013. As a world class mining company with some of the country's best assets under its ownership, the parent companies of our main customers, BHP Billiton, together with the ongoing investments of Teck Resources, Ltd., are meaningful contributors to the Chilean economy. To that end, reliable, base-load generation, which we provide, is an important contributor for meeting the electricity demand that is expected to result from the forecasted growth of the Chilean economy, which according to the CNE, is expected to reach an average annual growth rate of 6.0% in the period from 2014 through 2024.

- *Robust and predictable financial position.*

The structure of our PPAs allow us to generate stable cash flows, and pass through to customers the majority of our variable costs. With our recently-constructed state-of-the-art Complex, our capital expenditure requirements are minimal and during maintenance periods, when we are unable to supply energy, our PPAs allow us to pass-through spot purchases, subject to certain limitations. The predictability of our cash flows consequently provides us stable and reliable liquidity. As of September 30, 2014, our total balance of cash and cash equivalents was U.S.$83.3 million.

- *World class asset with a solid operational track record.*

Our Complex, which is based on proven pulverized coal technology, was the first completed in the SING in the last decade and also the first in South America to utilize seawater cooling towers. Additionally, our Complex was completed ahead of schedule and below budget. It is designed to withstand seismic activity using the same technology that helped AES Gener's Ventanas III power facility (located in Region V of Valparaíso), to withstand the major earthquake and tsunami that struck Chile in February 2010. The Complex is also equipped with other state-of-the-art technology such as environmental controls and emissions mitigation equipment. We are also equipped with BESS, making our Complex

the first of its kind in South America. BESS allows us to increase our generation capacity by 130-150 GWh per year by replacing generation capacity usually set aside for frequency regulation and spinning reserve service. This technology received the *Power Magazine's 2012 Plant of the Year* award for innovation and excellence and the *Annual EEI Edison Award* for operational efficiency in 2012.

- *Strong and experienced shareholder.*

  We benefit from a top-tier, investment grade shareholder, AES Gener, which contributes both its local experience in the Chilean power market as a utility project developer and operator, and its global perspective, through the AES Corporation's ("AES Corp.") long track record of project development and operation. See "– Our Controlling Shareholder" below. Moreover, our relationship with AES Gener provides important synergies, such as access to a rich talent base of employees, reliable coal supply at competitive prices, technical, operational and maintenance support, a portfolio of available insurance products, and operational efficiencies that will be available through a shared services arrangement with Empresa Eléctrica Cochrane SpA ("Cochrane"). Cochrane is another indirect subsidiary of AES Gener that is developing a project that involves the construction of a power plant alongside our Complex with two coal-fired thermoelectric units (with an aggregate expected gross installed capacity of 532 MW) which are expected to start operating in 2016.

Business Strategy and Objectives

Our business strategy and objective is to provide reliable and sustainable electricity in the SING by leveraging our operational, commercial and financial excellence, and is based on the following:

- *Provide world-class service quality while operating our Complex safely, efficiently and sustainably.*

  We strive to provide world-class quality of service while operating our facilities safely, efficiently and sustainably. Our business adheres to global benchmarks for safety, environmental and operating standards in the industry and we promote a culture of health, safety, accident prevention, security and environmental excellence by our employees, contractors and local communities. In terms of safety, we rigorously implement and follow the strictest industry safety standards in order to safeguard our employees and contractors and the communities where our operations are located. In terms of operational efficiency, we focus on ensuring long-term availability, reliability and asset integrity with preventive and predictive maintenance and monitoring. In terms of sustainability, we seek to be good corporate citizens and develop our business in a manner which complies with applicable legal and environmental regulations, minimizes negative environmental impacts and makes positive contributions to the communities in which we operate. We also follow strict corporate governance standards and seek to ensure fairness, transparency, accountability, and responsibility in the operation of our business for our shareholders and all stakeholders.

- *Continue to maintain a solid financial profile with stable and predictable cash flows.*

  We are committed to maintaining a solid financial profile, strong credit metrics, and providing stable returns to our shareholders. Our principal financial objectives include continuing to generate predictable and stable cash flows, maintaining adequate minimum liquidity and managing our debt amortization schedule in line with the tenor of our PPAs. Our business model, which is based on long-term PPAs fully covering our generation capacity in the long-term, with take-or-pay provisions and pass through provisions, protect us against electricity price fluctuations as well as fluctuations in our principal variable costs, mainly fuel prices. This has historically provided and is expected to continue to provide us with stable revenues and cash flows.

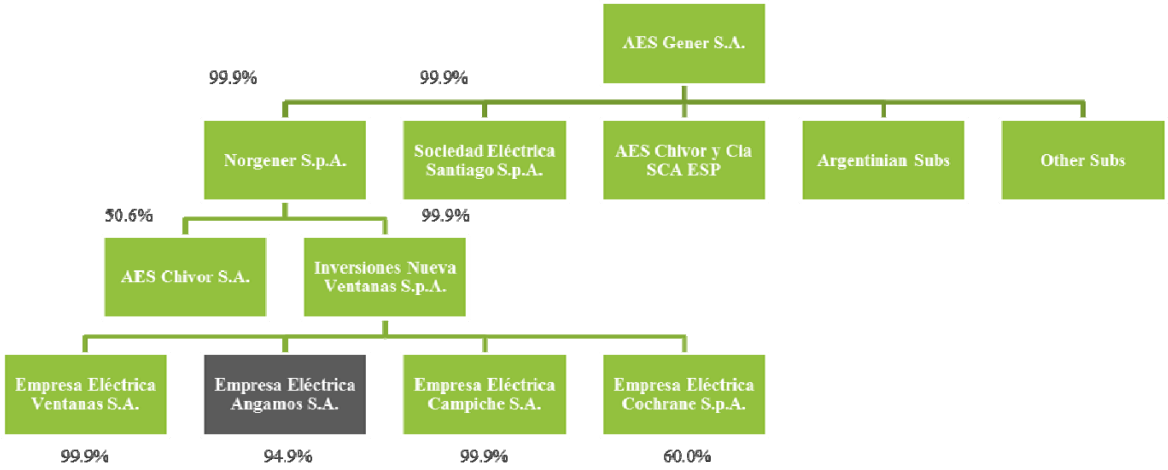
- *Financial excellence.*

  Our financial policy focuses on profitability, stability and liquidity in order to maintain and develop our business. Our principal financial objectives include balancing our capital structure, maintaining an adequate liquidity and having a debt amortization schedule according to our cash flow generation to

prevent cash flow and earnings volatility. As of September 30, 2014, our total cash and cash equivalents balance was U.S.$83.3 million and our total indebtedness on a nominal basis was U.S.$763.1 million.

Our Controlling Shareholder

We are indirectly controlled by AES Gener through its indirect subsidiary Inversiones Nueva Ventanas SpA ("Inversiones Nueva Ventanas"), which currently holds 94.9% of our shares. Inversiones Nueva Ventanas is owned by Norgener SpA ("Norgener"), a company organized by AES Gener to group assets developed and financed under a stand-alone structure. Moreover, AES Gener currently holds directly 5.1% of our shares. The chart below shows AES Gener's simplified organizational structure to highlight our ownership structure. However, AES Gener and AES Corp. are not obligated to, and neither of them will, guarantee the performance of our obligations under the notes.



AES Gener was founded on June 19, 1981 under the original name Compañía Chilena de Generación Eléctrica S.A. ("Chilectra Generación S.A."). Its origins date back to 1889 when the Chilean Electric Tramway and Light Company was incorporated in Santiago. The assets were merged in 1921 with those of the Compañía Nacional de Fuerza Eléctrica to form the Compañía Chilena de Electricidad ("Chilectra"). Chilectra was a privately owned company until 1970, when it was nationalized and taken over by the Corporation for the Development of Production (*Corporación de Fomento de la Producción*, "CORFO"). In June 1981, it was restructured into a holding company, Chilectra S.A., with three subsidiaries: Chilectra Metropolitana S.A., a distribution company serving the Santiago Metropolitan Area; Chilectra Quinta Región S.A., a distribution company serving Valparaiso and the Aconcagua Valley; and Chilectra Generación S.A., an electricity generation company and owner of the former Chilectra's transmission assets.

Through a tender offer and a series of investments during 2000, AES Gener came under the ownership of AES Corp., which has continued its expansion in various Latin American countries. As part of the AES Group, AES Gener changed its name to AES Gener S.A. in 2001.

In Chile, AES Gener currently has a diversified generation portfolio in terms of geography, technology and fuel source. Its installed capacity is located near the principal electricity consumption centers, including Santiago, Valparaiso and Antofagasta, extending from Tocopilla in the north to Los Angeles in south-central Chile. The diverse generation portfolio, composed of hydroelectric, coal, gas, diesel and biomass facilities, allows the Company to flexibly and reliably operate under a variety of market and hydrological conditions, efficiently managing our contractual obligations with Regulated customers and Unregulated customers and, as required, providing back-up spot market energy to the SIC and SING. As of September 30, 2014, AES Gener's installed capacity in Chile totaled 3,440 MW, comprised of 2,618 MW in the SIC and 822 MW in the SING. AES Gener is

the second largest electricity generation company in Chile with a market share, as of September 30, 2014, in terms of installed capacity, of approximately 20.2% (including Angamos) in the SING (Chile's second largest grid where mining consumption is dominant), and 18.0% in the SIC (Chile's largest grid covering 92.2% of Chile's population, including the densely populated Santiago Metropolitan Region). Additionally, AES Gener currently has two coal-fired projects with gross capacity of 684 MW (including Cochrane), a 20 MW battery energy storage project, a 21 MW solar project, and a hydroelectric project with a gross capacity of 531 MW under construction in Chile through Alto Maipo.

In Colombia, AES Gener currently has presence in the SIN (*Sistema Interconectado Nacional*). As of September 30, 2014, it had a 6.8% market share in terms of installed capacity. AES Gener currently owns the third-largest hydroelectric facility in the country, AES Chivor & Cía. SCA E.S.P. ("AES Chivor"), a dam-based hydroelectric plant located approximately 160 km east of Bogota with a gross installed capacity of 1,000 MW, and one additional hydroelectric project with a gross capacity of 20 MW is under construction.

AES Gener also has a presence in the SADI (*Sistema Argentino de Interconexión*) in Argentina with a 643 MW CCGT located in the province of Salta that is owned through its wholly-owned subsidiary TermoAndes S.A. ("TermoAndes"). As of September 30, 2014, AES Gener's presence in the SADI represented 1.9% of the system's aggregate installed capacity. Although TermoAndes' plant is also connected to the SING, it sells energy exclusively in Argentina as of the date of these listing particulars.

Recent Developments

On October 3, 2014, we made a rights offering to our existing shareholders with respect to the subscription of 1,148,121,531 new common shares, which was fully subscribed by AES Gener and increased our common shares outstanding to 22,150,749,834. The following table sets out the principal shareholders of our common shares as of September 30, 2014 and after giving effect to the rights offering:

	Ownership of Common Shares			
	As of September 30, 2014		After rights offering	
Name	**Shares**	**%**	**Shares**	**%**
Inversiones Nueva Ventanas[(1)]	21,002,628,203	99.9%	21,002,628,203	94.9%
AES Gener	100	0.01%	1,148,121,631	5.1%
Total shareholders	**21,002,628,303**	**100.0%**	**22,150,749,834**	**100.0%**

(1) Indirect subsidiary of AES Gener through Norgener.

Corporate Information

We are a closely held corporation (*sociedad anónima cerrada*) organized under the laws of Chile and subject to the rules applicable to Chilean closely held corporations (*sociedades anónimas cerradas*). As of the date of these listing particulars, we do not have any subsidiaries.

We were organized under our constitutional deeds by means of public deed dated November 12, 2007, granted before the Notary Public of Santiago Ms. Antonieta Mendoza Escalas. An abstract of such public deed was registered in the Registro de Comercio of the Conservador de Bienes Raíces de Santiago on November 20, 2007, on page 49,102 No. 34,827 and published in the Official Gazette on November 21, 2007. In accordance with Article Three of our bylaws, our duration will be indefinite.

Pursuant to Article Two of our bylaws, our corporate purpose will be: (i) generation, transmission, purchase, sale and distribution of electric or other energy, in any area of the country or abroad; (ii) extraction, distribution, commercialization and exploitation, of any type, of solid, liquid and gaseous fuels; (iii) sale and provision of maintenance engineering services; (iv) lease, construction, or acquisition and exploitation of harbors or ports, in any manner, and conduct of any other related or complementary productivity or commercial activities of the businesses mentioned above. To comply with its purpose, the Company will obtain, transfer, purchase, lease, encumber, and in general exploit in any manner the concessions mentioned in the General Law of Electricity Services, the maritime concessions, and any other rights as may be required, and to make investments

in any kind of personal, tangible or intangible properties, specially bonds, debentures, shares, rights in corporations and, in general, any kind of securities, to administrate those properties and receive the proceeds resulting from them.

Our principal executive offices and corporate headquarters are located at Calle Rosario Norte # 532, 19th Floor, Las Condes, Santiago, Chile, and our telephone number is +56-2-2-686-8900.

The Offering

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the notes, see "Description of Notes" in these listing particulars.

Issuer	Empresa Eléctrica Angamos S.A.
Notes Offered	U.S.$800,000,000 aggregate principal amount of 4.875% senior secured notes due 2029.
Issue Price	98.528% plus accrued interest, if any, from November 25, 2014.
Maturity Date	May 25, 2029.
Payment Dates	May 25 and November 25, commencing on May 25, 2015.
Interest	The notes will bear interest from November 25, 2014 at the annual rate of 4.875%, payable semi-annually in arrears on each interest Payment Date (as defined under "Description of Notes—General).
Principal	The principal amount of the notes will be payable in consecutive semi-annual installments commencing on May 25, 2018 and on each Payment Date thereafter. The final installment of the principal will, in any event, equal the then outstanding aggregate principal balance of the notes and will be payable together with the accrued and unpaid interest thereon and any other amounts then owing by the Issuer under the notes.
Ranking	The notes will be the Issuer's direct, unconditional general obligations, secured by a first lien on the Collateral (as defined under "Description of Notes—Collateral and Intercreditor Arrangements"), and will, other than as set forth below, at all times: • rank *pari passu* in right of payment with all of the Issuer's senior existing and future similarly secured obligations (except those obligations preferred by operation of Chilean law, including without limitation labor and tax claims); • rank senior to the Second Lien Obligations (as defined under "Description of Notes—Collateral and Intercreditor Arrangements"); • rank senior to the Third Lien Obligations (as defined under "Description of Notes—Collateral and Intercreditor Arrangements"); • rank effectively senior in right of payment to all of the Issuer's unsecured Indebtedness to the extent of the value of the Collateral; • rank senior in right of payment to all of the

	Issuer's existing and future Indebtedness subordinated to the notes (if any); • rank effectively junior to any future secured obligations of the Issuer and its subsidiaries with a security interest on assets not constituting Collateral, in each case, to the extent of the value of the collateral securing such obligations; and • rank effectively junior to any debt, preferred stock obligations and other liabilities of the Issuer's subsidiaries, except to the extent of the value of the Collateral. As of September 30, 2014, the Issuer's total indebtedness outstanding on a nominal basis was U.S.$763.1 million, all of which was secured. As of September 30, 2014, after giving pro forma effect to the sale of the notes offered hereby and the use of proceeds therefrom as described under "Use of Proceeds," the Issuer's total indebtedness outstanding on a nominal basis was U.S.$800 million, all of which was secured.
Security.....	The obligations of the Issuer with respect to the notes and the performance of all other obligations of the Issuer under or relating to the Indenture will be secured by a first-priority perfected security interest on the Collateral (as defined under "Description of Notes"). On the Issue Date, a first-priority security interest shall be continued on the property of the Issuer consisting of the site on which the Issuer's power generation facility and ash disposal site are located, excluding the portion of the land that is currently leased and that will be purchased by Empresa Eléctrica Cochrane SpA for the development of its own facility, the Issuer's power generation facility and the Issuer's transmission line, in favor of the Collateral Agent, acting on behalf of and for the benefit of the Holders as secured parties. Perfection of the security interest is expected to be effective upon filing and registration of the relevant Security Documents with the relevant Chilean registries described under "Description of Notes." Such perfection is expected to become effective, in the case of the pledge over the Issuer's power generation facility and transmission line, within 20 business days from the issue date, and in the case of the mortgages over the site on which the power generation facility is located, within 10 weeks from the issue date. A failure to perfect the security interest within each respective time frame will be an Event of Default under the indenture governing the notes. See "Description of Notes—Events of Default." The first lien security interest granted to the holders of the notes will be held *pari passu* with Banco de Chile and, if any, any future creditors of the Issuer benefitting from a

	First Lien on the Collateral. Banco de Chile will share in the First Lien as a letter of credit lender under the Issuer's existing letter of credit facility. This letter of credit facility, as replaced by the Amendment No.2 and Restated Commercial Facility Agreement between the Issuer and Banco de Chile to be entered into on the Issue Date, provides for the issuance of letters of credit in an aggregate principal amount of up to U.S.$25.0 million for letters of credit required under the Issuer's power purchase agreements as well as its dry-bulk off loading agreement (*Contrato de Transferencia de Graneles Secos*), dated as of March 17, 2008 between the Issuer and Complejo Portuario Mejillones S.A. Under certain circumstances, the Collateral may be released without the consent of the holders of notes. See "Description of Notes—Collateral—Collateral Release."
Optional Redemption.....	We may redeem the notes, in whole but not in part, by paying the greater of the outstanding principal amount of the notes and a "make-whole" amount, in each case plus accrued and unpaid interest to the date of redemption. See "Description of Notes—Optional Redemption."
Optional Tax Redemption	The notes are redeemable at our option in whole (but not in part) at any time at the principal amount thereof plus accrued and unpaid interest and any additional amounts due thereon if the laws or regulations affecting certain taxes change in certain respects. See "Description of Notes—Optional Redemption—Tax Redemption."
Additional Amounts	Payments of interest in respect of the notes made by us to foreign holders will be subject to Chilean interest withholding tax at a rate of 4.0%. Subject to certain exceptions, we will pay such additional amounts as may be necessary so that the net amount received by the holders of the notes after withholding or deduction for or on account of any Chilean taxes or any taxes imposed by any other jurisdiction through which we make payments under the notes, will not be less than the amount that would have been received in the absence of such withholding or deduction. For a discussion of the tax consequences of, and limitations on, the payment of additional amounts with respect to any such taxes, see "Description of Notes—Additional Amounts" and "Taxation—Chilean Taxation Considerations."

Covenants	The indenture contains covenants that, among other things: • limit our ability to create liens; • limit our ability to incur additional indebtedness; • limit our ability to engage in sale/lease back transactions; • limit our ability to consolidate with or merge into any other corporation or convey or transfer our properties and assets substantially as an entirety to any person; and • require us to make available, upon request, to any holder, any owner of a beneficial interest in any note or any prospective purchaser designated by a holder or owner, certain supplementary and periodic information, documents and reports. These covenants are subject to important exceptions and qualifications. See "Description of Notes—Covenants."
Events of Default	For a discussion of certain events of default that will permit acceleration of the principal of the notes plus accrued interest, and any other amounts due with respect to the notes, see "Description of Notes—Events of Default."
Use of Proceeds	The Issuer intends to use the net proceeds from the offering to fully repay the U.S.$763.1 million outstanding as of September 30, 2014 on the secured credit facility it entered into on October 22, 2008 with various financial institutions (including certain of the initial purchasers and their affiliates) in connection with the development, engineering and construction of the Issuer's complex, including any amounts arising as a result of the termination of any associated swap agreements and other related transaction costs. The remainder, if any, will be used for general corporate purposes, including the Issuer's working capital needs. See "Use of Proceeds."
Form and Denomination	The notes will be issued in the form of global notes without coupons, registered in the name of a nominee of DTC and its direct and indirect participants, including Euroclear and Clearstream, Luxembourg. The notes will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Transfer and Selling Restrictions.....	We have not registered the notes under the Securities Act. The notes are subject to restrictions on transfer and may only be offered in transactions exempt from or not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." There are restrictions on persons to whom notes can be sold, and on the distribution of these listing particulars, as described in "Plan of Distribution."
Listing.....	Application has been made to list the notes on the official list of the Luxembourg Stock Exchange and to trade on the Euro MTF Market.
Governing Law.....	The notes and the indenture will be governed by the laws of the State of New York.
Trustee, Registrar, Transfer Agent and Paying Agent.....	HSBC Bank USA, National Association.
Luxembourg Listing Agent, Transfer Agent and Paying Agent.....	Banque Internationale à Luxembourg S.A.
Chilean Collateral Agent.....	HSBC Bank Chile
No Established Trading Market.....	The notes are a new issue of securities with no established trading market. We cannot assure you that an active or liquid trading market for the notes will develop. If an active or liquid trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.
Risk Factors.....	Investing in the notes involves substantial risks and uncertainties. See "Risk Factors" and other information included in these listing particulars for a discussion of factors you should carefully consider before deciding to purchase any notes.

Summary Selected Financial and Operating Information

Presented below is our summary historical financial information as of September 30, 2014 and for the nine months ended September 30, 2014 and 2013, which has been derived from our unaudited interim financial statements, which are included elsewhere in these listing particulars and have been prepared in accordance with IAS 34, *Interim Financial Reporting,* as issued by the IASB, and which in the opinion of our management include all adjustments considered necessary to present fairly the results of our operations and financial position for the periods and dates presented. The results of operations for our interim period are not necessarily indicative of the results for the full year or any other interim period.

The summary historical financial information as of December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011 has been derived from our audited financial statements, which are included elsewhere in these listing particulars and have been prepared in accordance with IFRS.

This information should be read in conjunction with, and is qualified in its entirety by reference to, our audited financial statements and unaudited interim financial statements and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in these listing particulars.

	For the nine months ended September 30 (unaudited),		**For the year ended December 31,**		
	2014	**2013**	**2013**	**2012**	**2011**
			(in thousands of U.S. dollars)		
Income statement data					
Operating revenue					
Contract energy and capacity sales	158,740	173,270	225,141	198,379	37,724
Spot market energy and capacity sales	65,337	47,756	81,012	133,285	136,766
Other operating revenue	607	677	1,454	595	9
Total operating revenue	**224,684**	**221,703**	**307,607**	**332,259**	**174,499**
Cost of sales					
Fuel consumption	(99,560)	(95,422)	(123,073)	(163,143)	(71,464)
Energy and capacity purchases on the spot market	(4,433)	(1,759)	(2,673)	(1,944)	(124)
Depreciation and amortization	(32,844)	(32,666)	(43,578)	(42,621)	(24,331)
Transmission system use costs	(441)	(452)	(593)	(971)	(284)
Other production cost of sales	(31,180)	(35,753)	(53,024)	(28,827)	(23,000)
Total cost of sales	**(168,458)**	**(166,052)**	**(222,941)**	**(237,506)**	**(119,203)**
Gross profit	**56,226**	**55,651**	**84,666**	**94,753**	**55,296**
Administrative expenses	(6,641)	(7,806)	(10,626)	(11,116)	(7,974)
Other operating expenses	-	-	-	(19)	(54)
Other gains (losses)	299	-	(713)	14	16
Operating income (loss)	**49,884**	**47,845**	**73,327**	**83,632**	**47,284**
Finance income	527	158	354	206	4
Finance expense	(27,915)	(28,862)	(38,296)	(41,624)	(17,730)
Foreign currency exchange differences	(4,586)	1,124	19	2,727	(3,352)
Income before taxes	**17,910**	**20,265**	**35,404**	**44,941**	**26,206**
Income tax expense	(11,375)	(4,054)	(7,083)	(7,839)	(6,622)
Net income	**6,535**	**16,211**	**28,321**	**37,102**	**19,584**

	As of September 30 (unaudited),	As of December 31,	
	2014	2013	2012
	(in thousands of U.S. dollars)		
Balance Sheet Data			
Cash and cash equivalents	83,323	69,920	85,571
Other current assets	68,840	72,165	67,457
Total current assets	**152,163**	**142,085**	**153,028**
Property, plant and equipment	951,781	980,454	1,025,802
Other non-current assets	136,822	121,543	40,068
Total non-current assets	**1,088,603**	**1,101,997**	**1,065,870**
Total assets	**1,240,766**	**1,244,082**	**1,218,898**
Total current liabilities	110,877	102,244	94,762
Total non-current liabilities	749,919	755,930	805,779
Total liabilities	**860,796**	**858,174**	**900,541**
Total equity	**379,970**	**385,908**	**318,357**
Total equity and liabilities	**1,240,766**	**1,244,082**	**1,218,898**

	For the nine months ended September 30 (unaudited),	For the year ended December 31,		
	2014	2013	2012	2011
		(in thousands of U.S. dollars)		
Other Financial Data				
Adjusted EBITDA[(1)]	83,186	119,354	126,940	72,253
Reconciliation of Adjusted EBITDA to Net Income				
Net Income	**6,535**	**28,321**	**37,102**	**19,584**
Income tax expense	11,375	7,083	7,839	6,622
Foreign currency exchange differences	4,586	(19)	(2,727)	3,352
Finance expense	27,915	38,296	41,624	17,730
Finance income	(527)	(354)	(206)	(4)
Other gains (losses)	(299)	713	(14)	(16)
Asset retirement obligation accretion expense	757	1,736	701	654
Depreciation and amortization	32,844	43,578	42,621	24,331
Adjusted EBITDA	**83,186**	**119,354**	**126,940**	**72,253**

[(1)] We define "Adjusted EBITDA" as net income after adding back (to the extent the number is negative) or subtracting (to the extent the number is positive), as the case may be, (1) income tax expense, (2) foreign currency exchange differences, (3) finance expense, (4) finance income, (5) other gains (losses), (6) asset retirement obligation accretion expense and (7) depreciation and amortization. Adjusted EBITDA is not an IFRS accounting measure but we use it to present a measure of our operational economic performance from management's perspective. Adjusted EBITDA is not an accounting measure recognized by IFRS and should not be considered in isolation or as a substitute for net income, cash flow from operations or other IFRS measures of operating performance or liquidity. Adjusted EBITDA does not have a standardized meaning and our calculation of Adjusted EBITDA may not be comparable to other companies' calculation of similarly titled measures. In the table above we have presented a reconciliation of Adjusted EBITDA to net income.

Operating Data	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2014	**2013**	**2013**	**2012**	**2011**
Installed capacity (MW)					
Thermal capacity	545.0	545.0	545.0	545.0	545.0
Total installed capacity (MW)	**545.0**	**545.0**	**545.0**	**545.0**	**545.0**
Energy sales (GWh)					
Contract customers sales	1,511.0	1.467.5	1,972.1	1,729.7	254.3
Spot market sales	1,013.5	742.7	1,158.6	1,213.7	995.8
Total energy sales	**2,524.5**	**2,210.2**	**3,130.7**	**2,943.4**	**1,250.1**
Capacity sales (MW)					
Contract customers sales	2,669.9	2,642.2	3,522.9	3,184.4	491.6
Spot market sales	-	-	-	-	1,160.6
Total capacity sales	**2,669.9**	**2,642.2**	**3,522.9**	**3,184.4**	**1,652.2**
Generation (GWh)					
Coal	2,907.5	2,535.9	3,592.5	3,356.3	1,448.0
Minus own consumption	(321.7)	(288.8)	(401.0)	(370.9)	(167.2)
Net generation	**2,585.9**	**2,247.1**	**3,191.4**	**2,985.4**	**1,280.8**
Plus spot purchases	-	-	**-**	**-**	**-**
Total energy available for sale before transmission losses	**2.585.9**	**2,247.1**	**3,191.4**	**2,985.4**	**1,280.8**
Average monomic price (U.S.$/MWh) [(1)]	**88.7**	**100.0**	**97.8**	**112.7**	**139.6**

(1) Our average monomic price is calculated by dividing the total amount of sales of energy and capacity in U.S. dollars by physical energy sales in MWh.

RISK FACTORS

Our business is subject to various changing economic, political, social and competitive conditions. Any of the following risks, if they actually occur, could materially and adversely affect our business, results of operations and financial condition and, as a result, our ability to fulfill our obligations under the notes. An investment in the notes involves risk. Therefore, you could lose a substantial portion or all of your investment in the notes. You should consider carefully all the information contained in these listing particulars, including the risk factors set forth below, before deciding to invest in the notes. You should note that the risks described below are not the only risks to which we are exposed. There may be other risks that are not presently known to us or that we do not presently consider to be material that could adversely affect our ability to fulfill our obligations under the notes.

Risks Related to Our Business

We are heavily dependent on one asset and three customers to generate substantially all of our revenues.

We are dependent on our sole asset, the Complex, composed of two generation units and a transmission line, to generate substantially all of our revenue. We have entered into three PPAs with a weighted average term of 15 years, the earliest of which is set to expire in 2026. Revenues derived from these long-term agreements constitute substantially all of our revenues and are expected to continue to constitute substantially all of our revenues for the foreseeable future. Accordingly, we are dependent on our customers' continued willingness and ability to timely meet their respective contractual obligations with us. Some of our PPAs are with existing mines with limited mine life whose business continuity will depend on their expansion projects.

If our customers are not able to comply with their expansion projects on a timely basis or are unable or unwilling to meet their contractual obligations on a timely basis or at all, our cash flows and financial condition would be severely and adversely affected. Additionally, if our customers were to enter into insolvency proceedings, our ability to directly or indirectly recover payments due under the PPAs could be limited. Furthermore, we cannot assure you that we will be able to renew our PPAs upon expiration or that if we do renew such PPAs, the renewal terms, pricing and conditions would be as favorable as the current terms, pricing and conditions.

The Chilean government has recently published an electricity agenda that may lead to significant changes in the industry.

The Chilean government recently published an electricity agenda which sets out public directives regarding the future development of the Chilean electricity industry. This agenda includes changes to the Chilean electricity regulation framework that may alter the conditions under which we currently develop our business. Some of the legal and regulatory modifications called for by this agenda have already been enacted and published, while others are pending discussion or have not yet been scheduled to be discussed in the Chilean Congress or have been adopted by the applicable regulatory authorities. Some of the key changes already in force include an administrative regulation establishing the pricing scheme for the supply of electricity to Regulated customers that are not covered by a distribution PPA and revisions to the tender process in respect of new projects to supply electricity to Regulated customers. See "Regulation—Chilean Government's New Electricity Agenda." These changes or any future change, to the extent we are unable to pass through any increased costs to our customers under our PPAs, could have a material adverse effect on our financial condition, operations and business.

Declines in the price of copper and other commodities could adversely impact the revenues and financial results of our customers, thereby resulting in reduced mining operations and associated demand for electricity, which could adversely affect our financial condition, results of operations and cash flows.

Approximately 70.7% of our physical energy sales for the nine months ended September 30, 2014 were related to contracts with copper mining customers, whose financial condition is highly dependent upon the international market price of copper. Historically, copper prices have been subject to wide fluctuations and are affected by numerous factors beyond the control of our customers, including international economic and political conditions, levels of supply and demand, the availability and cost of substitutes, inventory levels maintained by producers and others, and actions of participants in the commodities markets. To a lesser extent, copper prices are

also subject to the effects of inventory carrying costs and currency exchange rates. In addition, the market price of copper has occasionally been subject to rapid short term changes.

A sustained decline in copper prices or a prolonged reduction in demand for copper, could have an adverse impact on the revenues and financial results of our customers, who could be forced to curtail or suspend certain of their mining and processing operations, which would have a material adverse effect on their demand for electricity and their ability to comply with their financial obligations under our PPAs.

Compliance with environmental regulations may require significant expenditures that could adversely affect our results of operations.

Our operations are regulated by a wide range of environmental requirements in Chile. We have made, and will continue to make, expenditures to maintain compliance with environmental laws. Failure to comply with environmental requirements can result in civil or administrative fines or sanctions, claims for environmental damages, remediation obligations, the revocation of environmental authorizations or the temporary or permanent closure of facilities. While many of our PPAs include pass-through clauses with respect to capital, operating or compliance costs resulting from certain changes in law and, in particular, environmental law, future changes in environmental laws, or in the interpretation of those laws, including new or stricter requirements related to air, noise, hazardous waste and wastewater emissions, could subject our business to the risk of higher costs resulting from these changes and could have a material adverse effect on our business, results of operations and financial condition.

Chilean environmental regulations have become increasingly stringent in recent years, especially in connection with the approval of new projects, as well as the enforcement of existing legal and permit requirements and this trend is likely to continue in the near future. In the future, new environmental requirements that are more stringent than the Equator Principles or the World Bank guidelines that we currently follow, or changes in the application, interpretation or enforcement of existing requirements could result in substantially increased capital, operating or compliance costs, and could impose conditions that restrict or limit our operations. These changes could limit the availability of our funds for other purposes, which could adversely affect our business, results of operations and financial condition.

Regulatory authorities may impose fines on us as a result of breach of current regulations.

We may be subject to regulatory fines in Chile for breach of current regulations, including energy supply failure and rationing decrees dictated by the Ministry of Energy. All electricity companies supervised by the SDEC may be subject to these fines if a system partial or total blackout results from any generator's operational, mechanical or system failure mistake, including failures related to the coordination of duties of system actors. On July 2, 2014, most of the SING system suffered a service interruption for several hours. The incident apparently started at the Crucero substation operated by one of our competitors during maintenance works carried out under normal protocols, and subsequently impacting the operation of the rest of the SING system. An investigation is currently underway to determine the causes of the incident and the response of the SING system that could eventually result in fines. We can offer no assurance that similar events affecting the performance of our transmission systems will not occur in the future.

We and the grid itself are subject to the risk of mechanical or electrical failures and any resulting unavailability may affect our ability to fulfill our contractual commitments or make us liable for fines by the SDEC, and thus adversely affect our financial performance.

Our Complex, other generation units and the grid itself are at risk of mechanical or electrical failure and may experience periods of unavailability. Any unplanned unavailability of our generating facilities may adversely affect our financial performance as we may need to buy electricity on the spot market at a higher price than the price we receive under our PPAs. Under our PPAs we have also guaranteed certain efficiency parameters to our customers, which could be adversely affected during any periods of commercial unavailability. In addition, a failure at one of our units or another generation company could impact the operation of the rest of the grid, leading to business interruption losses and fines.

There is no assurance that our insurance policies, which cover losses related to earthquakes and business interruptions, among others, would be sufficient or adequate in the event of a loss of our Complex or other insured facilities.

We maintain comprehensive insurance with respect to our Complex, including general liability insurance and other insurance policies customary in the power industry, which cover losses related to earthquakes, property damages and business interruptions, among others. Such insurance coverage may not be available in the future at commercially reasonable costs or the amounts for which we are insured or amounts which we will receive under such insurance coverage may not cover all of our losses. In the event there is a total or significant loss at our Complex or other facilities, the proceeds received in respect thereof may not be sufficient to satisfy all of our indebtedness.

Our business requires substantial capital expenditures for ongoing maintenance and environmental requirements.

Responding to increases in competition, ongoing maintenance, meeting new customer demands and improving the capabilities of our energy generation, transmission and transportation facilities may require incremental capital expenditures in the future. Furthermore, we may need to invest significant capital to modernize our existing facilities in order to comply with new emissions standards and other regulatory requirements. See "Regulation – Environmental Regulation." If we are unable to finance any such capital expenditures, or if we are required to use funds for such capital expenditures that would otherwise have been used to grow our business, our business could be adversely affected.

Lawsuits against us could adversely affect our results of operations or financial condition.

In the ordinary course of our business we enter into agreements with our mining customers and other third-parties in connection with the sale of electricity under our PPAs. The interprepretation and enforcement of certain provisions of our existing or any addtional agreements may result in disputes among us, our mining customers or third-parties and we cannot assure you that any claims, suits or other legal proceedings arising from such agreements against us will not adversely affect our results of operations or financial condition.

We may face increased competition and costs if the SING and the SIC are interconnected in the future.

If the SING and the SIC are interconnected, which may occur in the near future, we will be forced to compete for customers with electrical generators from both the SING and the SIC. While the SIC historically has experienced shortages of electricity that could limit the ability of generators in the SIC to export electricity to the SING, generators in the SIC rely on hydropower plants to a much greater extent than generators in the SING, and therefore can operate at a lower marginal cost and have a higher dispatch priority than thermoelectric plants such as ours.

In addition, the interconnection of the SING and the SIC may lead to increased costs for all participants as a toll may be imposed for the utilization of the interconnected transmission lines.

The Chilean Government's heightened requirements regarding the use of NCREs may lead to increased competition and increased volatility in spot prices.

As the Chilean Government heightens requirements regarding the use of NCREs, see "Regulation – Chilean Electricity Framework – Environmental Regulation," we expect new participants in the renewable energy sector to enter the SING. If new participants enter the SING, we could experience downward pricing pressure, including pressure from our customers to renegotiate our PPAs, which could have a material adverse effect on our profit margins, thereby adversely affecting our business, financial condition and results of operations. In addition, NCREs are likely to lead to very low spot prices at certain times of the day and very high prices at other times, particularly at night. This may create instability in spot prices and may have a negative impact on our financial condition and results of operations.

If Argentina were to liberalize natural gas exports to Chile, our results of operations and financial condition could be adversely affected.

Argentina began to gradually restrict natural gas exports in 2004 and suspended such exports from 2007 onwards. In connection therewith, exports to Chile were restricted and Chilean power generating companies were forced to substitute natural gas with coal, which is more expensive. If Argentina were to liberalize natural gas exports to Chile in the future, these power generating companies may return to use gas as their primary fuel, thereby offering a cheaper energy option to Chilean industrial and mining companies, including our customers. If this situation were to materialize once our PPAs expire and to the extent were were unable to negotiate new PPAs on similar terms, our energy and capacity sales could decrease and our results of operations and financial condition could be adversely affected.

The interests of our controlling shareholder may conflict with those of the holders of the notes.

AES Gener, is our controlling shareholder through Inversiones Nueva Ventanas. Pursuant to our organizational documents and share-ownership structure, AES Gener has indirect power to appoint all of our board members, thereby controlling our policies and operations, including the appointment of management, future issuances of our common stock or other securities, the payments of dividends on our common stock, the incurrence of debt by us and the amendments to our organizational documents. AES Gener's interests may not in all cases be aligned with your interests as a holder of the notes offered hereby. Our controlling shareholder may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its equity investment, even though such transactions might involve risks to you. For example, our controlling shareholder could cause us to make acquisitions that increase our indebtedness or to sell revenue-generating assets. In addition, we are dependent on our controlling shareholder for certain key services, including procurement and certain internal and administrative functions. Any failure by our controlling shareholder to provide these services on a timely basis, or on terms other than those available on an arms'-length basis, could have an adverse effect on our business and financial condition.

Labor relations may negatively impact us.

As of September 30, 2014, approximately 58.5% of our employees were represented by a union under a collective bargaining agreement, which is negotiated, and its terms are adjusted, on average, every two years. The current agreement will expire on May 31, 2015. Although we currently enjoy good relations with our employees and their union and, since 2008, have been able to agree on terms without exposing us to strikes, we cannot assure you that labor relations will continue to be positive or that deterioration in labor relations will not materially and adversely affect our business, financial condition and results of operations.

We are subject to a number of laws, violations of which may result in the imposition of fines and reputational damage; our risk management and internal controls may not be successful in preventing or detecting all violations of law or of company-wide policies.

In addition to environmental and electricity industry regulations, our business is subject to a significant number of laws, rules and regulations, including those relating to competition and antitrust, anti-bribery and anti-corruption, health, safety and the environment, labor and employment, and taxation. We are subject from time to time to investigations and proceedings by authorities for alleged infringements of these laws. These proceedings may result in fines or other forms of liability and could have a material adverse effect on our reputation, business, financial condition and results of operations.

Our existing compliance processes and internal control systems may not be sufficient to prevent or detect all inappropriate practices, fraud or violations of law by any such persons, employees or officers. We may in the future discover instances in which we have failed to comply with applicable laws and regulations or internal controls. If any such subsidiaries, employees or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal controls, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines and sanctions and in turn adversely affect our reputation, business, financial condition and results of operations.

The performance and management of shared facilities with Empresa Eléctrica Cochrane SpA may adversely affect our business, financial position and results of operations.

We will share certain facilities with Cochrane, another AES Gener subsidiary that is developing a coal-fired plant that is expected to begin commercial operations in 2016. Specifically, we will share the coal yard, conveyor belt, ash disposal site and siphon structure, among other facilities.

We are responsible for the management of those facilities, including the operation, regular maintenance and compliance with required governmental approvals. A failure to perform our functions properly under these shared facilities properly could create liability on us and adversely affect our business, financial position and results of operations.

Risk Related to Chile

Chilean political and economic conditions directly affect our business and the market price of the notes.

Our business, results of operations and financial condition depend, to a considerable extent, upon economic conditions in Chile. Future developments in the Chilean economy could adversely affect our business, results of operations and financial condition and may impair our ability to proceed with our strategic plans. In addition, such developments may negatively affect the market price of the notes.

The Chilean Government has modified and has the ability to modify monetary, fiscal, tax and other policies in order to influence the Chilean economy. For example, a tax reform, initiated by the Chilean Government was approved by the Chilean Congress and published in the Chilean Official Gazette on September 29, 2014 (see "–Future increases in the corporate tax rate in Chile or additional modifications to the Chilean tax system to finance future social reforms may have a material adverse effect on us."). We have no control over government policies and cannot predict how those policies or government intervention will affect the Chilean economy or, directly and indirectly, our business, results of operations and financial condition. Changes in policies involving exchange controls, taxation and other matters related to our sector may adversely affect our business, results of operations and financial condition and the market price of the notes.

Our business, results of operations and financial condition can be impacted by earthquakes or other natural disasters.

Chile lies at the meeting of the Nazca and South American tectonic plates, one of the world's most seismically active regions. Chile has been adversely affected by powerful earthquakes in the past, including an 8.0 magnitude earthquake that struck Santiago in March 1985, a 7.7 magnitude earthquake that struck Tocopilla in November 2007, an 8.8 magnitude earthquake that struck central Chile in February 2010, followed by a tsunami, and an 8.2 magnitude earthquake with an epicenter off the coast of Iquique in April 2014.

Although our offices and facilities were not impacted by the recent earthquakes or tsunami, a future earthquake, tsunami or other natural disaster could have a significant effect on our business, results of operations and financial condition.

Moreover, we are subject to other risks, such as labor disputes, terrorism, fires, mechanical breakdowns and other operating risks.

Chile has different corporate disclosure and accounting standards from those with which you may be familiar in the United States, and Chile's securities laws may not afford you the same protections as U.S. securities laws.

The accounting, financial reporting and securities disclosure requirements in Chile differ from those in the United States in some important respects. Moreover, we are not a public company in Chile and the information our controlling shareholder is required to report in Chile regarding our operations may differ from what is required in the United States. Accordingly, the information about us available to you will not be the same as the information disclosed by a company required to file reports with the U.S. Securities and Exchange Commission.

Inflation in Chile may have an adverse effect on our business, results of operations and financial condition.

Historically, Chile has experienced high rates of inflation from time to time. Although inflation rates have been moderate in recent years, they sharply increased in 2007 and 2008. The annual rates of inflation and (deflation), as measured by changes in the CPI, in 2009, 2010, 2011, 2012 and 2013 were (1.4%), 3.0%, 4.4%, 1.5% and 3.0%, respectively. Although only a minor portion of our costs are denominated in Chilean pesos, high levels of inflation in Chile could adversely affect the Chilean economy and have a material adverse effect on our business, results of operations and financial condition.

Future increases in the corporate tax rate in Chile or additional modifications to the Chilean tax system to finance future social reforms may have a material adverse effect on us.

On September 29, 2014, Law No. 20,780 was published in the Official Gazette (hereinafter, the "Tax Reform"), introducing the most significant amendments to the Chilean tax system over the last 30 years and strengthening the powers of the Chilean IRS to control and prevent tax avoidance. One of the main purposes of this reform was to finance a major educational reform under discussion in the Chilean Congress.

The Tax Reform contemplates, among other matters, changes to the corporate tax regime by allowing coexistence of two alternative tax regimes. Starting on January 1, 2017, Chilean companies will be able to opt between the following two tax regimes: (i) the partially integrated regime (*parcialmente integrado*); or (ii) the attributable taxation regime (*renta atribuida*). In both regimes, the corporate tax rate will be gradually increased to 24% in 2016 (21% in 2014, 22.5% in 2015 and 24% in 2016). On or after January 1, 2017, and depending on the tax regime chosen by a company, tax rates will gradually be increased to a maximum rate of 27% in 2018 in the case of the partially integrated regime and 25% in 2017 in the case of the attributable taxation regime. See "Management's discussion and analysis of financial condition and results of operations—Impact of Chilean Tax Reform."

As a corporation (*sociedad anónima*), the default taxable regime that applies to us is the partially integrated regime, unless at a future shareholders' meeting our shareholders agree to opt for the attributable taxation regime. The effect of the increase in the corporate tax rate caused a one-time increase in our net deferred tax liability, resulting in a negative, non-cash impact of U.S.$7.6 million in our statement of income for the nine months ended September 30, 2014. We cannot assure you that the manner in which the corporate tax rate are currently interpreted by the Chilean IRS and applied will not change in the future. In addition, the Tax Reform may have other consequences on us, and there can be no assurance that the corporate tax rate will not be adjusted in the future in order to finance future social reforms to be promoted by the Chilean government resulting in a material adverse effect on our business, financial condition and results of operations.

Specific Tax on Air Emissions.

The Tax Reform also establishes a new annual tax on emissions of particulate matter, nitrogen oxide, sulfur dioxide and carbon dioxide by establishments whose stationary sources, such as boilers or turbines, have individually or in the aggregate, thermal power over or equal to 50 MW, which is applicable to us.

Beginning in 2018, the tax applicable to carbon dioxide emissions will be U.S.$5 per emitted ton, while the tax on nitrogen oxides, sulfur dioxide and particulate matter will be U.S.$0.1 per emitted ton, multiplied by a predetermined formula which considers the dispersion factor of the polluter, the social cost per capita of the polluter, and the population of the county.

Pursuant to our PPAs, we are able to pass through to our customers some of the increased costs resulting from certain changes in laws, however, we may be unable to pass all of the increased costs of this specific tax on air emissions to our customers under the change-in-law provisions in our PPAs. If we are unable to do so, our business, financial condition and results of operations may be adversely affected.

The Chilean Government's current agenda includes several changes to the existing labor legislation that may have a negative impact on our business and financial condition.

The current agenda of the Chilean Government includes several changes to the existing labor legislation. Some of the most significant changes include a strengthening of labor unions and collective bargaining by (i) simplifying the collective bargaining process; (ii) prohibiting employers from replacing employees during a legal strike; and (iii) automatically extending union benefits to new employees upon becoming union members. While it is not clear whether or when any of these changes will become law, if they do they may have a negative impact on our business.

Risks Relating to the Notes and the Collateral

The notes are a new issue of securities for which there is currently no public market. You may be unable to sell your notes if a trading market for the notes does not develop.

The offer and sale of the notes have not been registered under the Securities Act or the securities law of any other jurisdiction and the notes are being offered and sold only to qualified institutional buyers within the meaning of Rule 144A under the Securities Act and in offshore transactions to persons other than U.S. persons pursuant to Regulation S under the Securities Act. The notes will constitute a new issue of securities with no established trading market. If a trading market does not develop or is not maintained, holders of the notes may experience difficulty in reselling the notes or may be unable to sell them at all. Accordingly, an active trading market for the notes may not develop.

The notes cannot and will not be publicly offered or sold to persons in Chile, and may be privately offered or sold in Chile only in circumstances which have not resulted and will not result in a public offering under Chilean law, and in compliance with SVS Rule 336. See "Notice to Chilean Investors." The definition of a public offering of securities under Chilean law includes both offers directed to the general public and offers directed to a part or specific group thereof. We are not required and do not expect to register the notes with the SVS.

Application has been made to list the notes on the official list of the Luxembourg Stock Exchange and to trade on the Euro MTF Market. We cannot assure you, however, that such application will be accepted, or if accepted, that the notes will remain listed. In addition, trading or resale of the notes may be negatively affected by other factors described in these listing particulars. As a result, we cannot assure you as to the liquidity of any trading market for the notes and, accordingly, you may be required to bear the financial risk of your investment in the notes indefinitely. The notes may also trade at a discount from their initial issue price. If a trading market were to develop, future trading prices of the notes may be highly volatile and will depend on many factors, including:

- the number of holders of notes;
- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes;
- prevailing interest rates; and
- economic, financial, political, regulatory or judicial events that affect us or the financial markets generally.

Changes in Chilean tax laws could lead to the redemption of the notes by us.

Payments of interest in respect of the notes made by us to foreign holders will be subject to Chilean interest withholding tax at a rate of 4.0%. Subject to certain exceptions, we will pay additional amounts so that the amount received by the holder after Chilean withholding tax will equal the amount that would have been received if no such taxes had been applicable. Under the indenture, the notes are redeemable at our option, subject to

applicable Chilean law, in whole (but not in part) at any time at the principal amount thereof plus accrued and unpaid interest and any additional amounts due thereon if, as a result of changes in the laws or regulations affecting Chilean taxation or any jurisdiction or from or through which any payment under the notes is made, we become obligated to pay additional amounts on the notes. Although no proposal to increase the withholding tax rate in Chile is currently pending, we cannot assure you that an increase in withholding tax rate will not be presented to or enacted by the Chilean Congress. See "Description of Notes– Optional Redemption–Tax Redemption."

There are restrictions on your ability to transfer the notes.

We have not registered, and will not register, the notes under the Securities Act, the Chilean Securities Markets Law or any other applicable securities laws. The offering of the notes will be made pursuant to exemptions from, and in transactions not subject to, the registration provisions of the Securities Act and the Chilean Securities Market Law and from state securities laws that limit who may own the notes. Accordingly, the notes are subject to certain restrictions on resale and other transfers thereof. In particular, all U.S. persons who acquire the notes or interests therein must be "qualified institutional buyers" as defined in Rule 144A under the Securities Act. Due to these transfer restrictions, you may be required to bear the risk of your investment in the notes for an indefinite period of time.

To enforce the restrictions on transfers of the notes and interests therein, we or the trustee may demand that any holder of notes or of interest therein who is not (i) a "qualified institutional buyer" or (ii) a non-U.S. person sell to a holder that meets such criteria, and if the holder of notes or interest therein does not comply with such demand, we and the trustee may sell such holder's note or interest therein on such terms as we or the trustee, as the case may be, may choose. If a holder of notes or interest therein is forced to sell its note or interest therein, or if we or the trustee sell a holder's note or interest therein, the price such holder may receive for the sale could be lower than the price you paid for the note. See "Transfer Restrictions."

We may incur additional indebtedness ranking equally to the notes or secured indebtedness and such additional indebtedness may share in the Collateral.

While the indenture includes limitations on our ability to issue additional debt, if we are in compliance with the relevant conditions for the incurrence of additional indebtedness, we may incur additional debt that ranks on an equal and ratable basis with the notes. If we incur any additional debt that ranks on an equal and ratable basis with the notes, the holders of that debt will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with an insolvency, liquidation, reorganization, dissolution or other winding-up of us subject to satisfaction of certain debt limitations, other than to the extent of the proceeds in the Collateral. See "Description of Notes—Covenants—Limitation on Additional Indebtedness."

The notes will be secured by a first priority lien on the Collateral. See "Description of Notes—Collateral and Intercreditor Arrangements." Under the terms of the indenture governing the notes, additional secured indebtedness (including under additional notes which would share in the Collateral) may be incurred if we satisfy a certain ratio and subject to certain other conditions. Accordingly, the incurrence of additional future secured debt, including through the issuance of additional notes under the indenture governing the notes would dilute the value of the lien on the Collateral securing the notes being offered herein. Moreover, there are no restrictions in the indenture on our shareholders' ability to grant a pledge over our shares, thereby granting the secured creditor thereunder the right to force a change in our control.

The obligations under the notes will be subordinated to certain statutory liabilities.

Under the Chilean Bankruptcy Law, the obligations under the notes are subordinated to certain statutory preferences. In the event of liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses, will have preference over any other claims, including claims by any investor in respect of the notes.

Enforcing your rights as a noteholder in Chile may prove difficult.

We are organized under the laws of Chile and our principal place of business is in Chile. All of our directors and our officers and controlling persons reside outside of the United States. In addition, all of our assets are located outside of the United States. As a result, it may be difficult for holders of notes to effect service of process within the United States on such persons or to enforce judgments against them or us, including in any action based on civil liabilities under the U.S. federal securities laws. Based on the opinion of our Chilean counsel, there is doubt as to the enforceability against such persons in Chile, whether in original actions or in actions to enforce judgments of U.S. courts, of liabilities based solely on the U.S. federal securities laws. See "Service of Process and Enforcement of Judgments."

In addition, your rights under the notes will be subject to the insolvency and administrative laws of Chile, and we cannot assure that you will be able to effectively enforce your rights in any bankruptcy, insolvency or similar proceedings. In addition, the bankruptcy, insolvency, administrative and other laws of Chile may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of government entities and other third party and related party creditors', ability to obtain post-bankruptcy filing loans or to pay interest and the duration of proceedings. The laws of Chile may not be as favorable to your interests as the laws of those jurisdictions with which you are familiar. The application of these laws, or any conflict among them, could call into question what and how Chilean laws should apply. Such issues may adversely affect your ability to enforce your rights under the notes in Chile or limit any amounts that you may receive.

Exchange controls and restrictions on foreign currency remittance could impede our ability to make payments under the notes.

Exchange control risks include availability risk, the risk that even though we have sufficient Chilean peso-denominated revenues to meet our obligations, U.S. dollars are not available for conversion; convertibility risk, the risk that a Chilean government entity will restrict, condition or terminate our legal right to convert Chilean pesos into U.S. dollars; and transferability risk, the risk that a Chilean government entity will allow us to convert currency into U.S. dollars, but will place restrictions or prohibitions on those U.S. dollars leaving the country. For more information, see "Exchange Controls in Chile."

Chilean issuers are authorized to offer securities internationally complying with the provisions of Chapter XIV of the Compendium of Foreign Exchange Regulations of the Chilean Central Bank (the "Chilean Central Bank Compendium"), including the obligation to provide certain information to the Central Bank. See "Exchange Controls." Under Chapter XIV of the Chilean Central Bank Compendium, payments and remittances of funds from Chile are governed by the rules in effect at the time the payment or remittance is made. Therefore, any change made to Chilean laws and regulations after the date hereof shall affect foreign investors who have acquired the notes.

There can be no assurance that further Central Bank regulations or legislative changes to the current foreign exchange control regime in Chile will not restrict or prevent us from acquiring U.S. dollars; or further restrictions applicable to us which affect our ability to remit U.S. dollars for payment of interest or principal on the notes. There can be no assurance that restrictions applicable to the holders will not be imposed in the future, nor can there be any assessment of the duration or impact of such restrictions if imposed.

Neither the indenture governing the notes nor the notes provide any protection with respect to change of control transactions, which may adversely affect you in the event of a change of control transaction.

Neither the indenture governing the notes nor the notes provide any protection with respect to change of control transactions, other than certain limited requirements in connection with a merger, consolidation or transfer of properties and assets substantially as an entirety. The absence of protections may adversely affect you in the event of a change of control transaction, including a reorganization, restructuring, merger or other similar transaction involving us. These transactions may not involve a change in voting power or beneficial ownership. Neither the indenture governing the notes nor the notes contain provisions that permit the holders of the notes to require us to repurchase the notes in the event of a change of control transaction.

The ratings of the notes may be lowered or withdrawn depending on various factors.

One or more independent credit rating agencies may assign credit ratings to the notes. The ratings address the risk of default of payment of interest on each payment date. The ratings of the notes are not a recommendation to purchase, hold or sell the notes and the ratings do not comment on market price or suitability for a particular investor. Ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. The ratings of the notes are subject to change and may be lowered or withdrawn. We cannot assure you that ratings will remain in effect for any given period of time or that ratings will not be lowered, suspended or withdrawn entirely by the ratings agencies, if, in the judgment of rating agencies, circumstances so warrant. A downgrade in or withdrawal of the ratings of the notes will not be an event of default under the indenture governing the notes. The assigned ratings may be raised or lowered depending, among other things, on the rating agency's assessment of our financial strength, as well as its assessment of Chilean sovereign risk generally. Any lowering, suspension or withdrawal of ratings may have an adverse effect on the market price and marketability of the notes.

Developments in other emerging markets may adversely affect the market value of the notes.

Emerging markets, such as Chile, are subject to greater risks than more developed markets, and financial turmoil in any emerging market could disrupt business in Chile and adversely affect the price of the notes. Moreover, financial turmoil in any emerging market country may adversely affect prices in stock markets and prices for debt securities of issuers in other emerging market countries as investors move their money to more stable, developed markets. An increase in the perceived risks associated with investing in emerging markets could dampen capital flows to Chile and adversely affect the Chilean economy in general, and the interest of investors in the notes in particular. We cannot assure you that the value of the notes will not be negatively affected by events in other emerging markets or the global economy in general.

The ability of the Collateral Agent to foreclose on the Collateral securing the notes may be limited pursuant to the Chilean Bankruptcy Law and the Chilean Electric Law.

The notes will be secured by the Collateral, as defined and described under "Description of Notes—Collateral and Intercreditor Arrangements." The Collateral will consist of a first-priority security interest on the Facility Site, the Facility and the Transmission Line, as such terms are defined in "Description of Notes." The right of the First Lien Collateral Agent, as such term is defined in "Description of Notes", for the notes, as a secured party under the First Lien Collateral, as such term is defined in "Description of Notes," for the benefit of itself and the holders of the notes, to foreclose upon and sell the First Lien Collateral upon the occurrence of a default may be significantly impaired by applicable bankruptcy laws if a bankruptcy proceeding were to be commenced by or against us. In this regard, under the Chilean Bankruptcy Law and the Chilean Electric Law, a secured creditor may be temporarily barred from foreclosing in special circumstances during reorganization and liquidation proceedings. See "Regulation—Chilean Electricity Framework— Bankruptcy Regime Recently Enacted."

We cannot predict whether or when the First Lien Collateral Agent could foreclose upon or sell the Collateral or whether or to what extent holders of the notes would be compensated for any delay in payment or loss of value of the Collateral following the commencement, and during the pendency, of a bankruptcy case.

The value of the Collateral securing the notes may not be sufficient to satisfy our obligations under the notes.

The value of the Collateral in the event of liquidation will depend on many factors. The fair market value of the Collateral at any time is subject to fluctuations based on factors that include market, and other economic conditions, including the availability of suitable buyers. By their nature, some or all of the pledged or mortgaged assets may be illiquid and may have no readily ascertainable market value. We cannot assure you that the fair market value of the Collateral as of the date of these listing particulars exceeds the principal amount of the debt secured thereby. The value of the assets pledged or mortgaged as collateral for the notes could be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy, competition, unforeseen liabilities, timing and the manner of the sale and other future events.

Consequently, liquidating the Collateral securing the notes may not result in sufficient proceeds to pay some or all amounts due under the notes. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the notes, the holders of the notes (to the extent not repaid from the proceeds of the sale of the Collateral) would have only a senior unsecured, unsubordinated claim against our remaining assets, and the obligations under the notes will be subordinated to certain statutory limitations described above in this section.

The security over the Collateral will not be granted directly to the holders of the notes.

The security interests in the Collateral that will secure the obligations under the notes will not be granted directly to the holders of the notes but will be granted in favor of a First Lien Collateral Agent for the benefit of the holders of the notes and any agents under the indenture. The indenture and the security documents will provide that only the First Lien Collateral Agent has the right to enforce the Collateral. As a result, holders of the notes will not have the right to enforce directly any security interests and will not be entitled to take enforcement action in respect of the Collateral or the notes, except through the First Lien Collateral Agent and in accordance with, and subject to the terms of, the security documents.

Rights of holders of the notes in the Collateral may be adversely affected by the failure to create or perfect security interests in certain Collateral on a timely basis or at all.

The Collateral Agent's ability to foreclose on the Collateral on the noteholders' behalf is subject to perfection and priority issues. We have agreed that the notes will be secured by a first priority perfected security interest on the Collateral. See "Description of Notes—Collateral and Intercreditor Arrangements." We cannot assure that all of the security interests in the Collateral will be effective (valid and enforceable) on the date the notes are issued, or at all. We expect the necessary filings with the relevant Chilean registries for perfection of the security interest to become effective, in the case of the pledge over the Issuer's power generation facility and transmission line, within 20 business days from the issue date, and in the case of the mortgages over the site on which the power generation facility is located, within 10 weeks from the issue date. Unless and until we take all necessary actions under Chilean law in Chilean jurisdictions where Collateral is located to create valid and enforceable security interests and, where applicable, perfect these security interests, holders of the notes will not have valid and enforceable and perfected security interests in those portions of the Collateral. In addition, any inability or failure of the Collateral Agent to take all necessary actions under Chilean law in Chilean jurisdiction where Collateral is located to create properly perfected security interests in the Collateral in which we have agreed to perfect the security interests may result in the loss of the priority of the noteholders to such Collateral, to which they would have been entitled had the security interests been perfected prior to closing.

The security interests in portions of the Collateral may not be capable of, where applicable, perfection or registration according to customary established means of filing financing statements, recording charges, possession or otherwise. To the extent the security interest in any property or asset comprising part of the Collateral cannot be perfected or registered by established customary means, we may not be able to perfect or register such security interest in that portion of the Collateral. Moreover, the Collateral Agent for the notes has no obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of any security interest in favor of the notes against third parties.

USE OF PROCEEDS

The net proceeds from the issuance of the notes, after the deduction of expenses and the underwriting discount associated with the offering, are estimated to be approximately U.S.$779.5 million. We intend to use the net proceeds from the offering to fully repay the U.S.$763.1 million outstanding as of September 30, 2014 on the secured credit facility we entered into on October 22, 2008 with various financial institutions (including certain of the initial purchasers and their affiliates) in connection with the development, engineering and construction of the Complex, including any amounts arising as a result of the termination of any associated swap agreements and other related transaction costs. The remainder, if any, will be used for general corporate purposes, including our working capital needs.

EXCHANGE RATES

Chile has two currency markets, the Formal Exchange Market (*Mercado Cambiario Formal*) in which we conduct our transactions, and the Informal Exchange Market (*Mercado Cambiario Informal*). The Formal Exchange Market comprises banks and other entities authorized by the Chilean Central Bank (*Banco Central de Chile*). The Informal Exchange Market comprises entities that are not expressly authorized to operate in the Formal Exchange Market, such as certain foreign exchange houses and travel agencies, among others. The Chilean Central Bank is empowered to determine that certain purchases and sales of foreign currencies be carried out on the Formal Exchange Market. Both the Formal Exchange Market and the Informal Exchange Market are driven by free market forces. Current regulations require that the Chilean Central Bank be informed of certain transactions and that these transactions be effected through the Formal Exchange Market.

The Observed Exchange Rate (*dólar observado*), which is reported by the Chilean Central Bank and published daily in the Chilean newspapers, is computed by taking the weighted average of the previous business day's transactions on the Formal Exchange Market. The Chilean Central Bank has the power to intervene by buying or selling foreign currency on the Formal Exchange Market to attempt to maintain the Observed Exchange Rate within a desired range. During the past few years the Chilean Central Bank has only intervened to attempt to maintain the Observed Exchange Rate within a certain range under special circumstances. Although the Chilean Central Bank is not required to purchase or sell U.S. dollars at any specific exchange rate, it generally uses spot rates for its transactions. Other banks generally carry out authorized transactions at spot rates as well.

The Informal Exchange Market reflects transactions carried out at an informal exchange rate (the "Informal Exchange Rate"). There are no limits imposed on the extent to which the Informal Exchange Rate can fluctuate above or below the Observed Exchange Rate. In recent years, the variations between the Observed Exchange Rate and the Informal Exchange Rate have not been significant. On December 3, 2014, the Observed Exchange Rate was Ch$614.77 per U.S. dollar.

The Federal Reserve Bank of New York does not report a noon buying rate for pesos.

The following table sets forth the annual low, high, average and period-end Observed Exchange Rate for U.S. dollars for each year starting in 2009 and on a monthly basis (except as provided below) for the previous six months in 2014 as reported by the Chilean Central Bank.

	Observed exchange rates (Ch$ per U.S.$1.00[1])			
	High[2]	Low[2]	Average[3]	Close[4]
2009	643.87	491.09	554.22	507.10
2010	549.17	468.37	510.38	468.01
2011	533.74	455.91	483.45	519.20
2012	519.69	469.65	486.31	479.96
2013	533.95	466.50	498.83	524.61
2014				
May	566.88	548.04	554.71	550.72
June	559.12	549.59	553.16	552.72
July	573.14	548.72	559.14	573.14
August	593.28	571.75	579.94	590.91
September	601.66	585.29	593.47	599.22
October	599.22	576.65	589.98	576.65
November	600.37	576.50	592.46	598.94
December (through December 3, 2014)	614.77	605.46	610.34	614.77

(1) Nominal figures (i.e., not adjusted for inflation).
(2) Exchange rates are the actual high and low, on a day-by-day basis, for each period.
(3) The yearly average rate is calculated as the average of the exchange rates on the last day of each month during the period. The monthly average rate is calculated on a day-to-day basis for each month.
(4) Each year period ends on December 31, and the respective period-end exchange rate is published by the Chilean Central Bank on the first business day of the following year. Each month period ends on the last calendar day of such month, and the respective period-end exchange rate is published by the Chilean Central Bank on the first business day of the following month.

Source: Chilean Central Bank

EXCHANGE CONTROLS IN CHILE

The Chilean Central Bank is the entity responsible for, among other things, monetary policies and exchange controls in Chile. Chilean issuers are authorized to offer securities internationally, provided they comply with, among other things, the provisions of Chapter XIV of the Compendium of Foreign Exchange Regulations of the Chilean Central Bank (*Compendio de Normas de Cambios Internacionales*, or the "Compendium").

Pursuant to the provisions of Chapter XIV of the Compendium, it is not necessary to seek the Chilean Central Bank's prior approval in order to issue the notes. The Chilean Central Bank only requires that (i) the remittance of funds obtained from the sale of the notes into Chile be made through the Formal Exchange Market and disclosed to the Chilean Central Bank as described below; and (ii) all remittances of funds to make payments under the notes made from Chile be made through the Formal Exchange Market and disclosed to the Chilean Central Bank as described below.

The proceeds from the sale of the notes may be remitted into Chile or held abroad. If we remit the funds obtained from the sale of the notes into Chile, we must deliver to the Department of Statistical Information of the Chilean Central Bank, directly or such remittance must be made through the participant of the transaction in the Formal Exchange Market, and we must deliver to the Chilean Central Bank directly or through an entity of the formal exchange market an annex providing information about the transaction, together with a letter instructing such participant entity to deliver us the foreign currency or the peso equivalent thereof, on or before the date on which the funds are brought into Chile. If we do not remit the funds obtained from the sale of the notes into Chile, we have to provide the same information to the Department of Statistical Information of the Chilean Central Bank directly or through an entity of the Formal Exchange Market, within the first 10 days of the month following the date on which we received the funds. The regulations require that the information provided describe the financial terms and conditions of the securities offered, related guarantees and the schedule of payments.

All payments in connection with the notes made from Chile must be made through the Formal Exchange Market. Pursuant to Chapter XIV of the Compendium, no prior authorization from the Chilean Central Bank is required for such payments in U.S. dollars. The participant of the Formal Exchange Market involved in the transfer must provide certain information to the Chilean Central Bank on the banking business day following the day of payment. In the event payments are made outside Chile, we must provide the relevant information to the Chilean Central Bank directly or through an entity of the Formal Exchange Market within the first 10 days of the month following the date on which the payment was made.

Under Chapter XIV of the Compendium, payments and remittances of funds from Chile are governed by the rules in effect at the time the payment or remittance is made. Therefore, any change made to Chilean laws and regulations after the date hereof will affect foreign investors who have acquired the notes. We cannot assure you that further Chilean Central Bank regulations or legislative changes to the current foreign exchange control regime in Chile will not restrict or prevent us from acquiring U.S. dollars or that further restrictions applicable to us will not affect our ability to remit U.S. dollars for payment of interest or principal on the notes.

The above discussion is a summary of the Chilean Central Bank's foreign exchange regulations with respect to the issuance of debt securities, including the notes, as in force and effect as of the date of these listing particulars. We cannot assure you that restrictions will not be imposed in the future, nor can there be any assessment of the duration or impact of such restrictions if imposed. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of Chapter XIV of the Compendium, a copy of which is available from us upon request, and also at the website of the Chilean Central Bank (www.bcentral.cl).

CAPITALIZATION

The following table shows our capitalization as of September 30, 2014 and after giving effect to:

(i) the rights offering we made on October 3, 2014 (see "Summary—Recent Developments" and "Principal Shareholders"), and

(ii) the offering of the notes and the application of the proceeds thereof.

This table should be read in conjunction with the financial statements and other information contained elsewhere in these listing particulars.

	As of September 30, 2014 (unaudited)		
	Actual	**As Adjusted[1]**	**As Further Adjusted[2]**
	(in thousands of U.S. dollars)		
Cash and Cash equivalents	**83,323**	**83,323**	**112,807**
Short-Term Debt[3]	59,223	59,223	**-**
Long-Term Debt[3]	690,793	690,793	**-**
Notes Offered Hereby	-	-	779,500
Total equity	379,970	396,912	396,912
Total Capitalization[4]	**1,129,986**	**1,146,928**	**1,176,412**

(1) As adjusted to reflect capitalization increase after giving effect to the rights offering we made on October 3, 2014 (see "Summary—Recent Developments" and "Principal Shareholders").

(2) As further adjusted to reflect the receipt of the net proceeds from the issuance of the notes, after the deduction of expenses and the underwriting discount associated with the offering, which are estimated to be approximately U.S.$779.5 million, and the application of such proceeds as described in "Use of Proceeds."

(3) The capitalization table above reflects U.S.$735.5 million outstanding under our project financing facility (U.S.$45.8 million classified in short-term and U.S.$689.7 million classified in long-term) as of September 30, 2014, given that under IFRS debt is recorded at its amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any initial premium or discount on the loan and includes any transaction costs that are an integral part of the effective interest rate. Whereas, from a contractual perspective, the nominal amount of this debt totaled U.S.$763.1 million as of such date. We intend to repay the full nominal amount of this debt with the proceeds of this offering.

(4) Total Capitalization does not include cash and cash equivalents.

SELECTED FINANCIAL AND OPERATING INFORMATION

Presented below is our historical financial information as of September 30, 2014 and for the nine months ended September 30, 2014 and 2013, which has been derived from our unaudited interim financial statements, which are included elsewhere in these listing particulars and have been prepared in accordance with IAS 34, *Interim Financial Reporting,* as issued by the IASB, and which in the opinion of our management include all adjustments considered necessary to present fairly the results of our operations and financial position for the periods and dates presented. The results of operations for our interim period are not necessarily indicative of the results for the full year or any other interim period.

The summary historical financial information as of December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011 has been derived from our audited financial statements, which are included elsewhere in these listing particulars and have been prepared in accordance with IFRS.

This information should be read in conjunction with, and is qualified in its entirety by reference to, our audited financial statements and unaudited interim financial statements and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in these listing particulars.

	For the nine months ended September 30 (unaudited),		**For the year ended December 31,**		
	2014	**2013**	**2013**	**2012**	**2011**
			(in thousands of U.S. dollars)		
Income statement data					
Operating revenue					
Contract energy and capacity sales	158,740	173,270	225,141	198,379	37,724
Spot market energy and capacity sales	65,337	47,756	81,012	133,285	136,766
Other operating revenue	607	677	1,454	595	9
Total operating revenue	**224,684**	**221,703**	**307,607**	**332,259**	**174,499**
Cost of sales					
Fuel consumption	(99,560)	(95,422)	(123,073)	(163,143)	(71,464)
Energy and capacity purchases on the spot market	(4,433)	(1,759)	(2,673)	(1,944)	(124)
Depreciation and amortization	(32,844)	(32,666)	(43,578)	(42,621)	(24,331)
Transmission system use costs	(441)	(452)	(593)	(971)	(284)
Other production cost of sales	(31,180)	(35,753)	(53,024)	(28,827)	(23,000)
Total cost of sales	**(168,458)**	**(166,052)**	**(222,941)**	**(237,506)**	**(119,203)**
Gross profit	**56,226**	**55,651**	**84,666**	**94,753**	**55,296**
Administrative expenses	(6,641)	(7,806)	(10,626)	(11,116)	(7,974)
Other operating expenses	-	-	-	(19)	(54)
Other gains (losses)	299	-	(713)	14	16
Operating income (loss)	**49,884**	**47,845**	**73,327**	**83,632**	**47,284**
Finance income	527	158	354	206	4
Finance expense	(27,915)	(28,862)	(38,296)	(41,624)	(17,730)
Foreign currency exchange differences	(4,586)	1,124	19	2,727	(3,352)
Income before taxes	**17,910**	**20,265**	**35,404**	**44,941**	**26,206**
Income tax expense	(11,375)	(4,054)	(7,083)	(7,839)	(6,622)
Net income	**6,535**	**16,211**	**28,321**	**37,102**	**19,584**

	As of September 30 (unaudited),	As of December 31,	
	2014	2013	2012
	(in thousands of U.S. dollars)		
Balance Sheet Data			
Cash and cash equivalents	83,323	69,920	85,571
Other current assets	68,840	72,165	67,457
Total current assets	**152,163**	**142,085**	**153,028**
Property, plant and equipment	951,781	980,454	1,025,802
Other non-current assets	136,822	121,543	40,068
Total non-current assets	**1,088,603**	**1,101,997**	**1,065,870**
Total assets	**1,240,766**	**1,244,082**	**1,218,898**
Total current liabilities	110,877	102,244	94,762
Total non-current liabilities	749,919	755,930	805,779
Total liabilities	**860,796**	**858,174**	**900,541**
Total equity	**379,970**	**385,908**	**318,357**
Total equity and liabilities	**1,240,766**	**1,244,082**	**1,218,898**

	For the nine months ended September 30 (unaudited),	For the year ended December 31,		
	2014	2013	2012	2011
		(in thousands of U.S. dollars)		
Other Financial Data				
Adjusted EBITDA[(1)]	83,186	119,354	126,940	72,253
Reconciliation of Adjusted EBITDA to Net Income				
Net Income	**6,535**	**28,321**	**37,102**	**19,584**
Income tax expense	11,375	7,083	7,839	6,622
Foreign currency exchange differences	4,586	(19)	(2,727)	3,352
Finance expense	27,915	38,296	41,624	17,730
Finance income	(527)	(354)	(206)	(4)
Other gains (losses)	(299)	713	(14)	(16)
Asset retirement obligation accretion expense	757	1,736	701	654
Depreciation and amortization	32,844	43,578	42,621	24,331
Adjusted EBITDA	**83,186**	**119,354**	**126,940**	**72,253**

(1) We define "Adjusted EBITDA" as net income after adding back (to the extent the number is negative) or subtracting (to the extent the number is positive), as the case may be, (1) income tax expense, (2) foreign currency exchange differences, (3) finance expense, (4) finance income, (5) other gains (losses), (6) asset retirement obligation accretion expense and (7) depreciation and amortization. Adjusted EBITDA is not an IFRS accounting measure but we use it to present a measure of our operational economic performance from management's perspective. Adjusted EBITDA is not an accounting measure recognized by IFRS and should not be considered in isolation or as a substitute for net income, cash flow from operations or other IFRS measures of operating performance or liquidity. Adjusted EBITDA does not have a standardized meaning and our calculation of Adjusted EBITDA may not be comparable to other companies' calculation of similarly titled measures. In the table above we have presented a reconciliation of Adjusted EBITDA to net income.

Operating Data	As of and for the nine months ended September 30,		As of and for the year ended December 31,		
	2014	**2013**	**2013**	**2012**	**2011**
Installed capacity (MW)					
Thermal capacity	545.0	545.0	545.0	545.0	545.0
Total installed capacity (MW)	**545.0**	**545.0**	**545.0**	**545.0**	**545.0**
Energy sales (GWh)					
Contract customers sales	1,511.0	1.467.5	1,972.1	1,729.7	254.3
Spot market sales	1,013.5	742.7	1,158.6	1,213.7	995.8
Total energy sales	**2,524.5**	**2,210.2**	**3,130.7**	**2,943.4**	**1,250.1**
Capacity sales (MW)					
Contract customers sales	2,669.9	2,642.2	3,522.9	3,184.4	491.6
Spot market sales	-	-	-	-	1,160.6
Total capacity sales	**2,669.9**	**2,642.2**	**3,522.9**	**3,184.4**	**1,652.2**
Generation (GWh)					
Coal	2,907.5	2,535.9	3,592.5	3,356.3	1,448.0
Minus own consumption	(321.7)	(288.8)	(401.0)	(370.9)	(167.2)
Net generation	**2,585.9**	**2,247.1**	**3,191.4**	**2,985.4**	**1,280.8**
Plus spot purchases	-	-	**-**	**-**	**-**
Total energy available for sale before transmission losses	**2.585.9**	**2,247.1**	**3,191.4**	**2,985.4**	**1,280.8**
Average monomic price (U.S.$/MWh) [(1)]	**88.7**	**100.0**	**97.8**	**112.7**	**139.6**

(1) Our average monomic price is calculated by dividing the total amount of sales of energy and capacity in U.S. dollars by physical energy sales in MWh.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on our financial statements and should be read in conjunction with the financial statements and the notes thereto included elsewhere in these listing particulars, as well as the data set forth in "Selected Financial and Operating Information" and "Summary Selected Financial and Operating Information."

Overview

We are engaged in the generation, transmission and supply of electricity in northern Chile. We own and operate two coal-fired power units, Angamos I and Angamos II, with an aggregate gross capacity of 545 MW, located on the Pacific coast of northern Chile near the town of Mejillones. These units have been fully operational since April and October 2011, respectively. Additionally, our 20 MW BESS project initiated operations in December 2011 and allows us to increase generation by replacing generation capacity set aside for frequency regulation and spinning reserve.

We sell electricity in the SING, Chile's second largest power grid, which supplies approximately 24.2% of Chile's total energy demand. Demand within the SING is dominated by large mining, iodine and nitrate companies with operations in northern Chile (Regions I of Tarapacá, II of Antofagasta and XV of Arica and Parinacota). Given the conditions prevailing in the northern regions, electricity supply comes mainly from thermal capacity (coal, natural gas and diesel), with a small contribution from NCREs. According to the CNE, in terms of generation, we are the second largest electricity generation company in the SING. As of September 30, 2014, our market share in the SING was approximately 22.2% and 13.4% as measured by generation and installed capacity, respectively.

Since the mid-2000's, the SING has faced a severe imbalance in efficient electricity generation due to the curtailment of natural gas imports from Argentina. This circumstance produced a power shortage that led thermoelectric generators to turn to higher cost fuels such as diesel to supply their customer in the SING. Following a period of significant instability in the industry due to price volatility, a number of investments in natural gas and coal-fired plants have been made to meet existing demand with efficient technologies. We were the first efficient and largest, in terms of installed capacity, electric generation power plant to enter into operation in the SING in the last decade. The start of our commercial operations in 2011 improved the reliability and efficiency in the electricity supply at competitive prices in the SING.

We sell the electric power generated by us primarily to large mining companies through long-term PPAs and, to a lesser degree, to power generation companies in the spot market. Our long-term PPAs provide a very stable source or recurring cash flow. We have PPAs with MEL, Spence, both subsidiaries of BHP Billiton, and QB, a subsidiary of Teck Resources Ltd., for the supply of 340 MW, 90 MW and 80 MW, respectively. Under the PPAs with MEL and Spence, we currently have 88% of the total installed capacity of our Complex contracted. Following the commencement of obligations under our PPA with QB in 2018, approximately 100% of such total installed capacity will be contracted under our PPAs. These PPAs have tenors ranging from 12 to 23 years and include certain "pass-through" provisions that allow us to transfer the majority of our generation costs to our customers. See "Business –Main Contracts."

For the year ended December 31, 2013 and the nine months ended September 30, 2014, our total generation under our PPAs was 1,972 GWh and 1,511 GWh respectively, and sales pursuant to our PPAs represented 73.2% and 70.7% of our operating revenues, respectively. During the same periods, our net income totaled U.S.$28.3 million and U.S.$6.5 million, respectively, and our Adjusted EBITDA generation has remained stable at U.S.$119.4 million and U.S.$83.2 million, respectively.

Developments in the SING

The SING has experienced significant change over the past two decades. Double-digit demand growth rates in the 1990s encouraged the construction of coal-fired capacity, which virtually doubled the grid's installed capacity in the second half of the decade. In the early 2000s, while demand growth had stabilized at approximately 5% per year, the arrival of natural gas from Argentina led to the construction of five CCGTs, two pipelines across the Andes, and a transmission line from the province of Salta in Argentina to the SING. The

CCGTs that entered into operation between 1999 and 2001 added an aggregate capacity of over 2,000 MW to the existing coal capacity, creating oversupply in the SING. This oversupply led to falling spot prices.

As Argentina began to restrict natural gas exports, initially in 2004 and more comprehensively from 2007 onwards, the gas-fired installed capacity could not be used as initially planned. To be able to satisfy electric demand, electric power generators were forced to operate the newly installed CCGT' with more expensive diesel oil, driving an increase in spot prices. The loss of the natural gas supply from Argentina made the construction of new coal-fired plants a necessity. Our controlling shareholder, AES Gener, set to develop the Angamos project, starting its construction in 2008 and completing it in 2011. When commissioned, our Complex became the first coal-fired plant constructed in the SING in the last decade.

Business Policy in Light of Developments in the SING

Our business, financial condition and results of operation have been, and we expect will continue to be, relatively stable, as a result of our commercial strategy, which focuses on entering into long term PPAs with creditworthy mining companies currently representing 88% of the expected generation of our Complex, and approximately 100% from 2018 onwards, following the commencement of obligations under our PPA with QB. Our PPAs have favorable tariff structures that allow us to mitigate nearly all cash flow risk. This structure includes (i) a fixed monthly charge, which operates as a take or pay provision whereby we receive payment for the contracted capacity regardless of whether the customer uses it, except in force majeure circumstances that extend beyond certain periods of time, and (ii) a variable monthly charge, proportional to the actual energy we delivered and the actual cost incurred. Our PPAs also include pass-through provisions that allow us to charge to our customers for variations in fuel prices, subject to certain performance requirements of the plants, and other costs such as maintenance, certain changes in law and transmission tolls, among others. Due to these provisions, fluctuations in the price of fuel have very little to no impact on our financial results.

In addition, we expect to remain competitive in the near future as we believe there are no new coal-fired plants are in the pipeline beyond 2016 and emerging competition from NCREs is not expected to produce enough capacity to compete with thermal generation. In addition, we believe coal-fired plants will continue to benefit from a lower marginal cost as compared to natural gas-fired and diesel-fired power plants.

To maintain our generation assets in good condition, we coordinate and collaborate on major maintenance and annual maintenance activities with CDEC-SING. We maintain spare parts in stock and have a policy of sharing certain spare parts between our two units to ensure the availability of spare parts in a cost-efficient manner. We maintain insurance policies covering our maximum potential losses plus approximately 18 months of business interruption.

Electricity Demand and Electricity Supply

Changes in demand in the SING are correlated with, and principally result from, the development of mining projects. In the 1990s, new large-scale copper mining projects created double-digit annual growth rates for power demand. From 2010 to 2013, demand expanded by an annual compound average growth rate of 3.8%. According to data published by the CNE, electricity demand in the SING is expected to grow by 5.9% in 2014 and by 6.7% in 2015 in part due to the growth in demand of existing mining projects and in part due to growth in demand by Regulated customers. The CNE, in its last semi-annual node price fixing report, further projected compound average growth in electricity demand of 6.0% per year through 2024. None of these projections take into account any demand from new greenfield mining projects. Based on the recently announced investments in copper mining projects, we believe the annual expansion rate for demand in the SING might be higher.

For 2014, gross maximum demand in the SING is expected to be almost 2,177 MW. As of September 30, 2014, supply in terms of gross installed capacity was 4,074.8 MW, excluding the Termoandes plant, of which 1,468 MW corresponded to CCGTs, which cannot be economically operated at full capacity due to the current scarcity of gas at competitive prices. These numbers exclude AES Gener's TermoAndes CCGT physically located in Argentina, which stopped delivering electricity to the SING in 2008. From time to time, the system still needs to run CCGTs with diesel to meet demand.

In addition to our Angamos I and Angamos II units, which together provide 545MW of gross installed capacity, E.CL's S.A. (a GDF Suez Group subsidiary) ("E.CL") CTA and CTH plants (which together provide 339 MW of gross installed capacity), commenced operations in 2011. According to the work plans published by the CNE and our own research, there are power generation projects currently under construction with an aggregate net capacity of 1,380 MW. These include the conventional energy generation projects, AES Gener's Cochrane I and Cochrane II plants with a total net capacity of 472 MW (532 MW gross capacity), and the Kelar CCGT sponsored by BHP Billiton, with an approximate net capacity of 517 MW. The remaining 391 MW corresponds to 15 renewable energy projects, primarily solar photovoltaic. However, this capacity expansion may be partially countered by the potential future disconnection of certain back-up diesel engines that will require investments to meet new particulate matter, gas and noise emissions and by the announced deviation of the power output of E.CL's 251 MW (gross) CTM3 CCGT from the SING to the SIC starting in June 2017.

Revenue

Contract Energy and Capacity Sales

Structure of Payments under our PPAs

Under our PPAs, our electricity sales are denominated and paid in United States dollars and indexed to the U.S. consumer price index, and are calculated as follows:

(i) a fixed monthly charge, plus
(ii) an active energy monthly charge, less
(iii) an energy rerouting discount

The fixed monthly charge operates as a take-or-pay provision whereby we receive payment for the contracted capacity regardless of whether the customer uses or actually requires it, except in force majeure circumstances that extend beyond certain periods of time.

The active energy monthly charge is a variable payment payable based on the energy actually consumed by each customer. In addition, the variable payment fully passes-through to our customers the price of coal used in our coal yard (including custom duties, shipping expenses and coal yard management, among others) as well as other charges or costs, transmission tolls, technical services, ancillary services and excess customer consumption charges.

The energy rerouting discount is a discount we give our customers when they consume less than their contracted capacity and we are able to sell the unconsumed portion in the spot market. Subject to certain adjustments and limitations, the energy rerouting discount under our PPAs is at a similar level as the variable margin which we obtain in the spot market.

Firm Capacity Payments

We receive capacity payments for contributing to the system's ability to meet peak demand. These payments are added to the final electricity price paid by both Unregulated customers and Regulated customers. In both systems, the SIC and the SING, the respective CDEC annually determines the firm capacity amount allocated to each power plant. Initial firm capacity is then adjusted by aggregate capacity in relation to maximum demand to obtain final firm capacity. Based on the firm capacity assigned to each generation company, each year, transfers occur between generators experiencing firm capacity surpluses with respect to their peak capacity commitments to their own customers and generators experiencing capacity deficits. The firm capacity transfers are determined by the applicable CDEC and are valued at the capacity price fixed by the CNE in the semi-annual node price report and indexed to the U.S. consumer price index and other relevant indices.

Our firm capacity payments received from our customers and other operators currently provide a stable source of revenue. However, since our firm capacity allocation depends on our availability during tight market conditions as well as the available capacity of other generators in order to meet system peak demand, in the future, if available capacity in excess of peak demand increases due to new construction projects or future availability of natural gas at economically viable prices, our allocation of firm capacity would decrease.

Spot Energy and Capacity Sales

Spot revenues correspond to the sale price of energy at the marginal cost, which is determined on an hourly basis. Until 2018, we have approximately 80 MW (adjusted by demand factors on our contracts) of capacity that can be sold to the spot market. After 2018, and until the expiration of our PPAs, we will not have any relevant profit from this market since we will be fully-contracted after the commencement of obligations under the PPA with QB. For additional information on how the spot price is calculated, see "Industry Overview and Competition —System Operation and Production."

Other Operating Revenue – Intercompany Revenues

AES Gener, through Cochrane, is developing a project that involves the construction of a power plant with two coal-fired thermoelectric units, each with an installed gross capacity of 266 MW. This plant is expected to commence operations in 2016. The project will be located next to our Complex. The construction and development of this new project allows us to take advantage of synergies and back-ups in several areas, including port services, coal stock, shared services and facilities. Specifically, we share the coal yard, conveyor belt, ash disposal site, and siphon structure, among others. There will also be sharing of water, steam and co-generated electricity, as necesssary, pursuant to this arrangement. We are responsible for the management of those facilities, including the operation, regular maintenance and required governmental approvals. We have also assigned to Cochrane an option for increased capacity under our port services agreement and agreed to provide Cochrane port services through a third party. We will receive payments for these services and this option at market rates.

Costs

When deciding to enter into a long-term PPA, one of our main considerations is the cost supply structure. Our main costs related to electricity generation sales are the following:

- Fuel to supply our thermoelectric plants;
- Purchase of energy and capacity in the spot market;
- Depreciation;
- Maintenance expenditures;
- Port services; and
- Transmission tolls.

Our administrative and selling expenses include wages and salaries and other administrative expenses.

Fuel consumption is by far our most significant cost of operation as it represents a substantial portion of the direct cost of electricity generation and 55.2% of our total cost of sales in 2013.

Impact of Chilean Tax Reform

On September 29, 2014, the Tax Reform introduced significant changes to the Chilean taxation system and strengthened the powers of the Chilean IRS to control and prevent tax avoidance. The Tax Reform, among other matters, changes the corporate tax regime by allowing coexistence of two alternative tax regimes. Starting on January 1, 2017, Chilean companies will be able to opt between the following two tax regimes: (i) the partially integrated regime (*parcialmente integrado*); or (ii) the attributable taxation regime (*renta atribuida*). In both regimes, the corporate tax rate will be gradually increased to 24% in 2016 (21% in 2014, 22.5% in 2015 and 24% in 2016). On or after January 1, 2017, and depending on the tax regime chosen by a company, tax rates will gradually be increased to a maximum rate of 27% in 2018 in the case of the partially integrated regime and 25% in 2017 in the case of the attributable taxation regime.

As a corporation (*sociedad anónima*), the default taxable regime that applies to us is the partially integrated regime, unless at a future shareholders' meeting our shareholders agree to change to the attributable taxation regime. Under the partially integrated regime, the corporate tax rate will gradually increase to 27% in 2018 (21% in 2014, 22.5% in 2015, 24% in 2016, 25.5% in 2017 and 27% in 2018), while at the shareholder level, a 35% withholding tax will generally apply until profits are effectively distributed. Only a 65% credit of the corporate tax will be allowed to be used against the withholding tax (in principle, a credit of 100% is recognized, and restitution of an amount equivalent to 35% must subsequently be paid by the shareholder), unless the shareholder is resident of a country with which Chile has signed an agreed tax treaty. Accordingly, for a shareholder resident in country with an agreed tax treaty, the effective rate will remain at 35%, while for other foreign shareholders the effective rate will be 44.45%. If, at a future shareholders' meeting, our shareholders opt for the attributable taxation regime, the corporate tax rate will be gradually increased to 25% in 2017 (21% in 2014, 22.5% in 2015, 24% in 2016 and 25% in 2017), while at the shareholder level, a 35% withholding tax will apply on an attributed basis and the corporate tax will be credited against the applicable withholding tax.

The effect of the increase in the corporate tax rate caused a one-time increase in our net deferred tax liability, resulting in a negative, non-cash impact of U.S.$7.6 million in our statement of income for the nine months ended September 30, 2014. We cannot assure you that the manner in which the corporate tax rate are currently interpreted by the Chilean IRS and applied will not change in the future. In addition, the Tax Reform may have other consequences on us, and there can be no assurance that the corporate tax rate will not be adjusted in the future in order to finance future social reforms to be promoted by the Chilean government resulting in a material adverse effect on our business, financial condition and results of operations.

Results of Operations

First Nine Months of 2014 compared to First Nine Months of 2013

Operating Revenue

The following table presents our operating revenue and physical energy sales in the SING for the periods indicated:

	For the nine months ended September 30,					
	2014		2013		Variation	
	Amount	% of revenues	Amount	% of revenues	Amount	%
	(In U.S.$ millions, except for volumes and percentages)					
Operating Revenue						
Contract energy and capacity sales	158.8	70.7%	173.2	78.2%	(14.4)	(8.3%)
Spot market energy and capacity sales...	65.3	29.0%	47.8	21.5%	17.5	36.6%
Other operating revenue.....	0.6	0.3%	0.7	0.3%	(0.1)	(14.3%)
Total operating revenue	**224.7**	**100.0%**	**221.7**	**100.0%**	**3.0**	**1.4%**
Physical Data (in GWh)						
Contract customers sales.....	1,511.0	59.9%	1,467.5	66.4%	43.5	3.0%
Spot market sales	1,013.5	40.1%	742.7	33.6%	270.8	36.5%
Total energy sales.....	**2,524.5**	**100.0%**	**2,210.2**	**100.0%**	**314.3**	**14.2%**
Average monomic price (U.S.$/MWh)[(1)]	**88.7**		**100.0**		**(11.2)**	**(11.2%)**

(1) Our average monomic price is calculated by dividing the total amount of sales of energy and capacity in U.S. dollars by physical energy sales in MWh.

The 1.4% increase in our total operating revenue for the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 is primarily the result of the 36.6% increase in our revenues from spot market energy and capacity sales which was partially offset by the 8.3% decrease in our revenues from contract energy and capacity sales.

The 8.3% decrease in our revenues generated from contract energy and capacity sales in the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 is primarily the result of a 11.2% decrease in the average monomic price applicable to our contract energy and capacity sales. This decrease was partially offset by a 3.0% increase in our physical sales to contract customers, driven by increased demand from such customers.

The 36.6% increase in our revenues from spot market energy and capacity sales in the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 is primarily the result of a 36.5% increase in our physical spot market sales due to the higher availability of capacity for spot sales compared with the same period of 2013, and an increase in the average spot price in the SING to an average of U.S.$81.5/MWh in 2014 from U.S.$75.3/MWh in 2013.

Cost of Sales

	For the nine months ended September 30,					
	2014		2013		Variation	
	Amount	% of cost of sales	Amount	% of cost of sales	Amount	%
	(In U.S.$ millions, except for volumes and percentages)					
Cost of Sales						
Fuel consumption	99.7	59.2%	95.3	57.4%	4.4	4.6%
Energy and capacity purchases on the spot market	4.4	2.6%	1.8	1.1%	2.6	144.4%
Depreciation and amortization	32.8	19.5%	32.7	19.7%	0.1	0.3%
Transmission system use costs	0.4	0.2%	0.4	0.3%	-	-
Other production cost of sales	31.2	18.5%	35.8	21.5%	(4.6)	(12.8%)
Total cost of sales	**168.5**	**100.0%**	**166.0**	**100.0%**	**2.5**	**1.5%**
Physical Data (in GWh)						
Coal	2,908.5	100.0%	2,535.9	100.0%	372.6	14.7%
Minus Own consumption	(321.7)	-	(288.8)	-	(32.9)	11.4%
Net generation	**2,585.9**	**100.0%**	**2,247.1**	**100.0%**	**338.8**	**15.1%**
Energy purchases on the spot market	-	-	-	-	-	-
Total energy available for sale before transmission losses	**2,585.9**	**-**	**2,247.1**	**-**	**338.8**	**15.1%**

The 15.1% increase in our net electricity generation in the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 was primarily due to the 14.7% increase in our coal generation, in line with our increased physical sales of energy both to contract customers and in the spot market.

Led by the increase in our electricity generation, our costs of sales increased by 1.5% due to a 4.6% increase in our fuel consumption. In addition, our energy and capacity purchases increased by U.S.$2.6 million, or 144.4%, in the first nine months of 2014 as compared to the first nine months of 2013 primarily as a result of the recognition of a reassessment of prior energy capacity purchases recorded during the nine-month period ended September 30, 2014.

Other production cost of sales include, among others, operating and maintenance costs and cost of fuels sold. The 12.8% decrease in our other production cost of sales in the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 is primarily the result of lower maintenance costs.

Operating Income

The following table presents our operating income for the periods indicated:

	For the nine months ended September 30,					
	2014		2013		Variation	
Operating Income	Amount	% of revenues	Amount	% of revenues	Amount	%
	(In U.S.$ millions, except for percentages)					
Gross profit	56.2	25.0%	55.7	25.1%	0.5	0.9%
Administrative expenses, other operating expenses and other gains (losses)	(6.3)	(2.8%)	(7.9)	(3.5%)	1.6	(20.3%)
Total Operating Income	**49.9**	**22.2%**	**47.8**	**21.6%**	**2.1**	**4.4%**

The 0.9% increase in our gross profit for the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 is primarily the result of the increase in our revenues from spot market

energy and capacity sales partially offset by an increase in our cost of sales primarily due to higher fuel consumption in line with our increased electricity generation. This increase, combined with a 20.3% decrease in our administrative expenses, other operating expenses and other gains (losses), led us to end the period with a 4.4% increase in our total operating income.

The 20.3% decrease in our administrative expenses, other operating expenses and other gains (losses) in the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 is primarily the result of lower bank commitment fees.

Other Results

The following table presents our other results for the periods indicated:

Other Results	**For the nine months ended September 30,**					
	2014		**2013**		**Variation**	
	Amount	**% of revenues**	**Amount**	**% of revenues**	**Amount**	**%**
	(In U.S.$ millions, except for percentages)					
Finance income	0.5	0.2%	0.2	-	0.3	150.0%
Finance expense	(27.9)	(12.4%)	(28.8)	(13.0%)	(0.9)	3.1%
Foreign currency exchange differences	(4.6)	(2.0%)	1.1	0.5%	(5.7)	(518.2%)
Total other results	**(32.0)**	**(14.2%)**	**(27.5)**	**(12.5%)**	**(4.5)**	**16.4%**

The 3.1% decrease in our finance expense for the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 is primarily the result of a decrease in our interest expense resulting from a decrease in our total debt.

The change in our foreign currency exchange differences in the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 is primarily the result of the 14.2% depreciation of the Chilean peso against the U.S. dollar, which had a negative effect on our spot market revenues generated in Chilean pesos as well as certain cash and cash equivalents denominated in Chilean pesos.

Income Tax Expense and Net Income	**For the nine months ended September 30,**					
	2014		**2013**		**Variation**	
Net Income	**Amount**	**% of revenues**	**Amount**	**% of revenues**	**Amount**	**%**
	(In U.S.$ millions, except for percentages)					
Income before taxes	17.9	8.0%	20.3	9.1%	(2.4)	(11.8%)
Income tax expense	(11.4)	(5.1%)	(4.1)	(1.8%)	(7.3)	178.0%
Net Income	**6.5**	**2.9%**	**16.2**	**7.3%**	**(9.7)**	**(60.0)%**

Income taxes increased in the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 mainly due to the effect of the increase in the corporate tax rate, which caused a one-time increase in our net deferred tax liability, resulting in a negative, non-cash impact of U.S.$7.6 million in our statement of income for the nine months ended September 30, 2014 (see "—Impact of Chilean Tax Reform"), partially offset by better operating results.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Operating Revenue

The following table presents our operating revenue and physical energy sales in the SING for the periods indicated:

	For the year ended December 31,					
	2013		2012		Variation	
	Amount	% of revenues	Amount	% of revenues	Amount	%
	(In U.S.$ millions, except for volumes and percentages)					
Operating Revenue						
Contract energy and capacity sales	225.1	73.2%	198.4	59.7%	26.6	13.4%
Spot market energy and capacity sales	81.1	26.3%	133.3	40.1%	(52.2)	(39.2)%
Other operating revenue	1.5	0.5%	0.6	0.2%	0.9	150.0%
Total operating revenue	**307.6**	**100.0%**	**332.3**	**100.0%**	**(24.7)**	**(7.4)%**
Physical Data (in GWh)						
Contract customers sales	1,972.1	63.0%	1,729.7	58.8%	242.4	14.0%
Spot market sales	1,158.6	37.0%	1,213.7	41.2%	(55.1)	(4.5%)
Total energy sales	**3,130.7**	**100.0%**	**2,943.4**	**100.0%**	**187.3**	**6.4%**
Average monomic price (U.S.$/MWh)[(1)]	**97.8**		**112.7**		**(14.9)**	**(13.2%)**

(1) Our average monomic price is calculated by dividing the total amount of sales of energy and capacity in U.S. dollars by physical energy sales in MWh.

The 7.4% decrease in our total operating revenue for the year ended December 31, 2013 as compared to the year ended December 31, 2012 is primarily the result of the 39.2% decrease in our revenues from spot market energy and capacity sales which was partially offset by the 13.4% increase in our revenues from contract energy and capacity sales.

The 13.4% increase in revenues generated from contract energy and capacity sales in the year ended December 31, 2013 as compared to the year ended December 31, 2012 is primarily the result of the 14.0% increase in our physical sales, which in turn results from an increase in our long-term contracted volumes beginning in June 2012 according to the terms of our PPAs. This increase was partially offset by the 13.2% decrease in the average monomic price applicable to contract energy and capacity sales.

The 39.2% decrease in our revenues from spot market energy and capacity sales in the year ended December 31, 2013 as compared to the year ended December 31, 2012 is primarily the result of a decrease in the average spot price in the SING to an average of U.S.$79.1/MWh in 2013 from U.S.$103.0/MWh in 2012. The average spot price in the SING decreased primarily as a result of the effect of DS 130, which was enacted in December 31, 2012. According to DS 130, the excess, at any given time, between (a) the variable costs reported by electricity generation units operating at their technical minimum mode and (b) the marginal cost is considered a system over-cost, which is paid by all generation companies in proportion to the electricity withdrawn from the system to supply their contracted demand. DS 130 has had the effect of decreasing the spot price. Additionally, our physical spot sales decreased slightly by 55.1 GWh, falling to 1,158.6 GWh in 2013 from 1,213.7 GWh in 2012.

Cost of Sales

The following table presents our cost of sales and energy generation in the SING for the periods indicated:

	For the year ended December 31,					
	2013		2012		Variation	
	Amount	% of cost of sales	Amount	% of cost of sales	Amount	%
Cost of Sales	(In U.S.$ millions, except for volumes and percentages)					
Fuel consumption	123.0	55.2%	163.2	68.7%	(40.2)	(24.6%)
Energy and capacity purchases on the spot market	2.7	1.2%	1.9	0.8%	0.8	42.1%
Depreciation and amortization	43.6	19.6%	42.6	17.9%	1.0	2.3%
Transmission system use costs	0.6	0.3%	1.0	0.4%	(0.4)	(40.0%)
Other production cost of sales	53.0	23.7%	28.8	12.2%	24.2	84.0%
Total cost of sales	**222.9**	**100.0%**	**237.5**	**100.0%**	**(14.6)**	**(6.1%)**
Physical Data (in GWh)						
Coal	3,592.5	-	3,356.3	-	236.2	7.0%
Minus own consumption	(401.0)	-	(370.9)	-	(30.1)	8.1%
Net generation	**3,191.4**	**-**	**2,985.4**	**-**	**206.0**	**6.9%**
Energy purchases on the spot market	-	-	-	-	-	-%
Total energy available for sale before transmission losses	**3,191.4**	**-**	**2,985.4**	**-**	**206.0**	**6.9%**

The 6.9% increase in our net electricity generation in the year ended December 31, 2013 as compared to the year ended December 31, 2012 was primarily due to the 7.0% increase in our coal generation, in line with our increased physical sales of energy to contract customers.

Despite the increase in our electricity generation, our costs of sales decreased by 6.1% primarily as a result of a declining trend in the price of coal, our main fuel source, which fell 24.6% during 2013 as compared to 2012.

The 2.3% increase in our depreciation and amortization expenses for the year ended December 31, 2013 as compared to the year ended December 31, 2012 is primarily the result of addition of administrative buildings during 2012, which we depreciated over the entire year in 2013 and only over part of the year in 2012.

The 84.0% increase in our other production cost of sales in the year ended December 31, 2013 as compared to the year ended December 31, 2012 is primarily due to increased purchases of limestone for the desulfurization systems of our Angamos I and Angamos II units. This increase was partially offset by warranty payments received from our EPC contractor.

Operating Income

The following table presents our operating income for the periods indicated:

	For the year ended December 31,					
	2013		2012		Variation	
Operating Income	**Amount**	**% of revenues**	**Amount**	**% of revenues**	**Amount**	**%**
	(In U.S.$ millions, except for percentages)					
Gross profit	84.7	27.5%	94.8	28.5%	(10.1)	(10.7%)
Administrative expenses, other operating expenses and other gains (losses)	(11.4)	(3.7%)	(11.2)	(3.3%)	(0.2)	1.8%
Total Operating Income	**73.3**	**23.8%**	**83.6**	**25.2%**	**(10.3)**	**(12.3%)**

The 10.7% decrease in our gross profit in the year ended December 31, 2013 as compared to December 31, 2012 was primarily the result of a decrease in the average prices we charged our contract customers as well as a decrease in average spot prices. This decrease, in addition to a 1.8% increase in our administrative expenses, other operating expenses and other gains (losses), led us to end the year with a 12.3% decrease in our total operating income.

The 1.8% increase in our administrative expenses, other operating expenses and other gains (losses) in the year ended December 31, 2013 as compared to the year ended December 31, 2012 was primarily the result of an increase in other losses driven by a water pump write-off, which was partially offset by a decrease in expenditures on third-party services as we outsourced less administrative work during the year.

Other Results

The following table presents our other results for the periods indicated:

	For the year ended December 31,					
	2013		2012		Variation	
Other Results	**Amount**	**% of revenues**	**Amount**	**% of revenues**	**Amount**	**%**
	(In U.S.$ millions, except for percentages)					
Finance income	0.3	0.1%	0.2	0.1%	0.1	50.0%
Finance expense	(38.2)	(12.4%)	(41.6)	(12.5%)	3.4	(8.2%)
Foreign currency exchange differences	-	-	2.7	0.8%	(2.7)	(100.0%)
Total other results	**(37.9)**	**(12.3%)**	**(38.7)**	**(11.6%)**	**0.8**	**(2.1%)**

The 8.2% decrease in our finance expense for the year ended December 31, 2013 as compared to the year ended December 31, 2012 is primarily the result of a decrease in financial fees and commissions and lower amortization of deferred expenses.

The 100.0% decrease in our foreign currency exchange differences for the year ended December 31, 2013 as compared to the year ended December 31, 2012 is primarily the result of the 9% depreciation of the Chilean peso against the U.S. dollar, which had a negative effect on our spot market revenues generated in Chilean pesos as well as certain cash and cash equivalent assets denominated in Chilean pesos.

Income Tax Expense and Net Income

Net Income	For the year ended December 31,					
	2013		2012		Variation	
	Amount	% of revenues	Amount	% of revenues	Amount	%
	(In U.S.$ millions, except for percentages)					
Income before taxes	35.4	11.5%	44.9	13.5%	(9.5)	(21.2%)
Income tax expense	(7.1)	(2.3%)	(7.8)	(2.4%)	0.7	(8.9%)
Net Income	**28.3**	**9.2%**	**37.1**	**11.1%**	**(8.8)**	**(23.7)**

The 8.9% decrease in our income tax expense in the year ended December 31, 2013 as compared to the year ended December 31, 2012 is primarily due to a decrease in our deferred tax expenses. In September 2012, the corporate tax rate in Chile was increased from 17% to 20% (where it stands today, but will gradually rise to 25% or 27%, depending on the tax system that we choose, pursuant to the recently approved Tax Reform), which had the negative effect of increasing our deferred tax expense by U.S.$ 1.1 million in 2012.

As a result of the factors described above, our net income decreased by 23.7% in the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Operating Revenue

The following table presents our operating revenue and physical energy sales in the SING for the periods indicated:

Operating Revenue	For the year ended December 31,					
	2012		2011		Variation	
	Amount	% of revenues	Amount	% of revenues	Amount	%
	(In U.S.$ millions, except for volumes and percentages)					
Contract energy and capacity sales	198.4	59.7%	37.7	21.6%	160.7	426.6%
Spot market energy and capacity sales	133.3	40.1%	136.8	78.4%	(3.5)	(2.6%)
Other operating revenue	0.6	0.2%	-	-	0.6	-
Total operating revenue	**332.3**	**100.0%**	**174.5**	**100.0%**	**157.8**	**90.4%**
Physical Data (in GWh)						
Contract customers sales	1,729.7	58.8%	254.3	20.3%	1,475.4	580.2%
Spot market sales	1,213.7	41.2%	995.8	79.7%	217.9	21.9%
Total energy sales	**2,943.4**	**100.0%**	**1,250.1**	**100.0%**	**1,693.3**	**135.5%**
Average monomic price (U.S.$/MWh)[(1)]	**112.7**	-	**139.6**	-	**(26.9)**	**(19.3%)**

(1) Our average monomic price is calculated by dividing the total amount of sales of energy and capacity in U.S. dollars by physical energy sales in MWh.

The 90.4% increase in our total operating revenue for the year ended December 31, 2012 as compared to the year ended December 31, 2011 is primarily the result of the 426.6% increase in our revenues from contract energy and capacity sales, which was partially offset by the 2.6% decrease in revenues from spot market energy and capacity sales.

The 426.6% increase in our revenues generated from contract energy and capacity sales in the year ended December 31, 2012 as compared to the year ended December 31, 2011 is primarily the result of the 580.2%

increase in our physical sales. The significant increase in these physical sales reflects a full year of operations of both the Angamos I and Angamos II units, which commenced commercial operations in April 2011 and October 2011, respectively. This increase was partially offset by the 19.3% decrease in the average monomic price applicable to our contract customer sales.

The 2.6% decrease in our revenues from spot market energy and capacity sales in the year ended December 31, 2012 as compared to the year ended December 31, 2011 is primarily the result of the decrease in the average spot price in the SING to an average of U.S.$103.0/MWh in 2012 from U.S.$131.5/MWh in 2011. This decrease was partially offset by higher physical spot market sales of 1,213.7 GWh in the year ended December 31, 2012 compared to 995.8 GWh in the year ended December 31, 2011.

Cost of Sales

	For the year ended December 31,					
	2012		2011		Variation	
	Amount	% of cost of sales	Amount	% of cost of sales	Amount	%
Cost of Sales	(In U.S.$ millions, except for volumes and percentages)					
Fuel consumption	163.2	68.7%	71.5	60.0%	91.7	128.3%
Energy and capacity purchases on the spot market	1.9	0.8%	0.1	0.1%	1.8	1,800.0%
Depreciation and amortization	42.6	17.9%	24.3	20.4%	18.3	75.3%
Transmission system use costs	1.0	0.4%	0.3	0.2%	0.7	233.3%
Other production cost of sales	28.8	12.2%	23.0	19.3%	5.8	25.2%
Total cost of sales	**237.5**	**100.0%**	**119.2**	**100.0%**	**118.3**	**99.2%**
Physical Data (in GWh)						
Coal	3,356.3	-	1,448.0	-	1,908.3	131.8%
Minus Own consumption	(370.9)	-	(167.2)	-	(203.7)	(121.8%)
Net generation	**2,985.4**	**-**	**1,280.8**	**-**	**1,704.6**	**133.1%**
Energy purchases on the spot market	-	-	-	-	-	-
Total energy available for sale before transmission losses	**2,985.4**	**-**	**1,280.8**	**-**	**1,704.6**	**133.1%**

The 133.1% increase in our net generation in the year ended December 31, 2012 as compared to the year ended December 31, 2011 was in line with our increased physical sales of energy to contract customers due to a full year of commercial operations of our Angamos I and Angamos II units.

The 99.2% increase in our costs of sales in the year ended December 31, 2012 as compared to the year ended December 31, 2011 is primarily due to increased fuel consumption. This fuel consumption increase is directly a result of our increased commercial activity given that our Complex was operational for a full year in 2012.

The 75.3% increase in our depreciation and amortization expenses for the year ended December 31, 2012 as compared to the year ended December 31, 2011, is also primarily the result of depreciation expenses related to a full year of commercial operations of our Angamos I and Angamos II units, which led to increased depreciation costs.

The 25.2% increase in our other production cost of sales in the year ended December 31, 2012 as compared to the year ended December 31, 2011 also reflects a full year of commercial operations of our Angamos I and Angamos II units.

Operating Income

The following table presents our operating income for the periods indicated:

	For the year ended December 31,					
	2012		2011		Variation	
Operating Income	**Amount**	**% of revenues**	**Amount**	**% of revenues**	**Amount**	**%**
	(In U.S.$ millions, except for percentages)					
Gross profit	94.8	28.5%	55.3	31.7%	39.5	71.4%
Administrative expenses, other operating expenses and other gains (losses)	(11.2)	(3.3%)	(8.0)	(4.6%)	(3.2)	40.0%
Total Operating Income	**83.6**	**25.2%**	**47.3**	**27.1%**	**36.3**	**76.7%**

The 71.4% increase in our gross profit for the year ended December 31, 2012 as compared to the year ended December 31, 2011 is primarily the result of higher sales to contract customers driven by a full year of commercial operations of our Angamos I and Angamos II units. This increase was partially offset by a 40.0% increase in our administrative expenses, other operating expenses and other gains (losses). As a result, we ended the year with a 76.7% increase in our operating income.

The 40.0% increase in our administrative expenses, other operating expenses and other gains (losses) in the year ended December 31, 2012 as compared to the year ended December 31, 2011 was principally due to higher personnel and third-party services expenses in light of our increased commercial activity given that our Complex was operational for a full year.

Other Results

The following table presents our other results for the periods indicated:

	For the year ended December 31,					
	2012		2011		Variation	
Other Results	**Amount**	**% of revenues**	**Amount**	**% of revenues**	**Amount**	**%**
	(In U.S.$ millions, except for percentages)					
Finance income	0.2	0.1%	-	-	0.2	-
Finance expense	(41.6)	(12.5%)	(17.7)	(10.1%)	(23.9)	135.0%
Foreign currency exchange differences	2.7	0.8%	(3.4)	(2.0%)	6.1	(179.4%)
Total other results	**(38.7)**	**(11.6%)**	**(21.1)**	**(12.1%)**	**(17.6)**	**83.4%**

The 135.0% increase in our finance expense for the year ended December 31, 2012 as compared to the year ended December 31, 2011 is primarily due to an increase in interest payments due to a full year of commercial operations of our Complex. Prior to the commencement of commercial operations of our Complex, we capitalized our debt interest expenses.

The change in our foreign currency exchange differences results in the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily due to the positive effect the 8.4% appreciation of the Chilean peso against the U.S. dollar had on our assets and revenues denominated in Chilean pesos.

Income Tax Expense and Net Income

	For the year ended December 31,					
	2012		2011		Variation	
	Amount	% of revenues	Amount	% of revenues	Amount	%
Net Income	(In U.S.$ millions, except for percentages)					
Income before taxes	44.9	13.5%	26.2	15.0%	18.7	71.4%
Income tax expense	(7.8)	(2.4%)	(6.6)	(3.8%)	(1.2)	18.2%
Net Income	**37.1**	**11.2%**	**19.6**	**11.2%**	**17.5**	**89.3%**

The 18.2% increase in our income tax expense in the year ended December 31, 2012 is primarily due to an increase in our deferred and current taxes. In September 2012, the corporate tax rate in Chile was increased to 20%, which had the negative effect of increasing our deferred and current taxes by U.S.$1.1 million in 2012. In addition, the increase is also attributable to the 71.4% increase in our income before taxes.

As a result of the factors described above, our net income increased by 89.3% for the year ended December 31, 2012 increased as compared to the year ended December 31, 2011.

Liquidity and Capital Resources

Approximately 74.7% of the initial investment required for the construction of our Complex, which amounted to U.S.$1.2 billion, was funded with a non-recourse secured project finance credit facility, which is secured by all of our assets, shares and cash flows, and the remaining 25.3% was funded with equity contributions from our shareholders. Since the commencement of our operations, we have not incurred any additional debt as we have funded all of our operations and capital expenditures with cash generated by operations. As of September 30, 2014 and December 31, 2013, we had U.S.$83.3 million and U.S$69.9 million of cash and cash equivalents, respectively.

We believe that, based on our current business plan and considering the use of proceeds from this offering, our cash and cash equivalents on hand and our cash generated by operations will be adequate to meet all of our capital expenditure requirements related to ongoing maintenance and environmental improvements and liquidity needs in the near term.

Cash Flow

The following table sets forth our cash flow for the periods presented.

	For the nine months ended September 30,		For the year ended December 31,		
	2014	2013	2013	2012	2011
Cash Flow	(In U.S.$ millions)				
Net cash flows provided by operating activities	66.5	59.9	94.4	101.7	10.0
Net cash flows used in investing activities	(34.5)	(68.7)	(72.8)	(64.1)	(117.3)
Net cash flows provided by (used in) financing activities	(16.4)	(21.2)	(36.7)	(21.0)	166.0
Net cash and cash equivalents increase (decrease)	**13.4**	**(29.9)**	**(15.7)**	**(17.1)**	**55.9**

Cash Flow Provided By Operating Activities

The 11.0% increase in cash flows provided by operating activities in the first nine months of 2014 as compared to the first nine months of 2013 resulted primarily from higher payments received from customers driven by an increase in both electricity generation and physical sales.

The 7.2%, or U.S$7.3 million, decrease in cash flows provided by operating activities in the year ended December 31, 2013 as compared to the year ended December 31, 2012, resulted primarily from a U.S.$6.5 million increase in our interest expenses and a decrease in our value added tax recoveries.

The 917%, or U.S$91.7 million, increase in cash flows provided by operating activities in the year ended December 31, 2012 as compared to the year ended December 31, 2011 resulted primarily from an increase in our customer receivables from U.S.$157.8 million to U.S.$334.9 million in 2012, associated with a full year of commercial operations of our Complex. This increase was partially offset by a U.S.$77.5 million increase in our payments to suppliers, which is also in line with our increased commercial activity, and a U.S.$9.6 million increase in our interest expenses given that we stopped capitalizing our interest expense once our Complex became fully operational.

Cash Flow Used in Investing Activities

Our investing activity in the years 2011, 2012 and 2013, has been related to capital expenditures for the construction of our Complex, primarily in connection with equipment maintenance and refurbishing, and environmental improvement projects, among other capital expenditures. Our Complex became fully operational in 2011 and we no longer require capital expenditures for construction or expansion. Rather, our capital expenditure requirements currently relate primarily to our ongoing maintenance activities. Therefore, we have seen a decrease in our cash flows used in investing activities.

Capital Expenditures

Our capital expenditures from January 1, 2011 through September 30, 2014, have amounted to U.S.$149.6 million, and we have budgeted an additional U.S.$2.6 million for the remainder of 2014. Our capital expenditures between January 1, 2011 through September 30, 2014, include the following:

- Construction of our Complex until 2011;
- investments in overhaul or major maintenance of our power plants as well as other equipment maintenance and refurbishing; and
- environmental improvements.

The following table presents our capital expenditures by principal category for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,		
	2014	**2013**	**2013**	**2012**	**2011**
			(In U.S.$ millions)		
Complex	0.2	0.9	1.2	22.8	112.3
Overhaul power plants & equipment maintenance and refurbishing	4.3	0.3	4.1	1.6	-
Environmental improvement works	1.8	-	-	1.3	-
Total capital expenditures	**6.3**	**1.2**	**5.3**	**25.7**	**112.3**

Cash Flow Provided By (Used In) Financing Activities

The 22.6% decrease in cash flows used in financing activities in the first nine months of 2014 as compared to the first nine months of 2013 resulted primarily resulted from lower principal amortization payments in accordance with the amortization schedule under our project finance credit facility.

The 74.8%, or U.S.$15.7 million, increase in cash flows used in financing activities in 2013 as compared to 2012 resulted primarily from higher principal amortization payments in accordance with the amortization schedule under our project finance credit facility, which payments commenced on October 2, 2012.

The reversal in our financing cash flows in 2012 as compared to 2011 from U.S.$166.0 million in cash provided by financing activities to U.S.$21.0 million in cash used in financing activities resulted primarily from the final disbursements made under our project finance facility in 2011. Whereas, in 2012, we started to make amortization payments under such facility.

Contractual Obligations

The following table sets forth the maturity profile of our debt obligations as of September 30, 2014. This table shows the nominal amount of our debt balances:

		Contractual obligations Payments due by period, as of September 30, 2014				
	Total	**2014**	**2015**	**2016**	**2017**	**2018 and beyond**
			(In millions of U.S.$)			
Bank debt	763.1	16.6	39.1	31.3	41.0	635.1
Total	**763.1**	**16.6**	**39.1**	**31.3**	**41.0**	**635.1**

On October 22, 2008, we entered into a project finance facility for the construction of our Complex, in an aggregate principal amount totaling U.S.$908.5 million with various financial institutions and a secured letter of credit facility up to an aggregate principal amount of U.S$80 million. The loan has a 17 year maturity and is secured with the assets, shares and cash flows from the project. As of September 30, 2014, the carrying amount under this facility as presented in our statement of financial position was U.S.$735.5 million, given that under IFRS debt is recorded at its amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any initial premium or discount on the loan and includes any transaction costs that are an integral part of the effective interest rate. Whereas, from a contractual perspective, the nominal amount of this debt totaled U.S.$763.1 million as of such date. We expect to use the net proceeds of this offering to fully repay this facility (but not the secured letter of credit facility), including amounts due upon the termination of any associated interest rate swaps and other related transaction costs. See "Use of Proceeds."

As of September 30, 2014, other debt included U.S.$ 0.047 million in leasing obligations related to equipment, as well as a U.S.$14.5 million mark-to-market provision on interest-rate swaps taken by us to hedge our exposure to floating interest rates. In connection with our repayment of our project financing facility with the net proceeds of this offering, we also expect to use available cash for the satisfaction of all amounts owed by us under these interest-rate swaps. As noted above, in connection with repayment of our project financing facility with the net proceeds of this offering, we also expect to repay all amounts due upon the termination of these interest rate swaps and other related transaction costs.

Dividend Policy

Dividend payments are determined by our board of directors and subsequently submitted for approval at our regular annual shareholders' meeting as established by Chilean law. We have not made any dividend distribution since the beginning of our operations. However, we have granted certain intercompany loans to our shareholders. See "Related Party Transactions."

Hedging Policy

Our hedging policy covers certain risks to which we are exposed, as follows:

Business Risk and Commodity Hedging

Our business is subject to the risk of variations in the availability of fuels and their prices. Our policy is to hedge as much as possible against these risks through the indexation of the energy tariffs incorporated in our PPAs, and the fuel mix taken into consideration in the tariffs.

Currency Hedging

Given that most of our revenues and costs are denominated in U.S. dollars and that we seek to incur debt in U.S. dollars, we face limited exposure to foreign exchange risk. Our main costs denominated in Chilean pesos are personnel and administrative expenses, which represent a minor portion of our total operating costs for the nine months ended September 30, 2014. Our most significant payments denominated in Chilean pesos consists of value added tax payments associated with our revenues.

Interest Rate Hedging

The stability and predictability of our cash flows is also exposed to interest rate risk, principally with respect to our indebtedness that bears interest at floating rates. We try to hedge our cash flows to reasonably minimize our exposure to financial risks beyond our control and maximize our cash flow stability over the long run. Our most significant long-term debt as of September 30, 2014 consisted of the project financing facility described above. As of September 30, 2014, the carrying amount under this facility as presented in our statement of financial position was U.S.$735.5 million, given that under IFRS debt is recorded at its amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any initial premium or discount on the loan and includes any transaction costs that are an integral part of the effective interest rate. Whereas, from a contractual perspective, the nominal amount of this debt totaled U.S.$763.1 million as of such date. While 100% of this debt is at floating rates, our project financing loan agreement required us to take interest-rate swaps in order to ensure the stability of future project cash flows and comply with certain projected minimum and average debt-service coverage ratios. As of September 30, 2014, the notional amount of such interest-rate swaps amounted to U.S.$615.4 million, corresponding to 80.6% of the outstanding nominal principal amount of the loan. In connection with our full repayment of our project financing loan with the proceeds of this offering, we also expect to satisfy all amounts owed by us under these interest-rate swaps. Hedge accounting has been applied to these hedges. The remaining 19.4% of our debt represents the unhedged portion of our project financing loan, which as noted above is at floating interest rates.

The following table sets forth certain information on our interest rate risk based on the nominal amount of our project financing outstanding debt balance:

		As of September 30, 2014					
		Contractual maturity date (In U.S.$ millions)					
	Average interest Rate	2014	2015	2016	2017	Thereafter	Grand Total
Variable Rate							
(U.S.$)[1]	U.S.$+6M Libor	16.6	39.1	31.3	41.0	635.1	763.1
Total		**16.6**	**39.1**	**31.3**	**41.0**	**635.1**	**763.1**

(1) This corresponds to the current interest rate on our long-term project financing loan. As September 30, 2014, 82.4% of this debt was hedged with interest rate swaps.

Credit Risk

In the normal course of business, and when investing our cash, we are exposed to credit risk. In our regular electricity generation business, we deal mostly with financially strong mining companies, which report low level of credit risk. Our cash management policy is to invest in investment-grade institutions only and only within the short term. We also measure our counterparty risk when dealing with derivatives, and we have individual counterparty limits to manage our exposure.

Off-Balance Sheet Arrangements

Our principal off-balance sheet agreements are in the form of letters of credit include the following:

- a stand-by letter of credit for the amount of U.S.$6.6 million due on October 22, 2018, in favor of MEL to guarantee its PPA with us;

- a stand-by letter of credit for the amount of U.S.$1.8 million due on October 22, 2018, in favor of Spence to guarantee its PPA with us;

- two stand-by letters of credit for U.S.$9.6 million and U.S.$6.0 million, respectively, both due on October 22, 2018, in favor of Terminal Graneles del Norte S.A. to guarantee the port services agreement we signed with them; and

- a debt service reserve letter of credit for the total amount of U.S.$48.0 million due on October 22, 2018, associated with our project financing loan to guarantee debt service under the facility for twelve months.

We do not have any other material off-balance sheet arrangements.

Critical Accounting Policies and Estimates

In the preparation of our financial statements, we have identified key accounting policies which are fundamental to our statement of financial position and statement of income. These key accounting policies, including disclosures, often involve complex quantitative analyses or are based on subjective judgments or decisions. We continually evaluate these estimates, including those related to our revenue recognition, from sales of energy and capacity, property, plant and equipment, derivative instruments and accounting for income taxes. We base our estimates on historical experience and other assumptions which we believe to be reasonable under the circumstances.

We have identified the following accounting policies that we believe are most critical to our financial statements. For a full description of our accounting policies, see Note 3 to our audited financial statements and Note 3 to the interim unaudited financial statements which are included elsewhere in these listing particulars.

Revenue Recognition

We recognize revenues when the amount can be reliably measured and it is probable that the future economic benefits flow to us and specific conditions have been met for each of our activities as described below.

The amount of revenue is not considered to be reliably measured until all contingencies related to the sale have been resolved. We base our estimates on historical data, taking into account the type of customer, type of transaction and the concrete terms of each agreement.

Operating revenue includes the fair value of considerations received or to be received from the sale of goods and services in the ordinary course of our activities. Operating revenue is presented net of value-added taxes, returns, rebates and discounts.

Revenues from energy and capacity sales are recognized once the energy or capacity has been physically delivered at prices established in the respective contracts or at prevailing electricity market prices in accordance with current regulations. Operating income includes invoiced income and un-invoiced income from energy and capacity supplied but not billed at each period end, which is accounted for at the contractual rates existing at each respective period end. These amounts are included in current assets as trade accounts receivable. The related cost of this energy has been included in operating costs.

Property, Plant and Equipment

Property, plant and equipment include the following items: construction in progress, land, buildings, plants and equipment, information technology equipment, furniture, and motor vehicles.

Construction in progress includes labor, materials, interest, and allocation of some general and overhead costs. Interest expenses directly attributable to the construction, both specific and generic in nature, are capitalized only during the construction period. Also included in the capitalization of construction in progress are expenses directly related to personnel and other expenses of an operating nature attributable to the project. Upon completion, and once the testing period is finalized and assets are available for the intended use, the accumulated balance of construction in progress is transferred to the appropriate class of property, plant and equipment.

Maintenance and repairs, including replacement of minor items, are expensed as incurred. Costs associated with major inspections or replacements are recognized as part of the carrying amount of the asset or as a separate asset if they meet the recognition criteria of a component as detailed in IAS 16 "Property, Plant and Equipment."

Depreciation is determined using the straight line method considering their cost less residual value over their estimated economic useful lives. A change in the estimate of useful lives could impact the level of annual depreciation expense recognized during the period. In estimating the useful lives and expected residual value, we rely primarily on actual experience with similar assets and technical recommendations from engineers and manufacturers. The estimates are reviewed on an annual basis for any changes. When depreciable property units are retired, the original cost and decommissioning charges, less residual value, are charged to accumulated depreciation.

In accordance with IAS 36, "Impairment of Assets," we shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, we shall estimate the recoverable amount of the asset. An asset is impaired when its carrying value exceeds its recoverable amount. The recoverable amount is defined as the higher of an asset's or cash generation unit's fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows expected to be derived from continuing use of the asset and from its ultimate disposal.

Derivative Instruments

We have entered into various derivative instruments, in the form of interest rate swaps to hedge our risks associated with interest rate fluctuations. Derivatives are initially recognized at fair value on the date on which the derivative contract is executed and are subsequently remeasured at their fair value. Changes in the fair values of the derivatives are recognized in earnings unless they have been designated and qualify as hedging instruments in a cash flow hedge. We designated all of the interest rate swap contracts we entered into for hedge accounting.

The changes in fair value in a cash flow hedge are recognized in other comprehensive income to the extent that the instrument is effective. Any gain or loss related to the ineffective portion is recognized immediately in earnings. Once the instrument matures, is sold or no longer meets the heading requirements as per IAS 39 "Financial Instruments: Recognition and Measurement," any cumulative gain or loss in other comprehensive income remains in equity and is recognized when the forecasted transaction affects earnings. When the forecasted transaction is not expected to occur, any accumulated gain or loss in other comprehensive income is immediately recognized in earnings.

We perform an evaluation of embedded derivatives in financial and non financial instrument contracts to determine if their characteristics and risks are closely related to the host contract. If not closely related, they are separated from the host instrument and the variations in fair value are recognized into earnings.

Estimates of fair values for which an active market, quoted prices or a secondary market do not exist are calculated using forward pricing models, presenting value of estimated future cash flows and other modeling techniques. We use the Reval Hedge Rx system to calculate the fair value of interest rate swaps. The following assumptions are used in the valuation models for derivative instruments: historic and spot prices, price projections, credit risk (own and counterparty), risk free discount rates, local and counterparty spreads, price volatility, correlations, regression formulas and market spreads. Changes in conditions or the occurrence of unforeseen events could affect the timing for the recognition of unrealized gain and losses into earnings.

Accounting for Income Taxes

In accordance with Chilean tax law, income taxes are computed and paid on a per legal entity basis. As part of the process of preparing our financial statements, we are required to calculate our income tax expense based on rates in effect at the time of the calculation (which are subject to change by enactment of a new tax rate and tax laws).

According to IAS 12 "Income Taxes," deferred tax assets and liabilities are recognized for the difference between financial statement carrying amounts of assets and liabilities and their corresponding tax bases. Deferred

tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. A deferred tax asset is also recognized for the carryforward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

REGULATION

Chile's electricity sector has a regulatory framework that has been in effect and has evolved significantly in the past three decades. This has enabled the development of an industry with a high level of participation of private capital. See "Industry Overview and Competition." The electricity sector and its private participants are subject to various regulations and the supervision of various technical bodies. The material laws and regulations covering the Chilean electricity sector and our electric operations are contained in the Chilean Electric Law, as amended, including:

- *"Short Law I" (Ley Corta 1), Law No. 19,940, enacted in 2004*. This law introduced (i) new regulations applicable to the transmission system, the development of the transmission system and the rates transmission facility owners can charge to users of the system and (ii) new regulations with respect to reliability and ancillary services.

- "*Short Law II" (Ley Corta 2), Law No. 20,018, enacted in 2005*. This law requires that all new long-term PPAs between generation and distribution companies for the supply of Regulated customers be the result of bids via open, competitive and transparent auction processes. These new long-term PPAs can have up to 15 years duration. Regarding the capacity product (reliability payment), the long-term PPAs incorporate the capacity price fixed by the CNE and are indexed to CPI and other relevant indexes.

- *Law No. 20,220, enacted in 2007*. This amendment aimed to secure the supply of electricity to Regulated customers and to ensure the sufficiency of the electric system. It establishes special rules for: (i) the bankruptcy of generation, transmission or distribution companies and (ii) the retirement, modification, disconnection or termination of operations of electrical facilities that are not the consequence of failures or scheduled maintenance of generating or transmission facilities. The recently enacted Chilean Bankruptcy Law amended some of the aspects regulated by Law No. 20,220. See "Regulation—Chilean Electricity Framework— Bankruptcy Regime Recently Enacted."

- *Law No. 20,257, enacted in 2008*. This amendment promotes the use of NCREs and defines the different types of technologies considered to be NCREs. For the period between 2010 and 2014, this law requires generation companies to supply 5% of their total contractual obligations entered into after August 31, 2007 with NCREs. The requirement to supply electricity with NCREs will increase by 0.5% annually until 2024, when the requirement will reach 10% of total contractual obligations. A generation company can meet this requirement by developing its own NCRE generation capacity (wind, solar, biomass, geothermal, and small hydro technology), purchasing NCRE Certificates locally (similar to carbon bonds) or paying the applicable fines for non-compliance. This law was amended by Law No. 20698, enacted in 2013. This amendment is aimed to encourage the expansion of the energy matrix through non-conventional renewable sources. It establishes a goal of NCRE power generation of 20% by 2025. This could lead to significant changes in the diversification of the energy matrix in the coming decades, especially in the SING. In addition, the amendment allows the Ministry of Energy to tender for the supply of energy obtained from NCRE for Regulated customers.

- *Law No. 20,571, enacted in 2012*. This amendment regulates netmetering (netbilling) and payment to residential or even industrial small generators. This law allows NCRE producers to inject their surplus to the grid under a netbilling scheme. Law 20,571 requires an Administrative Regulation that regulates the particulars of the Law, in order for the Law to enter into force. Such an Administrative Regulation has not been yet issued and published. The particulars of Law 20,571 are regulated by DS 71 of 2014, issued by the Ministry of Energy and enacted in September 2014.

- *Law No. 20,701, enacted in 2013*. This amendment introduced significant changes regarding the granting of electric concessions to allow the enforcement of the necessary easements on third-party property. For instance, the law cuts down the time for processing a request for an

electric concession from 700 to 150 days. Additionally, the law reduces the number of methods for notifying third parties of easements from 5 to 2, in order to facilitate the process, and narrows the cases in which those third parties can object to the granting of easements.

- *Law No. 20,726, enacted in 2014*. This law aims to interconnect and optimize the joint operation of different electric systems via the interconnection of independent grids, seeking economic advantages and increased competition in the market. Additionally, this law encourages the construction of backup transmission lines which will increase the safety of supply and optimize the dispatch of power plants. During wet seasons, this interconnection of systems will allow increased hydroelectric production to provide cheaper generation; and, conversely, in periods of drought, it will enable a more efficient thermoelectric generation, displacing diesel generation and contributing to lower energy costs. This law also seeks to diversify the sources of generation.

- *Environmental law*: Environmental regulation is mainly governed by the General Environmental Law (Law No. 19,300), enacted in March 1994 and amended in 2010 by Law No. 20,417. This law sets up a framework for environmental regulation in Chile, which has become increasingly stringent in recent years.

Chilean Electricity Framework

The goal of the Chilean Electricity Law is to provide incentives to maximize efficiency and to provide a simplified regulatory scheme and tariff setting process that limits the discretionary role of the government by establishing objective criteria for setting prices. The expected result is an economically efficient allocation of resources. The regulatory system is designed to provide a competitive rate of return on investment to stimulate private investment, while ensuring the availability of electricity service to all who request it.

Three governmental entities have primary responsibility for the implementation and enforcement of the Chilean Electricity Law: the CNE, the SDEC and the Ministry of Energy. The CNE calculates retail tariffs and wholesale, or node prices. The CNE also prepares a four-year expansion plan for the system that must be consistent with the calculated node prices. The SDEC sets and enforces the technical standards of the system and monitors and enforces compliance with the law and regulations related to energy matters, including all rules related to security and service quality. It is also in charge of processing all easements and concessions related to hydroelectric facilities, transmission lines, and distribution networks. The Ministry of Energy grants final approval of tariffs and node prices set by the CNE and regulates the granting of concessions to power generation, transmission and distribution companies.

Companies that own or operate generation or transmission facilities, as well as Unregulated customers directly connected to transmission facilities, are coordinated through the CDEC – SING or CDEC – SIC, depending on the area where they are located, which minimizes the operating costs of the electricity system and monitors the quality of service provided by the power generation and transmission companies. Power generation companies satisfy their contractual sales requirements with dispatched electricity, whether produced by them or purchased from other generation companies in the spot market. The principal purpose of each CDEC in operating the dispatch system is to ensure that only the most cost-efficient electricity is dispatched to customers. Each CDEC dispatches plants in the order of their respective variable cost of production, starting with the lowest cost plants, such that electricity is supplied at the lowest available cost. Power generation companies balance their contractual obligations with their dispatches by buying or selling electricity at the spot market price, which is set on an hourly basis by each CDEC, based on the marginal cost of production of the most expensive kWh to be dispatched.

Sales of Power

All generators can commercialize energy through contracts with distribution companies for their Regulated customers and Unregulated customers, or directly with Unregulated customers. Generators may also sell energy to other power generation companies on a spot price basis. Power generation companies may also

engage in contracted sales among themselves at negotiated prices, outside the spot market. Contract terms are freely determined (except in the case of supply to Regulated customers).

Sales to Distribution Companies and Regulated Customers

Historically, sales to distribution companies for resale to Regulated customers have been made through contracts at the node price in effect at the relevant locations, or nodes, on the interconnected system through which such electricity is supplied. Nevertheless, since 2005, after the enactment of Short Law II, all new contracts between generation and distribution companies for the supply of Regulated customers must be the result of bids via open, competitive and transparent auction processes. See "Business—Recent Contracts." A newly enacted amendment to the Administrative Regulation D.S No.4/2008 of the Ministry of Economy has established innovative requirements in this respect. As a result, distribution companies must inform the CNE during January of each year of the characteristics of their contracts and supplies of electricity for Regulated Customers for the following eight years in order to predict future demand. Additionally, when demand varies unpredictably, this Administrative Regulation enables providers to make a short term bid to cover such variations.

The aforementioned Administrative Regulation will be complemented by an amendment to the Chilean Electric Law currently in discussion in the Chilean Congress, which aims to introduce some other changes to the current bidding scheme.

Currently, an amendment to the Chilean Electric Law is being discussed in the Chilean Congress. Among other modifications, this amendment seeks to promote the active participation of the CNE in the development of the industry, and also to distribute among generators the cost of providing electricity to distributors whose supply has not been covered by a PPA, due to possible mistakes in the projection of their own demand. Theoretically, such surplus electricity should be sold to distributors taking into consideration the marginal price of energy in the spot market, but the bill draft establishes a lower price based on other criteria.

Sales to Unregulated or "Free" Customers

Unregulated customers are those that have a maximum hourly demand for electricity supply of at least 2,000 kW or those consumers with a demand of at least 500 kW that opt to be subject to an unregulated regime. All other consumers are considered to be Regulated customers. The tariffs and conditions in contracts with Unregulated customers are negotiated freely between the generator and the customer.

All contracts are supplied from the system regardless of whether the generator who contracted the supply is capable of generating the electricity to meet the contract. The CDEC clears the exposure of individual generators to the energy spot market from the difference between its contractual energy and its generated energy obtained from the centralized dispatch, and to the capacity market from the difference between the capacity demanded by its customers at the hour of the system's maximum demand and its firm capacity.

Sales to Generating Companies

The CDEC annually determines a firm capacity for each power plant. Each generator is allowed to sell capacity up to its "firm capacity." Firm capacity is the highest capacity that a generator may supply to the system at certain peak hours, taking into consideration statistical information regarding the time a plant is out of service for maintenance and the water inflows in the case of hydroelectric plants.

A power generation company may need to purchase or sell energy or capacity in the spot market at any time depending on its contractual requirements in relation to the amount of electricity to be dispatched from such company and to its firm capacity.

Concessions

Chilean law allows power generation activity to be developed without a concession. However, companies may apply for a concession to facilitate access to third-party properties for the development of hydroelectric or geothermal power plants as well as for development of electric transmission facilities by means of a "right of way" (easement). Third-party property owners are entitled to compensation, which may be agreed by

the parties or, if there is no agreement and an electric concession has been granted, may be determined by an administrative proceeding regulated by the Chilean Electric Law. The procedure for obtaining an electric concession has been recently amended by Law No. 20,701.

Transmission

The Chilean Electricity Law does not require an electric concession in order to build and operate transmission facilities. However, in case it is difficult to process and obtain the necessary easements from third parties, the electric concession grants the possibility of enforcing those easements in exchange for proper compensation to the owners of the affected land and the proceeding for obtaining an electric concession has been recently amended by Law No. 20,701, as stated above, to expedite creation of rights of way. The transmission system is divided into three segments: trunk transmission, sub-transmission and additional transmission. Each such system is defined by and has its own regulatory framework in the Chilean Electric Law. Any facility that is part of the trunk transmission or the sub-transmission system is always subject to the open access regime. Additional transmission facilities are not subject to an open access regime unless (a) they (i) benefit from rights of way granted pursuant to an electric concession or (ii) use national properties of public use and (b) they have technical capacity available. Open access to additional transmission facilities shall be granted on a non-discriminatory basis. However, the relevant CDEC may limit injections or withdrawals without discriminating among the users for the coordinated operation of the system. See "Business—Transmission."

Transmission companies recover their investment in transmission assets through tariffs, or "wheeling rates," which, depending on the type of transmission installation (trunk, subtransmission or additional), are charged to generation companies, final customers or both. Transmission tariffs for trunk transmission and sub-transmission facilities depend on their investment values, as determined every four years by a decree of the Ministry of Energy.

Fines and Compensations

If a rationing decree is enacted in response to prolonged periods of electricity shortages, severe penalties may be imposed on power generation companies that contravene the decree.

Power generation companies may also be required to pay fines to the regulatory authorities if a system blackout results from any generator's operational mistake, including failures related to the coordination duties of all system agents. A power generation company may also be obligated to make compensatory payments to electricity Regulated customers affected by shortages of electricity or to Unregulated customers (in case the corresponding contract considers such payments).

If power generation companies cannot satisfy their contractual commitments to deliver electricity during periods when a rationing decree is in effect and there is no energy available to purchase in the system, the power generation company must pay compensation to the Regulated customers equal to the difference between the "outage cost" and the node price determined by the CNE in each tariff setting. The "outage cost" is determined semi-annually by the CNE's economic models as the highest cost for end customers of having an electricity shortage during periods of electricity deficit. Outage costs correspond to the average cost incurred by final users in providing one kWh by their own means.

Additionally, the Administrative Regulation RM 39 established a mechanism through which the costs associated with the compliance of certain technical and security requirements are shared among the various generators in the SING on a monthly basis as determined by the CDEC. This cost can be broken down into the following:

- Costs arising from the forced dispatch of combined cycle units that have minimal operational restrictions, which result in extra charges since the generation of these combined cycles replaces more economic generation;

- Costs arising from the requirement to supply a margin of spinning reserve, which force generators to generate at 93% of their available capacity. This margin allows these plants, before resorting to other contingencies, to respond to temporary shortages of electricity supply;

- Costs associated with new unit tests that displace efficient generation.

RM 39 further establishes reimbursement criteria pursuant to which generators pay extra charges in proportion to such generator's total energy sales in the SING. However, a generator may pass-through any RM 39 related charges onto their customers through the cost pass-through provisions of their PPAs.

In December 31, 2012, the DS 130 was enacted by the Ministry of Energy. It provides a mechanism to compensate for the cost overruns incurred by generation units running at their technical minimum mode, which are not paid for their variable operating costs per the CDEC's balance of energy transactions among generation companies. The cost overruns, at any given time, is equal to the difference between (a) the variable costs reported by electricity generation units operating at their technical minimum mode and (b) the marginal cost, and is paid by all generation companies in proportion to the electricity withdrawn from the system to supply their contracted demand.

Environmental Regulation

Chile has numerous national environmental statutes, regulations, decrees and municipal ordinances that govern our operations and the development of new projects. Among others, there are regulations relating to industrial zoning, waste management, industrial wastewater, air emissions, hazardous substances storage, environmental liability and cleanup of contamination, where there are risks to public health, etc. Under these rules, we may be required to obtain specific approvals, consents and permits, and emissions and discharges from our operations may be required to meet specific standards and limitations set forth in regulations or permits. We have made and will continue to make substantial expenditures to comply with such environmental laws, regulations, decrees and ordinances. See "Risk Factors-Compliance with environmental regulations may require significant expenditures that could adversely affect our results of operations.

The General Environmental Law (Law No. 19,300), enacted in March 1994 and modified in 2010 by Law No. 20,417, sets up a framework for environmental regulation in Chile, which has become increasingly stringent in recent years. The referred amendment includes, among other, the creation of a new institutional framework comprised by: (i) the Ministry of Environment (*Ministerio del Medio Ambiente*); (ii) the Council of Ministers for Sustainability (*Consejo de Ministros para la Sustentabilidad*); (iii) the Environmental Assessment Agency (*Servicio de Evaluación Ambiental*); and (iv) the Chilean Environmental Superintendency (*Superintendencia del Medio Ambiente*), all of which will be in charge of regulating, evaluating and enforcing activities that feature environmental impacts. These institutions, which replaced their predecessors, the National Environmental Commission (*Comisión Nacional del Medio Ambiente*) are currently fully operational. In addition, the newly established Environmental Courts (*Tribunales Ambientales*) created and regulated by Law No. 20,600 are responsible for the judicial review of decision making. Additionaly, there are more than 20 public services with environmental capabilities, including *Sernapesca, Sernatur, Consejo de Monumentos Nacionales, Directemar, DGA, SAG, CONAF, Ministerio de Bienes Nacionales, Servicio de Salud, Sernageomin*, among others.

Such proliferation of environmental institutions and the associated sophistication of the environmental regulation framework have resulted in additional costs on us relating to the implementation of monitoring systems and environmental preventive measures, as well as environmental litigation and generally the protection of the environment, particularly those related to flora and fauna, wildlife protected areas, water quality standards, air emissions, and soil pollution. In addition, violations of these environmental regulations may lead to significant fines, the closure of facilities and the revocation of environmental approvals. The General Environmental Law and its regulations allow the Chilean Government, through the State Defense Council (*Consejo de Defensa del Estado*), the local councils (for acts occurring within their respective jurisdictions) and affected citizens, to bring judicial action in case of environmental liability arising from industrial contamination.

Additionally, citizens affected by any environmental decision making process may petition for relief to a Chilean Court of Appeal, which has the power to require the suspension of the offending activity and to adopt protective measures through a protection remedy (*recurso de protección*). This has been a widely utilized tool to obstruct and/or to delay projects, especially large ones such as thermoelectric plants.

The General Environmental Law and its regulations contain additional rules relating to Environmental Impact Assessments, which have been required since April 3, 1997, and that provide that we must evaluate the environmental impact of any future project or activity that may significantly affect the environment. We have conducted these environmental impact studies pursuant to the General Environmental Law over our facilities. The newly created Environmental Assessment Agency is in charge of managing, coordinating and consolidating the environmental assessment process.

To protect and improve environmental air quality in the country, environmental authorities can declare "latent zones" (*zonas latentes*) or "saturated zones" (*zonas saturadas*). Latent zones are areas where the pollutant concentrations are greater than 80% of the corresponding air quality standard for a pollutant in a certain area. Saturated zones consist of areas that have already overcome the in force standards of the air pollutant in a certain area. In both cases, plans are implemented in order to avoid overcoming the standards or in order to be back in compliance, respectively, after a public-consultation process to develop such plan. This process may take years and plans are periodically reviewed in order to assess compliance. Upon publication of either type of plan, emission reduction targets and other environmental actions may be required of industries located within the latent or saturated zone.

We have invested in significant capital expenditures to comply with these new emission standards. For existing thermoelectric plants, including those under construction, the new limits for particle matter emissions went into effect in 2013. The new limits for sulfur dioxide, nitrous oxide and mercury emissions will begin to apply in mid-2016, except for those plants operating in zones declared as saturated zones, where these gas emission limits will become effective at the beginning of 2015. See "Risk Factors—Compliance with environmental regulations may require significant expenditures that could adversely affect our results of operations" and "Business—Capital Expenditure Program—Maintenance and Repair."

New tax on emissions

The Tax Reform established a new annual tax on emissions of particulate matter (PM), nitrogen oxide (NO), sulfur dioxide (SO2) and carbon dioxide (CO2) by establishments whose fixed sources, such as boilers or turbines, have individually or in the aggregate, thermal power over or equal to 50 MW.

In the case of PM, NO and SO2 emissions into the air, the taxes will be the equivalent of U.S.$0.1 per ton emitted or the corresponding proportion of said pollutants, increasing the result by applying a formula that takes into account the social cost of pollution such as costs associated with the health of the population. In the case of CO2 emissions, the tax is equivalent to 5 U.S. dollars for each ton emitted.

In order to determine the tax burden, the Chilean Environmental Superintendency will certify in March of each year the amount of emissions by each tax payer or contributor during the previous calendar year. Each tax payer or contributor who uses any source that results in emissions, for any reason, shall install and obtain certification for a continuous emissions monitoring system for PM, NO, SO2 and CO2.

This tax shall be paid annually for the emissions of the prior year, beginning in 2018 for the emissions in 2017.

Bankruptcy Regime Recently Enacted (Law No. 20,720)

Law No. 20,720 (the "Chilean Bankruptcy Law") replaced the former Chilean bankruptcy regime (created in 1982) for a law of "reorganization and liquidation" of companies and individuals. This law entered into effect on October 9, 2014, establishing various rules that seek to avoid bankruptcy of individuals and companies in a more pro-entrepreneur approach. Indeed, the Bankruptcy Law, puts the spotlight on the reorganization of viable enterprises, establishing procedures for the restructuring of their debts, through an agreement subscribed with its creditors within a maximum period of four months, while preserving the company's capability to produce and employ people. It also establishes the possibility of renegotiation of debts for individuals.

In case any entrepreneurship is not economically viable, the Law establishes an agile procedure for the liquidation of assets within a period which shall not exceed twelve months for companies or 8 months for individuals.

This law also creates the Superintendence of Insolvency and Re-Entrepreneurship which will replace the current Superintendence of Bankruptcy.

Regarding the electric industry, Law No. 20,720 reaffirms the participation of SDEC and CNE in the process. Indeed it establishes that whenever a court has been given notice of an electric company's insolvency, it shall inform such event to the SDEC and the CNE in order to allow them to report any observations thereof, to finally determine if the bankruptcy liquidation may compromise the objectives referred to in article 137 of the Chilean Electric Law or the sufficiency of the electricity supply. In this regard, under the Chilean Bankruptcy Law and the Chilean Electric Law (as amended by Law 20,220), a secured creditor is barred from foreclosing in special circumstances during liquidation proceedings. These circumstances include the following:

(i) if the issuer has filed a request for its reorganization in accordance with Chapter III of the Chilean Bankruptcy Law, and the competent court issues a resolution ordering the appointment of a *veedor*, the issuer will be granted with a bankruptcy protection period (*protección financiera concursal*) until the date in which the creditors' meeting is held to decide upon such reorganization proposal, which shall take place no later than 90 business days from the date the resolution of the court was notified. During this period creditors (including secured parties) may not file any action against the issuer or foreclose on the issuer's assets. Likewise, if any agreement is unilaterally terminated, any obligation is accelerated or any other security interest or collateral securing obligations of the issuer is enforced, then the credit of any creditor breaching this prohibition will be subordinated to all unsecured, subordinated or unsubordinated, obligations of the Borrower;

(ii) if the bankruptcy court decides that the liquidation of the issuer affects the safety, efficient operation, free access or sufficiency of an electric system, the issuer shall continue carrying on business and a secured creditor would be barred from foreclosing on the assets securing its credit if contemplated in the business continuation (*continuidad de giro*);

(iii) if all or a portion of the assets of the issuer in liquidation shall be sold as an economic unit (*unidad económica*) and such unit encompasses assets covered by a mortgage, pledge or another security interest, a secured creditor cannot separately foreclose thereon. Instead, such secured creditor would have a first priority claim against the proceeds of the sale of the assets concerned. For your information, (y) the assets of the issuer in liquidation shall be sold as an economic unit (*unidad económica*) if the bankruptcy court decides that bankruptcy of the issuer affects the safety, efficient operation, free access or sufficiency of an electric system, and (z) such unit shall encompass assets covered by a mortgage, pledge or another security interest if those assets are necessary therefor;

(iv) if creditors holding at least 2/3 of the outstanding claims with right to vote (*i.e.*, holders of claims that have been recognized by the bankruptcy court) decide that the debtor in liquidation should continue carrying on business (*continuidad de giro*), a secured creditor that voted for the continuation of the business would be barred from foreclosing on the assets securing its credit if contemplated in the business continuation; and

(v) if creditors holding more than 50% of the outstanding claims decide that all or a portion of the assets of the debtor in liquidation shall be sold as an economic unit (*unidad económica*) and such unit encompasses assets covered by a mortgage, pledge or another security interest, a secured creditor cannot separately foreclose thereon. Instead, such secured creditor would have a first priority claim against the proceeds of the sale of the assets concerned.

Chilean Government's New Electricity Agenda

The Chilean government recently published an electricity agenda which sets out public directives (not directly enforceable) regarding the future development of the Chilean electricity industry. This agenda or program

includes relevant changes to the Chilean electricity framework that may alter the conditions under which we currently develop our business.

The agenda is meant to provide the Chilean Government with a new proactive role in the industry by regulating territorial management and encouraging civic participation, as well as focusing on achieving increased competition, lower prices, energy efficiency, development of Chile's own resources, and increasing connectivity, including the interconnection of the SING and SIC systems.

The agenda comprises legislative initiatives, including the submission of bills to amend the regulation of tender processes for the sale of power to Regulated customers and the establishment of incentives for the promotion of energy projects to be developed in specified areas, changes the legal framework of the electric transmission system and modernization and strengthening of the CNE. Some of these projects have already been submitted to the Chilean Congress while others are expected to be presented between the third quarter of 2014 and the first quarter of 2016.

The agenda also calls for the executive issuance of certain administrative regulations, including amendments to the Chilean Electric Law's administrative regulation with respect to concessions, and a reform of tender processes for Regulated customers. It is expected that these regulations will come into force by year-end 2014 or during 2015.

INDUSTRY OVERVIEW AND COMPETITION

The Chilean Power Systems

Chile has four interconnected power systems: the SIC, the SING, Magallanes and Aysén.

The largest grid in the country is the SIC. With an installed capacity of 14,147 MW as of December 31, 2013, the SIC spans from Taltal in the north of Chile to the island of Chiloé in the south, a distance of approximately 2,100 kilometers. The SIC serves approximately 92% of the Chilean population and mostly serves Regulated customers. Regulated customers represent approximately 56.2% of the country's power consumption and 70.1% of power consumption in the SIC. Approximately 42.2% of installed capacity in the SIC corresponds to hydroelectric facilities, approximately 56.1% to thermoelectric plants and less than 2% to Solar PV plants and wind farms.

We operate in the SING, the second largest power grid in Chile. The SING extends over 700 kilometers along the northern coast of Chile, from the port of Arica, close to the Peruvian border, to Coloso, a port located south of Antofagasta, and serves approximately 6% of Chile's population. As of September 30, 2014, the SING had a total gross installed capacity of 4,074.8 MW, excluding the TermoAndes plant, and total maximum gross demand in 2013 reached 2,060 MW.

The SING is mainly a thermoelectric system. Generation in the SING is based primarily on coal, natural gas, LNG and diesel oil, and the largest electricity providers in the system are E.CL, AES Gener and ENDESA, a subsidiary of the Italian ENEL Group ("ENDESA"). AES Gener owns TermoAndes, a CCGT plant, and a natural-gas generator in Salta, Argentina, that is connected to the SING through the Interandes transmission line, and which ceased dispatching electricity to the SING in 2008. ENDESA owns the coal company Celta and Gas Atacama, a natural-gas and diesel generator. As of September 30, 2014, we accounted for approximately 13.4% of installed capacity. In the first nine months of 2014, we accounted for approximately 22.2% of generation in the SING.

Currently, there is no interconnection between the SING and the SIC. The straight-line distance between both systems is 410 kilometers, measured from the Chacaya substation in Mejillones to the Diego de Almagro substation in the northern section of the SIC.

The other two systems, Magallanes and Aysén, have a total installed capacity of 146 MW and serve 2.0% of the Chilean population.

The following table provides a breakdown of Chile's installed capacity by energy source in the two main systems, the SIC and the SING, as of December 31, 2013:

Chile's installed capacity by energy source

	As of December 31, 2013					
	SIC		**SING**		**SIC+SING**	
	MW	**%**	**MW**	**%**	**MW**	**%**
Hydroelectric	**5,966.7**	**42.2%**	**15.2**	**0.4%**	**5,981.9**	**33.0%**
Thermoelectric	**7,934.3**	**56.1%**	**3,949.4**	**99.6%**	**11,883.7**	**65.6%**
Coal	2,471.0	17.5%	2,099.7	53.0%	4,570.7	25.2%
Diesel	2,346.3	16.6%	362.0	9.1%	2,708.3	15.0%
Gas	2,822.8	20.0%	1,468.9	37.0%	4,291.7	23.7%
Others	294.2	2.1%	18.9	0.5%	313.1	1.7%
Wind/Solar	**246.1**	**1.7%**	**-**	**-**	**246.1**	**1.4%**
Total	**14,147.1**	**100.0%**	**3,964.6**	**100.0%**	**18,111.7**	**100.0%**

Source: CNE

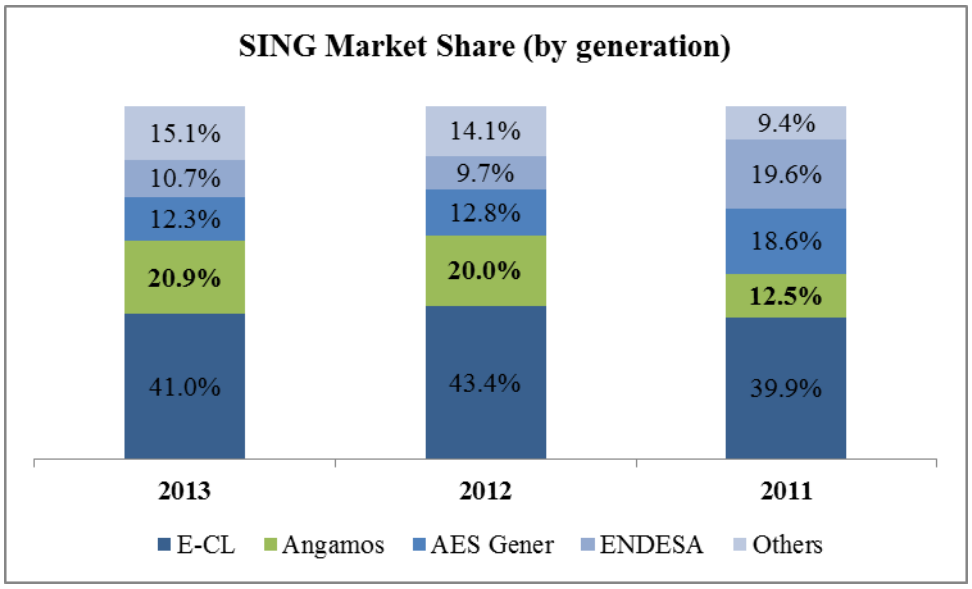
The SING

The SING, which includes the extensive Atacama Desert, is characterized as having very scarce water resources for electricity generation. As a result, as of September 30, 2014, 97.0% of the system's total installed

capacity comes from thermoelectric generation. As of September 30, 2014, 79.6% of the generation was derived from coal, 8.5% from gas, 9.5% from diesel and fuel oil, and the remainder from hydro, wind and other sources. Coal-fired generation in the SING has increased over the past three years by 27.1% replacing gas and diesel generation. This increase in coal generation was primarily driven by the commencement of commercial operations of our Complex in 2011.

Installed Capacity

In terms of aggregate installed capacity, we are the third-largest generator in the SING, with a gross installed capacity of 545 MW. Our market share, based on gross installed capacity, is 13.4% as of September 30, 2014. Our main competitors in this system are E.CL., with a gross installed capacity of 2,106 MW, ENDESA with a gross installed capacity of 1,052 MW and AES Gener with a gross installed capacity of 277 MW (excluding Termoandes, a natural-gas generator owned by AES Gener in Salta, Argentina, that is connected to the SING through the Interandes transmission line but sells energy exclusively in Argentina as of the date of these listing particulars).



As of September 30, 2014, the gross installed capacity in the SING was 4,074.8 MW, excluding the TermoAndes plant. The following table shows the installed capacity of the principal generation companies operating in the SING:

	Installed capacity (gross) in the SING by Company	
	As of September 30, 2014	
	MW	%
E. CL S.A.	2,106.2	51.7%
ENDESA	1,052.4	25.8%
Angamos	545.0	13.4%
AES Gener [(1)]	277.2	6.8%
Others	94.0	2.3%
Total	**4,074.8**	**100.0%**

Source: CNE

(1) Excluding TermoAndes.

The following table provides for the gross electricity generation in the SING by company for the years ended December 2013, 2012, and 2011:

	Total generation in the SING (gross) by company					
	As of the year ended December 31,					
	2013		2012		2011	
	GWh	%	GWh	%	GWh	%
E-CL	7,064	41.0%	7,270	43.4%	6,344	39.9%
Angamos	3,597	20.9%	3,359	20.0%	1,988	12.5%
AES Gener	2,119	12.3%	2,143	12.8%	2,959	18.6%
ENDESA	1,851	10.7%	1,628	9.7%	3,107	19.6%
Others	2,607	15.1%	2,356	14.1%	1,490	9.4%
Total Generation	**17,236**	**100.0%**	**16,756**	**100.0%**	**15,889**	**100.0%**

Source: CNE

The following table summarizes the gross total electricity generation in the SING by energy source facility during the years ended December 31, 2013, 2012, and 2011:

	Total generation in the SING (gross) by energy source					
	As of the year ended December 31,					
	2013		2012		2011	
	(GWh)	%	(GWh)	%	(GWh)	%
Coal	14,101	81.8%	13,900	83.0%	11,092	69.8%
Diesel & Fuel Oil	381	2.2%	236	1.4%	340	2.1%
Gas	2,551	14.8%	2,513	15.0%	4,385	27.6%
Hydroelectric	44	0.3%	49	0.3%	40	0.3%
Other	159	0.9%	58	0.3%	31	0.2%
Total Generation	**17,236**	**100.0%**	**16,756**	**100.0%**	**15,889**	**100.0%**

Source: CNE

During 2013, our coal-fired generation grew by approximately 7.1% when compared to the same period in 2012, due to increased plant dispatch driven by higher electricity demand.

Historical Demand

In the SING, demand is generally driven by industrial activities, primarily mining. Since 2004, an average of 89.4% of demand in the SING derived from Unregulated customers and the remaining 10.6% from Regulated customers.

The SING has experienced significant change over the past two decades. Double-digit demand growth rates in the 1990s encouraged the construction of coal-fired capacity, which virtually doubled the grid's installed capacity in the second half of the decade. In the early 2000s, the arrival of natural gas from Argentina led to the construction of five CCGTs, two pipelines across the Andes, and a transmission line from the province of Salta in Argentina to the SING. The CCGTs that entered into operation between 1999 and 2001 added an aggregate capacity of over 2,000 MW to the existing coal capacity, creating oversupply in the SING. This oversupply led to falling spot prices.

As Argentina began to restrict natural gas exports, initially in 2004 and more comprehensively from 2007 onwards, the gas-fired installed capacity could not be used as initially planned. To be able to satisfy electric demand, electric power generators were forced to operate the newly installed CCGTs with more expensive diesel oil, driving an increase in spot prices. The loss of the natural gas supply from Argentina made the construction of new coal-fired plants a necessity. AES Gener set to develop the Angamos project, starting its construction in 2008 and completing in 2011. When commissioned, our Complex became the first coal-fired plant constructed in the SING in the last decade.

As of September 30, 2014 the SING had a total maximum gross demand of 2,308.5 MW, which in 2013 reached 2,060 MW. Currently the system has an excess of capacity mainly driven by the CCGT plants operating diesel fuel, the dispatch of which is not prioritized given their high variable cost of operation.

System Operation and Production

The dispatch of generation plants in the SING is independent of the specific contracted capacity of each plant. Dispatch is coordinated in a centralized manner by the CDEC based on "merit order," which is determined by order of ascending variable cost, including fuel and non-fuel costs. For example, if a generator has a PPA with a mining company and its plant is out of order or can only generate at a cost that is above the cut-off point set by the CDEC, such generator will have to buy its energy on the spot market at marginal cost to meet its contract. On the contrary, a generator that has cost-efficient capacity available even after meeting its PPA obligations will be able to sell its power on the spot market at the marginal cost prevailing at the moment. Subject to the provisions set forth in RM 39 and DS 130, whereby plants operating at their technical minimum level do not set the marginal cost of the system, the marginal cost, which is the spot market price at any moment, is set by the most expensive unit dispatched in the system at that time in order to minimize Chile's energy costs.

The table below shows the merit order of dispatch over the course of a typical day in the SING. As a substantial majority of the demand in the SING is industrial, there is no seasonality in demand. Dispatch in the SING is fairly predictable given the absence of water resources and its reliance on thermal generators. Considering the maintenance program and operating costs of a plant, we can estimate fairly accurately the dispatch of such plant.

Merit Order of Dispatch as of September 30, 2014

Name of Unit	Installed Gross Capacity (MW)	Company	Fuel Type	Variable cost Crucero Node (U.S.$/MWh)	Average Dispatch (MW)
CAVA	2.6	Cavancha	Water	-	1.9
CHAP	10.2	E.CL	Water	-	5.3
HUAYCA1	8	E.CL	Solar	-	2.2
PAS2	7.52	Enorchile	Solar	-	2.7
PAS3	16.04	Enorchile	Solar	-	5.7
SOLAR EL ÁGUILA I	2.05	E.CL	Solar	-	0.5
Valle de los Vientos	90	Valle de los Vientos (ENEL)	Wind	-	20.7
PAM	17.5	Noracid	Cogeneration	-	16.7
CTTAR[(1)]	158	Celta (ENDESA)	Coal	34.9	0.0
NTO2	141.04	Norgener (AES Gener)	Coal	39.4	135.3
U15	132.4	E.CL	Coal	39.6	114.4
NTO1	136.3	Norgener (AES Gener)	Coal	39.8	136.1
CTM2	175	E.CL	Coal	40.2	153.3
U14	136.4	E.CL	Coal	41.0	104.4
CTM1	165.9	E.CL	Coal	41.0	145.9
ANG2	**272.6**	**Angamos**	**Coal**	**44.1**	**264.1**
CTH	170.1	Hornitos (E.CL)	Coal	44.3	148.6
U13	85.5	E.CL	Coal	45.3	79.0
ANG1	**272.36**	**Angamos**	**Coal**	**45.7**	**247.1**
CTA	168.8	Andina (E.CL)	Coal	46.8	107.5
U12	85.3	E.CL	Coal	47.8	79.3
U16[(1)]	400	E.CL	LNG	68.9	0.0
CTM3	250.75	E.CL	LNG	70.7	162.1
Inacal	6.8	INACAL	Fuel Oil	158.5	0.0

SUTA	103.68	E.CL	Fuel Oil	159.7	3.5
CC1	400	Gasatacama	Diesel	179.4	232.3
MIMB	28.64	Enorchile	Diesel	205.7	0.9
Zofri_7-12	4.8	Enorchile	Diesel	225.6	0.3
MIIQ	2.92	E.CL	Diesel	228.6	0.0
Zofri_13	1.6	Enorchile	Diesel	229.0	0.1
GMAR	8.4	E.CL	Diesel	231.1	0.5
M2AR	2.92	E.CL	Diesel	235.6	0.1
M1AR	3	E.CL	Diesel	236.3	0.1
SUIQ	4.2	E.CL	Diesel	246.4	0.2
TG3	37.5	E.CL	Diesel	251.0	0.7
TECNET_1_6	3	TRANSEMEL	Diesel	253.8	0.2
AGB	2	Diesel aguas Blancas	Diesel	254.7	0.1
Zofri_2-5	5.16	Enorchile	Diesel	261.8	0.3
Zofri_1-6	0.9	Enorchile	Diesel	264.6	0.1
TGTAR[(1)]	23.75	Celta (ENDESA)	Diesel	283.8	0.0
Total average dispatch (MW)					**2,172.3**

(1) As of September 30, 2014 these facilities were disconnected from the system due to maintenance. Under normal operations these facilities would be dispatched to the system.

Source: CDEC-SING

Projected Demand

The SIC and the SING have had historically high growth rates for electricity demand, similar to GDP growth rates on average in the past 10 years. In the SIC, electricity demand during 2010 grew by 4.2%, despite the strong earthquake and tsunami that struck Chile in February 2010. During 2011, the GDP growth rate reflected a better overall performance due to dynamic domestic demand, despite the global financial crisis, and electricity demand grew by 6.7%.

The macroeconomic scenario that faced the Chilean economy did not show significant changes in 2012 and electricity demand grew by 5.2%. As demand in the SING is mainly driven by large industrial mining companies (as of 2013, 88.2% of demand came from Unregulated customers), increases in demand are mainly explained by new mining projects, rather than organic growth in residential demand. Between 2011 and 2013, demand growth was primarily due to improvements in operating conditions and the start-up of new productive mining facilities and in line with GDP growth.

The following table compares annual generation growth in the SIC and SING to the annual growth of the Chilean GDP:

Year	SIC Energy Sales Growth	SING Energy Sales Growth	GDP Growth
2007	4.6%	5.4%	5.2%
2008	(1.2)%	4.3%	3.2%
2009	(0.2)%	3.3%	(0.9)%
2010	4.2%	1.0%	5.7%
2011	6.7%	3.4%	5.7%
2012	5.4%	4.0%	5.5%
2013	2.9%	3.9%	4.2%

Source: CNE and IMF

Based on demand projections prepared by the CDEC-SING, energy growth between 2014 and 2024 is expected to increase at a compounded average growth rate of approximately 6.0% per year in the SING. Below is a summary of projected demand growth, broken down by expected regulated and unregulated energy consumption:

	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Unregulated Customers GWh.....	14,792	15,809	16,862	17,955	19,112	20,290	21,532	22,832	24,180	25,592	27,011
Growth Rate.....	**6.0%**	**6.9%**	**6.7%**	**6.5%**	**6.4%**	**6.2%**	**6.1%**	**6.0%**	**5.9%**	**5.8%**	**5.5%**
Regulated Customers GWh.....	1,799	1,886	1,971	2,054	2,137	2,219	2,299	2,379	2,460	2,538	2,616
Growth Rate.....	**5.8%**	**4.9%**	**4.5%**	**4.2%**	**4.0%**	**3.8%**	**3.6%**	**3.5%**	**3.4%**	**3.2%**	**3.0%**
Total SING GWh	16,591	17,695	18,832	20,009	21,248	22,509	23,831	25,211	26,640	28,130	29,626
Growth Rate.....	**5.9%**	**6.7%**	**6.4%**	**6.3%**	**6.2%**	**5.9%**	**5.9%**	**5.8%**	**5.7%**	**5.6%**	**5.3%**
										CAGR	**6.0%**

Source: CNE April 2014 Node Price Report for the SIC and CNE April 2014 Node Price Report for the SING

BUSINESS

Overview

We are engaged in the generation, transmission and supply of electricity in northern Chile. We own and operate two coal-fired power units, Angamos I and Angamos II, with an aggregate gross capacity of 545 MW, located on the Pacific coast of northern Chile near the town of Mejillones. These units have been fully operational since April and October 2011, respectively. Additionally, our 20 MW BESS project initiated operations in December 2011 and allows us to increase generation by replacing generation capacity set aside for frequency regulation and spinning reserve.

We sell electricity in the SING, Chile's second largest power grid, which supplies approximately 24.2% of Chile's total energy demand. Demand within the SING is dominated by large mining, iodine and nitrate companies with operations in northern Chile (Regions I of Tarapacá, II of Antofagasta and XV of Arica and Parinacota). Given the conditions prevailing in the northern regions, electricity supply comes mainly from thermal capacity (coal, natural gas and diesel), with a small contribution from NCREs. According to the CNE, in terms of generation, we are the second largest electricity generation company in the SING. As of September 30, 2014, our market share in the SING was approximately 22.2% and 13.4% as measured by generation and installed capacity, respectively.

Since the mid-2000's, the SING has faced a severe imbalance in efficient electricity generation due to the curtailment of natural gas imports from Argentina. This circumstance produced a power shortage that led thermoelectric generators to turn to higher cost fuels such as diesel to supply their customer in the SING. Following a period of significant instability in the industry due to price volatility, a number of investments in natural gas and coal-fired plants have been made to meet existing demand with efficient technologies. We were the first efficient and largest, in terms of installed capacity, electric generation power plant to enter into operation in the SING in the last decade. The start of our commercial operations in 2011 improved the reliability and efficiency in the electricity supply at competitive prices in the SING.

We sell the electric power generated by us primarily to large mining companies through long-term PPAs and, to a lesser degree, to power generation companies in the spot market. Our long-term PPAs provide a very stable source or recurring cash flow. We have PPAs with MEL, Spence, both subsidiaries of BHP Billiton, and QB, a subsidiary of Teck Resources Ltd., for the supply of 340 MW, 90 MW and 80 MW, respectively. Under the PPAs with MEL and Spence, we currently have 88% of the total installed capacity of our Complex contracted. Following the commencement of obligations under our PPA with QB in 2018, approximately 100% of such total installed capacity will be contracted under our PPAs. These PPAs have tenors ranging from 12 to 23 years and include certain "pass-through" provisions that allow us to transfer the majority of our generation costs to our customers. See "Business –Main Contracts."

For the year ended December 31, 2013 and the nine months ended September 30, 2014, our total generation under our PPAs was 1,972 GWh and 1,511 GWh respectively, and sales pursuant to our PPAs represented 73.2% and 70.7% of our operating revenues, respectively. During the same periods, our net income totaled U.S.$28.3 million and U.S.$6.5 million, respectively, and our Adjusted EBITDA generation has remained stable at U.S.$119.4 million and U.S.$83.2 million, respectively.

The map below shows the location of our Complex and the mines of our main customers:

Since the inception of our Complex, we have received several awards given its competitive strengths in terms of asset quality and customer base. In 2008, we received the following awards: *LatinFinance - Best Project Finance Deal, Project Finance International - Power Deal of the Year, Infrastructure Journal - Power Deal of the Year*. In 2012, shortly after the commencement of our commercial operations, we received the *85th Annual EEI Edison Award*, the electric utility industry's most prestigious honor, for our distinguished leadership, innovation and contribution to the advancement of the electric utility industry.

We are a wholly-owned indirect subsidiary of AES Gener, which is rated Baa3 by Moody's and BBB- by Fitch and S&P. AES Gener is the holding company for a group of companies involved in the generation, transmission and supply of electricity in Latin America and one of the largest power generation companies in Chile. See "— Our Controlling Shareholder" below.

Competitive Strengths

We believe our key competitive strengths are:

- *Fully contracted electric power generated by our Complex under long-term PPAs with creditworthy customers, providing stable and predictable cash flows.*

As of September 30, 2014, we have long-term PPAs with creditworthy mining companies currently representing 88% of the expected generation of our Complex, which will rise to approximately 100% from 2018 onwards, following the commencement of obligations under our PPA with QB. Our customers are MEL, which is rated Baa1 by Moody's and BBB+ by S&P, Spence and QB. MEL and Spence, are both subsidiaries of BHP Billiton, an Anglo-Australian multinational mining, metals and petroleum company headquartered in Melbourne, Australia, rated A1/A+/A+ by Moody's, Fitch and S&P, that as of December 31, 2013, was the world's largest mining company in terms of revenues. QB, is a subsidiary of Teck Resources Ltd, a diversified resource company committed to responsible mining and mineral development, rated BBB by Fitch and S&P, headquartered in Vancouver, Canada, that is the second largest seaborne exporter of steelmaking coal, a top ten copper producer in the Americas and the third largest producer of zinc concentrate.

Our PPAs have favorable tariff structures that allow us to significantly mitigate our cash flow risk. This structure includes (i) a fixed monthly charge, which operates as a take-or-pay provision whereby we receive payment for the contracted capacity regardless of whether the customer uses it, except in force majeure circumstances that extend beyond certain periods of time, and (ii) a variable monthly charge proportional to the actual energy we deliver.

Our PPAs also include pass-through provisions that allow us to charge our customers for variations in fuel prices, subject to certain performance requirements of our power generation units, and other costs such as maintenance, certain changes in law and transmission tolls, among others. Due to these provisions, we believe fluctuations in the price of fuel have minimal impact on our financial results.

- *Strategic asset in an area with growing demand.*

We operate in Chile, the country with the highest credit rating in Latin America (S&P: AA-/Moody's: Aa3/Fitch: A+), and we benefit from its sound and stable regulatory environment. The power sector regulatory framework, which has been in place since 1982, was consolidated through a broadly supported legislative reform to the power sector regulatory framework in 2005. The mining sector is Chile's largest source of hard currency generation and is also an important sector of the Chilean economy, representing approximately 13% of the country's GDP in 2013. As a world class mining company with some of the country's best assets under its ownership, the parent companies of our main customers, BHP Billiton, together with the ongoing investments of Teck Resources, Ltd., are meaningful contributors to the Chilean economy. To that end, reliable, base-load generation, which we provide, is an important contributor for meeting the electricity demand that is expected to result from the forecasted growth of the Chilean economy, which according to the CNE, is expected to reach an average annual growth rate of 6.0% in the period from 2014 through 2024.

- *Robust and predictable financial position.*

The structure of our PPAs allow us to generate stable cash flows, and pass through to customers the majority of our variable costs. With our recently-constructed state-of-the-art Complex, our capital expenditure requirements are minimal and during maintenance periods, when we are unable to supply energy, our PPAs allow us to pass-through spot purchases, subject to certain limitations. The predictability of our cash flows consequently provides us stable and reliable liquidity. As of September 30, 2014, our total balance of cash and cash equivalents was U.S.$83.3 million.

- *World class asset with a solid operational track record.*

Our Complex, which is based on proven pulverized coal technology, was the first completed in the SING in the last decade and also the first in South America to utilize seawater cooling towers. Additionally, our Complex was completed ahead of schedule and below budget. It is designed to withstand seismic activity using the same technology that helped AES Gener's Ventanas III power facility (located in Region V of Valparaíso), to withstand the major earthquake and tsunami that struck Chile in February 2010. The Complex is also equipped with other state-of-the-art technology such as environmental controls and emissions mitigation equipment. We are also equipped with BESS, making our Complex

the first of its kind in South America. BESS allows us to increase our generation capacity by 130-150 GWh per year by replacing generation capacity usually set aside for frequency regulation and spinning reserve service. This technology received the *Power Magazine's 2012 Plant of the Year* award for innovation and excellence and the *Annual EEI Edison Award* for operational efficiency in 2012.

- *Strong and experienced shareholder.*

  We benefit from a top-tier, investment grade shareholder, AES Gener, which contributes both its local experience in the Chilean power market as a utility project developer and operator, and its global perspective, through the AES Corp. long track record of project development and operation. See "– Our Controlling Shareholder" below. Moreover, our relationship with AES Gener provides important synergies, such as access to a rich talent base of employees, reliable coal supply at competitive prices, technical, operational and maintenance support, a portfolio of available insurance products, and operational efficiencies that will be available through a shared services arrangement with Cochrane. Cochrane is another indirect subsidiary of AES Gener that is developing a project that involves the construction of a power plant alongside our Complex with two coal-fired thermoelectric units (with an aggregate expected gross installed capacity of 532 MW) which are expected to start operating in 2016.

Business Strategy and Objectives

Our business strategy and objective is to provide reliable and sustainable electricity in the SING by leveraging our operational, commercial and financial excellence, and is based on the following:

- *Provide world-class service quality while operating our Complex safely, efficiently and sustainably.*

  We strive to provide world-class quality of service while operating our facilities safely, efficiently and sustainably. Our business adheres to global benchmarks for safety, environmental and operating standards in the industry and we promote a culture of health, safety, accident prevention, security and environmental excellence by our employees, contractors and local communities. In terms of safety, we rigorously implement and follow the strictest industry safety standards in order to safeguard our employees and contractors and the communities where our operations are located. In terms of operational efficiency, we focus on ensuring long-term availability, reliability and asset integrity with preventive and predictive maintenance and monitoring. In terms of sustainability, we seek to be good corporate citizens and develop our business in a manner which complies with applicable legal and environmental regulations, minimizes negative environmental impacts and makes positive contributions to the communities in which we operate. We also follow strict corporate governance standards and seek to ensure fairness, transparency, accountability, and responsibility in the operation of our business for our shareholders and all stakeholders.

- *Continue to maintain a solid financial profile with stable and predictable cash flows.*

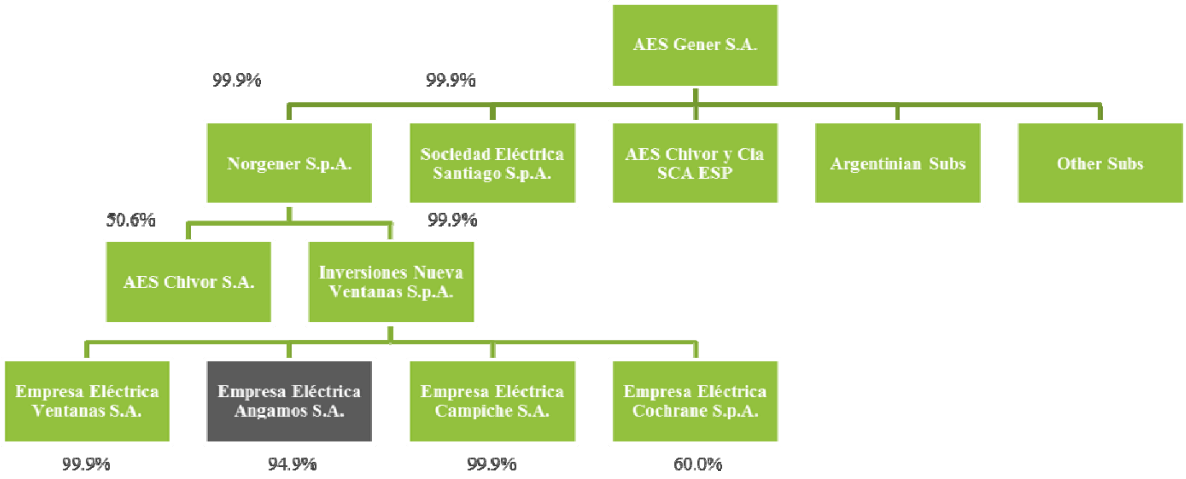
  We are committed to maintaining a solid financial profile, strong credit metrics, and providing stable returns to our shareholders. Our principal financial objectives include continuing to generate predictable and stable cash flows, maintaining adequate minimum liquidity and managing our debt amortization schedule in line with the tenor of our PPAs. Our business model, which is based on long-term PPAs fully covering our generation capacity in the long-term, with take-or-pay provisions and pass through provisions, protect us against electricity price fluctuations as well as fluctuations in our principal variable costs, mainly fuel prices. This has historically provided and is expected to continue to provide us with stable revenues and cash flows.

- *Financial excellence.*

  Our financial policy focuses on profitability, stability and liquidity in order to maintain and develop our business. Our principal financial objectives include balancing our capital structure, maintaining an adequate liquidity and having a debt amortization schedule according to our cash flow generation to prevent cash flow and earnings volatility. As of September 30, 2014, our total cash and cash equivalents balance was U.S.$83.3 million and our total indebtedness on a nominal basis was U.S.$763.1 million.

Our Controlling Shareholder

We are indirectly controlled by AES Gener through its indirect subsidiary Inversiones Nueva Ventanas, which currently holds 94.9% of our shares. Inversiones Nueva Ventanas is owned by Norgener, a company organized by AES Gener to group assets developed and financed under a stand-alone structure. Moreover, AES Gener currently holds directly 5.1% of our shares. The chart below shows AES Gener's simplified organizational structure to highlight our ownership structure. However, AES Gener and AES Corp. are not obligated to, and neither of them will, guarantee the performance of our obligations under the notes.



AES Gener was founded on June 19, 1981 under the original name Chilectra Generación S.A. Its origins date back to 1889 when the Chilean Electric Tramway and Light Company was incorporated in Santiago. The assets were merged in 1921 with those of the Compañía Nacional de Fuerza Eléctrica to form Chilectra. Chilectra was a privately owned company until 1970, when it was nationalized and taken over by the CORFO (*Corporación de Fomento de la Producción*). In June 1981, it was restructured into a holding company, Chilectra S.A., with three subsidiaries: Chilectra Metropolitana S.A., a distribution company serving the Santiago Metropolitan Area; Chilectra Quinta Región S.A., a distribution company serving Valparaiso and the Aconcagua Valley; and Chilectra Generación S.A., an electricity generation company and owner of the former Chilectra's transmission assets.

Through a tender offer and a series of investments during 2000, AES Gener came under the ownership of AES Corp., which has continued its expansion in various Latin American countries. As part of the AES Group, AES Gener changed its name to AES Gener S.A. in 2001.

In Chile, AES Gener currently has a diversified generation portfolio in terms of geography, technology and fuel source. Its installed capacity is located near the principal electricity consumption centers, including Santiago, Valparaiso and Antofagasta, extending from Tocopilla in the north to Los Angeles in south-central Chile. The diverse generation portfolio, composed of hydroelectric, coal, gas, diesel and biomass facilities, allows the Company to flexibly and reliably operate under a variety of market and hydrological conditions, efficiently managing our contractual obligations with Regulated customers and Unregulated customers and, as required, providing back-up spot market energy to the SIC and SING. As of September 30, 2014, AES Gener's installed capacity in Chile totaled 3,440 MW, comprised of 2,618 MW in the SIC and 822 MW in the SING. AES Gener is the second largest electricity generation company in Chile with a market share, as of September 30, 2014, in terms of installed capacity, of approximately 20.2% (including Angamos) in the SING (Chile's second largest grid where mining consumption is dominant), and 18.0% in the SIC (Chile's largest grid covering 92.2% of Chile's population, including the densely populated Santiago Metropolitan Region). Additionally, AES Gener currently has two coal-fired projects with gross capacity of 684 MW (including Cochrane), a 20 MW battery energy storage

project, a 21 MW solar project, and a hydroelectric project with a gross capacity of 531 MW under construction in Chile through Alto Maipo.

In Colombia, AES Gener currently has presence in the SIN (*Sistema Interconectado Nacional*). As of September 30, 2014, it had a 6.8% market share in terms of installed capacity. AES Gener currently owns the third-largest hydroelectric facility in the country, AES Chivor, a dam-based hydroelectric plant located approximately 160 km east of Bogota with a gross installed capacity of 1,000 MW, and one additional hydroelectric project with a gross capacity of 20 MW is under construction.

AES Gener also has a presence in the SADI (*Sistema Argentino de Interconexión*) in Argentina with a 643 MW CCGT located in the province of Salta that is owned through its wholly-owned subsidiary TermoAndes. As of September 30, 2014, AES Gener's presence in the SADI represented 1.9% of the system's aggregate installed capacity. Although TermoAndes' plant is also connected to the SING, it sells energy exclusively in Argentina as of the date of these listing particulars.

Recent Developments

On October 3, 2014, we made a rights offering to our existing shareholders with respect to the subscription of 1,148,121,531 new common shares, which was fully subscribed by AES Gener and increased our common shares outstanding to 22,150,749,834. The following table sets out the principal shareholders of our common shares as of September 30, 2014 and after giving effect to the rights offering:

	Ownership of Common Shares			
	As of September 30, 2014		**After rights offering**	
Name	**Shares**	**%**	**Shares**	**%**
Inversiones Nueva Ventanas[(1)]	21,002,628,203	99.9%	21,002,628,203	94.9%
AES Gener	100	0.01%	1,148,121,631	5.1%
Total shareholders	**21,002,628,303**	**100.0%**	**22,150,749,834**	**100.0%**

(1) Indirect subsidiary of AES Gener through Norgener.

Corporate Information

We are a closely held corporation (*sociedad anónima cerrada*) organized under the laws of Chile and subject to the rules applicable to Chilean closely held corporations (*sociedades anónimas cerradas*). As of the date of these listing particulars, we do not have any subsidiaries.

We were organized under our constitutional deeds by means of public deed dated November 12, 2007, granted before the Notary Public of Santiago Ms. Antonieta Mendoza Escalas. An abstract of such public deed was registered in the Registro de Comercio of the Conservador de Bienes Raíces de Santiago on November 20, 2007, on page 49,102 No. 34,827 and published in the Official Gazette on November 21, 2007. In accordance with Article Three of our bylaws, our duration will be indefinite.

Pursuant to Article Two of our bylaws, our corporate purpose will be: (i) generation, transmission, purchase, sale and distribution of electric or other energy, in any area of the country or abroad; (ii) extraction, distribution, commercialization and exploitation, of any type, of solid, liquid and gaseous fuels; (iii) sale and provision of maintenance engineering services; (iv) lease, construction, or acquisition and exploitation of harbors or ports, in any manner, and conduct of any other related or complementary productivity or commercial activities of the businesses mentioned above. To comply with its purpose, the Company will obtain, transfer, purchase, lease, encumber, and in general exploit in any manner the concessions mentioned in the General Law of Electricity Services, the maritime concessions, and any other rights as may be required, and to make investments in any kind of personal, tangible or intangible properties, specially bonds, debentures, shares, rights in corporations and, in general, any kind of securities, to administrate those properties and receive the proceeds resulting from them.

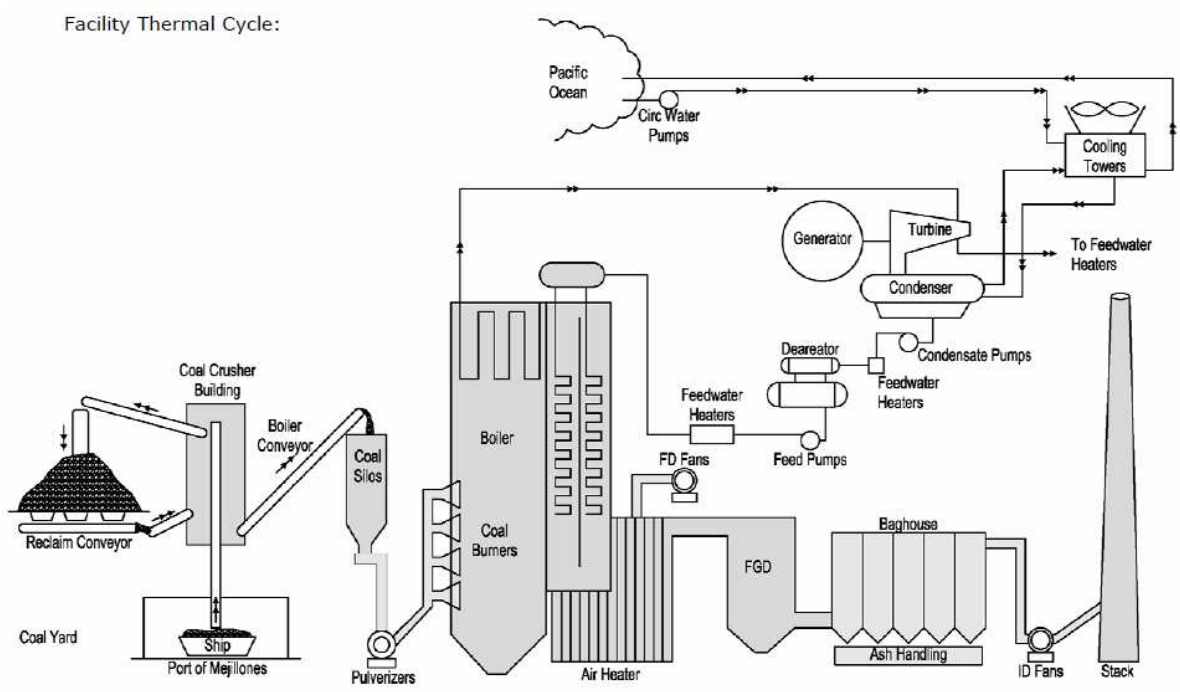
Our principal executive offices and corporate headquarters are located at Calle Rosario Norte # 532, 19th Floor, Las Condes, Santiago, Chile, and our telephone number is +56-2-2-686-8900.

Our Complex

Our Complex consists of two 272.5 MW (gross) pulverized coal-fired electricity generation units, Angamos I and Angamos II, and related facilities and 141 km of a 220 kV transmission line. The Complex commenced commercial operations in 2011, with Angamos I starting in April 11, 2011 and Angamos II in October 10, 2011. The Complex site also includes an active coal pile with a storage capacity of up to 360,000 tons, representing up to 70 days' supply of coal when it is operating at full capacity. We comply with the international environmental standards set forth in the Equator Principles. We also own a BESS facility which allows the plant to increase its generation capacity by 130-150 GWh per year by replacing generation capacity set aside for frequency regulation and spinning reserve service.

Technology

The Complex is comprised of two sub-critical, single reheat, coal-fired electric generating units with a gross capacity of approximately 545 MW. These units employ a sub-critical rankine power cycle in which pulverized coal air is burned to produce steam in a boiler, which is expanded through a steam turbine to produce electric power. The steam is then condensed to water and pumped back to the boiler to be converted to steam once again to complete the cycle.



The Complex equipment includes:

- two 272.5 MW (gross) coal-fired power units;
- 220 kV 141 km transmission line;
- coal receiving and handling yard facilities;
- heavy fuel oil and diesel storage and delivery facilities;

- two fuel gas desulphurization ("FGD") plants (one for each unit) and selective catalytic reduction plants;
- utilization of cooling towers to reduce water withdrawal;
- lime storage and processing facilities;
- bag filters;
- desalinization and demineralization plants;
- water storage and waste water treatment plant to facilitate water conservation;
- ash deposit site;
- BESS; and
- facilities for the electrical interconnection.

Each generating unit's power block includes a boiler, a reheat condensing extraction steam turbine generator, surface condenser, emission control equipment, cooling tower and supporting systems. The Complex was designed to meet the guaranteed output at 100% turbine maximum continuous rating requirement when firing performance coal, and 100% boiler maximum continuous rating requirement when firing coal or heavy fuel oil. Diesel is used for ignition and start-up. Ash from the Complex is transported by truck to the ash disposal site located approximately 16 km from our site.

The process water used at the Complex is supplied by a desalinization plant drawing water from the bay of Mejillones and supplying desalinated water to a demineralizer for treatment and production of condensate quality water for makeup to the boiler.

Generation Capacity

The following table sets forth the gross electricity generation capacity of each of our Angamos power plant units.

Angamos's Power Plant Units
As of September 30, 2014

Name of Unit	Type	Fuel Type	Entry into Service	Installed Capacity (Gross MW)
Angamos I	Coal plant	Coal	2011	272.5
Angamos II	Coal plant	Coal	2011	272.5
Total Angamos (Consolidated)				**545.0**

In 2013, mining and industrial customers accounted for more than 88% of total power demand in the SING. Five copper mining operations (MEL, CODELCO Norte, El Abra, Collahuasi and Minera Esperanza) represented approximately 62% of total electricity demand in the SING. The following table provides information on the demand by end- users in the SING.

	SING demand by end-users					
	For the year ended December 31,					
	2013		2012		2011	
	Sales (GWh)	% of Sales Volume	Sales (GWh)	% of Sales Volume	Sales (GWh)	% of Sales Volume
Mining	12,924	84.2%	14,141	82.3%	11,908	83.6%
Regulated Customers	1,726	11.2%	2,340	13.6%	1,543	10.8%
Industrial	679	4.4%	707	4.1%	751	5.3%

Others	23	0.1%	3	0.0%	43	0.3%
Total	**15,350**	**100.0%**	**17,190**	**100.0%**	**14,247**	**100.0%**

Source: CDEC-SING Yearbook

The breakdown of our electricity sales by customer is provided in the following table.

	Angamos main customers					
	For the year ended December 31,					
	2013		**2012**		**2011**	
	Sales (GWh)	**% of Sales Volume**	**Sales (GWh)**	**% of Sales Volume**	**Sales (GWh)**	**% of Sales Volume**
MEL	1,503	48.0%	1,219	41,4%	-	-
Spence	469	15.0%	511	17.3%	254	20.3%
Spot Market	1,159	37.0%	1,214	41.2%	996	79.9%
Angamos Total electricity sale	**3,131**	**100.0%**	**2,943**	**100.0%**	**1,250**	**100.0%**
Angamos Market share in the SING	**20.9%**		**20.0%**		**12.5%**	

Source: CDEC-SING Annual Reports.

Changes in demand in the SING are correlated with, and principally result from, the development of new, large mining projects. Between 2001 and 2013, the system has expanded by a compound annual average growth rate (CAGR) of 4.6%.

SING – Average annual sales growth

Period	Regulated	Unregulated	Total
2001-2013	5.6%	4.5%	4.6%

Sources: CDEC-SING Annual Reports.

The CNE, in its last semi-annual node price fixing report, further projected a 6% average compounded annual growth in electricity demand through 2024. None of these projections takes into account any demand from new greenfield mining projects.

SING – Energy sales projection

Year	Unregulated Customers GWh	Growth Rate Unregulated Customers	Regulated Customers GWh	Growth Rate Regulated Customers	Total SING GWh	Growth Rate SING
2014	14,792	6.0%	1,799	5.8%	16,591	5.9%
2015	15,809	6.9%	1,886	4.9%	17,695	6.7%
2016	16,862	6.7%	1,971	4.5%	18,832	6.4%
2017	17,955	6.5%	2,054	4.2%	20,009	6.3%
2018	19,112	6.4%	2,137	4.0%	21,248	6.2%
2019	20,290	6.2%	2,219	3.8%	22,509	5.9%
2020	21,532	6.1%	2,299	3.6%	23,831	5.9%
2021	22,832	6.0%	2,379	3.5%	25,211	5.8%
2022	24,180	5.9%	2,460	3.4%	26,640	5.7%
2023	25,592	5.8%	2,538	3.2%	28,130	5.6%
2024	27,011	5.5%	2,616	3.0%	29,626	5.3%

Source: CNE - Report for Node Price Fixing.

Transmission

Our Complex includes a 220 kV 141 km transmission line. We connect to the SING using the transmission line's double circuit to the Laberinto substation, which is also owned by us. AES Gener provides the

operation and maintenance services for the transmission line and the substation under a separate operation and maintenance agreement.

Commercial Strategy and Customers

Our commercial strategy is to enter into long-term PPAs, reducing our exposure to the volatility of spot market prices. While contract prices depend on market conditions, our policy is to include contract provisions that mitigate the risk of potential cost increases by passing through to our customers the cost of fuel, subject to certain performance requirements of the plants, and other costs such as maintenance, certain changes in law and transmission tolls, among others. See "Risk Factors—We are heavily dependent on one asset and three customers to generate substantially all of our revenues."

In accordance with Chilean law, we are allowed to sell our electricity to three types of customers:

- *Unregulated customers*: Electricity is sold to Unregulated customers through long-term or short- term PPAs at freely negotiated prices. All of our Unregulated customers in the SING are mining companies, which seek long-term PPAs to ensure a constant supply of electricity. These contracts, especially those executed in the past few years, include provisions that mitigate our risk of potential cost increases by passing-through to our customers the cost of fuel as well as the cost of certain current and future regulatory changes.

- *Regulated customers*: Electricity is sold to Regulated customers through long-term PPAs at a regulated price. Historically, sales to these distribution companies were subject to a regulated tariff called the node price. The key variables used in the calculation of the node prices in the SING are fuel prices, projected demand growth and projected additions to capacity.

  Pursuant to the provisions of "Short Law II," approved in 2005, sales to Regulated customers are now set at a market-driven price determined by bidding processes that allow generators to pass costs through to customers through indexation formulas (such as indexation to CPI and fuel prices). As a result, node prices are being phased out and prices are instead established via long- term contracts between distribution companies and generation companies.

  Currently, we do not sell energy to Regulated customers. However, we plan to continue participating in the CNE-regulated auction process by which contracts to supply electricity to Regulated customers is awarded. As such, we may provide electricity to Regulated customers in the future.

- *Spot-market customers*: These customers are generation companies that purchase energy and capacity surpluses. Since the CDEC controls the dispatch order, generation companies from time to time face surpluses or shortages due to differences between their level of production and their contracted customer consumption. As a result, generation companies purchase or sell electricity in the system to account for these surpluses and shortages.

Following our commercial strategy, we have been able to contract approximately of 88% of the total installed capacity of our Complex until 2018. Thereafter, after the commencement of obligations under the PPA with QB, approximately 100% of such total installed capacity will be contrated under our PPAs, substantially reducing our exposure to the spot market or volatility risk.

Our Customers

Our customers include the top two mines in northern Chile, both controlled by BHP Billiton and another mine controlled by Teck Resources Ltd.:

- According to public information available and published by MEL, MEL is the world's largest copper producer and has a resource base estimated to provide over 100 years of production. BHP Billiton owns 57.5% of MEL, Rio Tinto owns 30%, and a Japanese consortium headed by Mitsubishi owns the remaining 12.5%. MEL is rated BBB+ by S&P and Baa1 by Moody's. MEL's reserves are estimated to last approximately 54 years and produce 1.15 million metric tons of copper per year.

- According to public information available and published by Spence, Spence has been in operation since 2006, it is 100% owned by BHP Billiton. Spence's mine lifespan is expected to last until 2025 and it currently produces 152.8 kT of copper per year. It is also engaged into a capital expenditures program to increase reserves by 50 years or more.

- According to public information available and published by QB, QB is controlled by Teck Resources Ltd. Currently, QB is engaged in Phase 2 of a project to increase QB's copper production by more than 100% and extend the mine's production life by more than 30 years. According to preliminary studies, this expansion will increase the mine's production capacity to approximately 200,000 tonnes of copper in concentrate and 5,100 tonnes of molybdenum in concentrate per year.

The following table shows the contracted and actual demand of each of our contract customers for the nine months ended September 30, 2014.

	Owner	Contracted Demand (MW)	Actual Demand (MW)	Actual Demand % of Total Demand	Demand Factor	Expiration Date
MEL	BHP Billiton	340	210	62%	92%	2029
Spence	BHP Billiton	90	80	89%	92%	2026
QB	Teck Resources	80	-	-	100%	2037
Total Sales		**510**	**290**	**100%**		

Main Contracts

Minera Escondida Limitada

On March 17, 2008, we entered into a PPA with MEL for the purchase of energy generated from our coal-fired power plant (*Contrato de suministro de electricidad en base a la construcción de una nueva central termoeléctrica a carbón*). The terms of the agreement require MEL to purchase from us, on a firm basis, all the electricity required for the operation of MEL's worksites, up to 340 MW.

The initial term of the MEL PPA is 18 years from June 27, 2011, which is the date we began supplying electricity under the agreement. This initial 18-year term can be extended at MEL's option for an additional term of 12 years.

Minera Spence S.A.

On March 17, 2008, we entered into a PPA with Spence for the purchase of energy generated by our new coal-fired power plant. Under the Spence PPA, Spence shall purchase from us, on a firm basis, all the electricity required for the operation of Spence's worksites, up to 90 MW.

The initial term of the Spence PPA is 15 years from June 27, 2011, which is the date we began supplying electricity under the agreement. This initial 15-year term can be extended at Spence's option for an additional term of 15 more years.

Compañía Minera Teck Quebrada Blanca S.A.

On December 7, 2012, we entered into a PPA with QB to supply part of the electricity required for the forthcoming expansion of QB's mining properties. Under the QB PPA, QB shall purchase from us up to (i) 80 MW, which is the contracted peak demand under the QB PPA; and (ii) 700 GWh of energy (considering both active energy and rerouted energy) per year of supply.

The QB PPA is part of a portfolio of PPAs executed by QB with us and our affiliates. Our supply obligations under the QB PPA shall commence on January 2018 and shall terminate 23 years after the initial supply date under the PPA executed between QB and Cochrane (the "QB-Cochrane PPA"). The payment of the

fixed monthly charge under the QB PPA is payable from 2018 onwards, regardless the status of construction of the QB mine.

Summary of Main Features of PPAs

The main characteristics of our PPAs are as follows:

- They are denominated in U.S. dollars and payments thereunder are payable in U.S. dollars.

- The pricing structure includes (i) a fixed monthly charge, which operates as a take or pay provision whereby we receive payment for the contracted capacity regardless of whether the customer uses it, except in force majeure circumstances that extend beyond certain periods of time, and (ii) a variable monthly charge, proportional to the actual energy we deliver, and (iii) an energy rerouting discount, which is a discount we give our customers when they consume less than their contracted capacity and we are able to sell the unconsumed portion in the spot market.

- As of September 2014, they had tenors ranging between 12 and 23 years, a weighted average term of 15 years.

- Most include pass through clauses that provide for the pass through of certain charges or costs incurred by us to provide electricity under the PPAs, such as charges and costs for capacity withdrawal, reactive energy, transmission tolls and ancillary services, certain changes of law, CPI adjustments, and consumption charges in connection with any customer consumption in excess of its contracted capacity. Currently, in terms of contracted capacity, approximately 100% of our PPAs provide for the pass through of fuel costs, subject to certain performance requirements of the plants, maintenance costs, certain changes in law and transmission tolls, among others. Indexation adjustments are applied monthly on 100% of our PPAs.

- All of our currently contracted capacity is covered by take-or-pay provisions. This means that we receive payment for the contracted capacity regardless of whether the customer uses it.

- Our agreements generally stipulate that we will use our own facilities or the facilities of other CDEC SING members to ensure the effective discharge of the contract, but the purchaser is responsible for all charges associated with connecting itself to the point of supply, regardless of who owns the facilities at the point of supply.

Fuel

Similar to the overall generation portfolio of the SING, our generation facilities run primarily on fossil fuels such as coal, diesel, fuel oil and natural gas. The cost of fuel represents the most important cost component of our business and the level of dispatch from our power plant depends on the variable cost of production.

The most significant portion of our generation capacity comes from coal. As of September 30, 2014, 100% of our installed capacity was based on this type of fuel.

Fuel Strategy

Our Complex has a gross capacity of 545 MW. Our expected annual consumption of coal is approximately 1.5 million metric ton per year. Our Complex was designed with specifications that allow the use of a wide range of coal which give us flexibility to access the various global markets to procure coal.

On October 7, 2008, we signed a fuel supply and assistance agreement with our controlling shareholder, AES Gener, to support the procurement process of the fuels we need for operating our Complex and related services. We believe this agreement allows us to capture synergies given the higher purchasing power of the combined entities. For 2014, AES Gener has acquired approximately 6 million metric tons of coal.

Coal is purchased from several suppliers who are selected based on their creditworthiness and previous purchase history. Our main source countries for coal are Colombia, the United States, Canada, Australia and Chile.

Volume Risk

Angamos is primarily a base-load power station. As such, the risk that we are short or long on our coal volume position is relatively low. Furthermore, since the SING system is approximately 99% thermal, we have a high priority in the expected dispatch for the power station and any deviations from the priority order are not expected to adversely impact our operations. See "Industry Overview and Competition —System Operation and Production."

Purchase and Risk of Fuel Cost

Currently, all of our PPAs include price indexation provisions that account for the cost of fuel used in the generating units and the available generating capacity of such units under the relevant PPA. Fuel cost, as used in the indexation formula, is normally based on the cost reported to the CDEC by the respective power plant that includes custom duties and coal handling and transportation costs up to the coal yard, which the CDEC publishes on a monthly basis. This ensures transparent cost information to customers in the SING. The pricing structure of our PPAs also enables us to pass-through fuel costs to our customers, subject to certain performance requirements of the Complex. Therefore, we believe there is currently minimal risk associated with a mismatch between variable costs and variable contract revenues.

Port Services

Port services are critical for the adequate and timely procurement of fuel. Our coal supply is offloaded in the port of Mejillones, which was built and is operated by Terminal Graneles del Norte S.A. ("TGN"). We have a 30-year dry bulk transfer agreement with Complejo Portuario Mejillones S.A. ("CPM"), an affiliate of CODELCO, for the rendering of port services (the "Port Agreement"). Pursuant to the Port Agreement, which CPM partially assigned to TGN, the service provider unloads from vessels the coal that is used by our Complex and delivers it to our facility on a 24-7 basis (except during certain times on December 25th and January 1st). The contracted capacity under the Port Agreement is 2,170,000 tons per year with an option to increase the capacity to 3,000,000 tons. Since our current requirements to operate the power plant amount to 1,800,000 tons, we have (i) assigned the option to increase capacity to Cochrane at a fair market value; and (ii) executed a back-to-back port services agreement with Cochrane for the 370,000 tons spare capacity, which services we render under the Port Agreement. The assignment and the back-to-back port agreement generate an incremental source of revenue and have been agreed at market rates.

Shared Facilities

Cochrane, another indirect subsidiary of our controlling shareholder AES Gener, is developing a project that involves the construction of a power plant with two coal-fired thermoelectric units, with an aggregate expected gross installed capacity of 532 MW, which is expected to start operating in 2016.

The project will be located next to our Complex and, like our Complex, the Cochrane project will use pulverized coal technology and will be fueled by bituminous and sub-bituminous coal. The development of this adjacent project allows us to take advantage of synergies and back-ups in several areas, including port services, coal stock, shared services and facilities.

Accordingly, we have entered into several agreements with Cochrane, which include: (i) a leasing agreement and purchase option from us to Cochrane to acquire the property where the Cochrane facility will be constructed, for an aggregate amount that is estimated to be approximately U.S.$5,000,000, of which 50% was paid up-front; (ii) an agreement to grant access to Cochrane to certain shared facilities (including an administration building, changing room, showers, telephone and internet access, workshop, laydown and parking areas, dining rooms and access road), which are also leased by Cochrane at market rates; (iii) an agreement to provide certain services to Cochrane (such as construction power, water and waste-water interconnection, etc.); (iv) an agreement to share the maritime concession held by us that is used by both Cochrane and us for the intake

and discharge of water from and to the sea; (v) a mutual agreement not to disturb the development and operation of each other's plant. All of these agreements were entered into on an arms-length basis.

Seasonality

Seasonality is not a significant aspect of our business. More than 99% of the electricity generation in the SING comes from thermoelectric sources, which operate independently from variables such as rainfall that heavily affect hydroelectric production. Additionally, the counter-parties to our PPAs are typically large mining and industrial companies which operate on a year-round basis, with consistent daily usage. Nonetheless, the demand from our mining customers typically tends to increase slightly in the fourth quarter of each year as mining companies seek to achieve their production objectives, and tends to decrease slightly in the first quarter due to maintenance at mining operations and occasionally due to the effects of the weather phenomenon known as "Bolivian winter."

Maintenance and Repair

The achievement of operational excellence is core to our overall business strategy. We strive to be a leader in the energy sector by providing safe, reliable and sustainable energy at a competitive cost to our customers and the market. In this regard, we have implemented an asset management policy to consistently guide our operation and maintenance activities. Our asset management policy outlines an integrated process of activities and coordinated practices which we use to manage the performance, risks and expenses of our fixed assets in order to ensure optimal and sustainable life of our assets.

Our asset management policy is based on the following principles:

- Systematic and Sustainable Vision: Our power plants are a critical part of each business unit within the Company, and we strive to optimize our business as a whole by considering the financial, commercial, environmental, safety, legal, community and stakeholder interests and requirements related to our asset management activities in order to ensure long term sustainability.

- Complete Life Cycle Optimization: We base our asset management activities on achieving full life cycle optimization of our assets, including all stages from engineering and design, construction, testing, operations, maintenance and renewal to final disposition. Our goal is to optimize performance of our assets considering their complete life cycle.

- Risk Assessment: We prioritize asset management of our critical activities, identifying and administering risks associated with asset outages and associated production losses, safety risks and environmental risks. In such cases, our operating standards include defining operating limits and requiring special procedures for operating, monitoring or testing equipment. Our maintenance requirements specifically include predictive and preventive measures and contingency planning for failures, such as predefined work breakdown structures, holding of spare parts or other proactive actions to mitigate the impact of failures.

- Continuous Improvement: We utilize a performance excellence methodology developed by our shareholders, denominated "Performance Excellence" or "APEX," which is a comprehensive toolkit composed of continuous improvement, innovation and "best practices" sharing methodologies. With this toolkit, we establish the appropriate metrics for measuring, evaluating and comparing our business units' performance and adherence to our asset management policy.

Once the Cochrane plant commences its commercial operation, which is currently expected to be in 2016, AES Gener will provide both Cochrane and us operation and maintenance services in addition to technical services that may be required from time to time. In our case, the operation and maintenance services will be provided pursuant to the operation and maintenance agreement dated March 27, 2013, which supplements the technical support and services agreement dated October 7, 2008. Both agreements have been executed on an arms-length basis and aim to maintain our operational excellence while taking advantage of synergies from the integration with AES Gener.

Environment and Sustainability

Environmental management is a key priority in our business and operations. We currently have all required environmental permits and authorizations to conduct our business. We consider environmental protection as an area of performance and as such, environmental issues are included among the responsibilities of our key executives. An environmental management system was implemented throughout the Company in 2008, and our environmental department was expanded in 2010 to globally supervise and provide support for all our operations. Our business follows four basic guidelines:

- to comply with or exceed the requirements of environmental standards or regulations set by local governments, as well as the environmental standards imposed by the entities involved in financing the Company's projects;

- to comply with or exceed the requirements imposed by our shareholders's environmental standards;

- to make decisions on additional expenses on the basis of a local, regional and global environmental assessment, in which the term "environment" is widely defined as "the conditions surrounding people, including ecological, economic, social, and other factors that determine quality of life or standard of living";

- to strive to continually improve environmental performance at each business;

- in 2012, we adopted an integrated management system for Environmental, Occupational Health and Safety, which is currently certified under ISO14000 and OHSAS18000. Our environmental management system is an internal program used to audit environmental affairs at the Complex (and transmission systems) to ensure compliance with these standards, and to detect opportunities for ongoing improvement. These audits are part of an effort to increase the efficiency of the environmental management systems that have been or are in the process of being implemented in all of our areas of business and have helped with overall production management. Finally, we have a business area focused on compliance with local applicable environmental regulations, internal environmental standards and ISO14000 standards; and

- we are in compliance with the Equator Principles, a risk management framework adopted by financial institutions for determining, assessing and managing environmental and social risks in energy plant construction and operations, as well as the International Finance Corporation's environmental, health and safety guidelines (April 2007) and the International Finance Corporation's environmental, health and safety guidelines for thermal power plants.

Safety

Safety is the top corporate value for us. We focus on work-related safety, emphasizing risk prevention for our employees, contractors and the communities where we are located. Periodic activities, which include monthly safety meetings and on-site inspections, are held throughout the Company in order to keep our safety culture active. Those in leadership positions perform these periodic on-site inspections, or "safety walks," in order to involve management in promoting and monitoring safety within each of our business areas. We work continually to meet the exacting international safety standards of the AES Corp. and to comply with Chilean Law 16,744 and the Occupational Safety and Health Administration's safety regulations.

In recent years we have been working to implement a new version of safety standards which are among the most stringent in the electricity industry. This implementation is already in process, with 42 new guidelines already in effect in all facilities. In order to maintain our strict safety standards, we have also implemented a complete internal auditing plan at our Complex, in accordance with the preventive and corrective measures and initiatives recommended by peer health and safety committees. In addition, we have worked to improve contractors' safety standards, providing technical assistance to help them improve their standards and improve efficiency. Our contractors must meet our same standards, the implementation of which has resulted in a significant decrease in accidents.

In 2011, we began implementing an integrated Environmental, Health and Safety (EHS) Management System called "Genera" which is in compliance with ISO 14001 and OHSAS 18001:1. In 2012, we obtained external certification of our EHS Management System.

NCRE

Chilean law requires every electricity generator to provide a percentage of its energy sold pursuant to contracts signed after 2007 from non-conventional renewable energy (NCRE) sources. Indeed, power generators in Chile are required to source more than 6% of the energy supplied under PPAs from renewable sources. After 2015, this target will increase 1% per year until it reaches 20% in 2025. To meet these goals, the law provides auctions of NCRE blocks. Generation companies are able to meet this requirement by developing their own NCRE generation capacity (wind, solar, biomass, geothermal and small hydroelectric technology), or purchasing NCRE supply from qualified generators, purchasing from other generators which generated NCREs in excess of their own requirements during the previous year or by paying the applicable fines for noncompliance.

We have complied fully with the obligations to supply contracts with NCRE under Law No. 20,257. Under the MEL and Spence PPAs, each of MEL and Spence has the option to procure for itself all the NCRE requirements or Angamos will purchase it in the market and pass-through the cost to MEL and Spence. Under the QB PPA, until December 31, 2014 QB has the option to assume the NCRE obligation associated with this PPA. If QB does not assume the NCRE obligations, we will receive payments from QB which are equivalent to the applicable fines for noncompliance with the regulation, which payments we will use to acquire the relevant NCRE blocks related to this contract.

In addition, in response to recent regulations on NCREs, and in line with our corporate values, we are actively working on the research, development and application of clean and renewable energy technology. These initiatives include:

- **Battery Energy Storage System (BESS)**

In Chile, the operation of electric generation units are coordinated centrally by CDEC with the aim of ensuring that demand is supplied at the minimum total operating cost. As part of its charter, every year the CDEC conducts electric studies to evaluate the quality and reliability of the electrical system. In the case of the SING, this study includes examination of dynamic (transient stability) and permanent conditions (low load flow). Given the characteristics of the SING, which include high industrial/mining consumption and a 99% thermoelectric based matrix, in order to maintain grid stability and ensure delivery of reliable power and energy to end users, the CDEC-SING requires that generators set aside or maintain on reserve an average of approximately 7% of each plant's generation capacity. Consumers pay for 3% of this reserve and 4% is a cost to each generator.

BESS allows us to free up chat 4% capacity set aside for frequency regulation and spinning reserve, effectively increasing generation by 20 MW or 130-150 GWh per year, allowing us to maintain a more constant level of operations.

- **Desalination Technology Change**

Currently, we desalinate water using two identical multi-effect distillation thermal vapor compression (MED-TVC) desalination units with a total production capability of 200 m3/hr, as part of its normal process, in order to produce water that will subsequently be used in our boilers, potable water for plant consumption only, and other secondary in-plant uses.

We believe a change in the desalination technology from MED-TVC to seawater reverse osmosis (SWRO) has significant efficiency and cost-saving benefits without compromising water quality, availability, or performance. On June 2, 2014, AES Gener entered into an agreement with Abengoa Chile S.A. for the engineering, procurement and construction of a SWRO unit that is expected to be finalized during the second half of 2015. This contract was assigned to us on October 2, 2014.

Employees and Human Resources

Our team consists of directors, officers, employees, professionals and technicians. Our team is fundamental to our success and we strive to maintain an organization that rewards competitive, engaged and qualified employees and offers them an opportunity for development and advancement. As of September 30, 2014, we had 104 employees located in Mejillones. The following table provides a breakdown of our employees as of the end of each year in the three-year period ended December 31, 2013, and for the nine months ended September 30, 2014.

Employees (by type)	As of September 30,	As of December 31,		
	2014	2013	2012	2011
Executive officers[(1)]	1	1	1	1
Professionals	41	39	42	43
Technicians and administrative	62	64	62	60
Total	**104**	**104**	**105**	**104**

(1) We have additional executive officers who are employed directly by AES Gener.

In promotion of long-term company sustainability and professional development, we develop and train our employees to be able to appropriately face present and future challenges. In order to effectively and efficiently operate our generation plants and administer our business, we seek to stimulate and retain our personnel while strengthening our team with suitable individuals that have the potential to take on new projects and successfully replace existing professionals. Within this framework, in recent years, we have focused our efforts on developing the skills of our existing and recently hired employees to be able to fill positions at the plants of some of our related companies which are currently under construction once they begin operation. We seek to maintain an amenable work atmosphere and encourage communication between team leaders and the professionals they supervise. Leadership workshops have been held since 2008 as part of an ongoing program to promote team leadership skills and to help leaders acquire the tools they need for management excellence.

Unions

As of September 30, 2014, approximately 58.5% of our employees were represented by a union under a collective bargaining agreement, which is negotiated, and its terms are adjusted, on average, every two years. The current agreement will expire on May 31, 2015. We believe that we have favorable relations with our employees and the renegotiation of the collective labor agreement is generally agreed upon without any conflict.

Insurance

We believe that the level of insurance coverage that we maintain for our properties, operations, personnel and businesses is reasonably appropriate for the risks that we face and is comparable to the level of insurance coverage maintained by other companies of a similar size operating in the businesses in which we are engaged.

For property damage and business interruption, we maintain insurance policies for ourselves with AES Global Insurance Company, a subsidiary of AES Corp. These policies cover our physical assets such as power plants, offices, substations and mobile equipment, as well as the cost of business interruption. In addition, we have a loss control program which focuses on making improvements that will decrease the impact of a catastrophic event.

Locally, we also maintain other coverage such as civil liability coverage for damages caused to third parties, our contractors and our subcontractors. For coal purchases, we maintain charterer's liability insurance. We also have coverage for our vehicles, buildings, electronic equipment, and personal accidents, including supplementary health insurance for our employees.

Legal Proceedings

As of this date, there are no claims or legal actions arising out of or in connection with our ordinary course of business.

MANAGEMENT

We are a closely held corporation (*sociedad anónima cerrada*) organized under the laws of Chile. We currently have three members of our Board of Directors and three executive officers. The business address of our Board of Directors and executive officers is Rosario Norte 532, 19th Floor, Las Condes, Santiago, Chile.

Directors

We are managed by a Board of Directors, which pursuant to our by-laws is composed of three regular members, all of whom are elected for a three-year term at the ordinary annual shareholders' meeting. If a vacancy occurs, the Board of Directors may or may not elect a temporary director to fill the vacancy. Regular meetings of the Board of Directors are held once a year, while extraordinary meetings take place when convened by the chairman or requested by any other director. Directors are not required to hold any of our shares and there is no established retirement age for our directors.

The following table sets forth the names, positions and dates of initial appointment of the current members of our Board of Directors:

Name	Position	Current position held since
Daniel Stadelmann	Chairman	2014
Javier Giorgio	Director	2014
Luis Knaak	Director	2014

Set forth below is a brief biographical description of the members of our Board of Directors:

Daniel Stadelmann was born in 1970. Mr. Stadelmann holds a masters degree in finance and accounting from the University of Saint Gallen in Saint Gallen, Switzerland, and a masters degree in business administration from the International Institute for Management Development IMD in Lausanne, Switzerland. Mr. Stadelmann has more than 19 years of professional experience, having served as vice president of finance of AES Gener since 2009, and chief financial officer of its Andes strategic business unit ("AES Andes SBU") since 2012, which includes the AES Gener, AES Argentina Generación S.A. ("AES Argentina") and AES Chivor businesses in Chile, Argentina and Colombia, respectively. He also serves as director of other AES Gener affiliated companies, such as Guacolda S.A. ("Guacolda") in Chile and AES Chivor in Colombia.

Javier Giorgio was born in 1969. Mr. Giorgio holds a degree in electrical engineering from the Universidad Tecnológica Nacional in Argentina, and a masters degree in business administration from the Universidad del CEMA (Centro de Estudios Macroeconómicos de Argentina) in Argentina. Mr. Giorgio has more than 25 years of professional experience, having served as general manager of TermoAndes in Argentina, general manager of AES Argentina and country manager of AES Panamá in Panama. Mr. Giorgio joined AES Gener in 2009. Since then, he has served as vice president of operations. Since 2014, Mr. Giorgio has also served as chief operating officer of AES Andes SBU. He also serves as director of other AES Gener affiliated companies, such as Guacolda in Chile, AES Tiete S.A. in Brazil and AES Chivor in Colombia.

Luis Knaak was born in 1968. Mr. Knaak holds a degree in mechanical engineering from the Universidad Técnica Federico Santa María in Chile, a masters degree in industrial engineering from the Pontificia Universidad Católica de Valparaíso, and a degree in management from the Darden School of Business at the University of Virginia. Mr. Knaak has more than 20 years of professional experience. Mr. Knaak joined AES Gener in 1993. Since then, he has held various positions in AES Gener and related companies, including vice president of engineering and construction of AES Gener since April, 2014. He also serves as managing director of AES global construction of AES Corp. and as regional director for Mexico and Hawaii in the North America Generation segment of AES Corp.

Executive Officers

Our Board of Directors appoints our Chief Executive Officer, who is responsible for all the obligations inherent to a business agent and for others as provided by-law as well as those that the Board of Directors may expressly establish. Our Deputy Chief Executive Officer and General Counsel are also appointed by our Board of Directors.

The following table sets forth the names, positions and dates of initial appointment of our current executive officers:

Name	Position	Current position held since
Javier Giorgio	Chief Executive Officer	2009
Abraham Garrido	Deputy Chief Executive Officer	2014
Alberto Zavala	General Counsel	2010

Set forth below is a brief biographical description of our executive officers:

Javier Giorgio. See "-Directors."

Abraham Garrido was born in 1962. Mr. Garrido holds a degree in civil engineering from the Universidad de Concepción in Chile, a masters degree in business administration from the Universidad de Salta in Argentina, and a degree in business finance from the Universidad INTEC (*Instituto Tecnológico de Santo Domingo*) in Dominican Republic. Mr. Garrido has more than 20 years of professional experience, having served as plant manager at TermoAndes, director of operations at AES Dominicana in Dominican Republic, project director of our Complex in Chile, engineering manager at AES Gener, and DPP project director at AES Dominicana.

Alberto Zavala was born in 1962. Mr. Zavala holds a law degree from the Pontificia Universidad Católica de Chile. Mr. Zavala has more than 20 years of professional experience, having served as regional counsel for Latin America for AIG International Group in its Latin American Life division for more than 12 years. Mr. Zavala joined AES Gener in 2010. Since then he has been serving as general counsel of AES Gener, and as of 2014 he also serves as general counsel of AES Andes SBU.

Compensation of Directors

Pursuant to our by-laws, our Board of Directors does not receive compensation. During the year ended December 31, 2013, our Board of Directors did not receive any remuneration or stipend for any additional duties or expenses.

PRINCIPAL SHAREHOLDERS

We are a closely held corporation (*sociedad anónima cerrada*) organized under the laws of Chile. Our only issued capital consists of 22,150,749,834 common shares, which are fully paid up and are held by two shareholders, Inversiones Nueva Ventanas and AES Gener.

As of September 30, 2014, Inversiones Nueva Ventanas held 99.99% of our shares and AES Gener held 0.01%. Inversiones Nueva Ventanas has direct control of us, has no common voting agreement with other shareholders and is an indirect subsidiary of AES Gener, which has approximately 99.9% ownership through Norgener. As such, we are indirectly wholly owned by AES Gener.

The table below sets forth our principal shareholders as of September 30, 2014:

Shareholder	Shares	%
Inversiones Nueva Ventanas[(1)]	21,002,628,203	99.9%
AES Gener.....	100	0.01%
Total shareholders.....	**21,002,628,303**	**100.0%**

(1) Indirect subsidiary of AES Gener through Norgener.

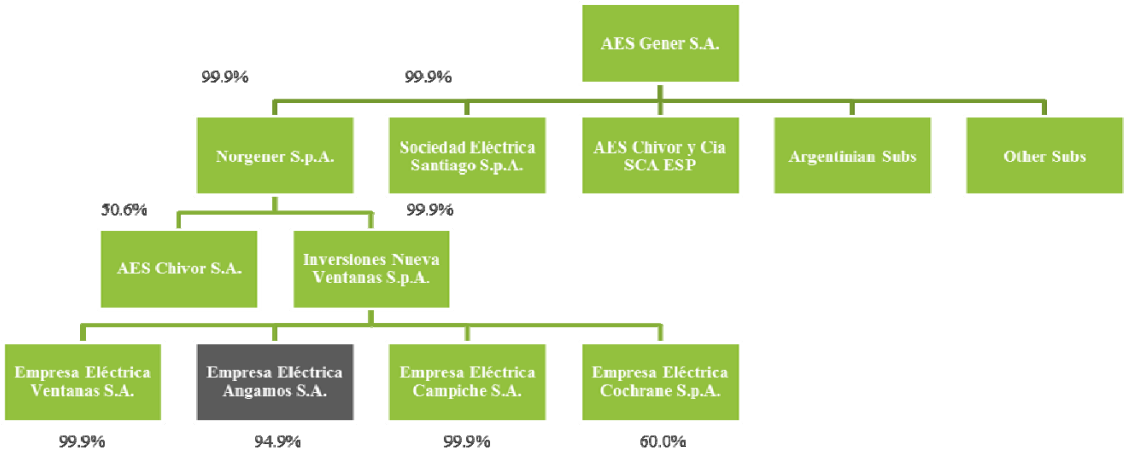
On October 3, 2014, we made a rights offering to our existing shareholders with respect to the subscription of 1,148,121,531 new common shares, which was fully subscribed by AES Gener and increased our common shares outstanding to 22,150,749,834. The following table sets out the principal shareholders of our common shares after giving effect to the rights offering:

Shareholder	Shares	%
Inversiones Nueva Ventanas[(1)].....	21,002,628,203	94.9%
AES Gener	1,148,121,631	5.1%
Total shareholders	**22,150,749,834**	**100.0%**

(1) Indirect subsidiary of AES Gener through Norgener.

Our Controlling Shareholder

We are indirectly controlled by AES Gener through its indirect subsidiary Inversiones Nueva Ventanas, which currently holds 94.9% of our shares. Inversiones Nueva Ventanas is owned by Norgener, a company organized by AES Gener to group assets developed and financed under a stand-alone structure. Moreover, AES Gener currently holds directly 5.1% of our shares. The chart below shows AES Gener's simplified organizational structure to highlight our ownership structure. However, AES Gener and AES Corp. are not obligated to, and neither of them will, guarantee the performance of our obligations under the notes.



AES Gener was founded on June 19, 1981 under the original name Chilectra Generación S.A. Its origins date back to 1889 when the Chilean Electric Tramway and Light Company was incorporated in Santiago. The assets were merged in 1921 with those of the Compañía Nacional de Fuerza Eléctrica to form Chilectra. Chilectra was a privately owned company until 1970, when it was nationalized and taken over by the CORFO (*Corporación de Fomento de la Producción*). In June 1981, it was restructured into a holding company, Chilectra S.A., with three subsidiaries: Chilectra Metropolitana S.A., a distribution company serving the Santiago Metropolitan Area; Chilectra Quinta Región S.A., a distribution company serving Valparaiso and the Aconcagua Valley; and Chilectra Generación S.A., an electricity generation company and owner of the former Chilectra's transmission assets.

Through a tender offer and a series of investments during 2000, AES Gener came under the ownership of AES Corp., which has continued its expansion in various Latin American countries. As part of the AES Group, AES Gener changed its name to AES Gener S.A. in 2001.

In Chile, AES Gener currently has a diversified generation portfolio in terms of geography, technology and fuel source. Its installed capacity is located near the principal electricity consumption centers, including Santiago, Valparaiso and Antofagasta, extending from Tocopilla in the north to Los Angeles in south-central Chile. The diverse generation portfolio, composed of hydroelectric, coal, gas, diesel and biomass facilities, allows the Company to flexibly and reliably operate under a variety of market and hydrological conditions, efficiently managing our contractual obligations with Regulated and Unregulated customers and, as required, providing back-up spot market energy to the SIC and SING. As of September 30, 2014, AES Gener's installed capacity in Chile totaled 3,440 MW, comprised of 2,618 MW in the SIC and 822 MW in the SING. AES Gener is the second largest electricity generation company in Chile with a market share, as of September 30, 2014, in terms of installed capacity, of approximately 20.2% (including Angamos) in the SING (Chile's second largest grid where mining consumption is dominant), and 18.0% in the SIC (Chile's largest grid covering 92.2% of Chile's population, including the densely populated Santiago Metropolitan Region). Additionally, AES Gener currently has two coal-fired projects with gross capacity of 684 MW (including Cochrane), a 20 MW battery energy storage project, a 21 MW solar project, and a hydroelectric project with a gross capacity of 531 MW under construction in Chile through Alto Maipo.

In Colombia, AES Gener currently has presence in the SIN (*Sistema Interconectado Nacional*). As of September 30, 2014, it had a 6.8% market share in terms of installed capacity. AES Gener currently owns the third-largest hydroelectric facility in the country, AES Chivor, a dam-based hydroelectric plant located approximately 160 km east of Bogota with a gross installed capacity of 1,000 MW, and one additional hydroelectric project with a gross capacity of 20 MW is under construction.

AES Gener also has a presence in the SADI (*Sistema Argentino de Interconexión*) in Argentina with a 643 MW CCGT located in the province of Salta that is owned through its wholly-owned subsidiary TermoAndes. As of September 30, 2014, AES Gener's presence in the SADI represented 1.9% of the system's aggregate installed capacity. Although TermoAndes' plant is also connected to the SING, it sells energy exclusively in Argentina as of the date of these listing particulars.

RELATED PARTY TRANSACTIONS

In the ordinary course of business, we engage in a variety of transactions with certain of our affiliates, primarily for the purchase, at fair market prices negotiated on an arm's-length basis, of goods or services that may also be provided by other suppliers. Our Board of Directors approves all such transactions in advance. See note 10 to our unaudited interim financial statements and to our audited financial statements.

Article 89 of the Chilean Corporations Law requires that our transactions with related parties (as defined by article 100 of the Securities Market Law) be on an arm's-length basis or on similar terms to those customarily prevailing in the market.

Article 100 of the Securities Market Law provides that the following persons are related to a company: (i) other entities of the business conglomerate to which the company belongs, (ii) parents, subsidiaries and equity-method investors and investees of the company having the ability to appoint at least one member of the management of the company or to control 10% or more of the capital or voting capital of a stock company, (iii) all directors, managers, officers and liquidators of the company, and their spouses or blood relatives to the second degree, or any entity controlled, directly or indirectly, by any of the referred individuals, (iv) any person that, by him/herself or with other persons under a joint action agreement, may appoint at least one member of the management of the company or controls 10% or more of the capital or voting capital of a stock company, and (v) other entities or persons determined as such by the SVS.

In addition, article 44 of the Chilean Corporations Law provides that a corporation may only enter into a material transaction in which one or more directors has a personal interest or is acting on behalf of a third party when (i) such transaction has been previously disclosed to the board of directors and approved by it and (ii) the terms and conditions of such transaction are similar to those prevailing in the market, except when the by-laws exempt such transactions from compliance with these conditions. For purposes of article 44, to the extent the amount exceeds UF2,000 (approximately U.S.$0.08 million as of September 30, 2014), any act or contract for an amount exceeding 1% of a company's equity shall be deemed to be a material transaction. In addition, any act or contract exceeding UF20,000 (approximately U.S$0.8 million as of September 30, 2014) shall always be deemed to be a material transaction for these purposes, whether or not it represents less than 1% of a company's equity.

Chilean law considers a director to have an interest in a transaction when the transaction involves:

- a director, a director's spouse or relatives until the second degree of consanguinity or affinity;
- corporations in which the director holds the position of manager or owner, either directly or indirectly through third parties, of 10% or more of that corporation's capital;
- corporations in which any of the aforementioned persons holds the position of director or owner, either directly or indirectly through third parties, of 10% or more of that corporation's capital; or controllers of the corporation or their related persons, if the votes of these related persons were decisive in his/her election as director.

However, these dispositions are not be applicable if the transaction has been approved or ratified by an extraordinary shareholders' meeting with a quorum of two-thirds of the shareholders with voting rights. The decisions of the board are documented in the board minutes and disclosed at the following shareholders' meeting. An interested director must abstain from voting the matter.

Transactions that do not meet the foregoing requirements are valid and enforceable; however, the corporation and its shareholders shall have a cause of action to sue for reimbursement on behalf of the corporation, for a total of the benefits reported to the interested party, in addition to indemnification for the damages caused. In such proceedings, the defendant shall prove that the transaction met the legal requirements, and directors and executive officers of companies that violate this provision are personally liable for losses or damages resulting from such violations.

We believe that we have complied and are in compliance in all material respects with the requirements of the relevant provisions of the Chilean Corporations Law governing related party transactions with respect to all of our transactions with related parties.

Below is a summary of accounts receivable transactions with our shareholders, as disclosed in our audited financial statements as of December 31, 2013 and 2012, and in our unaudited interim financial statements as of September 30, 2014:

	As of September 30 (unaudited),	As of December 31,	
	2014	2013	2012
	(in thousands of U.S. dollars)		
AES Gener	142,109	108,249	40,685
Inversiones Nueva Ventanas	-	-	-
Total	**142,109**	**108,249**	**40,685**

The table below presents the net effect on income of transactions with our shareholders, as disclosed in our audited financial statements for the year ended December 31, 2013 and 2012, and in our unaudited interim financial statements for the nine months ended September 30, 2014:

	For the nine months ended September 30 (unaudited),	For the year ended December 31,	
	2014	2013	2012
	(in thousands of U.S. dollars)		
AES Gener	12,227	11,745	3,684
Inversiones Nueva Ventanas	-	-	-
Total	**12,227**	**11,745**	**3,684**

Below is a summary of notes and accounts payable to our shareholders, as disclosed in our audited financial statements as of December 31, 2013 and 2012, and in our unaudited interim financial statements as of September 30, 2014:

	As of September 30 (unaudited),	As of December 31,	
	2014	2013	2012
	(in thousands of U.S. dollars)		
AES Gener	24,964	26,805	18,059
Inversiones Nueva Ventanas	-	-	-
Total	**24,964**	**26,805**	**18,059**

DESCRIPTION OF NOTES

The notes were issued under an indenture dated as of November 25, 2014 (the "Indenture") among us, HSBC Bank USA, National Association, as trustee (the "Trustee"), registrar, transfer agent and paying agent, and Banque Internationale à Luxembourg S.A., as Luxembourg paying agent and transfer agent. The following description of certain provisions of the notes, the Indenture and the Security Documents (as defined below) does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the terms and conditions of the notes, the Indenture and the Security Documents. Copies of the Indenture and the Security Documents are available at the Issuer's principal executive offices, as well as at the offices of the Trustee in New York City and, for so long as the notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, at the office of the paying agent in Luxembourg.

In this section of these listing particulars, the term "Issuer" refers to Empresa Eléctrica Angamos S.A. As used herein, the term "Holder" means the person in whose name a note is registered in the register for the notes (the "Register"). You will find definitions of certain other capitalized terms used in this section under "—Certain Definitions."

General

The Issuer initially issued notes in an aggregate principal amount of U.S.$800,000,000. The Issuer may, without notice to or the consent of the Holders, issue additional notes of the same series under the Indenture on the same terms and conditions (except for the issue date, issue price and first payment date) as the notes being offered hereby in an unlimited aggregate principal amount (the "Additional Notes"); provided, however, that unless such Additional Notes are issued under a separate CUSIP number, such Additional Notes must be fungible with the notes for U.S. federal income tax purposes. The notes and the Additional Notes, if any, will be treated as a single series for all purposes under the Indenture, including waivers and amendments. Unless the context otherwise requires, in this section, references to the notes include any Additional Notes actually issued.

The notes will mature on May 25, 2029. The notes will accrue interest at a rate of 4.875% per year. Interest on the notes will be payable semi-annually in arrears on May 25 and November 25 of each year, commencing on May 25, 2015 (each, a "Payment Date"). Interest on the notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal amount of the notes will be payable in consecutive semi-annual installments commencing on May 25, 2018 and on each Payment Date thereafter. The final installment of the principal will, in any event, equal the then outstanding aggregate principal balance of the notes and will be payable together with the accrued and unpaid interest thereon and any other amounts then owing by the Issuer under the notes.

Scheduled Payment Date	Percentage of Original Outstanding Principal Amount Payable
May 25, 2018	4.35%
November 25, 2018	4.35%
May 25, 2019	4.35%
November 25, 2019	4.35%
May 25, 2020	4.35%
November 25, 2020	4.35%
May 25, 2021	4.35%
November 25, 2021	4.35%
May 25, 2022	4.35%
November 25, 2022	4.35%
May 25, 2023	4.35%
November 25, 2023	4.35%
May 25, 2024	4.35%
November 25, 2024	4.35%
May 25, 2025	4.35%
November 25, 2025	4.35%
May 25, 2026	4.35%

Scheduled Payment Date	Percentage of Original Outstanding Principal Amount Payable
November 25, 2026	4.35%
May 25, 2027	4.35%
November 25, 2027	4.35%
May 25, 2028	4.35%
November 25, 2028	4.35%
May 25, 2029	4.30%[(1)]

(1) The final installment of principal will, in any event, equal the then outstanding aggregate principal balance of the notes.

Ranking

The notes will be the Issuer's direct, unconditional and general obligations, secured by a first Lien on the Collateral (subject to Permitted Liens and the exceptions described below), and will at all times:

- rank *pari passu* in right of payment with all of the Issuer's senior existing and future similarly secured obligations (except those obligations preferred by operation of Chilean law, including without limitation labor and tax claims);
- rank senior to the Second Lien Obligations (as defined below);
- rank senior to the Third Lien Obligations (as defined below);
- rank effectively senior in right of payment to all of the Issuer's unsecured Indebtedness to the extent of the value of the Collateral;
- rank senior in right of payment to all of the Issuer's existing and future Indebtedness subordinated to the notes (if any);
- rank effectively junior to any future secured obligations of the Issuer and its subsidiaries with a security interest on assets not constituting Collateral, in each case, to the extent of the value of the collateral securing such obligations; and
- rank effectively junior to any debt, preferred stock obligations and other liabilities of the Issuer's subsidiaries, except to the extent of the value of the Collateral.

As of September 30, 2014, the Issuer's total indebtedness outstanding on a nominal basis was U.S.$763.1 million, all of which was secured. As of September 30, 2014, after giving pro forma effect to the sale of the notes offered hereby and the use of proceeds therefrom as described under "Use of Proceeds," the Issuer's total indebtedness outstanding on a nominal basis was U.S.$800 million, all of which was secured.

Collateral and Intercreditor Arrangements

General

The obligations of the Issuer with respect to the notes and the performance of all other obligations of the Issuer under or relating to the Indenture (the "Note Obligations") will be secured by a first-priority perfected security interest (the "First Lien") on the Collateral (as defined below).

On the Issue Date, a first-priority security interest shall be continued on the property of the Issuer consisting of the site on which the Issuer's power generation facility and ash disposal site are located, excluding the portion of land that is currently leased and that will be purchased by Empresa Eléctrica Cochrane SpA for the development of its own facility (the "Facility Site"), the Issuer's power generation facility (the "Facility") and the Issuer's transmission line (the "Transmission Line") in favor of the Collateral Agent, acting on behalf of and for the benefit of the Holders as secured parties (collectively, the "Collateral"). Perfection of the security interest is

expected to be effective upon filing and registration of the relevant Security Documents with: (i) the *Registro de Prendas sin Desplazamiento* (Pledge Without Conveyance Registry) kept by the *Servicio de Registro Civil e Identificación* (Civil Registry and Identification Service), with respect to the Pledges Without Conveyance over the Facility and the Transmission Line; and (ii) the *Conservador de Bienes Raices de Antofagasta* (Real Estate Registrar of Antofagasta), both in the *Registro de Hipotecas y Gravámenes* (Registry of Mortgages and Encumbrances) and in the *Registro de Interdicciones y Prohibiciones* (Registry of Prohibitions), with respect to the mortgages on the Facility Site. Such perfection is expected to become effective, in the case of the pledge over the Facility and Transmission Line, within 20 business days from the Issue Date, and in the case of the mortgages over the Facility Site, within 10 weeks from the Issue Date. A failure to perfect the security interest within each respective time frame will be an Event of Default under the Indenture. See "—Events of Default."

The First Lien granted to the Holders will be held *pari passu* with Banco de Chile and, if any, any future creditors of the Issuer benefitting from a First Lien on the Collateral (together with the Holders and Banco de Chile, the "First Lien Claimholders"). Banco de Chile will share in the First Lien as a letter of credit lender under the Issuer's existing letter of credit facility (as amended and restated in the form of the Amendment No.2 and Restated Commercial Facility Agreement between the Issuer and Banco de Chile to be entered into on the Issue Date) (the "L/C Obligations" and, together with the Note Obligations and, if any, obligations owed to any future creditors of the Issuer benefitting from a First Lien on the Collateral, the "First Lien Obligations"). This letter of credit facility, as replaced by the Amendment No.2 and Restated Commercial Facility Agreement between the Issuer and Banco de Chile to be entered into on the Issue Date, provides for letters of credit (the "Letters of Credit") in an aggregate principal amount of up to U.S.$25.0 million for letters of credit required under the Issuer's Power Purchase Agreements as well as its dry-bulk off loading agreement (*Contrato de Transferencia de Graneles Secos*), dated as of March 17, 2008 (the "CTGS Contract") between the Issuer and Complejo Portuario Mejillones S.A.

The Indenture provides that additional future Indebtedness can also share in the Collateral with a First Lien, and the Trustee will be authorized, on behalf of the Holders, to take any and all action in order to effectuate the same. As noted above, the creditors under any such additional Indebtedness will also be treated as First Lien Claimholders under the Intercreditor Agreement (as defined below).

Security Documents

The security interests in the Collateral will be effected through the accession by the Trustee directly or through the Collateral Agent and the Chilean Collateral Agent to the following documents, as the same may each be amended from time to time (the "Security Documents"):

- the Collateral Agency and Intercreditor Agreement dated as of October 22, 2008 (the "Intercreditor Agreement");
- the Accession Agreement to the Intercreditor Agreement to be dated as of the Issue Date pursuant to which the Trustee will acceed to the Intercreditor Agreement;
- the Chilean Collateral Agency Agreement (*Contrato de Agencia de Garantia*) dated October 22, 2008, granted before the Notary Public of Santiago Mr. Eduardo Avello Concha (the "Chilean Collateral Agency Agreement");
- the mortgages over the Facility Site;
- a pledge without conveyance over the Facility and the Transmission Line as a single economic unit (*universalidad de hecho*); and
- registration of the Security Documents as explained above.

By purchasing the notes, Holders are deemed to agree to (i) ratify the appointment and authority of the Trustee, the Collateral Agent and the First Lien Collateral Agent pursuant to the Intercreditor Agreement (as defined therein), and the Chilean Collateral Agent, (ii) ratify the execution and all actions taken by the Trustee, the First Lien Collateral Agent and the Chilean Collateral Agent in connection with the Security Documents, and (iii)

authorize the Trustee and the First Lien Collateral Agent to carry out and perform for the benefit of the Holders all of the acts and instructions specified in the Indenture.

Existing Permitted Liens

In addition to leasing the portion of the Facility Site for the shared facilities that will be used by Empresa Eléctrica Cochrane SpA and to sharing the Collateral with the other First Lien Claimholders described above, a portion of the Collateral is, and will remain, subject to a second Lien (the "Second Lien") and third Lien (the "Third Lien") as follows:

- Minera Escondida Limitada ("MEL") and Minera Spence S.A. ("Spence" and together the "Second Lien Claimholders") hold a second priority Lien (junior in all respects to the First Lien) on the Second Lien Collateral (as defined below) to secure the Second Lien Obligations (as defined below);
    - "*Second Lien Collateral*" means the mortgages over the Facility Site and the pledge over the Facility and the Transmission Line, securing the Second Lien Obligations;
    - "*Second Lien Obligations*" means the obligations outstanding under the MEL PPA and the Spence PPA, in favor of the Second Lien Claimholders; and
- Terminal Graneles del Norte S.A. (the "Third Lien Claimholder") holds a third priority Lien (junior in all respects to the Second Lien and the First Lien) on the Third Lien Collateral (as defined below) to secure the Third Lien Obligations (as defined below):
    - "*Third Lien Collateral*" means the mortgages over the Facility Site, securing the Third Lien Obligations; and
    - "*Third Lien Obligations*" means the obligations outstanding under the CTGS Contract, in favor of the Third Lien Claimholder.

Intercreditor Agreement

On or prior to the Issue Date, the Trustee will accede to the Intercreditor Agreement, which establishes the relative priority of the First Lien, the Second Lien and the Third Lien and the rights in respect of the Collateral of the First Lien Claimholders, the Second Lien Claimholders and the Third Lien Claimholders.

Under the Intercreditor Agreement, HSBC Bank USA, National Association(acting as the "First Lien Collateral Agent", "Second Lien Collateral Agent" and "Third Lien Collateral Agent") has the right to initiate on behalf of the First Lien Claimholders foreclosures and release Liens in accordance with the Security Documents. Other representatives of the First Lien Claimholders, the Second Lien Claimholders and the Third Lien Claimholder have no right to take actions with respect to the Collateral.

Notwithstanding anything to the contrary in the Security Documents, the parties to the Intercreditor Agreement agree therein that the Security Documents create three separate and distinct Liens over the Collateral: (a) the First Lien securing the payment and performance of the First Lien Obligations, (b) the Second Lien securing the payment and performance of the Second Lien Obligations, and (c) the Third Lien securing the payment and performance of the Third Lien Obligations. The Second Lien is subject and subordinate to the First Lien and the Third Lien is subject and subordinate to the First Lien and the Second Lien.

The Intercreditor Agreement provides that in any insolvency proceeding, the aggregate value of the Collateral securing the First Lien will be applied to pay the First Lien Obligations first, and the First Lien Claimholders will be entitled to receive on a *pro rata* basis all amounts owing to them before any distribution is made in respect of claims arising from the Second Lien Obligations or the Third Lien Obligations, with the Second Lien Collateral Agent and the Third Lien Collateral Agent agreeing to turn over to the First Lien Collateral Agent amounts otherwise received or receivable by them prior to payment of the Second Lien Obligations or the Third Lien Obligations. Likewise, to the extent the aggregate value of the Collateral securing the Second Lien will be applied to pay the Second Lien Obligations second, and the Second Lien Claimholders

will be entitled to receive on a *pro rata* basis all amounts owing to them before any distribution is made in respect of claims arising from the Third Lien Obligations, with the Third Lien Collateral Agent agreeing to turn over to the Second Lien Collateral Agent amounts otherwise received or receivable by them in respect of such obligations. Any amount remaining may be available for distribution to the Third Lien Claimholder in satisfaction of Third Lien Obligations.

In addition, notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any of the Liens securing any of the Collateral, and notwithstanding anything contained in any filing or in any provision of applicable law or in the terms of the Security Documents, the parties to the Intercreditor Agreement agree that any Lien securing any First Lien Obligations is senior in all respects to the Second Lien Obligations and Third Lien Obligations and that any Lien securing the Second Lien Obligations is senior in all respects to the Third Lien Obligations.

Each of the First Lien Claimholders, the Second Lien Claimholders and the Third Lien Claimholder agrees that it will not (and waives any right to) contest or support any other Person in contesting the priority, validity, perfection or enforceability of a Lien held by or on behalf of any of the First Lien Claimholders in the First Lien Collateral, or by or on behalf of any of the Second Lien Claimholders in the Second Lien Collateral or by or on behalf of the Third Lien Claimholder in the Third Lien Collateral; provided that nothing shall prevent any of the same from enforcing their respective rights in the Collateral or to enforce the Intercreditor Agreement.

Enforcement on the Collateral

Pursuant to the Accession to the Intercreditor Agreement, the First Lien Claimholders (including any future First Lien Claimholders) will agree that, as between themselves, any enforcement on the Collateral will require the consenting vote of a majority in aggregate principal amount of the First Lien Obligations.

Until the First Lien Obligations have been fully discharged, whether or not any insolvency proceeding has been commenced against the Issuer, the Second Lien Claimholders will not exercise or seek any remedy with respect to any Second Lien Collateral, will not contest or protest any foreclosure proceeding or action brought by the First Lien Collateral Agent, will not object to the forbearance by the First Lien Collateral Agent (on behalf of the First Lien Claimholders), will not oppose or otherwise contest any claim by the First Lien Collateral Agent (on behalf of the First Lien Claimholders) and will not challenge the validity, enforceability, perfection or priority of Liens held for the benefit of the First Lien Claimholders. The Third Lien Claimholder is subject to similar limitations with respect to the First Lien Claimholders and Second Lien Claimholders. Until the discharge of the First Lien Obligations in full, the First Lien Collateral Agent shall have exclusive priority to enforce rights under the Security Documents with respect to the Collateral. After discharge of the First Lien Obligations and prior to discharged of the Second Lien Obligations, the Second Lien Collateral Agent shall have exclusive priority to enforce rights under the Security Documents with respect to the Collateral.

So long as no Event of Default shall have occurred and be continuing, and subject to certain terms and conditions, the Issuer will have the right to remain in possession and retain exclusive control of the Collateral securing the notes, to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

Upon the occurrence and during the continuance of an Event of Default, to the extent permitted by law and subject to the provisions of the Security Documents:

(1) all of the rights of the Issuer to exercise rights with respect to the Collateral shall cease, and all such rights shall become vested in the Intercreditor Collateral Agent acting through the Chilean Collateral Agent, which, to the extent permitted by law, shall have the sole right to exercise any applicable rights at the direction of the First Lien Claimholders;

(2) all rights of the Issuer to receive all interest, distributions and other payments made upon or with respect to the Collateral will cease and such interest, distributions and other payments will be paid to the Intercreditor Collateral Agent for the benefit of the Collateral Agent, the Trustee and the First Lien Claimholders (and the Second Lien Claimholders and Third Lien Claimholder, as the case may be); and

(3) the Intercreditor Collateral Agent (or the Collateral Agent, as the case may be) may sell the Collateral or any part thereof at the direction of the First Lien Claimholders (and the Second Lien Claimholders and Third Lien Claimholder, to the extent applicable), in accordance with the terms of applicable law, applicable governmental requirements and the Security Documents.

Upon the occurrence and during the continuance of an Event of Default, the Holders of a majority in principal amount of the notes may direct the Trustee to, subject to the consent of the majority in principal amount outstanding of Indebtedness held by First Lien Claimholders, instruct (1) the First Lien Collateral Agent to pursue the rights of the First Lien Claimholders under the Intercreditor Agreement and (2) the Chilean Collateral Agent to pursue the rights of the First Lien Claimholders under the Chilean Collateral Agent Agreement, including, in each case, to foreclose upon and sell the applicable Collateral and to distribute the net proceeds of such sale to the Trustee and the First Lien Claimholders, subject to applicable laws and applicable governmental requirements. Following an Event of Default, enforcement of the security interests on the Collateral will be made in accordance with applicable law and, to the extent permitted by applicable law, in accordance with the provisions of the Indenture, the Security Documents (including the Intercreditor Agreement) and applicable governmental requirements. If applicable, the First Lien Collateral Agent will distribute all cash proceeds of the Collateral (after payment of the costs of enforcement and administration) received by it under the Security Documents for the ratable benefit of the First Lien Claimholders and proceeds received by the Trustee in respect thereof will be distributed (after payment of the costs of enforcement and administration) for the ratable benefit of the Holders. Accordingly, any proceeds received upon a realization of the Collateral securing the notes and other related obligations (following distributions required under the Intercreditor Agreement) will be applied as follows:

first, to the payment of all costs and expenses incurred by the Collateral Agent and the First Lien Claimholders in connection with the collection of Collateral, or collection of any proceeds or sale of any Collateral or otherwise in connection with the Indenture and the Security Documents in respect of such actions, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent on behalf of the Issuer and any other costs or expenses incurred in connection with the exercise of any right or remedy of the First Lien Claimholders;

second, solely in respect of Banco de Chile, to the cash collateralization at 103% of the Stated Amount of each Letter of Credit in effect at such time (excluding, for the avoidance of doubt, any drawn amounts thereunder);

third, to (i) pay all amounts due (including accrued and unpaid interest (including default interest) and any other additional amounts due (other than principal)) in respect of the outstanding notes and (ii) pay all amounts due (including accrued and unpaid interest (including default interest) and any other additional amounts due (other than principal)) in respect of drawings under any outstanding Letters of Credit;

fourth, to pay (i) the principal on the outstanding notes and (ii) the principal amount on the outstanding drawings under any Letters of Credit;

provided that payments made in accordance with any of the foregoing shall be made in the order of priority set forth above and on a pro rata basis based on the respective amounts outstanding in respect of the notes and the Letters of Credit in respect of which payment is to be made;

fifth, to the Second Lien Collateral Agent for pro rata payment of Second Lien Obligations;

sixth, to the Third Lien Collateral Agent for pro rata payment of Third Lien Obligations; and

seventh, to the extent of the balance of such proceeds after application in accordance with the foregoing, to the Issuer, its successors or assigns, or as a court of competent jurisdiction may otherwise direct.

Foreclosure upon the Collateral or the exercising of voting or other consensual rights with respect to the Collateral by the Collateral Agent may require certain governmental or court approvals.

Collateral release

The Indenture and the Security Documents provide that the First Lien of the Holders on the Collateral pursuant to the Security Documents will be released:

(1) in whole, upon payment in full of the principal of, accrued and unpaid interest, if any, and premium, if any, on, the notes;

(2) in whole, upon defeasance or discharge of the Indenture as set forth below under the caption "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge;"

(3) in part, in connection with any sales, transfers or other dispositions of assets of the Issuer otherwise determined by the Issuer (in its reasonable opinion) to be damaged, defective, worn-out, uneconomic, obsolete or no longer used by or useful to the Issuer in the ordinary course of its business; and

(4) as described under the caption "—Amendments and Waivers."

In connection with each release executed by the Collateral Agent or Trustee on behalf of the Holders, the Issuer shall deliver an opinion and certificate to the Trustee and/or Collateral Agent stating that all conditions precedent in the Indenture and the Security Documents have been complied with and such release in respect of the Holders is permitted by the Security Documents and the Indenture.

Certain limitations on the Collateral

Enforcement of the Liens on the Collateral may be limited by legal and procedural requirements in Chile, including obtaining approval of relevant regulators prior to foreclosure. Specifically, under the new Chilean Bankruptcy Law and the Chilean Electric Law (as amended), a secured creditor is barred from foreclosing in special circumstances during a bankruptcy proceeding. If the bankruptcy court decides that bankruptcy of the Issuer affects the safety, efficient operation, free access or sufficiency of an electric system (in this case, the Northern Interconnected System, or *Sistema Interconectada del Norte Grande – SING*) the Issuer shall continue carrying on business and a secured creditor would be barred from foreclosing on the assets securing its credit if contemplated in the business continuation (*continuidad de giro*). Likewise, if the assets of the Issuer in bankruptcy shall be sold as an economic unit (*unidad económica*), and such unit encompasses assets covered by a mortgage, pledge or another security interest, a secured creditor cannot separately foreclose thereon. Instead, such secured creditor would have a first priority claim against the proceeds of the sale of the assets concerned. See "Risk Factors—Risks Relating to the Notes and Collateral—The ability of the Collateral Agent to foreclose on the Collateral securing the notes may be limited pursuant to the Chilean Bankruptcy Law and the Chilean Electric Law." The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, prevailing interest rates, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors.

In addition, the amount to be received upon a sale of the Collateral would be dependent on numerous factors, including the actual fair market value of the Collateral at such time and the timing and the manner of the sale. By its nature, some of the Collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay the Issuer's obligations under the notes. Any claim for the difference between the amount, if any, realized by Holders of the notes from the sale of Collateral securing the notes and the obligations under the notes will rank equally in right of payment with all of the Issuer's other unsecured senior Indebtedness and other unsubordinated obligations, including trade payables. See "Risk Factors—Risks Relating to the Notes and Collateral—The value of the Collateral securing the notes may not be sufficient to satisfy the obligations under the notes."

The ability of the Holders to realize on the Collateral is subject to the provisions of the Intercreditor Agreement and may be further subject to certain Chilean Bankruptcy Law and Chilean Electric Law limitations in the event of a bankruptcy. See "—Certain bankruptcy limitations."

Further assurances

The Security Documents and the Indenture will provide that the Issuer shall, at its sole expense, do all acts which may be reasonably necessary to confirm that the Collateral Agent or a designated depository hold, for the benefit of the Holders of the notes, duly created, enforceable and perfected first- priority perfected Liens on the Collateral. The Issuer shall, at its sole expense, execute, acknowledge and deliver such documents and instruments (including the filing of financing statements or amendments or continuations thereto) and take such other actions which may be necessary to assure, perfect, transfer and confirm the rights conveyed by the Security Documents, to the extent permitted by applicable law.

Certain bankruptcy limitations

Bankruptcy, insolvency, administrative and other laws of Chile may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of government entities and other third party and related party creditors', ability to obtain post-bankruptcy filing loans or to pay interest. See "Risk Factors—Risks Relating to the Notes and the Collateral—Enforcing your rights as a note holder in Chile may prove difficult" and "Risk Factors—Risks Relating to the Notes and the Collateral—The ability of the Collateral Agent to foreclose on the Collateral securing the notes may be limited pursuant to the Chilean Bankruptcy Law and the Chilean Electric Law."

Payments on the Notes

Payments on the notes may be made at the corporate trust office of the Trustee. Alternatively, the Issuer may choose to pay such amounts by (i) check mailed or delivered to the address of the person entitled thereto at the address appearing in the Register or (ii) wire transfer to an account located in the United States as specified by the person entitled thereto.

By 12:00 noon (New York time), at least one Business Day prior to each due date of principal and/or interest on a note, the Issuer shall deposit with the Trustee or a paying agent, as applicable, a sum sufficient to pay such principal and/or interest. If any payment in respect of a note is due on a date that is not a Business Day, then such payment need not be made on such date but may be made on the next succeeding day that is a Business Day, with the same force and effect as if made on the date for such payment, and no interest will accrue for the period from and after such date. "Business Day" means a day other than a Saturday, Sunday or any day on which banking institutions are authorized or required by law to close in The City of New York, New York or Santiago, Chile.

Payments of principal and/or interest will be made to the person in whose name a note is registered at the close of business on May 10 or November 10 (each a "Record Date"), as the case may be, immediately preceding a Payment Date. Notwithstanding the foregoing, any principal and/or interest which is payable, but which is not punctually paid or duly provided for, on any Payment Date ("Defaulted Interest") will cease to be payable to the Holder registered on such date, and will be payable, at the election of the Issuer to the person in whose name such note is registered at the close of business on a special record date to be fixed by the Trustee not more than 15 nor less than 10 days prior to the date fixed by the Issuer for payment thereof.

Registrar, Paying Agent and Transfer Agent for the Notes

The Trustee will initially act as registrar and New York paying agent and transfer agent. So long as the notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, the Issuer will also maintain a paying agent and transfer agent in Luxembourg. The Issuer may change the registrar, paying agents or transfer agents without prior notice to the Holders of the notes, and the Issuer or any of its Subsidiaries may act as registrar, paying agent or transfer agent. Any change in respect of such agents will be published in accordance with "—Notices."

Additional Amounts

All payments of principal, premium, if any, and interest in respect of the notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties,

assessments or governmental charges of whatever nature ("Taxes") imposed, levied, collected, withheld or assessed by or within any jurisdiction where the Issuer is incorporated, resident or doing business for tax purposes or any other jurisdiction through which payments are made in respect of the notes or by or within any political subdivision thereof or any authority therein or thereof having power to tax (including, for the avoidance of doubt, any successor jurisdiction pursuant to "—Consolidation, Merger, Sale or Conveyance" below) (each, a "Relevant Taxing Jurisdiction"), unless such withholding or deduction is required by law or by the interpretation or administration thereof. In the event of any such withholding or deduction of such Taxes, the Issuer will pay to Holders such additional amounts ("Additional Amounts") as will result in the receipt by each Holder of the net amount that would otherwise have been receivable by such Holder in the absence of such withholding or deduction, except that no such Additional Amounts will be payable:

(a) in respect of any Taxes that would not have been so withheld or deducted but for the existence of any present or former connection (including, without limitation, a permanent establishment in a Relevant Taxing Jurisdiction) between the Holder or beneficial owner of the note or any payment in respect of such note (or, if the Holder or beneficial owner is an estate, nominee, trust, partnership, corporation or other business entity, between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the Holder or beneficial owner) and the Relevant Taxing Jurisdiction, other than the mere receipt of payments in respect of the note or the mere acquisition, holding or ownership of such note or beneficial interest or the enforcement of rights thereunder;

(b) in respect of any Taxes that would not have been so withheld or deducted if the note had been presented for payment within 30 days after the Relevant Date (as defined below) to the extent presentation is required (except to the extent that the Holder would have been entitled to Additional Amounts had the note been presented for payment on the last day of such 30-day period);

(c) in respect of any Taxes that would not have been so withheld or deducted but for the failure by the Holder or the beneficial owner of the note or any payment in respect of such note to (i) make a declaration of non-residence, or any other claim or filing for exemption, to which it is entitled or (ii) comply with any certification, identification, information, documentation or other reporting requirement concerning its nationality, residence, identity or connection with a Relevant Taxing Jurisdiction; *provided* that such declaration or compliance was required as a precondition to exemption from all or part of such Taxes and the Issuer has given the Holders at least 30 days prior notice that they will be required to comply with such requirements;

(d) in respect of any estate, inheritance, gift, value added, sales, use, excise, transfer, personal property or similar taxes, duties, assessments or other governmental charges;

(e) in respect of any Taxes that are payable otherwise than by deduction or withholding from payments on the notes;

(f) in respect of any Taxes that would not have been so imposed if the Holder had presented the note for payment (where presentation is required) to another available paying agent of the Issuer;

(g) in respect of any payment to a Holder of a note that is a fiduciary or partnership (including an entity treated as a partnership for tax purposes) or any Person other than the sole beneficial owner of such payment or note, to the extent that a beneficiary or settlor with respect to such fiduciary, a partner of such partnership or the beneficial owner of such payment or note would not have been entitled to the Additional Amounts had such beneficiary, settlor, partner or beneficial owner been the actual Holder of such note;

(h) in respect of any withholding or deduction imposed on a payment required to be made pursuant to European Council Directive 2003/48/EC or any other European Union directive implementing the conclusions of the European Council of Economic and Finance Ministers ("ECOFIN") meeting of November 26-27, 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such a directive;

(i) in respect of any Taxes imposed pursuant to or in connection with Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the "Code"), as of the issue date (or any amended or successor version of such sections), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b)(1) of the Code, any intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any law or regulation adopted pursuant to any such intergovernmental agreement; or

(j) in respect of any combination of clauses (a) through (i) above.

The Issuer will at all times during the term of the notes, to the extent permitted by law, maintain a paying agent in a European Union jurisdiction which does not impose a withholding tax or deduction on payments in accordance with European Council Directive 2003/48/EC or any other European Union directive implementing the conclusions of the ECOFIN meeting of November 26-27, 2000 on the taxation of savings income.

"Relevant Date" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in The City of New York, New York by the Trustee on or prior to such due date, the *date* on which, the full amount having been so received, notice to that effect has been given to the Holders in accordance with the Indenture.

All references to principal, premium, if any, and interest in respect of the notes will be deemed also to refer to any Additional Amounts which may be payable as set forth in the Indenture or in the notes.

Notwithstanding the foregoing, the limitations on the Issuer's obligation to pay Additional Amounts set forth in clause (c) will not apply if the Holder or beneficial owner of a note would not be able to comply with the provision of any certification, identification, information, documentation or other reporting requirement described in such clause (c) without undue hardship.

The Issuer will furnish to the Trustee within 60 days after the date of payment of any taxes documentation reasonably satisfactory to the Trustee evidencing payment of Taxes. Copies of such receipts will be made available to Holders upon written request.

The Issuer will promptly pay when due any present or future stamp, court or similar documentary taxes or any other excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of each note or any other document or instrument referred to herein or therein, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside of any Relevant Taxing Jurisdiction and except, in certain cases, for taxes, charges or similar levies resulting from certain registration of transfer or exchange of notes.

Optional Redemption

Make-whole Redemption

The Issuer may redeem the notes, in whole but not in part, at its option, at a redemption price equal to the greater of (1) 100% of the outstanding principal amount of the notes, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 40 basis points, in each case plus accrued and unpaid interest to the date of redemption. In connection with such optional redemption, the following defined terms shall apply:

"*Comparable Treasury Issue*" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

"*Comparable Treasury Price*" means, with respect to the redemption date, (1) the average of four Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference

Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"*Independent Investment Banker*" means one of the Reference Treasury Dealers.

"*Reference Treasury Dealer*" means Citigroup Global Markets Inc., HSBC Securities (USA) Inc. and J.P. Morgan Securities LLC or their affiliates which are primary United States government securities dealers and not less than two other leading primary United States government securities dealers in New York City reasonably designated by the Issuer; *provided* that if any of the foregoing cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), the Issuer will substitute therefor another Primary Treasury Dealer.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at or about 3:30 p.m., New York City time, on the third Business Day *preceding such redemption date*.

"*Treasury Rate*" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Tax Redemption

The notes may be redeemed, in whole but not in part, at the Issuer's option, subject to applicable Chilean laws, at a redemption price equal to 100% of the outstanding principal amount of the notes, plus accrued and unpaid interest to the redemption date and any Additional Amounts, if, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction, or any change in the official application, administration or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), the Issuer has or will become obligated to pay Additional Amounts in respect of interest received on the notes at a rate of withholding or deduction in excess of 4.0% ("Excess Additional Amounts"), if such change or amendment is announced or occurs on or after the date of the Indenture and such obligation cannot be avoided by the Issuer taking reasonable measures available to it (including, without limitation, taking reasonable measures to change the paying agent and *provided* that reasonable measures shall not include a change in the jurisdiction of the Issuer); *provided* that no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such Excess Additional Amounts, were a payment in respect of the notes then due. Prior to the giving of notice of redemption of notes pursuant to the Indenture, the Issuer will deliver to the Trustee an officer's certificate to the effect that the Issuer is or at the time of the redemption will be entitled to effect such a redemption pursuant to the Indenture, and setting forth in reasonable detail the circumstances giving rise to such right of redemption. The officer's certificate will be accompanied by a written opinion of recognized counsel in the Relevant Taxing Jurisdiction independent of the Issuer to the effect, among other things, that:

(i) the Issuer is, or is expected to become, obligated to pay such Excess Additional Amounts as a result of a change or amendment, as described above; and

(ii) all governmental approvals necessary for the Issuer to effect the redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

General

Notice of a redemption must be mailed to each holder of notes and published in accordance with the provisions set out under "—Notices," not less than 30 days nor more than 60 days prior to the redemption date.

On and after any redemption date, interest will cease to accrue on the notes unless the Issuer defaults in the payment of the redemption price.

The Issuer may at any time purchase the notes in the open market or otherwise at any price. Any such purchased notes will not be resold, except in compliance with applicable requirements or exemptions under the relevant securities laws.

Covenants

The Indenture provides that the following covenants will be applicable to the Issuer and its Subsidiaries for so long as any of the notes remains outstanding.

Limitation on Liens

The Issuer covenants and agrees that neither it nor any of its Subsidiaries will issue, assume or Guarantee any Indebtedness secured by a Lien upon any property or assets of the Issuer or any Subsidiary (other than Liens on the Collateral granted to the Collateral Agent) without effectively providing that the notes (together with, if the Issuer so determines, any other Indebtedness or obligation then existing or thereafter created ranking equally with the notes) shall be secured equally and ratably with (or prior to) such Indebtedness so long as such Indebtedness shall be so secured, except that the foregoing provisions shall not apply to the following: ("Permitted Liens"):

(a) Liens in existence as of the date of the Indenture or granted pursuant to an agreement existing on the date of the Indenture (including the existing First Lien, the Second Lien and the Third Lien and the lease of shared facilities to Empresa Eléctrica Cochrane SpA);

(b) Liens created solely for the purpose of securing Indebtedness incurred to finance, refinance or refund the purchase price or cost (including the cost of construction, development or improvement) of property or assets acquired by the Issuer or any Subsidiary (individually or together with other Persons) after the date hereof (by purchase, construction or otherwise), including after acquired inventory or other assets, or Liens in favor of Guarantors of obligations or Indebtedness (including the Indebtedness of another Person) representing, or incurred to finance, refinance or refund, any part of such purchase price or cost, *provided* that no such Lien shall extend to or cover any property or assets other than the property or assets so acquired and improvements thereon (other than, in the case of Liens securing Indebtedness incurred to finance construction or improvement costs, any theretofore unimproved real property on which the property so constructed, or the improvement, is located, or any buildings, structures, machinery or other fixtures constituting such property or assets);

(c) Liens which secure only Indebtedness owed by a Subsidiary to the Issuer and/or one or more Subsidiaries or by the Issuer to one or more Subsidiaries;

(d) Liens on any property or assets acquired from a Person which is merged with or into the Issuer or any Subsidiary, or any Liens on the property or assets of any Person or other entity existing at the time such Person or other entity becomes a Subsidiary and, in either such case, is not created as a result of or in connection with or in anticipation of any such transaction (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such Person);

(e) any Lien on any property or assets existing at the time of acquisition thereof and which is not created as a result of or in connection with or in anticipation of such acquisition (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such property or assets);

(f) any Lien securing Indebtedness under any agreement or instrument in respect of an interest rate or currency swap, exchange or hedging transaction or other financial derivatives transaction, *provided* that such Indebtedness was entered into in the ordinary course of business and not for speculative purposes or the obtaining of credit;

(g) Liens for taxes, assessments or governmental charges or levies if such taxes, assessments, governmental charges or levies are not at the time due and payable, or if the same are being contested in good

faith by appropriate proceedings and appropriate provisions, if any, have been established as required by IFRS;

(h) Liens arising solely by operation of law;

(i) Liens created for the sole purpose of securing Indebtedness that, when incurred, will be applied to repay all (but not only part) of the notes and all other amounts payable under the notes; *provided* that the notes and all other such amounts are fully satisfied within 30 days after the incurrence of such Indebtedness;

(j) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired and appropriate provisions, if any, have been established as required by IFRS;

(k) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business;

(l) minor defects, easements, irregularities, rights-of-way restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning or planning restrictions licenses restrictions on the use of property or imperfections in title that in any such case do not materially interfere with operation of the Facility;

(m) Liens in favor of customs and revenue authorities to secure payments of custom duties in connection with the importation of goods or materials incurred in the ordinary course of business;

(n) Liens ranking *pari passu* with the First Lien on property and assets that constitute Collateral to secure Indebtedness permitted under the "– Limitation on Additional Indebtedness" covenant; and

(o) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (a) through (n) or of any Indebtedness secured thereby, *provided* that the principal amount of Indebtedness so secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement (plus reasonable expenses incurred in connection therewith), and that such extension, renewal or replacement Lien shall be limited to all or part of the property which secured the Lien extended, renewed or replaced (plus improvements on or additions to such property).

Notwithstanding the foregoing provisions, the Issuer or any Subsidiary may issue, assume or Guarantee Indebtedness secured by Liens which would otherwise be subject to the foregoing restrictions in an aggregate principal amount which, together with the aggregate outstanding principal amount of all other Indebtedness of the Issuer and its Subsidiaries which would otherwise be subject to the foregoing restrictions (not including Indebtedness permitted to be secured under clauses (a) through (o)) and the aggregate Value of the Sale and Leaseback Transactions in existence at such time (not including Sale and Leaseback Transactions as to which the Issuer has complied with the restriction set forth in the covenant described under "—Limitation on Sale and Leaseback Transactions") does not at the time of issuance, assumption, or Guarantee thereof exceed 15% of Consolidated Net Tangible Assets.

Liens required by any contract or statute in order to permit the Issuer or a Subsidiary to perform any contract or subcontract made by it with or at the request of a governmental entity or any department, agency or instrumentality thereof, or to secure partial, progress, advance or any other payments to the Issuer or any Subsidiary by a governmental entity or any department, agency or instrumentality thereof pursuant to the provisions of any contract or statute shall not be deemed to create Indebtedness secured by Liens.

Limitation on Additional Indebtedness

The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness, and the Issuer will not issue any Disqualified Stock or Preferred Stock

and will not permit any of its Subsidiaries to incur Indebtedness or issue any shares of Preferred Stock; *provided*, *however*, that the Issuer may incur Indebtedness or issue Disqualified Stock or Preferred Stock and any Subsidiary may incur Indebtedness or issue Preferred Stock, if:

(i) the Projected Debt Service Coverage Ratio for each succeeding annual period (up to and including the year in which the Stated Maturity of the notes will occur) will be at least 1.40 to 1.00; and

(ii) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such incurrence.

Notwithstanding the foregoing, the Issuer and, to the extent provided below, any Subsidiary, may incur the following ("Permitted Indebtedness"):

(a) Indebtedness of the Issuer or any Subsidiary that is subordinated in right of payment to the notes;

(b) Indebtedness outstanding on the Issue Date;

(c) the incurrence of Indebtedness of the Issuer pursuant to the notes (other than Additional Notes);

(d) Indebtedness ("Permitted Refinancing Indebtedness") constituting an extension or renewal of, replacement of, or substitution for, or issued in exchange for, or the net proceeds of which are used to repay, redeem, repurchase, refinance or refund, including by way of defeasance (all of the above, for purposes of this clause, "refinance") then outstanding Indebtedness in an amount not to exceed the principal amount of the Indebtedness so refinanced, plus premiums, fees and expenses; provided that:

(1) in case the Indebtedness to be refinanced is Indebtedness subordinated to the notes, the new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which it is outstanding, is expressly made subordinate in right of payment to the notes at least to the extent that the Indebtedness to be refinanced is subordinated to the notes,

(2) the new Indebtedness does not have a Stated Maturity prior to the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of the new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced,

(3) in no event may Indebtedness of the Issuer be refinanced pursuant to this clause by means of any Indebtedness of any Subsidiary, and

(4) Indebtedness incurred pursuant to paragraphs (a), (e), (f) and (k) may not be refinanced pursuant to this clause;

(e) Indebtedness represented by agreements or instruments in respect of an interest rate or currency swap, exchange or hedging transaction or other financial derivatives transaction, *provided* that such Indebtedness was entered into in the ordinary course of business and not for speculative purposes or the obtaining of credit;

(f) Indebtedness consisting of letters of credit, banker's acceptances, performance bonds, appeal bonds, surety bonds, bid bonds, customs bonds and other similar bonds and reimbursement obligations incurred by the Issuer or any Subsidiary in the ordinary course of business securing the performance of contractual, franchise or license obligations of the Issuer or any Subsidiary (in each case, other than for an obligation for borrowed money);

(g) Indebtedness of the Issuer or any Subsidiary represented by letters of credit for the account of the Issuer or any Subsidiary, as the case may be, in respect of coal purchases by the Issuer or any Subsidiary, as the case may be, in the ordinary course of business;

(h) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds or Indebtedness in respect of netting services, automatic

clearinghouse arrangements, overdraft protections and similar arrangements in connection with deposit accounts, in each case in the ordinary course of business;

(i) Indebtedness of the Issuer or any Subsidiary represented by letters of credit for the account of the Issuer or any Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;

(j) the guarantee of Indebtedness of the Issuer or any Subsidiary that was permitted to be incurred by the Issuer or any Subsidiary, as the case may be, under the terms of the Indenture;

(k) the incurrence of Indebtedness by the Issuer, to the extent the net proceeds thereof are promptly (1) used to purchase the notes ratably; or (2) deposited to defease the notes as set forth below under the caption "--Satisfaction and Discharge;"

(l) Indebtedness of any Person that is acquired by or merged into the Issuer in accordance with the terms of the "–Consolidation, Merger, Sale or Conveyance" covenant below, *provided* that (1) after giving effect to the incurrence thereof, the Issuer could incur at least U.S.$1.00 of Indebtedness under the Projected Debt Service Coverage Ratio test set forth in sub-clause (i) of the first paragraph of this covenant, or (2) such Indebtedness is otherwise subordinated in right of payment to the notes.

(m) Indebtedness of the Issuer arising under any committed liquidity facility with a maturity of less than two years and incurred in the ordinary course of business for working capital purposes, existing on or after the Issue Date, in an aggregate principal amount at any time outstanding not to exceed U.S.$50.0 million (or the equivalent in other currencies); and

(n) Indebtedness of the Issuer or any Subsidiary incurred on or after the Issue Date not otherwise permitted in an aggregate principal amount at any time outstanding not to exceed U.S.$50.0 million (or the equivalent in other currencies).

Notwithstanding any other provision of this covenant, for purposes of determining compliance with this covenant, increases in Indebtedness solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that the Issuer or a Subsidiary may incur under this covenant. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred; provided that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

In the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described in this covenant, the Issuer, in its sole discretion, will classify items of Indebtedness and will only be required to include the amount and type of such Indebtedness in one of such clauses and the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in this covenant, and may change the classification of an item of Indebtedness (or any portion thereof) to any other type of Indebtedness described in this covenant at any time.

For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness incurred pursuant to and in compliance with this covenant:

(a) the outstanding principal amount of any item of Indebtedness will be counted only once;

(b) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with IFRS;

(c) Guarantees of, or obligations in respect of letters of credit or similar instruments relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness will not be included; and

(d) the accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Stock in the form of additional Disqualified Stock with the same terms will not be deemed to be an incurrence of Indebtedness for purposes of this covenant; provided that any such outstanding additional Indebtedness or Disqualified Stock paid in respect of Indebtedness or Disqualified Stock incurred pursuant to any provision above will be counted as Indebtedness outstanding thereunder for purposes of any future incurrence.

Limitation on Sale and Leaseback Transactions

The Issuer covenants and agrees that neither the Issuer nor any of its Subsidiaries will enter into any Sale and Leaseback Transaction unless either:

(a) the Issuer or such Subsidiary would be entitled pursuant to the provisions of the covenant described above under "—Limitation on Liens" to incur Indebtedness (in a principal amount equal to or exceeding the Value of such Sale and Leaseback Transaction) secured by a Lien; or

(b) the Issuer, during or immediately after the expiration of four months after the effective date of such Sale and Leaseback Transaction (whether made by the Issuer or a Subsidiary), applies to the voluntary retirement of Funded Debt an amount equal to the Value of such Sale and Leaseback Transaction, less an amount equal to the sum of: (i) the principal amount of notes delivered, within such four-month period, to the Trustee for retirement and cancellation, and (ii) the principal amount of other Funded Debt voluntarily retired by the Issuer within such four month period, in each case excluding retirements of notes and other Funded Debt as a result of conversions or pursuant to mandatory sinking fund or mandatory prepayment provisions or by payment at maturity.

Consolidation, Merger, Sale or Conveyance

The Issuer will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless (i) the successor Person will be a Person existing under the laws of the United States (or any State thereof or the District of Columbia) or Chile and will assume, by a supplemental indenture (to be executed solely by such Person), the due and punctual payment of the principal, premium, if any, and interest (and Additional Amounts, if any) in respect of all the outstanding notes and the performance of every covenant in the Indenture on the part of the Issuer to be performed or observed; (ii) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, will have happened and be continuing; and (iii) the Issuer will have delivered to the Trustee an officer's certificate and opinion of counsel stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with the foregoing provisions relating to such transaction. In case of any such consolidation, merger conveyance or transfer (other than a lease), such successor entity will succeed to and be substituted for the Issuer as obligor on the notes, with the same effect as if it had been named in the Indenture as such obligor.

Reporting Requirements

The Issuer will furnish to the Holders and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

In addition, the Issuer will furnish (or in lieu of furnishing, make accessible electronically with notice to the Trustee) to Holders:

(1) as soon as they are available, but in any event within 120 calendar days after the end of each fiscal year of the Issuer, copies of its audited financial statements (on a consolidated basis) in respect of such fiscal year (including a profit and loss account, balance sheet and cash flow statement), in English, prepared in accordance with IFRS and audited by a member firm of an internationally recognized firm of independent accountants; and

(2) as soon as they are available, but in any event within 60 calendar days after the end of each of the first and third fiscal quarters of the Issuer, and 75 calendar days after the end of the second fiscal quarter of the Issuer, copies of its unaudited financial statements (on a consolidated basis) in respect of the relevant period (including a profit and loss account, balance sheet and cash flow statement), in English, prepared on a basis consistent with the audited financial statements of the Issuer and in accordance with IFRS, together with a certificate signed by the person then authorized to sign financial statements on behalf of the Issuer to the effect that such financial statements are true in all material respects and present fairly the financial position of the Issuer as at the end of, and the results of its operations for, the relevant quarterly period.

Delivery of such reports, information and documents to the Trustee shall be for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of the covenants contained in the Indenture (as to which the Trustee will be entitled to conclusively rely upon an officer's certificate).

Events of Default

The Indenture will provide that the following events constitute "Events of Default" with respect to the notes:

(i) default in the payment of the principal or premium, if any, in respect of any note, at any principal Payment Date, or at maturity, upon redemption or otherwise;

(ii) default in the payment of interest or Additional Amounts in respect of the notes if such default continues for 30 days after any such interest or Additional Amount becomes due;

(iii) failure to observe or perform any covenant or agreement contained in the notes or the Indenture (other than a payment default referred to in clause (i) or (ii) above), and such failure continues for 60 days after notice to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% in principal amount of the outstanding notes, specifying such failure and requiring it to be remedied and stating that such notice constitutes a notice of default under the Indenture;

(iv) the Issuer or any of its Subsidiaries fails to pay when due (whether at maturity, upon redemption or acceleration or otherwise) the principal of any Indebtedness in excess, individually or in the aggregate, of U.S.$20.0 million (or the equivalent thereof in other currencies), if such failure continues for more than the period of grace, if any, applicable thereto and the period for payment has not been expressly extended;

(v) one or more final and non-appealable judgments or decrees for the payment of money in excess of U.S.$20.0 million (or the equivalent thereof in other currencies) in the aggregate are rendered against the Issuer or any of its Subsidiaries and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged; *provided* that such judgment or decree shall only be considered an Event of Default if the Issuer or any of its Subsidiaries (a) has been notified of enforcement proceedings commenced by any creditor and such judgment or decree is not dismissed within 30 days following commencement of such enforcement proceedings; and (b) fails to contest such enforcement proceedings within 60 days from the time that such Issuer or Subsidiary receives notice thereof;

(vi) a decree or order by a court having jurisdiction has been entered adjudging the Issuer or any of its Significant Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Issuer or any of its Significant Subsidiaries and such decree or order continues undischarged or unstayed for a period of 60 days; or a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or for the liquidation or dissolution of the Issuer or any of its

Significant Subsidiaries, has been entered, and such decree or order continues undischarged and unstayed for a period of 60 days; *provided* that any Significant Subsidiary may be liquidated or dissolved if, pursuant to such liquidation or dissolution, all or substantially all of its assets are transferred to the Issuer or another Significant Subsidiary of the Issuer;

(vii) the Issuer or any of its Significant Subsidiaries institutes any proceeding to be adjudicated as voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or answer or consent seeking reorganization, or consents to the filing of any such petition, or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or its property; or

(viii) (A) within 20 business days of the Issue Date, the Collateral Agent fails to have a perfected security interest in the Facility or the Transmission Line; (B) within 10 weeks of the Issue Date, the Collateral Agent fails to have a perfected security interest in the Facility Site; or (C) a determination is made in a judicial proceeding that the Security Documents or any other agreement or instrument purporting to grant a security interest on the Collateral is unenforceable or invalid against the Issuer or a Subsidiary for any reason and the same is not replaced with an enforceable and valid Security Document within 10 business days.

If an Event of Default specified in clause (vi) or (vii) above occurs, the maturity of all outstanding notes will automatically be accelerated and the principal amount of the notes, together with accrued interest thereon, will be immediately due and payable. If any other Event of Default occurs and is continuing, the Trustee or the Holders of not less than 25% of the aggregate principal amount of the notes then outstanding may, by written notice to the Issuer (and to the Trustee if given by Holders), declare the principal amount of the notes, together with accrued interest thereon, immediately due and payable. The right of the Holders to give such acceleration notice will terminate if the event giving rise to such right has been cured before such right is exercised. Any such declaration may be annulled and rescinded by written notice from the Holders of a majority of the aggregate principal amount of the notes then outstanding to the Issuer if all amounts then due with respect to the applicable notes are paid (other than amount due solely because of such declaration) and all other defaults with respect to the notes are cured and all amounts owed to the Trustee are paid.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case the Issuer fails to comply with its obligations under the Indenture or the notes and such failure is continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee security or indemnity satisfactory to it. The Holders of a majority in aggregate principal amount of the outstanding notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, to the extent such action does not conflict with the provisions of the Indenture or applicable law.

No Holder of any note will have any right to institute any proceeding with respect to the Indenture or the notes or for any remedy thereunder, unless such Holder has previously given to the Trustee written notice of a continuing Event of Default and unless also the Holders of at least 25% in aggregate principal amount of the outstanding notes have made a written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee, such Holder or Holders have offered to the Trustee security or indemnity satisfactory to it, the Trustee for 60 days after receipt of such notice has failed to institute any such proceeding and no direction inconsistent with such request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the outstanding notes. However, such limitations do not apply to a suit individually instituted by a Holder of a note for enforcement of payment of principal, premium, if any, and interest in respect of such note on or after respective due dates expressed in such note.

So long as certain conditions are met, the Holders of a majority in aggregate principal amount of the notes then outstanding by notice to the Trustee and the Issuer may waive an existing Event of Default and its consequences except (i) an Event of Default in the payment of the principal of or interest on a note or (ii) an Event of Default in respect of a provision that cannot be amended without the consent of each Holder affected. When an Event of Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Event of Default or impair any consequent right.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option and at any time, elect to have its obligations with respect to outstanding notes discharged ("Legal Defeasance"). If the Issuer exercises its legal defeasance option, payment of the notes may not be accelerated because of an Event of Default with respect thereto. Such Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire indebtedness represented by the outstanding notes after the deposit specified in clause (1) of the second following paragraph, except for:

(1) the rights of Holders to receive payments of the principal, premium, if any, and interest in respect of the notes when such payments are due;

(2) the Issuer's obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payments;

(3) the rights, powers, trust, duties and immunities of the Trustee and the Issuer's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have its obligations released with respect to the covenants described under "Covenants—Limitation on Liens," "Covenants— Limitation on Sale and Leaseback Transactions" and "Covenants—Reporting Requirements" and the covenant default and cross-acceleration provisions described under "Events of default" ("Covenant Defeasance") and thereafter any omission to comply with such obligations will not constitute a default or Event of Default with respect to the notes.

In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, reorganization and insolvency events) described under "Events of Default" will no longer constitute an Event of Default with respect to the notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash in U.S. dollars, certain direct non-callable obligations of, or guaranteed by, the United States, or a combination thereof, in such amounts as will be sufficient without reinvestment, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal, premium, if any, and interest (including Additional Amounts) in respect of the notes on the stated date for payment thereof;

(2) in the case of Legal Defeasance, the Issuer will have delivered to the Trustee an opinion of counsel from counsel in the United States reasonably acceptable to the Trustee and independent of the Issuer to the effect that (subject to customary exceptions and exclusions):

(a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(b) since the date of issuance of the notes, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel state that, the beneficial owners of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer will have delivered to the Trustee an opinion of counsel from counsel in the United States reasonably acceptable to the Trustee and independent of the Issuer (subject to customary exceptions and exclusions) to the effect that the beneficial owners of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) in the case of Legal Defeasance or Covenant Defeasance, the Issuer will have delivered to the Trustee, an opinion of counsel from counsel in Chile reasonably acceptable to the Trustee and independent of the Issuer (subject to customary exceptions and exclusions) to the effect that, based upon Chilean law then in effect, beneficial owners of the notes will not recognize income, gain or loss for Chilean tax purposes, including withholding tax except for withholding tax then payable on interest payments due, as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Chilean taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred;

(5) no Event of Default, or event which with notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing with respect to the notes, including with respect to certain events of bankruptcy or insolvency, at any time during the period ending on the 121st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period);

(6) the Issuer has delivered to the Trustee an officer's certificate and an opinion of counsel from counsel reasonably acceptable to the Trustee and independent of the Issuer (subject to customary exceptions and exclusions), each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(7) the Issuer has delivered to the Trustee opinions of counsel from U.S. and Chilean counsel reasonably acceptable to the Trustee and independent of the Issuer (subject to customary exceptions and exclusions and to assumptions as to factual matters, including the absence of an intervening bankruptcy, insolvency or reorganization during the applicable preference period following the date of such deposit and that no Holder or the Trustee is deemed to be an "insider" of the Issuer under the U.S. Bankruptcy Code and any equivalent law of Chile) to the effect that the transfer of trust funds pursuant to such deposit will not be subject to avoidance as a preferential transfer pursuant to the applicable provisions of the U.S. Bankruptcy Code or any successor statute and any equivalent law of Chile.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the notes, as expressly provided for in the Indenture) as to all outstanding notes when:

(1) either:

(a) all the notes theretofore authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all notes not theretofore delivered to the Trustee for cancellation have become due and payable, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds or certain direct, non-callable obligations of, or guaranteed by, the United States sufficient without reinvestment to pay and discharge the entire indebtedness on the notes not theretofore delivered to the Trustee for cancellation, for principal, premium, if any, and interest in respect of the notes to the date of deposit, together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment;

(2) the Issuer has paid all other sums payable under the Indenture and the notes by it; and

(3) the Issuer has delivered to the Trustee an officer's certificate stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

Notices

All notices will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to Holders of the notes at their registered addresses as recorded in the Register. In addition, so long as the notes are listed on the Luxembourg Stock Exchange and the rules of the exchange so require, notices will also be published in a leading newspaper having general circulation in Luxembourg, which is expected to be "*Luxembourger Wort.*" If such publication is not practicable, notice will be considered to be validly given if otherwise made in accordance with the rules of the Luxembourg Stock Exchange. Any such notice will be deemed to have been delivered on the date of first publication. Any notice to Holders may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Amendments and Waivers

From time to time, the Issuer, the Trustee and the Collateral Agent, without the consent of the Holders, may amend, modify or supplement the Security Documents, the Indenture and the notes for certain specified purposes, including, among other things:

- to cure any ambiguity, defect or inconsistency contained therein or to make any other change that does not adversely affect the rights of any Holder in any material respect;
- to provide for the assumption by a successor Person of the obligations of the Issuer under the Indenture and the Security Documents;
- to add to the covenants of the Issuer for the benefit of the Holders or surrender any right or power conferred upon the Issuer;
- to allow for additional First Lien Claimholders in the future under the Intercreditor Agreement;
- to provide for the issuance of additional notes in accordance with the Indenture;
- to evidence the replacement of the Trustee or the Collateral Agent as provided for under the Indenture;
- to add additional assets as Collateral for the notes;
- to release Collateral from the First Liens pursuant to the provisions of the Indenture and the Security Documents when permitted or required by the notes, the indenture or the Security Documents; or
- to conform the text of the Indenture, the notes or the Security Documents to any provision of this "Description of Notes."

Modification and amendments to the Security Documents, the Indenture or to the terms and conditions of the notes may be made, and future compliance therewith or past default by the Issuer (other than a default in the payment of any amount, including in connection with a redemption, due on the notes or in respect of covenant or provision which cannot be modified and amended without the consent of the Holders of all notes so affected) may be waived, with the written consent (including consents obtained in connection with a tender offer or exchange offer for the notes) of the Holders of at least a majority in aggregate principal amount of outstanding notes; or by the adoption of resolutions at a meeting of Holders of the notes by the Holders of at least a majority of the outstanding notes *provided* that, no such modification or amendment to the Security Documents, the Indenture or to the terms and conditions of the notes may, without the consent or the affirmative vote of each Holder of each note so affected:

- change the interest rate with respect to any note or reduce the principal amount of any note, or change the time for such payments;
- modify the obligation to pay Additional Amounts;

- change the prices at which the notes may be redeemed by the Issuer, or change the time at which any note may be redeemed;

- change the currency in which, or change the required place at which, payment on principal, premium, if any, and interest with respect to the notes is payable;

- release the collateral, except as permitted under the Indenture, the notes or the Security Documents;

- impair the right to institute suit for the enforcement of any payment obligation on or with respect to any note; or

- reduce the above-stated percentage of principal amount of outstanding notes whose Holders are required to consent to modify or amend the Indenture or the terms or conditions of the notes or to waive any future compliance or past default; and

provided, *further*, that in connection with any modification, amendment or supplement, the Issuer has delivered to the Trustee and the Collateral Agent an opinion of counsel and an officer's certificate, each stating, that such modification, amendment or supplement complies with the applicable provisions of the Indenture.

Listing

In the event that the notes are listed as anticipated on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, the Issuer will use its reasonable best efforts to maintain such listing; *provided* that if, as a result of the European Union regulated market amended Directive 2001/34/EC (the "Transparency Directive") or any legislation implementing the Transparency Directive or other directives or legislation, the Issuer could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which the Issuer would otherwise use to prepare its published financial information, the Issuer may delist the notes from the Luxembourg Stock Exchange in accordance with the rules of the exchange and seek an alternative admission to listing, trading and/or quotation for the notes on a different section of the Luxembourg Stock Exchange or by such other listing authority, stock exchange and/or quotation system inside or outside the European Union as the Issuer's board of directors may decide.

Governing Law, Consent to Jurisdiction, Currency Conversion and Service of Process

The Indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

The Issuer has consented to the non-exclusive jurisdiction of the New York State and U.S. federal courts located in the Borough of Manhattan, The City of New York with respect to any action that may be brought in connection with the Indenture or the notes and has irrevocably appointed Corporation Service Company located at 1180 Avenue of the Americas, Suite 210, New York, New York 10036 as agent for service of process.

If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder to the holder of a note from U.S. dollars into another currency, the Issuer has agreed, and each Holder by holding such note will be deemed to have agreed, to the fullest extent that the Issuer and they may effectively do so, that the rate of exchange used will be that at which in accordance with normal banking procedures such Holder could purchase

U.S. dollars with such other currency in New York City, New York on the day two business days preceding the day on which final judgment is given.

The Issuer's obligation in respect of any sum payable by it to a Holder will, notwithstanding any judgment in a currency (the "judgment currency") other than U.S. dollars, be discharged only to the extent that on the Business Day following receipt by the Holder of a note of any sum adjudged to be so due in the judgment currency, the Holder of such note may in accordance with normal banking procedures purchase U.S. dollars with the judgment currency; if the amount of the U.S. dollars so purchased is less than the sum originally due to the

Holder in the judgment currency (determined in the manner set forth in the preceding paragraph), the Issuer agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Holder of such note against such loss, and if the amount of the U.S. dollars so purchased exceeds the sum originally due to such Holder, such Holder agrees to remit to the Issuer such excess, *provided* that such Holder will have no obligation to remit any such excess as long as the Issuer has failed to pay such Holder any obligations due and payable under such note, in which case such excess may be applied to the Issuer's obligations under such note in accordance with the terms thereof.

Claims against the Issuer for the payment of principal, premium, if any, or interest on the notes must be made within six years from the due date for payment thereof. However, under Chilean law, such claims may be required to be made within four years from the due date for payment thereof.

Enforceability of Judgments

The Issuer is incorporated in Chile and all of its operating assets are outside the United States. Accordingly, any judgment obtained in the United States against the Issuer, including judgments with respect to the payment of principal, premium, if any, and interest, Additional Amounts and any purchase price with respect to the notes, may not be collectable within the United States. See "Enforcement of Foreign Judgments."

Waiver of Immunity

To the extent that the Issuer or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to the Issuer, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or from counterclaim from the jurisdiction of any Chilean, New York State or U.S. federal court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any such court in which proceedings may at any time be commenced, with respect to the obligations and liabilities of the Issuer, or any other matter under or arising out of or in connection with, the notes or the Indenture, the Issuer irrevocably and unconditionally waives or will waive such right, and agrees not to plead or claim any such immunity and consents to such relief and enforcement.

Form, Denomination and Title

The notes will be issued in registered form, without interest coupons, in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of notes, but the Issuer or Trustee or other agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The notes will be represented by a Restricted Global Note (as defined below) and a Regulation S Global Note (as defined below) (each sometimes referred to herein as a "Global Note" and together sometimes referred to herein as the "Global Notes").

Notes sold in reliance on Rule 144A under the Securities Act initially will be represented by one or more Global Notes in definitive, fully registered form without interest coupons (the "Restricted Global Note") and will be deposited with the Trustee as custodian for DTC and registered in the name of DTC or its nominee.

Notes sold outside the United States in reliance on Regulation S of the Securities Act will be represented by one or more Global Notes in definitive, fully registered form without interest coupons (the "Regulation S Global Note") and will be deposited with the Trustee as custodian for DTC, and registered in the name of DTC or its nominee for the accounts of Euroclear and Clearstream (as indirect participants in DTC).

The Restricted Global Note and Regulation S Global Note will be subject to certain restrictions on transfer and will bear a legend to that effect as described under "Transfer Restrictions."

Transfers of a note or beneficial interest therein to a person who takes delivery in the form of a Restricted Global Note or beneficial interest therein may be made only upon receipt by the Trustee of a written certification

from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a person that the transferor reasonably believes is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Transfers of a note or beneficial interest therein to a person who takes delivery in the form of a Regulation S Global Note or beneficial interest therein may be made only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rules 903 and 904 of Regulation S.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

The Issuer will initially appoint the Trustee at its office in New York City specified herein as registrar and New York paying agent and transfer agent for the notes. In such capacities, the Trustee will be responsible for, among other things, (i) maintaining a record of the aggregate holdings of notes represented by the Global Notes and accepting notes for exchange and registration of transfer, (ii) ensuring that payments of principal, premium, if any, and interest in respect of the notes received by the Trustee from the Issuer are duly paid to DTC or its nominee and (iii) transmitting to the Issuer any notices from noteholders.

Global Notes

Upon the issuance of a Restricted Global Note and a Regulation S Global Note, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the Initial Purchasers. Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("DTC Participants") or persons who hold interests through DTC Participants. Ownership of beneficial interests in the Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream will hold interests in the Regulation S Global Note on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which in turn will hold such interests in the Regulation S Global Note in customers' securities accounts in the depositaries' names on the books of DTC. Investors that are qualified institutional buyers may hold their interests in Restricted Global Notes directly through DTC if they are DTC Participants, or indirectly through organizations that are DTC Participants.

Payments of the principal, premium, if any, and interest in respect of notes represented by a Global Note registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the Global Note representing such notes. None of the Issuer, the Trustee or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests. The Issuer expects that DTC or its nominee, upon receipt of any payment of principal, premium, if any, and interest in respect of a Global Note representing any notes held by it or its nominee, will immediately credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Issuer also expects that payments by DTC Participants to owners of beneficial interests in such Global Note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC rules and procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and procedures.

The laws of some jurisdictions require that certain persons take physical delivery of securities in certificated form. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks. Accordingly, the ability of a person having a beneficial interest in a Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of each interest, may be affected by the lack of a physical certificate for such interest.

Subject to compliance with the transfer restrictions applicable to the notes described above and under "Transfer Restrictions," cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules and procedures on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in Regulation S Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a DTC Participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date, and the credit of any transactions in interests in a Global Note settled during such processing will be reported to the relevant Euroclear or Clearstream participant on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

DTC has advised the Issuer that it will take any action permitted to be taken by a Holder of notes (including, without limitation, the presentation of notes for transfer, exchange or conversion as described below) only at the direction of one or more DTC Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction. However, in the limited circumstances described herein, DTC will exchange the Global Notes for notes in certificated form, which it will distribute to DTC Participants. See "—Certificated Notes."

DTC has advised the Issuer as follows: DTC will act as the depositary for the notes. The notes will be issued as fully registered senior notes registered in the name of Cede & Co., which is DTC's partnership nominee. Fully registered Global Notes will be issued for the notes, in the aggregate principal amount of the issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes to participants' accounts, thereby eliminating the need for physical movement of notes certificates. Direct participants of DTC include securities brokers and dealers, including the initial purchasers of the notes, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to indirect participants, which

includes securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

To facilitate subsequent transfers, all Global Notes representing the notes which are deposited with, or on behalf of, DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of Global Notes with, or on behalf of, DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Global Notes representing the notes; DTC's records reflect only the identity of the direct participants to whose accounts the notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Global Notes representing the notes. Under its usual procedure, DTC mails an omnibus proxy to the Issuer as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

DTC may discontinue providing its services as securities depositary with respect to the notes at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depositary is not obtained, certificated notes are required to be printed and delivered. See "— Certificated Notes."

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC or a successor securities depositary. In that event, certificated notes will be printed and delivered. See "— Certificated Notes."

Although DTC, Euroclear and Clearstream have agreed to the procedures described above in order to facilitate transfers of interests in the Global Notes among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. Neither the Trustee nor the Issuer will have any liability or responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Certificated Notes

If DTC is at any time unwilling or unable to continue as a depositary for the reasons set forth under "— Global Notes" above and a successor depositary is not appointed by the Issuer within 90 days, the Issuer elects to discontinue use of the system of book-entry transfers through DTC or a successor securities depository, or an Event of Default has occurred and is continuing with respect to the notes, then, upon surrender by DTC of the global notes, the Issuer will issue individual definitive notes in certificated form, having the same terms and conditions and which will have the same aggregate principal amount, in registered form in exchange for Regulation S Global Notes and

Restricted Global Notes, as the case may be. Upon any exchange for certificated notes, the certificated notes will be registered in the names of the beneficial owners of the Global Notes representing the notes, which names will be provided by DTC's relevant participants (as identified by DTC) to the Trustee.

The Holder of a certificated note may transfer such note by surrendering it at the office or agency maintained by the Issuer for such purpose in the Borough of Manhattan, The City of New York, which initially will be the office of the Trustee. Upon the transfer, exchange or replacement of certificated notes bearing the legend, or upon specific request for removal of the legend on a certificated note, the Issuer will deliver only certificated notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is

delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Neither the Trustee nor the registrar or any transfer agent will be required to register the transfer of or exchange certificated notes for a period from the Record Date to the due date for any payment of principal of, or interest on, the notes or register the transfer of or exchange any notes for 15 days prior to selection for redemption through the date of redemption.

Prior to presentment of a note for registration of transfer (including a Global Note), the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name such note is registered as the owner or Holder of such note for the purpose of receiving payment of principal or interest on such note and for all other purposes whatsoever, whether or not such note is overdue, and none of the Issuer, the Trustee or any agent of the Issuer or the Trustee will be affected by notice to the contrary.

Replacement of Notes

In the event that any note becomes mutilated, defaced, destroyed, lost or stolen, the Issuer will execute and, upon the Issuer's request, the Trustee will authenticate and deliver a new note, of like tenor (including the same date of issuance) and equal principal amount, registered in the same manner, and bearing interest from the date to which interest has been paid on such note, in exchange and substitution for such note (upon surrender and cancellation thereof) or in lieu of and substitution for such note. In the event that such note is destroyed, lost or stolen, the applicant for a substitute note will furnish to the Issuer and the Trustee such security or indemnity as may be required by them to hold each of them harmless, and, in every case of destruction, loss or theft of such note, the applicant will also furnish to the Issuer and the Trustee satisfactory evidence of the destruction, loss or theft of such note and of the ownership thereof. Upon the issuance of any substituted note, the Issuer may require the payment by the registered holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other fees and expenses (including the fees and expenses of the Trustee) connected therewith.

Trustee

HSBC Bank USA, National Association is the Trustee under the Indenture. The Issuer may have normal banking relationships with the Trustee and its affiliates in the ordinary course of business. The address of the Trustee is 452 Fifth Avenue – 8E6, New York, New York, 10018, Attention: Corporate Trust and Loan Agency.

The Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility. The obligations of the Trustee to any Holder of notes are subject to such immunities and rights as are set forth in the Indenture.

The Trustee and any of its affiliates may hold notes in their own respective names.

We have appointed the Trustee to act as the initial Collateral Agent with regard to the notes.

Certain Definitions

The following is a summary of certain defined terms used in the Indenture. Reference is made to the Indenture for the complete definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

For purposes of the following definitions, all calculations and determinations will be made in accordance with IFRS and will be based upon the consolidated financial statements of the Issuer and its subsidiaries.

"*Adjusted EBITDA*" means, for any period, net income calculated in accordance with IFRS after adding back (to the extent the number is negative) or subtracting (to the extent the number is positive), as the case may be, (i) income tax (excluding pro-forma taxes associated with the net spot market balance), (ii) foreign currency exchange differences, (iii) finance expense, (iv) finance income , (v) other gains (losses), (vi) asset retirement

obligation accretion expense, (vii) depreciation and amortization and (viii) the net spot market balance between spot market purchases and spot market sales.

"*Attributable Debt*" in respect of a Sale and Lease-Back Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale and Lease-Back Transaction (including any period for which such lease has been extended).

"*Average Life*" means, with respect to any Indebtedness, the quotient obtained by dividing (a) the sum of the products of (1) the number of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (2) the amount of such principal payment by (b) the sum of all such principal payments.

"*Board of Directors*" means, with respect to any Person, the board of directors of such Person or any committee thereof duly authorized to act on behalf of the Board of Directors of such Person.

"*Capital Stock*" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with IFRS; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Collateral*" means the property of the Issuer consisting of the Facility Site, the Facility and the Transmission Line that, in accordance with the terms of the Security Documents, is intended to be subject to any Lien in Favor of the Collateral Agent, acting on behalf of and for the benefit of the secured parties.

"*Collateral Agent*" means the Trustee, in its capacity as collateral agent under the Security Documents, until a successor replaces it and, thereafter, means the successor.

"*Consolidated Net Tangible Assets*" means the total of all assets (including revaluations thereof as a result of commercial appraisals, price-level restatement or otherwise) appearing on a consolidated balance sheet of the Issuer and its Subsidiaries, net of all applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the current liabilities of the Issuer and its Subsidiaries appearing on such balance sheet (excluding the current portion of long-term debt).

"*Currency Agreement*" means, with respect to any Person, any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

"*Debt Service*" means, for any period, the sum of all amounts payable by the Issuer during such period in respect of principal and interest pursuant to the terms and conditions of any Indebtedness outstanding during such period.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event:

(1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock; or

(3) is redeemable at the option of the holder thereof, in whole or in part;

in each case on or prior to the first anniversary of the Stated Maturity of the notes.

"*Funded Debt*" means Indebtedness of the Issuer (including the notes) maturing by the terms thereof more than one year after the original creation thereof.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and any obligation, direct or indirect, contingent or otherwise, of any Person: (A) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or (B) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a correlative meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"*IFRS*" means International Financial Reporting Standards as issued by the International Accounting Standards Board, or other accounting standards generally accepted in Chile, as required by the SVS for Chilean public companies, in each case as in effect from time to time.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;

(2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of the face amount of letters of credit or other similar instruments;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except trade payables and contingent obligations to pay earn-outs), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services;

(5) all Capitalized Lease Obligations and all Attributable Debt of such Person;

(6) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) all indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person; *provided* that the amount of Indebtedness of such Person shall be the lesser of: (a) the fair market value of such asset at such date of determination and (b) the amount of such indebtedness of such other Persons;

(8) to the extent not otherwise included in this definition, Hedging Obligations and Regulated Customer Revenue Hedges of such Person to the extent that such Hedging Obligations and Regulated Customer Revenue Hedges appear as a liability on the balance sheet of such Person, prepared in accordance with IFRS; and

(9) all obligations of the type referred to in clauses (1) through (8) above of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, Guarantor or otherwise, including by means of any Guarantee.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is a party or a beneficiary.

"*Issue Date*" means November 25, 2014.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*MEL PPA*" means the electric power supply agreement dated as of March 17, 2008, as amended, between the Issuer and Minera Escondida Limitada for a contracted capacity of up to 340 MW.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Power Purchase Agreement*" means the MEL PPA, the Spence PPA and the QB PPA or any other electric power supply agreement entered into by the Issuer with an unaffiliated third party in good faith as determined by the board of directors of the Issuer.

"*Preferred Stock*" as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Projected Debt Service Coverage Ratio*" means, for any period, the ratio of (a) projected Adjusted EBITDA during such period to (b) the projected Debt Service during such period, in each case, based on the Issuer's financial model as then in effect and as prepared in good faith based on its reasonable assumptions and estimates.

"*Property*" means property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, and any right or interest therein.

"*QB PPA*" means the electric power supply agreement dated as of December 7, 2012, as amended, between the Issuer and Compañia Minera Tech Quebrada Blanca S.A. for a contracted peak capacity of up to 80 MW and annual contracted capacity of 700 GWh.

"*Regulated Customer Revenue Hedge*" means any agreement into which the Issuer and/or its Subsidiaries may enter in order to mitigate the foreign exchange risk of sales to regulated customers in Chile and sales to unregulated customers in Chile where prices are linked to regulated prices, in each case through the establishment of a fixed exchange rate for peso-denominated revenues invoiced each month in a six-month period during which the regulated customer tariff remains unchanged in peso-denominated terms, unless modified by the relevant regulatory authority in Chile in accordance with applicable regulations.

"*Sale and Leaseback Transaction*" means any arrangement with any person (other than the Issuer or a Subsidiary), or to which any such person is a party, providing for the leasing to the Issuer or a Subsidiary for a period of more than three years of any property or assets which has been or is to be sold or transferred by the Issuer or such Subsidiary to such person or to any other person (other than the Issuer or a Subsidiary) to which funds have been or are to be advanced by such person on the security of the leased property or assets.

"*SEC*" means the U.S. Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act.

"*Significant Subsidiary*" means a Subsidiary of the Issuer which would be a "significant subsidiary" within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC in effect on the date of the Indenture, assuming the Issuer is the registrant referred to in such definition.

"*Spence PPA*" means the electric power supply agreement dated as of March 17, 2008, as amended, between the Issuer and Minera Spence S.A. for a contracted capacity of up to 90 MW.

"*Stated Amount*" shall mean, with respect of each Letter of Credit outstanding at any time, the maximum amount available at such time to be drawn under such Letter of Credit (in each case determined without regard to whether any conditions to drawing could then be met).

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including, with respect to any principal amount which is then due and payable pursuant to any mandatory redemption provision, the date specified for the payment thereof (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"*Subsidiary*" means any corporation or other business entity of which the Issuer owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interests, in each case having ordinary voting power to elect or appoint directors, managers or trustees of such corporation or other business entity (whether or not Capital Stock or other ownership interests or any other class or classes have or might have voting power upon the occurrence of any contingency).

"*SVS*" means the Chilean Superintendency of Securities and Insurance (*Superintendencia de Valores y Seguros*).

"*Value*" shall mean, with respect to a Sale and Leaseback Transaction, as of any particular time, the amount equal to the greater of: (1) the net proceeds of the sale or transfer of the property leased pursuant to such Sale and Leaseback Transaction or (2) the fair value in the opinion of the Board of Directors of the Issuer or the relevant Subsidiary of such property at the time of entering into such Sale and Leaseback Transaction, in either case divided first by the number of full years of the term of the lease and then multiplied by the number of full years of such term remaining at the time of determination, without regard to any renewal or extension options contained in the lease.

TAXATION

General

This section summarizes the principal Chilean tax and U.S. federal income tax considerations relating to the purchase, ownership and disposition of the notes. This summary does not provide a comprehensive description of all tax considerations that may be relevant to a decision to purchase the notes. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the United States and Chile. There is a signed tax treaty on the subject of double taxation between Chile and the United States. The tax treaty will be in force once it is approved by the Chilean Congress and the United States Congress and may apply to income generated in either Chile or the United States by a resident of either country. There can be no assurance that the treaty will be ratified by either country. The following summary assumes that there is no applicable income tax treaty in effect between the United States and Chile.

This summary is based on the tax laws of Chile and the United States as in effect on the date of these listing particulars, as well as regulations, rulings and decisions of Chile and the United States available on or before that date and now in effect. Those laws, rules, regulations and decisions are subject to change and changes could apply retroactively, which could affect the continued accuracy of this summary.

Prospective purchasers of the notes should consult their own tax advisors as to the Chilean, U.S. or other tax consequences of the purchase, ownership and disposition of the notes. They should especially consider how the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws, could apply to them in their particular circumstances.

Chilean Taxation Considerations

The following is a general summary of the material consequences under Chilean tax law, as currently in effect, of an investment in the notes made by a Foreign Holder (as defined below). It is based on the tax laws of Chile as in effect on the date of these listing particulars, as well as regulations, rulings and decisions of Chile available on or before such date and now in effect. All of the foregoing is subject to change. Under Chilean law, provisions contained in statutes such as tax rates applicable to foreign investors, the computation of taxable income for Chilean purposes and the manner in which Chilean taxes are imposed and collected may be amended only by another law or international tax treaty. In addition, the Chilean tax authorities enact rulings and regulations of either general or specific application and interpret the provisions of Chilean tax law. Chilean tax law may not be applied retroactively against taxpayers who act in good faith relying on such rulings, regulations or interpretations, but Chilean tax authorities may change their rulings, regulations or interpretations prospectively. For purposes of this summary, the term "Foreign Holder" means either (i) in the case of an individual, a person who is not resident or domiciled in Chile (for purposes of Chilean taxation, (a) an individual holder is resident in Chile if he or she has remained in Chile for more than six uninterrupted months in one calendar year, or a total of more than six uninterrupted months in two consecutive fiscal years and (b) an individual is domiciled in Chile if he or she resides in Chile with the actual or presumptive intent of staying in Chile (such intention to be evidenced by circumstances such as the acceptance of employment in Chile or the relocation of one's family to Chile)); or (ii) in the case of a legal entity, a legal entity that is not organized under the laws of Chile, unless the notes are assigned to a branch or a permanent establishment of such entity in Chile.
Payments of interest or premium

Under the Chilean Income Tax Law (*Ley de Impuesto a la Renta*), payments of interest or premium, if any, made to a Foreign Holder in respect of the notes will generally be subject to a Chilean withholding tax currently at the rate of 4%. However, the same interest and premium that qualify for the referred 4% withholding tax rate is subject to a special additional tax equal to the difference between the withholding tax paid and a 35% tax rate that will be applied to us separately, to the extent paid to entities related to us, on the portion of our indebtedness considered to be excessive. Our indebtedness will be considered to be excessive ("Excessive Indebtedness") when in the commercial year in which the notes are issued we have indebtedness with entities related to us qualifying for the 4% withholding tax rate that exceeds three times our equity, as calculated for Chilean tax purposes. Consequently, such qualifying interest or premium paid to entities related to us with respect to debt that exceeds the Excessive Indebtedness ratio will be subject to a 35% tax rate (4% withholding tax plus a surtax given by the difference between the withholding tax paid and a 35% rate).

Under the Excessive Indebtedness rules, a lender or creditor, such as a holder of the notes, will be deemed to be related to the payor or debtor, if: (a) the lender or creditor is incorporated, domiciled or resident in a tax haven (qualified as such by the Chilean Ministry of Finance, based on the list of harmful preferential tax regimes and tax havens published by the Organization for Economic Co-Operation and Development) at the time of granting the loan; or (b) the lender or debtor, directly or indirectly, owns or participates in 10% or more of the capital or the profits of the other or if lender and debtor have a common partner or shareholder which, directly or indirectly, owns or participates in 10% or more of the capital or the profits of both; or (c) the debt is guaranteed directly or indirectly by a third party with cash or with cash equivalents or securities (excluding securities evidencing obligations of the borrower with any of its related entities), for the amount effectively guaranteed. The debtor will be required to issue a sworn statement in this regard in the form set forth by the Chilean tax authorities.

The Tax Reform includes, among other things, amendments to the Excessive Indebtedness rules. Such amendments purport to levy interest paid to foreign related parties, as well as fees, commissions, remuneration for services, financial expenses and any other contractual surcharges related to loans or other kind of debt instruments paid or remitted abroad to such foreign related parties. In order to calculate our Excessive Indebtedness, we will consider not only the indebtedness with foreign related entities that qualifies for the 4% withholding tax rate, but all debt incurred with foreign or Chilean residents or domiciled parties, related or unrelated to us.

Pursuant to the Tax Reform, in addition to clauses (a) and (b) in the second paragraph hereof, the following lenders or creditors will also be deemed to be related to the payer or debtor: (A) those incorporated, domiciled or resident in a preferential tax regime, as defined for tax purposes, (B) those with respect to debt that is directly or indirectly guaranteed by a third party (unless that third party is a non-related entity who provides such service in exchange of a market price retribution), and (C) those with respect to credits, such as the notes, that were acquired by non-related entities, and later transferred to a related creditor or lender, as defined above. If we incur Excessive Indebtedness, we will pay a 35% surtax applicable over the proportion of the related party interest that corresponds to Excessive Indebtedness, as further determined pursuant to the Chilean Income Tax Law.

The Tax Reform will come into force on January 1, 2015. However, amendments to the Excessive Indebtedness rules could be applicable to notes issued before that date, if a Foreign Holder transfers the notes to an entity related to us after such date.

We have agreed, subject to specific exceptions and limitations, to pay to the Foreign Holders of the notes certain additional amounts in respect of the Chilean withholding taxes mentioned above in order that the interest and/or premium, if any, the Foreign Holder receives, net of such taxes, equals the amount which would have been received by such Foreign Holder in the absence of such withholding taxes. See “Description of Notes—Additional amounts.”

Payments of principal

Under existing Chilean law and regulations, a Foreign Holder will not be subject to any Chilean taxes in respect of payments of principal made by us with respect to the notes. Any other payment to be made by us (other than interest, premium or principal on the notes and except for some special exceptions granted by Chilean law) will be subject to up to 35% withholding tax.

Capital gains

Under existing Chilean law and regulations, a foreign holder will not be subject to any Chilean taxes in respect of payments of principal made by us with respect to the notes.

The Chilean Income Tax Law provides that a Foreign Holder is subject to income tax on his Chilean source income. For this purpose, Chilean source income means earnings from activities performed in Chile or from the sale or disposition of, or other transactions in connection with, assets or goods located in Chile.

The Tax Reform amends section 11 of the Chilean Income Tax Law, expressly stating that notes and other private or public securities issued in Chile by taxpayers domiciled, resident or established in Chile will be deemed to be located in Chile. Based on this amendment, a capital gain obtained by a Foreign Holder arising from the sale of notes issued in Chile by an entity domiciled in Chile would be taxed in Chile, given that it will be considered Chilean source income, thus, since the notes are issued outside of Chile, it is our position that any capital gain realized by a Foreign Holder on the sale or other disposition of notes issued abroad would not be subject to Chilean income taxes. However, our position could differ from the final interpretation given by the Chilean tax authorities (*Servicio de Impuestos Internos* or "SII"). It should be noted that after enactment of the Tax Reform, administrative jurisprudence issued previously, including that which seemed to indicate that capital gains arising from the sale or other disposition of notes by a non-resident holder could be considered Chilean source income, subject to capital gain taxes in Chile, as the source of the capital gain would be driven by the residency of the issuer, without regard to the tax residency of the holder or the place of issuance of the notes, should no longer be of relevance, provided that the SII's guidelines yet to come allow to interpret that in this case, the notes have been issued outside Chile, and are, therefore, located outside Chile. SII's interpretations are not binding on taxpayers.

Gift and Inheritance Tax

A Foreign Holder (other than a Chilean national) will not be liable for estate, gift, inheritance or similar taxes with respect to its holdings unless notes held by a Foreign Holder are either deemed located in Chile at the time of such Foreign Holder's death, or, if the notes are not deemed located in Chile at the time of a Foreign Holder's death, if such notes were purchased or acquired with cash obtained from Chilean sources. A Foreign Holder will not be liable for Chilean stamp, registration or similar taxes.

Stamp Tax

The issuance of the notes is subject to stamp tax at a rate of 0.4% of the aggregate principal amount of the notes, which will be payable by us. If the stamp tax is not paid when due, the Chilean law imposes inflation adjustments, interests and penalties. Interest payments that are deferred may be subject of stamp taxes if such interests are deemed capitalized according to Chilean law. In addition, until such tax (and any penalty) is paid, Chilean courts will not enforce any action based on the notes.

We have agreed to pay any present or future stamp, court or documentary taxes, charges or levies that arise in Chile from the execution, delivery, enforcement or registration of the notes or any other document or instrument in relation thereto.

U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax consequences of acquiring, owning and disposing of the notes. Except where otherwise noted, this discussion applies only to U.S. Holders (as defined below) of notes that purchase the notes at the initial issue price indicated on the cover of these listing particulars and that hold the notes as "capital assets" (generally, property held for investment). This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing final, temporary and proposed U.S. Treasury regulations, administrative pronouncements by the Internal Revenue Service (the "IRS") and judicial decisions, all as of the date hereof and all of which are subject to change (possibly on a retroactive basis) and to different interpretations. This discussion assumes that the notes will not be issued with more than a de minimis amount of original issue discount for U.S. federal income tax purposes.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular holder and holders are urged to consult their own tax advisors regarding their specific tax situations. The discussion does not address the tax consequences that may be relevant to holders subject to special tax rules, including, for example:

- insurance companies;
- tax-exempt organizations;

- dealers in securities or currencies;
- traders in securities that elect the mark-to-market method of accounting with respect to their securities holdings;
- banks or other financial institutions;
- partnerships or other pass-through entities for U.S. federal income tax purposes;
- U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- U.S. expatriates; or
- holders that hold the notes as part of a hedge, straddle, conversion or other integrated transaction.

Further, this discussion does not address the U.S. federal estate and gift tax, or alternative minimum tax consequences, or the Medicare tax on net investment income, or any state, local and non-U.S. tax consequences of acquiring, owning and disposing of the notes.

As used herein, the term "U.S. Holder" means a beneficial owner of the notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or any other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences of acquiring, owning and disposing of the notes.

Stated Interest

Stated interest paid to a U.S. Holder on a note, including any amount withheld in respect of any taxes and any additional amounts, will be includible in such U.S. Holder's gross income as ordinary interest income at the time such payments are received or accrued in accordance with such U.S. Holder's usual method of tax accounting for U.S. federal income tax purposes. In addition, interest on the notes will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute "passive category" income for most U.S. Holders. Subject to generally applicable restrictions and conditions (including a minimum holding period requirement), a U.S. Holder generally will be entitled to a foreign tax credit in respect of any foreign income taxes withheld on interest payments on the notes. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale, Exchange or Other Taxable Disposition

Upon the sale, exchange or other taxable disposition (including a redemption) of a note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition (other than accrued but unpaid stated interest which will be taxable as ordinary income to the extent not previously included in gross income) and the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will equal the cost of the note to the U.S. Holder. Any such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the note has been held for more than one year at the time of its sale, exchange or other taxable disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

Any gain or loss realized on the sale, exchange or other taxable disposition of a note generally will be treated as U.S. source gain or loss, as the case may be. If any gain from the sale, exchange or other taxable disposition of notes is subject to foreign income tax, U.S. Holders may not be able to credit such tax against their U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code (because such gain generally would be U.S. source income) unless such income tax can be credited (subject to applicable limitations) against U.S. federal income tax due on other income that is treated as derived from foreign sources. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year.

U.S. Backup Withholding and Information Reporting

Backup withholding and information reporting requirements generally apply to payments of principal of, and interest on, a note and to proceeds of the sale or redemption of a note, to U.S. Holders. Information reporting generally will apply to payments of principal of, and interest on, notes (including additional amounts, if any), and to proceeds from the sale or redemption of notes within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding will be required on payments made within the United States, or by a U.S. payor or U.S. middleman, on a note to a U.S. Holder, other than an exempt recipient, if the U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements.

Backup withholding is not an additional tax. A holder of notes generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

In addition, certain U.S. Holders who are individuals are required to report information relating to an interest in the notes, subject to certain exceptions (including an exception for notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this reporting obligation on their ownership and disposition of the notes.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of notes. Prospective purchasers of notes should consult their own tax advisors concerning the tax consequences of their particular situations.

European Union Directive on the Taxation of Savings Income

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, each member state of the European Union (each an "EU Member State") is required to provide to the tax or other relevant authorities of another EU Member State details of payments of interest or other similar income made by a person within its jurisdiction to an individual or certain other types of person resident in that other EU Member State; however, for a transitional period, Austria and Luxembourg have instead opted to apply a withholding system in relation to such payments, deducting tax at the rate of 35%, unless during that period they elect otherwise. The transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries, and certain dependent or

associated territories of certain EU Member States, have agreed to adopt similar measures (either provision of information or transitional withholding). Luxembourg has announced that it will no longer apply the withholding system as from January 1, 2015 and will provide details of payments of interest and other similar income as from that date.

On March 24, 2014, the Council of the European Union adopted a directive amending Council Directive 2003/48/EC, which, when implemented, will amend and broaden the scope of the requirements above. Member States have until January 1, 2016 to adopt the national legislation necessary to comply with this amending directive.

PLAN OF DISTRIBUTION

Citigroup Global Markets Inc., HSBC Securities (USA) Inc. and J.P. Morgan Securities LLC are acting as global coordinators and joint book-running managers for the offering and as representatives of the initial purchasers and Itau BBA USA Securities Inc., Scotia Capital (USA) Inc. and SMBC Nikko Securities America, Inc. are acting as joint book-running managers for the offering. Subject to the terms and conditions stated in the purchase agreement dated the date of these listing particulars, each initial purchaser named below has severally agreed to purchase, and we have agreed to sell to that initial purchaser, the principal amount of the notes set forth opposite the initial purchaser's name below.

Initial Purchaser	Principal Amount of Notes
Citigroup Global Markets Inc.	U.S.$213,334,000
HSBC Securities (USA) Inc.	U.S.$213,334,000
J.P. Morgan Securities LLC	U.S.$213,334,000
Itau BBA USA Securities Inc.	U.S.$53,333,000
Scotia Capital (USA) Inc.	U.S.$53,333,000
SMBC Nikko Securities America, Inc.	U.S.$53,332,000
Total	**U.S.$800,000,000**

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed, severally and not jointly, to purchase all of the notes sold under the purchase agreement if any of these notes are purchased. The initial purchasers may offer and sell the notes through any of their affiliates.

We have been advised that the initial purchasers propose to resell the notes at the offering price set forth on the cover page of these listing particulars within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. The price at which the notes are offered may be changed at any time without notice.

The notes have not been and will not be registered under the Securities Act or any applicable U.S. federal or state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions."

In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

We have agreed that, during the period beginning on the date of the purchase agreement and continuing to the date that is 30 days after the closing of the offering, we will not, without the prior written consent of the representatives of the initial purchasers, offer, sell or contract to sell, or otherwise dispose of, except as provided in the purchase agreement, any securities issued or guaranteed by us that are substantially similar to the notes. The representatives of the initial purchasers, in their sole discretion, may release any of the securities subject to these lock-up agreements at any time without notice.

The notes will constitute a new class of securities with no established trading market. Application has been made to list the notes on the Euro MTF Market of the Luxembourg Stock Exchange. However, we cannot assure you that the prices at which the notes will sell in the market after the offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after the offering. The initial purchasers have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the notes at any time without notice. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the notes.

In connection with the offering, the initial purchasers may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases. Short sales involve secondary market sales by the initial purchasers of a greater number of notes than

they are required to purchase in the offering. Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the initial purchasers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the- counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time.

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the initial purchasers and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and reimbursement of expenses.

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of ours (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The initial purchasers and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. In particular, an affiliate of HSBC Securities (USA) Inc. is currently a lender under our existing financing facility with a loan outstanding in the aggregate principal amount of U.S.$55.7 million as of the date of these listing particulars. Because this affiliate of HSBC Securities (USA) Inc. will receive a portion of the proceeds from this offering (in excess of any underwriting discount), HSBC Securities (USA) Inc. may be deemed to have a “conflict of interest” with us.

We have agreed to indemnify the several initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of notes described in these listing particulars may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the notes that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the initial purchasers nominated by the Company for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require the Company or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For purposes of this provision, the expression an "offer to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state), and includes any relevant implementing measure in the relevant member state and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The sellers of the notes have not authorized and do not authorize the making of any offer of notes through any financial intermediary on their behalf, other than offers made by the initial purchasers with a view to the final placement of the notes as contemplated in these listing particulars. Accordingly, no purchaser of the notes, other than the initial purchasers, is authorized to make any further offer of the notes on behalf of the sellers or the initial purchasers.

Notice to Prospective Investors in Peru

The notes and the information contained in these listing particulars are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the notes and therefore, the disclosure obligations set forth therein will not be applicable to us or the sellers of the notes before or after their acquisition by prospective investors. The notes and the information contained in these listing particulars have not been and will not be reviewed, confirmed, approved or in any way submitted to the SMV nor have they been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

The notes may be registered with the Foreign Investment and Derivatives Instruments Registry (*Registro de Instrumentos de Inversión y de Operaciones de Cobertura de Riesgo Extranjeros*) of the Peruvian Superintendency of Banks, Insurance and Private Pension Funds Administrators (*Superintendencia de Bancos, Seguros y Administradoras Privadas de Fondos de Pensiones*) in order to make the notes eligible for investment by Peruvian Private Pension Funds Administrators.

The notes may not be offered or sold in Peru except in compliance with the securities law thereof.

Notice to Prospective Investors in the United Kingdom

These listing particulars is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to(d) of the Order (each such person being referred to as a "relevant person"). Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in France

Neither these listing particulars nor any other offering material relating to the notes described in these listing particulars has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The notes have not been offered or sold and will not be offered or sold, directly or indirectly,

to the public in France. Neither these listing particulars nor any other offering material relating to the notes has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the notes to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restraint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code *monétaire et financier*;
- to investment services providers authorized to engage in portfolio management on behalf of third parties; or
- in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French Code *monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l'épargne*).

The notes may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code *monétaire et financier*.

Notice to Prospective Investors in Hong Kong

The notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The notes offered in these listing particulars have not been registered under the Financial Instruments and Exchange Law of Japan. The notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Singapore

These listing particulars has not been registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, these listing particulars and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the

SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

    - to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

    - where no consideration is or will be given for the transfer; or

    - where the transfer is by operation of law.

Notice to Prospective Investors in Switzerland

The notes may not and will not be publicly offered, distributed or redistributed on a professional basis in or from Switzerland only on the basis of a non-public offering, and neither these listing particulars nor any other solicitation for investments in our securities may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of articles 652a or 1156 of the Swiss Federal Code of Obligations or of Article 2 of the Federal Act on Investment Funds of March 18, 1994. These listing particulars may not be copied, reproduced, distributed or passed on to others without the initial purchasers' prior written consent. These listing particulars is not a prospectus within the meaning of Articles 1156 and 652a of the Swiss Code of Obligations or a listing prospectus according to article 32 of the Listing Rules of the Swiss exchange and may not comply with the information standards required thereunder. We will not apply for a listing of the notes on any Swiss stock exchange or other Swiss regulated market and these listing particulars may not comply with the information required under the relevant listing rules. The notes have not been and will not be approved by any Swiss regulatory authority. The notes have not been and will not be registered with or supervised by the Swiss Federal Banking Commission, and have not been and will not be authorized under the Federal Act on Investment Funds of March 18, 1994. The investor protection afforded to acquirers of investment fund certificates by the Federal Act on investment Funds of March 18, 1994 does not extend to acquirers of the notes.

Notice to Prospective Investors in Chile

Pursuant to Law No. 18,045 of Chile (the securities market law of Chile) and Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the SVS, the notes may be privately offered in Chile to certain "qualified investors" identified as such by SVS Rule 336 (which in turn are further described in Rule N°. 216, dated June 12, 2008, of the SVS).

SVS Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer: November 12, 2014. The offer of the notes is subject Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the Superintendency of Securities and Insurance of Chile (*Superintendencia de Valores y Seguros de Chile* or "SVS").

2. The subject matter of this offer are securities not registered with the Securities Registry (*Registro de Valores*) of the SVS, nor with the foreign securities registry (*Registro de Valores Extranjeros*) of the SVS, due to the notes not being subject to the oversight of the SVS.

3. Since the notes are not registered in Chile there is no obligation by the issuer to make publicly available information about the notes in Chile.

4. The notes shall not be subject to public offering in Chile unless registered with the relevant Securities Registry of the SVS.

Información a los Inversionistas Chilenos

De conformidad con la ley N° 18.045, de mercado de valores y la Norma de Carácter General N° 336 (la "NCG 336"), de 27 de junio de 2012, de la Superintendencia de Valores y Seguros de Chile (la "SVS"), los bonos pueden ser ofrecidos privadamente a ciertos "inversionistas calificados", a los que se refiere la NCG 336 y que se definen como tales en la Norma de Carácter General N° 216, de 12 de junio de 2008, de la SVS.

La siguiente información se proporciona a potenciales inversionistas de conformidad con la NCG 336:

1. La oferta de los bonos comienza el 12 de noviembre de 2014, y se encuentra acogida a la Norma de Carácter General N° 336, de fecha 27 de junio de 2012, de la SVS.

2. La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de esa Superintendencia.

3. Por tratarse de valores no inscritos en Chile no existe la obligación por parte del emisor de entregar en Chile información pública sobre los mismos.

4. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.

TRANSFER RESTRICTIONS

The notes are subject to restrictions on transfer as summarized below. By purchasing notes, you will be deemed to have made the following acknowledgments, representations to and agreements with us and the initial purchasers:

1. You acknowledge that:

   - the notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and

   - unless so registered, the notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

2. You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that either:

   - you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are purchasing notes for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchasers are selling the notes to you in reliance on Rule 144A; or

   - you are not a United States person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a United States person, other than a distributor, and you are purchasing notes in an offshore transaction in accordance with Regulation S.

3. You acknowledge that neither we nor the initial purchasers nor any person representing us or the initial purchasers has made any representation to you with respect to us or the offering of the notes, other than the information contained in these listing particulars. You represent that you are relying only on these listing particulars in making your investment decision with respect to the notes. You agree that you have had access to such financial and other information concerning us and the notes as you have deemed necessary in connection with your decision to purchase notes, including an opportunity to ask questions of and request information from us.

4. You represent that you are purchasing notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the notes in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing notes, and each subsequent holder of the notes by its acceptance of the notes will agree, that until the end of the Resale Restriction Period (as defined below), the notes may be offered, sold or otherwise transferred only:

   (a) to us;

   (b) in the case of Regulation S notes, under a registration statement that has been declared or becomes effective under the Securities Act;(c) for so long as the notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;

   (c) through offers and sales that occur outside the United States within the meaning of Regulation S under the Securities Act; or

(d) under any other available exemption from the registration requirements of the Securities Act;

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller's or account's control.

You also acknowledge that:

- the above restrictions on resale will apply from the closing date until the date that is one year (in the case of Rule 144A notes) or 40 days (in the case of Regulation S notes) after the later of the closing date and the last date that we or any of our affiliates was the owner of the notes or any predecessor of the notes (the "Resale Restriction Period"), and will not apply after the applicable Resale Restriction Period ends;

- we and the trustee reserve the right to require in connection with any offer, sale or other transfer of notes under clause (d) or (e) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the trustee;

- each Rule 144A note will contain a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED OR BECOME EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIES INSTITUTIONAL BUYER TO WHOM NOTICE IF GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FORM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF ANY OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY OT EACH OF THEM, THIS LEGEND WILL BE REMOVED ONLY AT THE OPTION OF THE ISSUER.

- each Regulation S note will contain a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTIONS EXEMPT FORM, OR NOT SUBJECT TO, SUCH REGISTRATION, THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED OR BECOME EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL

BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED ONLY AT THE OPTION OF THE ISSUER.

5. You acknowledge that we, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes is no longer accurate, you will promptly notify us and the initial purchasers. If you are purchasing any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

6. Each purchaser represents and covenants that it is not, and is not acquiring the notes with the assets of, or for or on behalf of, any employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended) or other arrangement that is subject to ERISA or Section 4975 of the Code (a "Plan") or any entity whose underlying assets are of a Plan pursuant to 29 C.F.R. Section 2510.3-101 or otherwise, except to the extent that the acquisition of the notes:

   (a) (i) is made with the assets of a bank collective investment fund and (ii) satisfies the applicable requirements and conditions of Prohibited Transaction Class Exemptions 91-38 issued by the Department of Labor;

   (b) (i) is made with the assets of an insurance company pooled separate account and (ii) satisfies the applicable requirements and conditions of Prohibited Transaction Class Exemption 90-1 issued by the Department of Labor;

   (c) (i) is made with the assets managed by a qualified professional asset manager and (ii) satisfies the applicable requirements and conditions of Prohibited Transaction Class Exemption 84-14 issued by the Department of Labor;

   (d) is made with the assets of a governmental plan (as defined in Section 3(32) of ERISA) which is not subject to the provisions of Section 401 of the Code;

   (e) (i) is made with the assets of an insurance company general account and (ii) satisfies the applicable requirements and conditions of Prohibited Transaction Class Exemption 95-60 issued by the Department of Labor; and/or

   (f) (i) is made with the assets managed by an in-house asset manager and (ii) satisfies the applicable requirements and conditions of Prohibited Transaction Class Exemption 96-23 issued by the Department of Labor.

7. Each purchaser represents that it will give to each person to whom it transfers these notes notice of the restrictions on the transfer of the notes.

8. Each purchaser that is acquiring notes pursuant to Regulation S under the Securities Act represents that it is not acquiring the notes with a view to the resale, distribution or other disposition thereof to a U.S. person or in the United States.

VALIDITY OF NOTES

The validity of the notes will be passed upon for us by Shearman & Sterling LLP, New York, New York, as to certain matters of New York law. The initial purchasers have been represented by Davis Polk & Wardwell LLP, New York, New York. The validity of the notes will be passed upon for us by Claro & Cía. as to certain matters of Chilean law, and for the initial purchasers by Morales & Besa Limitada, Abogados as to certain matters of Chilean law.

INDEPENDENT AUDITORS

The financial statements of Empresa Eléctrica Angamos S.A. as of December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011, included in these listing particulars, have been audited by Ernst & Young Servicios Profesionales de Auditoría y Asesorías Ltda., independent auditors, as stated in their report appearing herein.

GENERAL INFORMATION

The creation and issuance of the notes have been authorized by the resolutions of our board of directors dated November 6, 2014.

Except as disclosed in these listing particulars, there are no litigation or arbitration proceedings against or affecting us or any of our respective assets, nor are we aware of any pending or threatened proceedings, which are or might reasonably be expected to be material in the context of the issuance of the notes.

Except as disclosed in these listing particulars, there has been no material adverse change or any development reasonably likely to involve a material adverse change, in our condition (financial or otherwise) or general affairs since September 30, 2014 that is material in the context of the issuance of the notes.

For so long as any of the notes remain outstanding, copies of the following documents will be obtainable and available during normal business hours at the offices of the Luxembourg paying agent and our principal office, at the addresses listed on the last page of these listing particulars:

- the indenture relating to the notes and our by-laws (*estatutos*);
- the financial statements included in these listing particulars; and
- all our future annual and quarterly interim financial statements.

The Rule 144A Global Note has been assigned ISIN No. US29246TAA79, CUSIP No. 29246T AA7 and Common Code No. 114575917. The Regulation S Global Note has been assigned ISIN No. USP3713QAA50, CUSIP No. P3713Q AA5 and Common Code No. 114575976.

INTERIM FINANCIAL STATEMENTS
Empresa Eléctrica Angamos S.A.
For the period ended
September 30, 2014

This document includes the following sections:

- **Interim Statements of Financial Position**
- **Interim Statements of Comprehensive Income**
- **Interim Statements of Changes in Equity**
- **Interim Statements of Cash Flows**
- **Notes to the Interim Financial Statements**

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Empresa Eléctrica Angamos S.A.
Interim Statements of Financial Position
As of September 30, 2014 and December 31, 2013
(in thousands of United States dollars)

ASSETS	Note	September 30, 2014 "Unaudited"	December 31, 2013 "Audited"
		ThUS$	ThUS$
Cash and Cash Equivalents	6	83,323	69,920
Other Current Non-Financial Assets	8	3,256	1,595
Trade and Other Receivables	9	28,028	37,175
Related Party Receivables	10	8,001	7,324
Inventory	11	29,517	26,000
Tax Receivables	12	38	71
Total Current Assets		**152,163**	**142,085**
Other Non-Current Financial Assets	7	-	13,879
Trade and Other Receivables	9	86	88
Related Party Receivables	10	135,102	105,934
Intangible Assets	13	1,634	1,642
Property, Plant and Equipment	14	951,781	980,454
Total Non-Current Assets		**1,088,603**	**1,101,997**
TOTAL ASSETS		**1,240,766**	**1,244,082**

Empresa Eléctrica Angamos S.A.
Interim Statements of Financial Position
As of September 30, 2014 and December 31, 2013
(in thousands of United States dollars)

LIABILITIES AND EQUITY	Note	September 30, 2014 "Unaudited"	December 31, 2013 "Audited"
		ThUS$	ThUS$
Other Current Financial Liabilities	15	59,223	53,972
Trade and Other Payables	16	24,845	16,828
Related Party Payables	10	25,179	29,813
Provisions	17	6	-
Employee Benefits		5	6
Other Current Non-Financial Liabilities		1,619	1,625
Total Current Liabilities		**110,877**	**102,244**
Other Non-Current Financial Liabilities	15	690,793	705,865
Related Party Payables	10	6	3
Provisions	17	27,458	26,195
Deferred Taxes	12	30,663	23,015
Employee Benefits		999	852
Total Non-Current Liabilities		**749,919**	**755,930**
TOTAL LIABILITIES		**860,796**	**858,174**
Issued Capital	18	309,927	309,927
Retained Earnings	18	94,551	88,016
Share Premium		1,125	1,125
Accumulated Other Comprehensive Income	18	(25,633)	(13,160)
Total Equity		**379,970**	**385,908**
TOTAL LIABILITIES AND EQUITY		**1,240,766**	**1,244,082**

Empresa Eléctrica Angamos S.A.
Interim Statements of Comprehensive Income
For the nine-month periods ended September 30, 2014 and 2013
(in thousands of United States dollars)

STATEMENT OF COMPREHENSIVE INCOME	Note	For the nine-month period ended ("Unaudited") September 30, 2014	September 30, 2013
		ThUS$	ThUS$
Operating Revenue	19	224,684	221,703
Cost of Sales	20	(168,458)	(166,052)
Gross Profit		**56,226**	**55,651**
Administrative Expenses	20	(6,641)	(7,806)
Other Gains (Losses)		299	-
Finance Income	21	527	158
Finance Expense	21	(27,915)	(28,862)
Foreign Currency Exchange Differences	21	(4,586)	1,124
Income before Taxes		**17,910**	**20,265**
Income Tax Expense	12	(11,375)	(4,054)
Net Income		**6,535**	**16,211**

OTHER COMPREHENSIVE INCOME	For the nine-month period ended ("Unaudited") September 30, 2014	September 30, 2013
	ThUS$	ThUS$
Net Income	6,535	16,211
Components of Other Comprehensive Income that will not be Reclassified to Net Income, before Taxes		
Actuarial Gains (Losses) on Defined Benefit Plan	-	6
Components of Other Comprehensive Income that will not be Reclassified to Net Income, before Taxes	**-**	**6**
Gains (Losses) from Cash Flow Hedges	(16,210)	36,771
Other Comprehensive Income that will be Reclassified to Net Income, before Taxes	**(16,210)**	**36,771**
Income Tax Related to Cash Flow Hedges	3,727	(7,270)
Income Tax Related to Defined Benefit Plan	-	-
Income Tax Related to Other Comprehensive Income	**3,727**	**(7,270)**
OTHER COMPREHENSIVE INCOME (LOSS), NET	**(12,483)**	**29,507**
TOTAL COMPREHENSIVE INCOME	**(5,948)**	**45,718**

Empresa Eléctrica Angamos S.A.
Interim Statements of Changes in Equity
For the nine-month periods ended September 30, 2014 and 2013
(in thousands of United States dollars)

			Accumulated Other Comprehensive Income			
Statement of Changes in Equity	**Issued Capital**	**Share Premium**	**Cash Flow Hedge Reserve**	**Defined Benefit Plan Reserve**	**Other Various Reserves**	**Retained Earnings**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Opening Balance (01/01/2014) (audited)	309,927	1,125	(16,428)	659	2,609	88
Changes in Equity:						
Net Income	-	-	-	-	-	6
Other Comprehensive Income (Loss)	-	-	(12,483)		-	
Increases (Decreases) for Transfers and Other Changes	-	-	-	-	10	
Total Changes in Equity	**-**	**-**	**(12,483)**	**-**	**10**	**6**
Ending Balance (09/30/2014) (unaudited)	**309,927**	**1,125**	**(28,911)**	**659**	**2,619**	**94**

			Accumulated Other Comprehensive Income			
Statement of Changes in Equity	**Issued Capital**	**Share Premium**	**Cash Flow Hedge Reserve**	**Defined Benefit Plan Reserve**	**Other Various Reserves**	**Retained Earnings**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Opening Balance (01/01/2013) (audited)	309,927	1,125	(55,710)	711	2,609	59
Changes in Equity:						
Net Income	-	-	-	-	-	16
Other Comprehensive Income	-	-	29,501	6	-	
Total Changes in Equity	**-**	**-**	**29,501**	**6**	**-**	**16**
Ending Balance (09/30/2013) (unaudited)	**309,927**	**1,125**	**(26,209)**	**717**	**2,609**	**75**

Empresa Eléctrica Angamos S.A.
Interim Statements of Cash Flows
For the nine-month periods ended September 30, 2014 and 2013
(in thousands of United States dollars)

Statement of Cash Flows	For the nine-month period ended ("Unaudited")	
	September 30, 2014	**September 30, 2013**
	ThUS$	**ThUS$**
Net Cash Flows Used in Operating Activities		
Receipts from Customers	278,396	240,325
Other Proceeds from Operating Activities	158	4
Other Payments for Operating Activities	(18,585)	(2,378)
Payment to Suppliers	(160,229)	(147,474)
Payment to Employees	(6,864)	(6,813)
Interest Paid	(24,085)	(25,053)
Interest Received	434	23
Other Operating Inflows (Outflows) from Operating Activities	(2,679)	1,254
Net Cash Flows Provided by Operating Activities	**66,546**	**59,888**
Net Cash Flow Used in Investing Activities		
Loans made to Related Party	(28,206)	(67,545)
Purchases of Property, Plant and Equipment	(6,309)	(1,168)
Net Cash Flows Used in Investing Activities	**(34,515)**	**(68,713)**
Net Cash Flow Used in Financing Activities		
Payments of Loans	(16,395)	(21,107)
Payments of Finance Lease Obligations	-	(107)
Net Cash Flows Used in Financing Activities	**(16,395)**	**(21,214)**
Increase (Decrease) in Cash and Cash Equivalents, before Effects of Foreign Exchanges Differences	15,636	(30,039)
Net Foreign Exchange Differences	(2,233)	110
Net Cash and Cash Equivalents Increase (Decrease)	**13,403**	**(29,929)**
Cash and Cash Equivalents at the Beginning of Period	69,920	85,571
Cash and Cash Equivalents at the End of Period	**83,323**	**55,642**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

NOTE 1 – GENERAL INFORMATION

Empresa Electrica Angamos S.A. (hereinafter "the Company" or "Angamos") was formed by public deed on November 12, 2007, signed before Santiago Notary Public Mr. Fernando Alzate Claro.

The Company is registered in the Commercial Registry of the Santiago Real Estate Registrar, on page 11,036, of 2007.

Angamos is a privately-held corporation dedicated primarily to electricity generation. Its role is to efficiently, safely and sustainably supply electricity, while fulfilling commitments with customers, shareholders, employees, communities, suppliers, regulators and other persons and entities with which it interacts.

The Company operates in the Great North Interconnected System ("SING") and owns a 545MW two-unit coal-combined thermoelectric power plant in the city of Mejillones, in the 2nd Region of Antofagasta.

Angamos' commercial office is located at Rosario Norte N°532, floors 18-20, Las Condes, Santiago, Chile.

The Company is controlled by AES Gener S.A. ("AES Gener") through its subsidiary Inversiones Nuevas Ventanas S.A., which holds 99.9% of the Company's shares. The ultimate parent of the Company is The AES Corporation.

These interim financial statements of the Company as of September 30, 2014 were approved by the Company's Board of Directors on November 5th, 2014.

NOTE 2 – BASIS OF PREPARATION

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These interim financial statements of Angamos cover the Statements of Financial Position as of September 30, 2014 and December 31, 2013, and the corresponding Statements of Comprehensive Income, Changes in Equity and Cash Flows for the nine-month periods ended September 30, 2014 and 2013, and their related notes, which have been prepared and presented in accordance with IAS 34 "Interim Financial Reporting".

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

An asset or liability is considered current when it is expected to be realized, sold or consumed during the Company's normal operating cycle, is maintained for commercialization or is expected to be realized within 12 months following the reporting date.

The information contained in these financial statements is the responsibility of the management of Angamos.

As of the date of these financial statements, the following accounting standards have been issued by the IASB whose application was not yet mandatory, and as such they will be applied as of the dates described below.

Standards and Amendments	Mandatory Application
New Standards	
IFRS 9: Financial Instruments: Classification and Measurement	January 1, 2018
IFRS 14: Regulatory Deferral Accounts	January 1, 2016
IFRS 15: Revenue from Contracts with Customers	January 1, 2017
Amendments and Improvements	
IFRS 3: Business Combinations	July 1, 2014
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	January 1, 2016
IFRS 7: Financial Instruments: Disclosures	January 1, 2016
IFRS 10: Consolidated Financial Statements	January 1, 2016
IFRS 11: Joint Arrangements	January 1, 2016
IAS 16: Property, Plant and Equipment	January 1, 2016
IAS 19: Employee Benefits	July 1, 2014
IAS 27: Separate Financial Statements	January 1, 2016
IAS 28: Investments in Associates	January 1, 2016
IAS 38: Intangible Assets	January 1, 2016
IAS 40: Investment Property	July 1, 2014
IAS 41: Agriculture	January 1, 2016

NEW STANDARDS

IFRS 9 "Financial Instruments"

In July 2014, the final version of this standard was issued, concluding the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement". This standard introduces new requirements for the classification and measurement of financial assets and financial liabilities. The basis of classification depends on the business model of the entity and the characteristics of the contractual cash flows and the business model in which an asset is held. Financial assets may be measured initially at amortized cost or fair value. In addition, IFRS 9 addresses the 'own credit' issue, whereby requiring changes in the fair value of an entity's own credit-risk to be recognized in other comprehensive income rather than in profit or loss. The required implementation date of this standard is January 1, 2018. Early adoption is permitted.

IFRS 14 "Regulatory Deferral Accounts"

Issued in January 2014, IFRS 14 "Regulatory Deferral Accounts" is a new standard that permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required. Entities that have issued financial statements under IFRS are not permitted to apply this new standard.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from Contracts with Customers" was issued in May 2014 and is applicable to all entities that have contractual agreements with customers, except for contracts that are related to leases, financial instruments, or insurance agreements. This standard is part of the FASB and IASB project to eliminate differences between IFRS and USGAAP and its objective is to clarify inconsistencies inherent in IAS 18 Revenue Recognition and provide a new model for recognizing revenue across different companies in different industries and regions. Additionally, this new standard provides guidance on contracts with multiple elements and requires more detailed disclosures. Application of this new standard is mandatory for annual periods beginning or after January 1, 2017. Early adoption is permitted.

AMENDMENTS

IFRS 3 Business Combinations

"Annual Improvements 2010–2012 Cycle," issued in December 2013 clarifies some aspects of accounting for contingent consideration in a business combination. The IASB noted that IFRS 3 "Business Combinations" ("IFRS 3") requires the subsequent measurement of contingent consideration to be at fair value. Consequently, it eliminated references to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" ("IAS 37") or other IFRS that potentially have measurement bases other than fair value. The reference to IFRS 9 "Financial Instruments" ("IFRS 9") is maintained; IFRS 9 is amended to clarify that contingent consideration that is a financial asset or financial liability can only be measured at fair value, with changes in fair value being presented in either profit or loss or other comprehensive income depending on the requirements of IFRS 9. The amendments are applicable beginning July 1, 2014. Early adoption is permitted.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

As part of the "Annual Improvements cycle 2012–2014," issued in September 2014, this amendment clarifies that changing from one of disposal methods to the other (from sale to distribution or vice versa) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification. The modification is required to be adopted for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

IFRS 7 "Financial Instruments: Disclosures"

As part of the "Annual Improvements cycle 2012–2014," issued in September 2014, this amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in order to assess whether the disclosures are required. The amendment must be adopted for annual periods beginning on or after January 1, 2016.

IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates"

The objective of these amendments is to address the inconsistency between the requirements in IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures," in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. The amendments, published in September 2014, establish when a transaction involves a business and that the gains or losses should be recognized in their entirety. However, when a transaction involves assets that do not constitute a business, the gains or losses should be recognized partially. The amendments are required to be adopted for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

IFRS 11 "Joint Arrangements"

The amendment of this standard published in May 2014 provides new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. It clarifies the use of IFRS 3 and other standards that do not conflict with IFRS 11 "Joint Arrangements". Adoption of this amendment is required for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"

The modifications to IAS 16 and IAS 41 set out the accounting treatment for bearer plants as property, plant and equipment given that their operational uses are similar to manufacturing activities. The mandatory adoption of this modification is for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

IAS 19 "Employee Benefits"

The amendments to IAS 19, issued in November 2013, apply to employee or third-party contributions to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendment is required for annual periods beginning on or after July 1, 2014. Early adoption is permitted.

IAS 27 "Separate Financial Statements"

The amendment to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is required for annual periods beginning January 1, 2016. Early adoption is permitted.

IAS 40 "Investment Property"

"Annual Improvements cycle 2011–2013," issued in December 2013, clarifies that judgment is needed to determine whether the acquisition of investment property is the acquisition of an asset, a group of assets or a business combination in the scope of IFRS 3 and that this judgment is based on the guidance in IFRS 3. The IASB concluded that IFRS 3 and IAS 40 "Investment Property" are not mutually exclusive and that judgment is also needed to determine whether the transaction is solely the acquisition of an investment property or whether it is the acquisition of a Company of assets or a business combination that includes an investment property. The amendments are applicable beginning July 1, 2014. Early adoption is permitted.

The Company is currently in the process of evaluating the initial effects of applying the new standards and amendments.

IMPACT OF APPLYING NEW STANDARDS AND AMENDMENTS IN 2014

The accounting policies adopted in preparing the financial statements are consistent with those used in preparing the Company's annual financial statements for the year ended December 31, 2013, except for the adoption of new standards and interpretations in effect beginning January 1, 2014.

The Company is applying, for the first time, certain standards and amendments that—in principle—require restatements of previous financial statements. In the Company's case, the changes did not result in impacts that require restatements of previous financial statements. Several other new standards and amendments are applied for the first time in 2014. However, they do not affect the Company's previous annual financial statements. The nature and effect of these changes in standards and amendments are described below.

IFRIC 21 "Levies"

IFRIC 21 is an interpretation of IAS 37 that was issued in May 2013. IAS 37 establishes criteria for recognizing a liability, one of which is the requirement that the entity should have a present obligation as a result of a past event. The interpretation clarifies that this past event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by applicable legislation. This new standard did not impact the Company's financial statements.

IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements"

The amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" stem from the Exposure Draft on Investment Entities published in August 2011. The amendments define an investment entity and introduce an exception for consolidating certain subsidiaries belonging to investment entities. These amendments require an investment entity to record those subsidiaries at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments" in their consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27. This amendment did not impact the Company's financial statements.

IAS 32 "Financial Instruments: Presentation"

The amendments to IAS 32, issued in December 2011, are intended to clarify differences regarding application relating to offsetting and to reduce the level of diversity in current practice. This amendment did not impact the Company's financial statements.

IAS 36 "Impairment of Assets"

The amendments to IAS 36, issued in May 2013, address the disclosure of information on the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These amendments are related to the issuance of IFRS 13 "Fair Value Measurement". This amendment did not impact the Company's financial statements.

IAS 39 "Financial Instruments: Recognition and Measurement"

The amendments to IAS 39, issued in June 2013, provide an exception to the requirement to discontinue hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. This amendment did not impact the Company's financial statements.

The Company has not adopted in advance any other standard, interpretation or modification that has been issued but is not yet in effect.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Leases

In determining whether an agreement contains a lease, the Company analyzes whether the agreement depends on the use of the specific asset or assets and whether the agreement conveys a right to use the asset. Leases in which the risks and rewards are substantially transferred to the property are classified as a finance lease. Examples of indicators that the agreement is a financial lease include:

- The lease transfers ownership of the asset to the lessee by the end of the lease term;
- The lessee has the option to buy the asset at a price that is expected to be sufficiently lower than fair value at the date the option becomes exercisable so it can be reasonably certain, at the inception of the lease, that the option will be exercised;
- The lease term is for the major part of the economic life of the asset even if title is not transferred;
- At the beginning of the lease, the present value of future minimum lease payments is equivalent to at least the fair value of the leased asset; and
- The assets leased are of a nature so specialized that only the lessee can use them without realizing major modifications.

Contracts which not comply with the finance lease indicators are classified as operating leases.

(a) Company as a Lessee – Operating Lease

Leases in which the lessor retains an important part of the risks and rewards of ownership are classified as operating leases. Payments for operating leases (net of any incentive received from the lessor) are charged to the Income Statement on a straight-line basis over the lease period.

(b) Company as a Lessor – Operating Lease

Assets leased to third parties under operating leases are included in Property, Plant and Equipment within the Statement of Financial Position according to the nature of the asset.

Income from operating leases is recognized in net income on a straight-line basis over the lease term.

During the periods covered by these interim financial statements, the Company did not participate in significant contracts of this type.

(c) Company as a Lessee – Finance Lease

The Company leases certain property, plant and equipment. Leases of property, plant and equipment in which the Company retains substantially all risks and rewards of ownership are classified as finance leases. Assets subject to finance leases are capitalized at the beginning of the lease at the lower between the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is distributed between the liability and finance charges so as to produce a constant interest rate on the outstanding balance of the obligation. The corresponding lease obligations, net of finance charges, are included in Other Current or Non-Current Financial Liabilities, depending on their maturities. The interest element of the finance expense is charged to the Income Statement over the lease period. Items of property, plant and equipment acquired under a finance lease are depreciated over the shorter of their useful lives and the duration of the respective lease contract.

3.2. Foreign Currency Transactions

(a) Presentation and Functional Currency

The items included in the financial statements are valued using the currency of the principal economic environment in which the entity operates ("functional currency"). The financial statements of Angamos are presented in US dollars, which is the functional and presentation currency of the Company.

(b) **Transactions and Balances**

Transactions in currencies other than the functional currency are converted to the functional currency using the exchange rate in effect as of the date of the transaction. Exchange differences that result from settling these transactions and converting foreign-currency-denominated monetary assets and liabilities to closing exchange rates are recognized in the Income Statement, except when deferred in equity as an effective cash flow hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair values in a foreign currency are translated using the exchange rate at the date the fair value was determined.

(c) **Basis of Conversion**

Assets and liabilities denominated in Chilean pesos and Unidades de Fomento are presented using the following respective exchange rates and closing values per US$1:

	September 30, 2014	**December 31, 2013**	**September 30, 2013**
Chilean pesos (Ch$).....	599.22	524.61	504.20
Unidad de Fomento (UF).....	0.02479	0.02250	0.02184

The Unidad de Fomento (UF) is an inflation-indexed monetary unit denominated in Chilean pesos. The UF rate is established daily in advance based on the prior month's variation in the Chilean Consumer Price Index.

3.3. Property, Plant and Equipment

Land belonging to the Company is recognized at cost, net of accumulated impairment losses.

Plants, buildings, equipment and transmission systems used for electricity generation and other items of property, plant and equipment are recognized at historical cost less related accumulated depreciation and impairment losses.

The cost of an asset includes its acquisition cost, all costs directly related to bringing the asset to the location and condition necessary for it to be capable of operating as intended by management, the initial estimate of costs for the decommissioning of the asset, as well as costs for restoring the site where it is located, all of which the Company undertakes upon acquiring the asset or as a consequence of using the asset during a given period.

Subsequent costs are recognized as part of the carrying amount of the asset or as a separate asset, only if they meet the recognition criteria in IAS 16 "Property, Plant and Equipment":

- It is probable that the future economic benefits related with the item will flow to the Company; and
- The cost of the parts can be determined reliably.

When parts are replaced, the respective carrying amount is derecognized. All other repairs and maintenance are charged to income for the period in which they are incurred.

Projects under construction include the following expenses that are capitalized during the construction period:

(i) Interest expenses related to external financing that are directly attributable to construction, both specific and generic in nature. In terms of generic financing, capitalized interest expenses are obtained by applying the weighted average cost of long-term financing to the average accumulated investment not directly financed.

(ii) Directly related personnel and other expenses of an operating nature attributable to the construction.

Balances of construction in progress are transferred to property, plant and equipment once the testing period is finalized and when they are available for use, at which time depreciation begins.

Depreciation of property, plant and equipment is calculated using the straight-line method over the estimated economic useful lives. The estimated useful lives of property, plant and equipment are detailed in Note 14.

The residual value and the useful life of the assets are reviewed, and adjusted if necessary, as of each year-end, so that the remaining useful life is in accordance with the expectations of the use of the asset.

When the fair value of an asset is greater than its estimated recoverable value, its carrying amount is written down to its recoverable value by recognizing an impairment loss.

Gains and losses on sales of property, plant and equipment are calculated by comparing the proceeds from the sale with the carrying amount and are included in "Other Gains (Losses)".

The amounts corresponding to the de-recognized elements of property, plant and equipment include original cost net of accumulated depreciation and accumulated impairment losses.

3.4. Intangible Assets

Intangibles assets consist primarily of easement rights, which are presented at historical cost. These rights have no time limits and therefore are considered assets with an indefinite useful life, and consequently are not subject to amortization. However, the determination of useful life is reviewed during each reporting period to determine whether the status of indefinite useful life still applies. These assets undergo impairment testing on an annual basis. An exception to this concept of indefinite useful life exists in the cases where there is a contractual obligation that limits the useful life of the easement (see Note 13).

3.5. Impairment of Non-Financial Assets

Assets subject to amortization are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value of an asset less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units").

An impairment loss is recognized when there is an excess of the carrying amount of the assets or cash-generating unit over corresponding recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use. The estimate of the value in use is based on cash flow projections that are discounted using a rate that reflects the current evaluations of the market and the risks associated with the assets or cash generating unit. The best estimate of fair value less costs to sell includes prices of similar transactions carried out in the market place. If the transactions cannot be identified in the market, a valuation model is used.

Non-financial assets, other than goodwill, that have suffered an impairment loss are assessed at the end of each reporting period for indications that the impairment loss may no longer exist. Loss reversals cannot exceed the carrying amount that would have been obtained, net of amortization and depreciation, had no impairment loss been recognized for the asset in prior periods.

Impairment tests of intangible assets with indefinite useful lives are performed annually on October 1.

3.6. Financial Assets

Presentation and Classification

Angamos classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity financial investments, available-for-sale financial investments and derivatives designated as hedging instruments in an effective hedge (see Note 3.8). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition.

(a) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading or designated as such upon initial recognition. A financial asset is classified in this category if acquired principally to sell in the short term. This category also includes derivative financial instruments that are not designated as hedging instruments.

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those with maturities greater than 12 months from year-end, which are classified as non-current assets. Loans and receivables are included in Trade and Other Receivables in the Statement of Financial Position.

(c) Held-to-Maturity Financial Investments

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold until their maturity. If the Company were to sell more than an insignificant amount of held-to-maturity financial assets, the entire category would be reclassified to the available-for-sale category.

(d) Available-For-Sale Financial Investments

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within the upcoming 12 months.

Initial Recognition and Disposal

Acquisitions and disposals of financial investments are recognized as of the date of negotiation (i.e. the date on which the Company commits to purchase or sell the asset). Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are registered in the Income Statement.

Subsequent Valuation

Available-for-sale financial assets and financial instruments at fair value through profit or loss are subsequently recorded at fair value. Loans and other receivables and held-to-maturity financial assets are accounted for at amortized cost using the effective interest rate method.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with changes in fair value recognized in Finance Income or Finance Expense in the Income Statement. When instruments classified as available for sale are disposed of or impaired, the accumulated fair value adjustments previously recognized in Accumulated Other Comprehensive Income are included in net income.

Investments are written-off when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Impairment

As of each reporting date, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets may be impaired. In the case of equity instruments classified as available-for-sale, to determine if impairment exists, the Company will consider whether a significant or prolonged decline in the fair value of the instruments below their cost has taken place. If any evidence of this type exists for available-for-sale financial investments, the accumulated loss determined as the difference between the acquisition cost and the current fair value, less accumulated impairment loss is eliminated from Other Comprehensive Income and is recognized in income. Impairment losses recognized in the Statement of Comprehensive Income for equity instruments are not

reversed. However, increases in their fair value subsequent to impairment are recognized directly in Other Comprehensive Income.

Trade and Other Receivables are recognized initially at fair value and subsequently at amortized cost, in accordance with the effective interest rate method less allowance for doubtful accounts.

The allowance for doubtful accounts in Trade and Other Receivables is established when evidence exists that the Company will not be able to receive the amounts according to the original terms. The existence of financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy or financial reorganization and the failure or delay of payments are considered indicators that the account receivable is impaired. The amount of the allowance is the difference between the carrying amount of the asset and the present value of the future estimated cash flows discounted at the effective interest rate. The carrying amount of the asset is reduced by the allowance for doubtful accounts and the loss is recognized in Costs of Sales. When an amount is determined to be unrecoverable, the amount is written off against the allowance for doubtful accounts. The subsequent recovery of amounts previously written-off is recognized as a credit to Cost of Sales.

3.7. Financial Liabilities

Angamos classifies its financial liabilities into the following categories: at fair value through profit or loss, trade payables, interest-bearing loans or derivatives designated as hedging instruments in an effective hedge (see Note 3.8). Management determines the classification of its financial liabilities upon initial recognition.

Financial liabilities are derecognized when the obligation is settled, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, the original liability is derecognized and the new liability recognized with the difference in the respective carrying amounts recorded in income.

Financial liabilities are initially recognized at fair value and, in the case of loans, include directly attributable transaction costs. Subsequent measurement of financial liabilities depends on their classification, as described below:

(a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified as at fair value through profit or loss when they are held for trading or designated as such upon initial recognition. Gains and losses from liabilities held for trading are recognized in income. This category includes derivative instruments not designated for hedge accounting.

(b) Trade and Other Payables

Balances payable to suppliers are subsequently measured at their amortized cost using the effective interest rate method. Accounts payable with generally accepted commercial maturities are not discounted.

(c) Interest-Bearing Loans

Interest-bearing loans are subsequently measured at their amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any initial premium or discount on the loan and includes any transaction costs that are an integral part of the effective interest rate.

3.8. Derivative Financial Instruments and Hedging

The Company uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest and exchange rate fluctuations. Derivatives are initially recognized at fair value on the date on which the derivative contract is executed and are subsequently re-measured at their fair value. The method for recognizing the loss or gain resulting from changes in the fair value depends on whether the derivative has been designated as a hedging instrument and, if so, of the nature of the hedged item. The Company designates particular derivatives as:

- fair value hedges; and

- cash flow hedges;

The Company documents the relationship between hedging instruments and the hedged items at the inception of the transaction, as well as its risk management objectives and strategy for carrying out diverse hedge transactions. The Company also documents its assessment, both at inception as well as on a continued basis, of whether the derivatives used in hedge transactions are highly effective in offsetting changes in fair value or in the cash flows of hedged items.

(a) **Fair Value Hedge**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in net income, together with any change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

The Company has not used fair value hedges in the periods covered by these interim financial statements.

(b) **Cash Flow Hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in Other Comprehensive Income within the cash flow hedge reserve. Any loss or gain related to the ineffective portion is recognized immediately in Finance Income or Finance Expense.

Amounts accumulated in Other Comprehensive Income are recorded in the income statement in the periods in which the hedged item impacts the Income Statement. For variable interest rate hedges, the amounts recognized in equity are reclassified to Finance Expense as the associated debts accrue interest.

When a hedging instrument matures, is sold or when it no longer meets hedge accounting requirements, gains or losses accumulated in Other Comprehensive Income remain in equity and are recognized when the forecasted transaction affects earnings. When the forecasted transaction is not expected to occur, any accumulated gain or loss in Accumulated Other Comprehensive Income is immediately recognized in income.

(c) **Derivatives Not Designated as Hedges**

Derivatives that are not designated as hedging instruments in an effective hedge are recognized at fair value through profit or loss. Changes in the fair value of any derivative instrument classified in this category are recognized immediately in the Income Statement within Finance Income or Finance Expense.

(d) **Embedded Derivatives**

The Company evaluates the existence of embedded derivatives in financial and non-financial instrument contracts, which are not already accounted for as assets or liabilities at fair value through profit or loss, to determine if their characteristics and risks are closely related to the host contract. If not closely related, the embedded derivatives are bifurcated and the variations in fair value of these embedded derivatives are recorded in income.

3.9. Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the average weighted price method.

3.10. Cash and Cash Equivalents

Cash and cash equivalents include cash, time deposits in credit institutions and other highly-liquid, short-term investments with original maturities not in excess of three months and bank overdrafts. In the Statement of Financial Position, bank overdrafts are classified as external resources within Other Financial Liabilities. The classification of Cash and Cash Equivalents does not differ from that used in the Statement of Cash Flows.

Restricted cash is included in the Statement of Financial Position in Cash and Cash Equivalents except when the nature of the restriction is such that it prevents funds from being liquid or easily convertible to cash. In this case,

cash restricted with restrictions less than 12 months will be recognized in Other Current Financial Assets and those greater than 12 months will be recognized in Other Non-Current Financial Assets.

The Company has defined the following considerations in the preparation of the Statement of Cash Flows:

(i) Operating Activities: These are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

(ii) Investing activities: These consist of the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

(iii) Financing activities: These are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Payments and receipts of interest and dividends are classified in the Statement of Cash Flow as part of Operating Activities. Cash flows arising from taxes on income are separately disclosed within cash flows from operating activities.

3.11. Issued Capital

The Company's issued share capital consists of a single class of ordinary shares with one vote per share.

Incremental costs directly attributable to the issuance of new shares or options are presented in equity as a reduction of the funds obtained by issuing new shares, net of taxes.

3.12. Taxes

Current Taxes

The Company determines its current income taxes based on its net taxable income, which is determined in accordance with tax laws in effect for each period. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in Chile, the country where the Company operates and generates taxable income.

Income tax expense or benefit for the period is determined as the sum of the Company's current income tax, which result from applying taxes to taxable income for the period, which includes taxable income and deductible expenses, plus variations in deferred tax assets and liabilities and tax credits.

Deferred Taxes

Deferred taxes arising from temporary differences and other events that generate differences between the carrying amount for financial reporting purposes and tax bases of assets and liabilities are recorded in accordance with IAS 12 "Income Taxes".

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. A deferred tax liability is recognized for all taxable temporary differences.

A deferred tax asset is recognized for all deductible temporary tax differences and unused tax losses and credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current taxes and variations in deferred taxes that do not arise from business combinations are recorded in income or equity, based on where the originating gains or losses were recorded.

3.13. Employee Benefits

(a) Short-Term Pension Obligations and Other Post-Employment Obligations

The Company recognizes all liabilities related to short term benefits to employees such as salary, vacation, bonuses and others on an accrued basis considering amounts stipulated in collective agreements following normal Company policy.

(b) Staff Severance Indemnities

The Company's obligation for staff severance indemnities is measured and recorded at the present value of the total obligation using the projected benefit cost method, considering a discount rate based on UF-denominated sovereign bonds from the Chilean Central Bank and average long-term projected inflation.

The value of these liabilities is calculated using the projected unit credit method. This actuarial calculation includes the projected benefit discounted at an annual nominal rate considering the probability of such payments or benefits. Assumptions considered in the calculation include the probability of such payments or benefits based on mortality, employment rotation, future costs, amounts of benefits offered and the discount rate.

Actuarial gains and losses include experience adjustments and the effects of changes in actuarial assumptions. As of January 1, 2013, the Company adopted the amendments in IAS 19R which, among other changes, eliminated the "corridor approach" for actuarial gains and losses, which are now recognized in equity in the Defined Benefit Plan Reserve.

3.14. Provisions

Provisions for environmental restoration, site restoration and asset removal, as well as restructuring and litigation expenses are recognized when:

(a) The Company has a current obligation, whether legal or constructive, as a result of past events; and
(b) It is probable that an outflow of resources will be needed to settle the obligation; and
(c) The amount can be reliably estimated.

Provisions are not recognized for future operating losses.

Provisions are recorded at the present value of the expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Income Statement as Finance Expense.

3.15. Revenue Recognition

The Company recognizes revenues when:

- The amount can be reliably measured, and
- It is probable that the future economic benefits flow to the entity; and
- Specific conditions have been met for each of the Company's activities as described below.

The amount of income is not considered to be reliably measured until all contingencies related to the sale have been resolved. The Company bases its estimates on historical results, taking into account the type of customer, type of transaction and the concrete terms of each agreement.

Operating revenue includes the fair value of considerations received or to be received for the sale of goods and services in the ordinary course of the Company's activities. Operating revenue is presented net of value added taxes, returns, rebates and discounts and after eliminating inter-company sales.

(a) **Sales Revenues**

Revenue from energy and capacity sales is recognized once the energy or capacity has been physically delivered at prices established in the respective contracts or at current electricity market prices in accordance with current regulations. This includes unbilled revenue from energy and capacity supplied but not invoiced as of each period end, which is accounted for at the contractual rates existing at each respective period end. These amounts are included in current assets as Trade Receivables.

Additionally, the Company recognizes revenues from sales of inventory, such a coal, when all risks and benefits are transferred to the customers. It also recognizes revenues for engineering, advisory and other services as the service is provided using the degree of completion method.

(b) **Finance Income**

Finance income is recognized using the effective interest rate method.

(c) **Deferred Revenue**

The Company has included amounts paid in advance for facility use and supply contracts within both current and non-current liabilities. The effect on income of these payments is recognized within Operating Revenue over the life of the respective contract.

NOTE 4 – FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

4.1. Risk Management Policy

The Company's risk management strategy is designed to safeguard the stability and sustainability of Angamos at all times, under both normal and exceptional circumstances in relation to all relevant components of financial uncertainty. The Company's risk management is aligned with the general guidelines defined by its controlling shareholder, the AES Gener.

"Financial risk events" refer to situations in which there is exposure to conditions that indicate financial uncertainty, and are classified based on the source of the uncertainty and associated transmission mechanisms. The responsible and effective management of these uncertainties is viewed by the Company as strategic from the standpoint of value creation.

The following aspects of financial risk management are most important:

- Providing transparency, establishing and managing risk tolerances and determining guidelines in order to develop strategies to limit significant exposure to risk.

- Providing a disciplined and formal process for assessing risk and carrying out the commercial aspects of the business.

Financial risk management involves the identification, determination, analysis, quantification, measurement and control of these events. It is management's responsibility, particularly financial and commercial management, to constantly assess and manage financial risk.

4.2. Risk Factors

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of a change in market prices. Market risks comprise three types: Foreign Exchange Risk, Interest Rate Risk, and Commodity Price Risk.

(i) Foreign Exchange Risk

The Company's functional currency is the US dollar given that its revenue, expenses, investments in equipment and debt are mainly denominated in or linked to the US dollar. Also, the Company is authorized to file and pay its taxes in Chile in US dollars. Exchange rate risk is associated with any revenue, expenses, investments and debt denominated in any currency other than US dollars. The main exposure to Chilean peso is a short period of spot market receivables. Given the Company's net asset position in Chilean pesos as of September 30, 2014, the impact of 10% depreciation in the exchange rate of the Chilean peso with respect to the US dollar could have generated an impact of approximately ThUS$2,703 in Angamos' Net Income. During the nine-month period ended September 30, 2014, approximately 100% of operating revenue and expenses were in US dollars. As of September 30, 2014, 100.0% of the debt is denominated in US dollars.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with variable interest rates.

The Company manages its interest rate risk by entering into interest rate swaps to mitigate the risk for its long-term obligations. Currently, the Company has interest rate swaps for an important part of its debt. A 10% increase in

variable interest rates would not have a significant impact on net income as 80.6% of the debt is at fixed rate associated with the swaps described above. The following table shows the composition of debt by type of interest rate as of September 30, 2014 and 2013:

Rate	September 30, 2014 %	September 30,2013 %
Fixed rate	80.6	80.6
Variable rate	19.4	19.4

(iii) Commodity Price Risk

The fuel used by the Company is primarily coal, which is a commodity with international prices set by market factors outside of the Company's control. Since both units of Angamos are coal-fired generation facilities, coal costs represent an important part of operating costs. Additionally, the price of fuel is a key factor in plant dispatch and spot prices in Chile.

Currently, all of the Company's power purchase agreements (PPA) include fuel pass-through provisions that adjust prices based on the increase and decrease in the price of coal in accordance with the indices and adjustment periods specified under each contract, in order to mitigate variations in the fuel cost. Moreover, a great portion of the energy produced by Angamos is committed under its PPAs (100% from 2018 onwards), minimizing the exposure to spot market prices.

(b) Credit Risk

Credit risk is related to the credit rating of Angamos' counterparties. The Company is exposed to credit risk primarily from its operating activities related to trade receivables and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The plant's capacity is fully contracted under long term PPAs with creditworthy subsidiaries of BHP Billiton and Teck Resources in northern Chile. Minera Escondida Limitada and Minera Spence S,A, who are controlled by BHP Billiton Group (A+/A1) and Quebrada Blanca S.A., who is controlled by Teck Resources Limited (BBB/Baa2/BBB), are top quartile copper mines that are considered among the most creditworthy counterparties in Chile. In the case of Quebrada Blanca, the PPA is guaranteed by Teck Resources Limited, where the amount of the guarantee decreases in line with the stage of completion of its mine.

In the case Angamos has excess of energy; it is sold in the spot market. According to Chilean regulations; the Company's spot sales are required to be with other CDEC participants that have energy deficits according to economic dispatch performed by the CDEC.

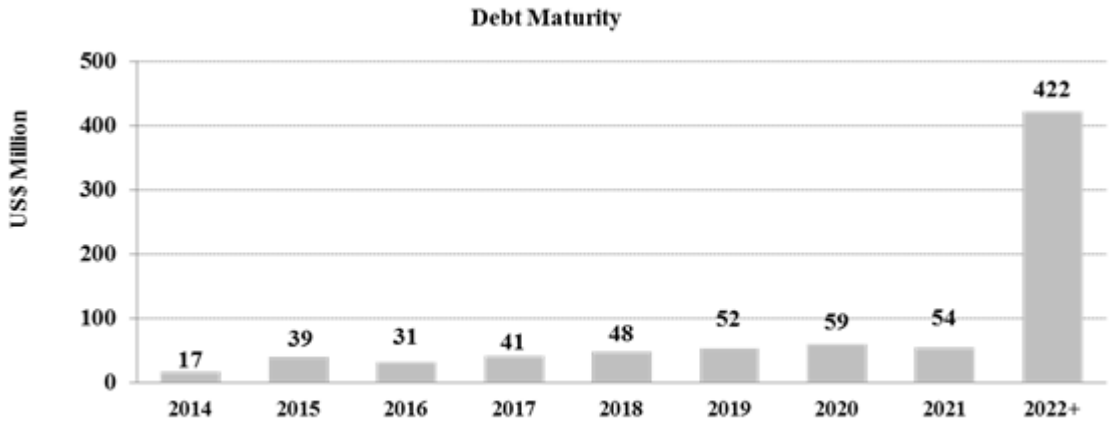
Financial instruments held by Angamos such as mutual funds and time deposits are executed with local and foreign financial institutions that have national and/or international credit ratings greater than or equal to "A" under the S&P and Fitch scale and "A2" in Moody's rating scale. Similarly, derivatives executed for financial debt are carried out with top-level international entities. The Company has cash, investment and treasury policies to guide its cash management and minimize credit risk.

(c) Liquidity Risk

Liquidity risk relates to the need for funds to meet payment obligations. The Company's objective is to maintain balance between fund continuity and financial flexibility through normal operating cash flows, bank loans, public bonds, short-term investments and committed and uncommitted credit lines.

As of September 30, 2014, Angamos had available liquid resources of ThUS$83,323 classified as cash and cash equivalents compared to ThUS$55,642 as of September 30, 2013.

The following graph and table details Angamos' amortization schedule for the outstanding debt of ThUS$735,492 as of September 30, 2014:



	As of September 30, 2014					
		Expected contractual maturity date				
	Average interest rate	2014	2015	2016	2017	2018+
		(in US$ millions)				
Variable Rate						
Syndicated Loans (US$)...	LIBOR + Spread	16.6	39.1	31.3	41	635.1

4.3. Risk Measurement

The Company has developed methods to measure the efficiency and effectiveness of risk strategies, both prospectively and retrospectively.

For those analyses, different market methods for risk quantification are used, such as regression methods, risk bearing capacity and maximum risk exposure, which allow the Company to adjust risk strategies and mitigation methods and assess their impact.

NOTE 5 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Management must make judgments and estimates that can have a significant effect on the figures presented in the financial statements. Changes in these assumptions and estimates may have a significant impact on the financial statements. The estimates and critical judgments used by the Company's management are detailed below:

- Hypotheses used in actuarial calculations of employee benefits obligations.
- The useful life and residual values of property, plant and equipment and intangible assets. (See Note 13 and 14)
- The assumptions used to calculate the fair value of financial instruments, including credit risk. (See Note 7)
- The probability of occurrence and the value of contingent liabilities or liabilities whose amount is uncertain. (See Note 22)
- Future disbursements for asset dismantling or removal obligations. (See Note 17)
- Determination of the existence of finance or operating leases based on the transfer of risks and rewards of the leased assets. (See Note 14.2)

Although these estimates have been made based on the best information available as of the date of issuance of these financial statements, it is possible that future developments may force the Company to modify these estimates in upcoming periods. Such modifications would be adjusted prospectively, recognizing the effects of the change in estimate in the corresponding future financial statements, as required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

NOTE 6 – CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Cash at Banks	83,323	69,920
Total Cash and Cash Equivalents	**83,323**	**69,920**

Cash and Cash Equivalents by type of currency as of September 30, 2014 and December 31, 2013 are detailed as follows:

Cash and Cash Equivalents by Currency	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Ch$	7,783	14,286
US$	75,540	55,634
Total Cash and Cash Equivalents	**83,323**	**69,920**

As of September 30, 2014 and December 31, 2013, these balances are restricted by the requirements of the credit agreement with a consortium of banks led by BNP Paribas bank (formerly Fortis). These funds are being used by the Company for operational and working capital needs.

NOTE 7 – FINANCIAL INSTRUMENTS

7.1. Financial Assets and Liabilities

Financial assets are classified into the categories described in Note 3.6, detailed as follows:

September 30, 2014	Cash and Cash Equivalents ThUS$	Loans and Receivables ThUS$	Hedging Instruments ThUS$	Total ThUS$
Cash and Cash Equivalents	83,323	-	-	83,323
Trade and Other Receivables	-	26,390	-	26,390
Related Party Receivables	-	143,103	-	143,103
Total	**83,323**	**169,493**	**-**	**252,816**

December 31, 2013	Cash and Cash Equivalents ThUS$	Loans and Receivables ThUS$	Hedging Instruments ThUS$	Total ThUS$
Cash and Cash Equivalents	69,920	-	-	69,920
Trade and Other Receivables	-	36,293	-	36,293
Other Non-Current Financial Assets	-	-	13,879	13,879
Related Party Receivables	-	113,258	-	113,258
Total	**69,920**	**149,551**	**13,879**	**233,350**

The carrying amount of financial assets such as Cash and Cash Equivalents, Trade and Other Receivables and the current portion of Related Party Receivables are approximately equivalent to their fair values, due to the short-term nature of their maturities.

Financial instruments classified as Other Non-Current Financial Assets are Hedging Derivatives that are presented at fair value in the Statement of Financial Position. See Note 7.2 for the methods used to calculate these fair values.

Financial liabilities are classified into the categories described in Note 3.7, detailed as follows:

September 30, 2014	Hedging Instruments ThUS$	Other Financial Liabilities ThUS$	Total ThUS$
Other Current Financial Liabilities	13,430	45,793	59,223
Trade Payables	-	23,150	23,150
Other Non-Current Financial Liabilities	1,047	689,746	690,793
Related Party Payables	-	25,185	25,185
Total	**14,477**	**783,874**	**798,351**

December 31, 2013	Hedging Instruments ThUS$	Other Financial Liabilities ThUS$	Total ThUS$
Other Current Financial Liabilities	11,728	42,244	53,972
Trade Payables	-	15,479	15,479
Other Non-Current Financial Liabilities	-	705,865	705,865
Related Party Payables	-	29,816	29,816
Total	**11,728**	**793,404**	**805,132**

The carrying amounts of the current portion of Related Party and Trade Payables approximate their fair values given the short-term nature of their maturities.

Instruments recorded in Other Current and Other Non-Current Financial Liabilities classified as Hedging Derivatives are presented at fair value in the Statement of Financial Position. See Note 7.2 for the methods used to calculate these fair values.

The carrying value of interest-bearing loans included in Other Current and Other Non-Current Financial Liabilities differs from their fair values principally due to fluctuations in exchange rates and market interest rates. The methodology to calculate fair values of these instruments consists of discounting future cash flows of the debt using a yield curve. For the purposes of calculating this present value, assumptions are used such as the value of the exchange rate of the debt, the credit rating of the instrument and the credit rating of the Company. The assumptions used as of September 30, 2014 and December 31, 2013 are classified as Level 2 within the Fair Value Hierarchy as defined in Note 7.2. The following table details the carrying amounts and fair values of interest-bearing loans:

	September 30, 2014		December 31, 2013	
Interest-Bearing Loans	Carrying Value ThUS$	Fair Value ThUS$	Carrying Value ThUS$	Fair Value ThUS$
Interest-Bearing Loans	735,492	763,134	748,058	779,529

7.2. Fair Values

The Company uses the Reval Hedge Rx system to calculate the fair value of interest rate swaps.

The following principal assumptions are used in valuation models for derivative instruments:

a) Market assumptions such as future spot prices, other price projections, credit risk (own and counterparty).

b) Discount rate inputs such as risk-free rates, local and counterparty spreads (based on risk profiles and data available in the market).

c) The models also incorporate variables such as volatilities, correlations, regression formulas and market spreads using observable market data and techniques commonly used by market participants.

Valuation Methodology for Derivative Instruments

(a) **Interest Rate Swaps**

The valuation model for interest rate swaps involves forecasting cash flows using forward curves for each intermediate and final settlement date, and then discounting those cash flows using the LIBOR zero-coupon rate. The assumptions used in the model include prices and rates observable in the market, risk-free rates, country and/or counterparty risk, the Company's credit risk, etc.

(b) **Hierarchy of Fair Value of Derivative Instruments**

Financial instruments recognized at fair value in the Statement of Financial Position are classified based on the following hierarchies:

Level 1: Quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability are not based on observable market data.

The following tables show financial assets and liabilities by fair value hierarchy:

September 30, 2014	Note	Level 2 ThUS$
Liabilities		
Hedging Instruments		
Interest Rate Swap	7.4 (a.1)	14,477
Total Assets		**14,477**

December 31, 2013	Note	Level 2 ThUS$
Assets		
Hedging Instruments		
Interest Rate Swap	7.4 (a.1)	13,879
Total Assets		**13,879**
Liabilities		
Hedging Instruments		
Interest Rate Swap	7.4 (a.1)	11,728
Total Liabilities		**11,728**

As of September 30, 2014, the Company did not have any hedging instruments in an asset position.

As of September 30, 2014 and December 31, 2013, the Company has no financial instruments valued at fair value on a recurring basis that use significant assumptions not based on observable market information (Level 3).

Likewise, during the periods ended September 30, 2014 and December 31, 2013, the Company recorded no movements of financial assets and liabilities between Level 1 and Level 2.

(e) **Master Netting Agreements**

The following table shows the derivative instruments as of September 30, 2014 and December 31, 2013, that are subject to master netting agreements, where there is a contractual right to set off assets and liabilities under these financial instruments.

	September 30, 2014		December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
Other Non-Financial Assets	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Current	-	13,430	-	11,728
Non-Current	-	1,047	13,879	-
Total Derivatives	**-**	**14,477**	**13,879**	**11,728**
Subject to Master Netting Agreements (Gross is Equal to Net)	-	14,477	13,879	11,728
Total Amount	**-**	**14,477**	**13,879**	**11,728**

As of September 30, 2014 and December 31, 2013, the Company has not provided any cash guarantees.

7.3. Credit Risk of Financial Assets

The Company is exposed to credit risk in its commercial activities as well as in its financial activities.

The Company evaluates the credit quality of its counterparties, which includes principally mining customers. In Angamos' case, the majority of its clients and its parent have international investment-grade ratings. Credit quality is determined by qualified rating agencies that determine the solvency of the entities from most solvent (rating of "AAA") to least solvent (rating of "E"). Investment grade is considered "BBB" or higher.

Regarding financial instruments, Angamos executes investments with local and international counterparties with international or national risk ratings of A- or A3 according to Standard & Poor's and Moody's, respectively. Similarly, derivatives executed for financial debt are carried out with top-level international entities. The Company has cash, investment and treasury policies to guide its cash management and minimize credit risk.

7.4. Derivative Instruments

Financial derivatives held by Angamos correspond primarily to transactions entered into with the intent to hedge interest rate volatility arising from financing its plant.

The Company, in line with its risk management policy, enters into interest rate to reduce the anticipated variability of the underlying debt's future cash flows.

The portfolio of derivative instruments as of September 30, 2014 and December 31, 2013 is detailed as follows:

(a) **Cash Flow Hedges**

The fair values of the swap contracts that partially hedge the syndicated loan of Angamos are as follows:

a.1 Interest Rate Swaps:

				As of September 30, 2014				As o	
				Asset		Liability		Asset	
Derivative Instrument	Counterparty	Classification	Interest Rate	Current ThUS$	Non-Current ThUS$	Current ThUS$	Non-Current ThUS$	Current ThUS$	Non-C Th
Interest Rate Swap	Various	Cash Flow Hedge	2.83%	-	-	13,430	1,047	-	1
Total				**-**	**-**	**13,430**	**1,047**	**-**	**1**

In December 2008, Angamos executed seven interest rate swap contracts, which are currently held by SMBC, the Royal Ba (formerly Fortis), Credit Agricole (formerly Calyon), HSBC and ING, maturing in 17 years for ThUS$690,000, to fix var construction and operating periods of its power plant.

These swap contracts partially hedge the loan from a consortium of banks led by BNP Paribas for the Angamos Power Plant w October 2011.

a.4 Other Information - Cash Flow Hedges

Hedge maturities are included in the following table:

				Period		Maturity (Notional Valu		
Company	Derivative Instrument	Counterparty	Hedged Item	Start	End	2014 ThUS$	2015 ThUS$	Thereaf ThUS$
Emp. Eléctrica Angamos S.A.	Interest Rate Swap	Various	Interest Rate	12-30-2008	09-30-2025	-	32,213	583,12
Total						-	**32,213**	**583,12**

For more details on debt maturity, see Note 15 Other Financial Liabilities.

The Company has not executed cash flow hedge instruments for highly probable transactions that then failed to occur.

For the periods ended September 30, 2014 and 2013, the cash flow hedges have not produced any ineffectiveness and therefore there are no losses in the Income Statement.

The following movements were recognized in Accumulated Other Comprehensive Income during the nine-month period ended September 30, 2014 and the year ended December 31, 2013:

	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Gains (Losses) related to Derivatives Recognized in Other Comprehensive Income	(16,628)	48,403
Gains (Losses) related to Derivatives Reclassified from Other Comprehensive Income to Net Income	418	560

(b) Embedded Derivatives

In the periods covered by these financial statements no embedded derivatives requiring separate recognition were identified.

NOTE 8 – OTHER NON-FINANCIAL ASSETS

As of September 30, 2014 and December 31, 2013, Other Non-Financial Assets are detailed as follows:

	Current	
Other Non-Financial Assets	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**
Prepaid Insurance	3,246	1,585
Other Project Related Services	10	10
Total	**3,256**	**1,595**

As at September 30, 2014 and December 31, 2013, there were no non-current other non-financial assets held by the Company.

NOTE 9 – TRADE AND OTHER RECEIVABLES

Amounts in Trade and Other Receivables relate to transactions within the Company's line of business, which principally consists of sales of energy, capacity and transmission.

1) As of September 30, 2014 and December 31, 2013, this account is detailed as follows:

	Current		Non-Current	
Trade and Other Receivables, Gross	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**
Trade Receivables, Gross	26,394	36,293	-	-
Allowance for Doubtful Accounts	(4)	-	-	-
Trade Receivables, Net	**26,390**	**36,293**	**-**	**-**
Other Accounts Receivable	1,638	882	86	88
Trade and Other Receivables, Net	**28,028**	**37,175**	**86**	**88**

The fair value of Trade and Other Receivables does not differ significantly from their carrying amount.

2) Trade Receivables past due but not impaired are detailed as follows:

Trade Receivables Past Due but Not Impaired	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**
Less than Three Months	516	6,346
Between Three and Six Months	92	4
Between Six and Twelve Months	-	-
More than Twelve Months	-	-
Total Trade Receivables Neither Past Due Nor Impaired	**608**	**6,350**

3) The movements in allowance for doubtful accounts related to Trade and Other Receivables are detailed in the following table:

Allowance for Doubtful Accounts	**ThUS$**
Balance as of January 1, 2013	**(23)**
Increase (Decrease) for the Year	23
Amounts Written-off t to Income	-
Balance as of December 31, 2013	**-**
Increase (Decrease) for the Year	4
Amounts Written-off to Income	-
Total as of September 30, 2014	**4**

NOTE 10 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions between the Company and its related parties consist of recurring transactions made at terms equivalent to those t
transaction.

10.1. Balances and Transactions with Related Parties

(a) The balances of Receivables between the Company and its related parties are detailed as follows:

Related Party Receivables					Current		Sep
Company	Country	Transaction	Relationship	Currency	September 30, 2014 ThUS$	December 31, 2013 ThUS$	
Norgener S.pA[(1)].	Chile	Employee Benefits	Direct Parent	US$	-	186	
Norgener S.pA.[(1)]	Chile	Energy sales	Direct Parent	Ch$	-	4,431	
Norgener S.pA.[(1)]	Chile	Miscellaneous Operational Services	Direct Parent	Ch$	-	377	
AES Gener S.A.	Chile	Employee Benefits	Local Parent	US$	1,071	32	
AES Andrés	Dominican Republic	Miscellaneous Services	Common Ultimate Parent	US$	6	6	
AES Gener S.A.	Chile	Intercompany Loan	Local Parent	US$	-	-	
The AES Corporation	United States	Miscellaneous Services	Ultimate Parent Company	US$	980	-	
AES Gener S.A.	Chile	Miscellaneous Services	Local Parent	Ch$	27	434	
Empresa Eléctrica Cochrane S.p.A.	Chile	Miscellaneous Services	Common Local Parent	Ch$	8	9	
AES Gener S.A.	Chile	Energy Sales	Local Parent	Ch$	5,909	1,849	
Total					**8,001**	**7,324**	

[(1)] On June 1, 2014 Norgener S.p.A. was split into two entities: Norgener Investments and Norgener Opco, a new legal entity. This new entity that arose from the
all of its related contracts and commercial operations. Once this transaction was legally approved, this entity was absorbed by AES Gener S.A.

As of September 30, 2014 and December 31, 2013, there are no allowances for doubtful accounts relating to these balances.

(b) The balances of Payables between the Company and its related parties are detailed as follows:

Related Party Payables					Current	
Company	Country	Transaction	Relationship	Currency	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Norgener S.p.A. [1].	Chile	Purchase of Energy and Capacity	Direct Parent	Ch$	-	2,673
Norgener S.p.A. [1].	Chile	Miscellaneous Services	Direct Parent	US$	-	83
AES Corporation	United States	Miscellaneous Services	Ultimate Parent Company	US$	58	58
AES Gener S.A.	Chile	Coal Purchases	Local Parent	US$	17,200	23,857
AES Gener S.A.	Chile	Energy Purchases	Local Parent	Ch$	2,781	2,893
AES Gener S.A.	Chile	Employee Benefits	Local Parent	Ch$	336	55
AES Gener S.A.	Chile	Miscellaneous Services	Local Parent	Ch$	4,647	-
Empresa Eléctrica Campiche S.A.	Chile	Employee Benefits	Common Local Parent	Ch$	94	144
Eléctrica Santiago S.p.A.	Chile	Miscellaneous Services	Common Local Parent	Ch$	-	5
Empresa Eléctrica Ventanas S.A.	Chile	Miscellaneous Services	Local Parent	Ch$	63	45
Total					**25,179**	**29,813**

[1] On June 1, 2014 Norgener S.p.A. was split into two entities: Norgener Investments and Norgener Opco, a new legal entity. This new entity that arose from the all of its related contracts and commercial operations. Once this transaction was legally approved, this entity was absorbed by AES Gener S.A.

(c) The effects on net income of transactions with related parties during the nine-month periods ended September 30, 2014 an

Company	Country	Transaction	Relationship	2014 ThUS$	Effect on Income (Charge/ Credit) ThUS$	T
Norgener S.p.A. [1].	Chile	Sale of Energy and Capacity	Direct Parent	13,400	-	
Norgener S.p.A. [1].	Chile	Cost of Sales	Direct Parent	443	-	
AES Corporation	United States	Insurance Claim	Ultimate Parent Company	75	75	
AES Gener S.A.	Chile	Sale of Energy and Capacity	Local Parent	19,894	19,894	
AES Gener S.A.	Chile	Other Revenues	Local Parent	121	121	
AES Gener S.A.	Chile	Purchase of Energy and Capacity	Local Parent	1,494	(1,494)	
AES Gener S.A.	Chile	Cost of Sales	Local Parent	6,294	(6,294)	
AES Gener S.A.	Chile	Interest Income	Local Parent	-	-	
Empresa Electrica Ventanas S.A.	Chile	Cost of Sales	Local Parent	85	(85)	

[1] On June 1, 2014 Norgener S.p.A. was split into two entities: Norgener Investments and Norgener Opco, a new legal entity. This new entity that arose from the all of its related contracts and commercial operations. Once this transaction was legally approved, this entity was absorbed by AES Gener S.A.

Transactions with related companies, in general, consist of recurring transactions made at terms equivalent to those that prevail in a

10.2. Key Management Personnel

Key Management Personnel are those that have the authority and responsibility to plan, direct and control the activities of the Company, whether directly or indirectly. Angamos is managed by the members of AES Gener's Senior Management ("Senior Management") and by its Board of Directors composed of three directors, who are elected for a period of three years by the Shareholders in the Ordinary General Shareholders' Meeting.

Balances and Transactions with Key Management Personnel

There are no pending receivables or payables between the Company and its Directors and Senior Management.

In the periods covered by these financial statements, no transactions took place between the Company and its Directors or Senior Management.

There are no guarantees granted in favor of the Directors.

There are no guarantees granted by the Company in favor of the Senior Management.

There are no compensation plans linked to the market value of shares of the Company.

NOTE 11 – INVENTORY

Inventory, valued in accordance with the accounting policy described in Note 3.9, is detailed as follows:

Inventory	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Coal	18,108	15,561
Oil	1,707	1,697
Spare Parts and Materials	9,222	8,024
Materials in Transit	480	718
Total	**29,517**	**26,000**

The amount of inventory recognized as cost of sales in income for the nine-month periods ended September 30, 2014 and 2013, is detailed as follows:

Inventory Recognized as Cost of Sales in Net Income	2014 ThUS$	2013 ThUS$
Coal	88,598	88,496
Oil	642	723
Spare Parts	5,323	4,452
Total	**94,563**	**93,671**

In the periods covered by these financial statements, no adjustments exist that would significantly affect the carrying value of inventory.

NOTE 12 –TAXES

12.1 Current Tax Receivables

Current Tax Receivables as of September 30, 2014 and December 31, 2013, are detailed as follows:

	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Employee Training Credit (Sence)	-	34
Donation Credits	-	3
Other	38	34
Total	**38**	**71**

12.2 Income Tax Expense

The income tax expense for the nine-month periods ended September 30, 2014, and 2013, is composed as follows:

Deferred Income Tax Expense	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Deferred Tax Expenses (Benefit) Related to Changes in Temporary Differences	11,375	4,054
Total Deferred Tax Expense (Benefit)	**11,375**	**4,054**
Income Tax Expense	**11,375**	**4,054**

There were no current tax expenses recognized during the nine-months ended September 30, 2014 or 2013.

The following table reconciles the income tax charge resulting from applying the statutory tax rate in Chile to the effective rate for the nine-month periods ending 2014 and 2013:

	For the nine-month period ended	
Reconciliation of Tax Expense	September 30, 2014 ThUS$	September 30, 2013 ThUS$
Tax Expense Using Statutory Rate	3,761	4,053
Non-Deductible Expenses	1	1
Change in Legal Tax Rate [(1)]	7,603	-
Other Increase (Decrease) in Charge for Legal Taxes	10	(0)
Adjustments to Tax Expense Using Legal Rate	**7,614**	**1**
Tax Expense Using Effective Rate	**11,375**	**4,054**

[(1)] Change in Legal Tax Rates represents the impact of the Chilean Tax Reform enacted on September 26, 2014. According to this reform, a tax rate of 20% that was previously in place is increasing gradually to 21% retroactively since January 1, 2014 for the year 2014, and then to 22.5% for the year 2015, 24% for 2016 and finally 25% from 2017 on, in the tax regime expected to be adopted by the Company.

	For the nine-month period ended	
Tax Related to Items Recorded in Other Comprehensive Income	September 30, 2014 ThUS$	September 30, 2013 ThUS$
Net Movements in Cash Flow Hedges	3,727	(7,270)
Total Tax Effect on Items Recorded in Other Comprehensive Income	**3,727**	**(7,270)**

12.3 Deferred Taxes

Balances of Deferred Tax Assets as of September 30, 2014 and December 31, 2013 are detailed as follow:

Deferred Tax Assets	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Provisions	719	685
Employee Benefits	46	35
Fair Value of Financial Instruments	3,746	2,632
Tax Losses	140,320	99,755
Interest-Bearing Loans	613	259
Other	6,876	4,882
Total	**152,320**	**108,248**

The most significant deferred tax asset is related to the tax losses resulting from Angamos being in operations for a short period. The cause of these losses is principally due to depreciation expense and the inability to capitalize all of the finance expenses relating to the project.

There is evidence that these losses will be used as a result of future taxable income associated with energy supply contracts (PPAs).

Balances of Deferred Tax Liabilities as of September 30, 2014 and December 31, 2013 are detailed in the following table:

Deferred Tax Liabilities	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Depreciation	163,661	112,774
Provisions	97	89
Employee Benefits	19	14
Fair Value of Financial Instruments	4,677	6,517
Finance Expenses	9,495	8,137
Other	5,034	3,732
Total	**182,983**	**131,263**
Net Balance of Deferred Tax Assets and Liabilities	**(30,663)**	**(23,015)**

The following movements occurred in deferred tax assets and liabilities during the periods ended September 30, 2014 and December 31, 2013:

Movements in Deferred Tax Assets	Assets ThUS$	Liabilities ThUS$
Balance as of January 1, 2013	**86,887**	**93,159**
Increase (Decrease) recognized in Income (Losses)	31,022	38,104
Increase (Decrease) recognized in Other Comprehensive Income	(9,661)	-
Balance as of December 31, 2013	**108,248**	**131,263**
Increase (Decrease) recognized in Income (Losses)	40,345	51,720
Increase (Decrease) recognized in Other Comprehensive Income	3,727	-
Balance as of September 30, 2014	**152,320**	**182,983**

NOTE 13 – INTANGIBLE ASSETS

The principal classes of Intangible Assets, valued as described in Note 3.4 and 3.5, are detailed as follows:

	September 30, 2014		
Intangible Assets	**Gross ThUS$**	**Accumulated Amortization ThUS$**	**Net ThUS$**
Intangible Assets with Definite Useful Lives	477	(35)	442
Intangible Assets with Indefinite Useful Lives	1,192	-	1,192
Intangible Assets, Gross	**1,669**	**(35)**	**1,634**
Easements	1,661	(34)	1,627
Other Identifiable Intangible Assets	8	(1)	7
Identifiable Intangible Assets, Gross	**1,669**	**(35)**	**1,634**

	December 31, 2013		
Intangible Assets	**Gross ThUS$**	**Accumulated Amortization ThUS$**	**Net ThUS$**
Intangible Assets with Definite Useful Lives	477	(27)	450
Intangible Assets with Indefinite Useful Lives	1,192	-	1,192
Intangible Assets, Gross	**1,669**	**(27)**	**1,642**
Easements	1,661	(27)	1,634
Other Identifiable Intangible Assets	8	-	8
Identifiable Intangible Assets, Gross	**1,669**	**(27)**	**1,642**

Easements do not have defined useful lives, therefore it has been established that they are indefinite and continuously permanent. These intangibles have not suffered any contractual or legal modification as of September 30, 2014. Accumulated amortization of easements as of September 30, 2014 and December 31, 2013, correspond exclusively to easements of Mejillones lot A, which has a defined useful life related to the duration of the underlying contracts.

Estimated Useful Lives or Amortization Rates Used	**Maximum Life or Rate**	**Minimum Life or Rate**
Easements	Indefinite	30 Years
Other Identifiable Intangible Assets	10 Years	2 Years

Movements in Intangible Assets	2014 Easements ThUS$	2014 Other Identifiable Intangible Assets ThUS$	2014 Total Intangible Assets ThUS$
Opening Balance as of January 1, 2014	1,634	8	1,642
Amortization	(7)	(1)	(8)
Total Changes	**(7)**	**(1)**	**(8)**
Ending Balance as of September 30, 2014	**1,627**	**7**	**1,634**

Movements in Intangible Assets	2013 Easements ThUS$	2013 Other Identifiable Intangible Assets ThUS$	2013 Total Intangible Assets ThUS$
Opening Balance as of January 1, 2013	1,644	-	1,644
Additions	-	8	8
Amortization	(10)	-	(10)
Total Changes	**(10)**	**8**	**(2)**
Ending Balance as of December 31, 2013	**1,634**	**8**	**1,642**

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

14.1. Property, Plant and Equipment

The balances of the different categories of property, plant and equipment as of September 30, 2014 and December 31, 2013, are detailed as follows:

	September 30, 2014		
Classes of Property, Plant and Equipment	**Gross ThUS$**	**Accumulated Amortization ThUS$**	**Net ThUS$**
Construction in Progress	9,206	-	9,206
Land	5,107	-	5,107
Plant and Equipment	1,078,005	(141,665)	936,340
IT Equipment	57	(57)	-
Furniture	955	(146)	809
Motor Vehicles	583	(264)	319
Total	**1,093,913**	**(142,132)**	**951,781**

	December 31, 2013		
Classes of Property, Plant and Equipment	**Gross ThUS$**	**Accumulated Amortization ThUS$**	**Net ThUS$**
Construction in Progress	7,272	-	7,272
Land	5,107	-	5,107
Plant and Equipment	1,076,300	(109,397)	966,903
IT Equipment	57	(55)	2
Furniture	899	(60)	839
Motor Vehicles	534	(203)	331
Total	**1,096,169**	**(109,715)**	**980,454**

In April 2011, Unit 1 of the Company's thermoelectric power plant started operations with a gross capacity of 260 MW, while Unit 2 started operations in October 2011, also with a gross capacity of 260 MW.

The useful lives of principal classes of the Company's Property, Plant and Equipment are detailed as follows:

Classes of Property, Plant and Equipment	**Minimum Life (Years)**	**Maximum Life (Years)**
Buildings	20	45
Plant and Equipment	5	45
IT Equipment	2	5
Furniture	2	20
Motor Vehicles	2	5
Other Property, Plant and Equipment	5	25

Additional Disclosures for Property, Plant and Equipment	**2014 ThUS$**	**2013 ThUS$**
Expenditures on Construction in Progress	6,309	5,263

The Company does not have any commitments to purchase Property, Plant and Equipment as of September 30, 2014 and 2013.

The following tables present movements in Property, Plant and Equipment during the periods ended September 30, 2014 and December 31, 2013, respectively:

	Movements Period 2014	Construction in Progress ThUS$	Land ThUS$	Plant and Equipment ThUS$	IT Equipment ThUS$	Furniture ThUS$	Motor Vehicles ThUS$	Total Property, Plant and Equipment ThUS$
	Opening Balance as of January 1, 2014	7,272	5,107	966,903	2	839	331	980,454
Changes	Additions	2,491	-	1,207	-	-	48	3,746
Changes	Depreciation	-	-	(32,270)	(2)	(87)	(60)	(32,419)
Changes	Other Increases (Decreases)	(557)	-	500	-	57	-	-
	Total Changes	**1,934**	**-**	**(30,563)**	**(2)**	**(30)**	**(12)**	**(28,673)**
	Ending Balance as of September 30, 2014	**9,206**	**5,107**	**936,340**	**-**	**809**	**319**	**951,781**

	Movements Year 2013	Construction in Progress ThUS$	Land ThUS$	Plant and Equipment ThUS$	IT Equipment ThUS$	Furniture ThUS$	Motor Vehicles ThUS$	Total Property, Plant and Equipment ThUS$
	Opening Balance as of January 1, 2013	8,236	5,107	1,012,071	14	17	357	1,025,802
Changes	Additions	2,733	-	92	-	13	50	2,888
Changes	Disposals	-	-	(1,119)	-	-	-	(1,119)
Changes	Depreciation	-	-	(42,857)	(12)	(16)	(76)	(42,961)
Changes	Other Increases (Decreases)	(3,697)	-	(1,284)	-	825	-	(4,156)
	Total Changes	**(964)**	**-**	**(45,168)**	**(12)**	**822**	**(26)**	**(45,348)**
	Ending Balance as of December 31, 2013	**7,272**	**5,107**	**966,903**	**2**	**839**	**331**	**980,454**

No significant amounts of interest were capitalized during the period ended September 30, 2014, or the year ended December 31, 2013.

The Company has insurance contracts for its generation plant, including all-risk policies and business interruption insurance, which cover damages caused by fire, flood and earthquakes, among other events.

14.2. Leased Assets

Finance leases by asset class, the Company as lessee:

Finance Leases	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Plant and Equipment	173	189
Total Property, Plant and Equipment under Finance Leases	**173**	**189**

The minimum lease payments related to finance lease noted above are expected to be fully made by the end of 2014.

14.3. Asset Impairment

According to Note 3.5, the recoverable amount of Property, Plant and Equipment is evaluated when there is evidence that the asset may be impaired.

No impairment losses were identified during the period ended September 30, 2014 and the year ended December 31, 2013.

14.4. Disposal of Property, Plant and Equipment

There have been no significant disposals of Property, Plant and Equipment during the nine-month period ended September 30, 2014 or during the year ended December 31, 2013.

NOTE 15 – OTHER FINANCIAL LIABILITIES

As of September 30, 2014 and December 31, 2013, Other Financial Liabilities are detailed as follows:

	Current		Non-Current	
Other Financial Liabilities	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**
Interest-Bearing Loans	45,793	42,244	689,746	705,865
Derivatives (Hedging Instruments) (see Note 7.1)	13,430	11,728	1,047	-
Total	**59,223**	**53,972**	**690,793**	**705,865**

Interest-Bearing Loans

	Current		Non-Current	
Interest-Bearing Loans	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**
Bank Loans	45,746	42,193	689,746	705,865
Lease Obligations	47	51	-	-
Total	**45,793**	**42,244**	**689,746**	**705,865**

(a) Bank Loans

The following tables detail bank loans by financial institution, including loan currency, rate and a maturity schedule as of Sept
schedule represents expected future cash flows of capital and projected interest payments.

Company Name	Country	Lender Name	Currency	Amortization	Effective Rate	Nominal Rate	Final Matur
Empresa Eléctrica Angamos S.A.	Chile	Syndicated Banks led by BNP PARIBAS	US$	Semi-Annual	3.05%	2.30%	2025
Total							

			Current			Non-Cu	
Company Name	**Country**	**Lender Name**	**Maturity Less than 90 days ThUS$**	**Maturity More than 90 days ThUS$**	**Total Current September 30, 2014 ThUS$**	**Maturity between 1 and 3 Years ThUS$**	**Maturity between 3 and 5 Years ThUS$**
Empresa Eléctrica Angamos S.A.	Chile	Syndicated Banks led by BNP PARIBAS	24,568	26,594	**51,162**	99,923	120,859
Total			24,568	**26,594**	**51,162**	**99,923**	**120,859**

The following tables detail bank loans by financial institution, including loan currency, rate and a maturity schedule as of Dec
schedule represents expected future cash flows of capital and projected interest payments.

Company Name	Country	Lender Name	Currency	Amortization	Effective Rate	Nominal Rate	Final Matur
Empresa Eléctrica Angamos S.A.	Chile	Syndicated Banks led by BNP PARIBAS	US$	Semi-Annual	3.05%	2.30%	2025
Total							

Company Name	**Country**	**Lender Name**	**Maturity Less than 90 days ThUS$**	**Maturity More than 90 days ThUS$**	**Total Current December 31, 2013 ThUS$**	**Maturity between 1 and 3 Years ThUS$**	**Maturity between 3 and 5 Years ThUS$**
Empresa Eléctrica Angamos S.A.	Chile	Syndicated Banks led by BNP PARIBAS	4,039	54,409	**58,448**	110,312	124,242
Total			4,039	**54,409**	**58,448**	**110,312**	**124,242**

NOTE 16 – TRADE AND OTHER PAYABLES

Trade and Other Payables as of September 30, 2014 and December 31, 2013 are detailed as follows:

Current Trade and Other Payables	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Trade Payables	23,150	15,479
Other Accounts Payable	1,695	1,349
Total Trade and Other Payables	**24,845**	**16,828**

Angamos does not have Trade and Other Payables that are Non-Current as of September 30, 2014 and December 31, 2013.

The average payment period for suppliers is 30 days; therefore, carrying amounts do not differ significantly from their fair values.

NOTE 17 – PROVISIONS

As of September 30, 2014 and December 31, 2013, provisions are detailed as follows:

	Current		Non-Current	
Provisions	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**
Decommissioning Costs	-	-	27,451	26,188
Other Provisions	6	-	7	7
Total	**6**	**-**	**27,458**	**26,195**

Decommissioning Costs

Non-current balances within this provision relate to the decommissioning costs and rehabilitation of land on which the Company's power plants is located. The terms of the estimated disbursement is approximately 45 years.

Provisions	**Decommissioning Costs ThUS$**	**Other Provisions ThUS$**	**Total ThUS$**
Opening Balance as of January 1, 2014	26,188	7	26,195
Movements in Provisions			
Unwinding of Discount	1,263	-	1,263
Increase (Decrease) in Existing Provisions	-	6	6
Changes in Provisions	**1,263**	**6**	**1,269**
Ending Balance as of September 30, 2014	**27,451**	**13**	**27,464**

revisions	**Decommissioning Costs ThUS$**	**Other Provisions ThUS$**	**Total ThUS$**
Opening Balance as of January 1, 2013	28,611	7	28,618
Movements in Provisions			
Unwinding of Discount	1,735	-	1,735
Increase (Decrease) in Existing Provisions	(4,158)	-	(4,158)
Changes in Provisions	**(2,423)**	**-**	**(2,423)**
Ending Balance as of December 31, 2013	**26,188**	**7**	**26,195**

NOTE 18 – EQUITY

18.1. Capital Management

Capital includes issued capital, share premium, retained earnings, and accumulated other comprehensive income.

The main objective of the Company's capital management is to ensure that it maintains a strong credit rating and solid capital ratios in order to sustain business and maximize value for shareholders.

The Company manages its capital structure and makes adjustments based on changes in economic conditions. To maintain or adjust its capital structure, the Company can adjust dividend payments or capital returns to shareholders or issue new shares.

No changes were made to the Company's lines of business, policies or processes during the period ended September 30, 2014 and the year ended December 31, 2013.

18.2. Subscribed and Issued Capital

As of September 30, 2014 and December 31, 2013, the Company's share capital consists of 21,002,628,303 subscribed and paid shares for a total amount of ThUS$309,927.

18.3. Retained Earnings

	Ending Balances		
Retained Earnings	**September 30, 2014 ThUS$**	**December 31, 2013 ThUS$**	**September 30, 2013 ThUS$**
Opening Balance as of January 1	88,016	59,695	59,695
Net Income Attributable to Owners of the Parent	6,535	28,321	16,211
Total Ending Balance	**94,551**	**88,016**	**75,906**

18.4. Accumulated Other Comprehensive Income

Movements of Accumulated Other Comprehensive Income for each period were as follows:

	Cash Flow Hedge Reserve ThUS$	**Defined Benefit Plan Reserve ThUS$**	**Other Various Reserves (*) ThUS$**	**Total ThUS$**
Opening Balance as of January 1, 2014	(16,428)	659	2,609	(13,160)
Derivatives Valuation	(16,628)	-	-	(16,628)
Derivatives Reclassifications into Net Income	418	-	-	418
Deferred Taxes	3,727		-	3,727
Other Changes	-	-	10	10
Ending Balance as of September 30, 2014	**(28,911)**	**659**	**2,619**	**(25,633)**

	Cash Flow Hedge Reserve ThUS$	**Defined Benefit Plan Reserve ThUS$**	**Other Various Reserves (*) ThUS$**	**Total ThUS$**
Opening Balance as of January 1, 2013	(55,710)	711	2,609	(52,390)
Derivatives Valuation	48,403	-	-	48,403
Derivatives Reclassifications into Net Income	560	-	-	560
Deferred Taxes	(9,681)	20	-	(9,661)
Other Changes	-	(72)	-	(72)
Ending Balance as of December 31, 2013	**(16,428)**	**659**	**2,609**	**(13,160)**

(*) This concept consists primarily of equity adjustments resulting from the adoption of IFRS in 2008.

NOTE 19 – REVENUE

Operating Revenues for the nine-month periods ended September 30, 2014 and September 30, 2013, is detailed as follows:

	For the nine months ended	
Operating Revenues	**September 30, 2014 ThUS$**	**September 30, 2013 ThUS$**
Contract Energy and Capacity Sales	158,740	173,270
Spot Market Energy and Capacity Sales	65,337	47,756
Other Operating Revenue	607	677
Total	**224,684**	**221,703**

NOTE 20 – EXPENSES

Expenses by Nature

The table below details the principal operating and administrative costs and expenses recorded by the Company in the nine-month periods ended September 30, 2014 and September 30, 2013, within the following accounts in the Statement of Comprehensive Income: Cost of Sales and Administrative Expenses:

	For the nine months ended	
Expenses by Nature	**September 30, 2014 ThUS$**	**September 30, 2013 ThUS$**
Energy and Capacity Purchases on the Spot Market	4,433	1,759
Fuel Consumption	99,560	95,422
Transmission System Use Costs	441	452
Other Production of Cost of Sales	31,123	36,808
Personnel Expenses	6,698	6,751
Depreciation	32,836	32,659
Amortization	8	7
Total Expenses by Nature	**175,099**	**173,858**

NOTE 21 – FINANCE INCOME AND EXPENSE

Finance Income and Expense for the nine-month periods ended September 30, 2014 and September 30, 2013, are detailed as follows:

	For the nine months ended	
Other Gains (Losses)	**September 30, 2014 ThUS$**	**September 30, 2013 ThUS$**
Income (Loss) from Financial Assets	527	158
Total Finance Income	**527**	**158**
Interest on Bank Loans	(15,970)	(17,405)
Loss from Valuation of Derivatives	(11,945)	(11,475)
Capitalized Finance Expenses	-	18
Total Finance Expense	**(27,915)**	**(28,862)**
Foreign Currency Exchange Differences	(4,586)	1,124
Total Net Finance Expense	**(31,974)**	**(27,580)**

NOTE 22 – COMMITMENTS AND CONTINGENCIES

On October 22, 2008, Angamos secured financing for up to ThUS$908,500 to construct the Angamos thermoelectric power plant as well as letters of credit for up to ThUS$80,000 to guarantee Angamos' obligations, including a ThUS$48,000 letter of credit to guarantee six months of debt service. The loan is for a 17-year period, including a 3-year construction period, and is guaranteed by assets, shares and project cash flows.

Both the loan covenants entered into by Angamos with financial institutions and the issuance contracts that govern the Company's bonds impose certain financial obligations over the duration of the loans. These obligations are standard for these types of transactions. As of September 30, 2014, Angamos is in compliance with all of its debt commitments and financial restrictions in accordance with the terms and conditions of each covenant and contract.

NOTE 23 GUARANTEES

Guarantees Granted

Beneficiary	Guarantee Description	Date		
		From	To	ThUS$
HSBC Bank N.A.	Angamos debt service payment guarantee	10-22-2013	10-22-2018	48,000
Terminal Graneles del Norte S.A.	Port contract services guarantee	10-22-2013	10-22-2014	6,000
Minera Escondida Limitada	Performance guarantee for PPA	10-22-2013	10-22-2014	6,568
Terminal Graneles del Norte S.A.	Port contract services guarantee	10-22-2013	10-22-2014	9,600
Minera Spence S.A.	Performance guarantee for PPA	10-22-2013	10-22-2014	1,750
Other	Minor guarantees			7
TOTAL				**71,925**

Guarantees Received

Grantor of Guarantee	Guarantee Description	Date		
		From	To	ThUS$
Posco Engineering & Construction Co. Ltd.	Engineering, construction, assembly and commissioning of Angamos Thermoelectric Power Plant	05-28-2008	11-16-2014	32,888
Cia. Minera Teck Quebrada Blanca S.A.	PPA contract	12-07-2012	12-31-2014	216,667
Companñía Portuaria Mejillones S.A.	Performance guarantee	04-04-2014	04-05-2015	6,000
Various	Other minor guarantees			3,826
TOTAL				**259,381**

NOTE 24 – SUBSEQUENT EVENTS

24.1. Capital Contribution from AES Gener

On October 3, 2014, the Shareholders of Empresa Eléctrica Angamos S.A. approved a capital increase of US$16,942,359 through the issuance of 1,148,121,531 common shares that were subscribed and fully paid by AES Gener through the cession of a 20MW Battery Energy Storage System (BESS) including all its related equipment. The BESS and all its components were physically situated on Angamos' land and up to the date of the capital increase they were subject to an operating lease arrangement with AES Gener S.A. With this capital increase, AES Gener now directly owns 4.2% of Empresa Eléctrica Angamos S.A. The remaining 95.8% belongs to Inversiones Nueva Ventanas S.p.A.

24.2. Desalination Plant Construction

In June 2014 AES Gener S.A. executed an EPC contract for a seawater desalination plant with Abengoa. The desalination plant will be located within Angamos plant site. This contract was ceded by AES Gener S.A. to Angamos on October 2, 2014, resulting in the transfer to Angamos of all the rights and obligations related to this project.

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FINANCIAL STATEMENTS
Empresa Eléctrica Angamos S.A.
As of December 31, 2013 and 2012 and for the years ended
December 31, 2013, 2012 and 2011

This document includes the following sections:

- **Independent Auditor's Report**
- **Statements of Financial Position**
- **Statements of Comprehensive Income**
- **Statements of Changes in Equity**
- **Statements of Cash Flows**
- **Notes to the Financial Statements**

Report of Independent Auditors

To the Shareholders and Directors of
Empresa Eléctrica Angamos S.A.:

We have audited the accompanying financial statements of Empresa Eléctrica Angamos S.A., which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management of Empresa Eléctrica Angamos S.A. is responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards. This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Empresa Eléctrica Angamos S.A. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years ended December 31, 2013, 2012 and 2011, in conformity with International Financial Reporting Standards.

/s/Ernst & Young Ltda.

Santiago, Chile

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Empresa Eléctrica Angamos S.A.
Statements of Financial Position
As of December 31, 2013 and 2012
(in thousands of United States dollars)

ASSETS	Note	As of December 31 2013	2012
		ThUS$	ThUS$
Cash and Cash Equivalents	6	69,920	85,571
Other Current Non-Financial Assets	8	1,595	1,387
Trade and Other Receivables	9	37,175	38,344
Related Party Receivables	10	7,324	3,923
Inventory	11	26,000	23,761
Tax Receivables	12	71	42
Total Current Assets		**142,085**	**153,028**
Other Non-Current Financial Assets	7	13,879	-
Trade and Other Receivables	9	88	35
Related Party Receivables	10	105,934	38,389
Intangible Assets	13	1,642	1,644
Property, Plant and Equipment	14	980,454	1,025,802
Total Non-Current Assets		**1,101,997**	**1,065,870**
TOTAL ASSETS		**1,244,082**	**1,218,898**

Empresa Eléctrica Angamos S.A.
Statements of Financial Position
As of December 31, 2013 and 2012
(in thousands of United States dollars)

LIABILITIES AND EQUITY	Note	As of December 31 2013	2012
		ThUS$	ThUS$
Other Current Financial Liabilities	15	53,972	56,209
Trade and Other Payables	16	16,828	15,245
Related Party Payables	10	29,813	21,034
Provisions	17	-	5
Employee Benefits		6	7
Other Current Non-Financial Liabilities		1,625	2,262
Total Current Liabilities		**102,244**	**94,762**
Other Non-Current Financial Liabilities	15	705,865	770,201
Related Party Payables	10	3	-
Provisions	17	26,195	28,613
Deferred Taxes	12	23,015	6,272
Employee Benefits		852	693
Total Non-Current Liabilities		**755,930**	**805,779**
TOTAL LIABILITIES		**858,174**	**900,541**
Issued Capital	18	309,927	309,927
Retained Earnings	18	88,016	59,695
Share Premium		1,125	1,125
Accumulated Other Comprehensive Income	18	(13,160)	(52,390)
Total Equity		**385,908**	**318,357**
TOTAL LIABILITIES AND EQUITY		**1,244,082**	**1,218,898**

Empresa Eléctrica Angamos S.A.
Statements of Comprehensive Income
For the years ended December 31, 2013, 2012 and 2011
(in thousands of United States dollars, except as noted)

STATEMENT OF COMPREHENSIVE INCOME	Note	For the year ended December 31		
		2013	2012	2011
		ThUS$	ThUS$	ThUS$
Operating Revenue	19	307,607	332,259	174,499
Cost of Sales	20	(222,941)	(237,506)	(119,203)
Gross Profit		**84,666**	**94,753**	**55,296**
Administrative Expenses	20	(10,626)	(11,116)	(7,974)
Other Operating Expenses	20	-	(19)	(54)
Other Gains (Losses)		(713)	14	16
Finance Income	21	354	206	4
Finance Expense	21	(38,296)	(41,624)	(17,730)
Foreign Currency Exchange Differences	21	19	2,727	(3,352)
Income before Taxes		**35,404**	**44,941**	**26,206**
Income Tax Expense	12	(7,083)	(7,839)	(6,622)
Net Income		**28,321**	**37,102**	**19,584**

OTHER COMPREHENSIVE INCOME	For the year ended December 31		
	2013	2012	2011
	ThUS$	ThUS$	ThUS$
Net Income	28,321	37,102	19,584
Components of Other Comprehensive Income that will not be Reclassified to Net Income, before Taxes:			
Actuarial (Gains) Losses on Defined Benefit Plan	(72)	365	312
Components of Other Comprehensive Income that will be Reclassified to Net Income, before Taxes:			
(Gains) Losses from Cash Flow Hedges	48,963	(6,548)	(81,696)
Other Comprehensive Income, before Taxes	**48,891**	**(6,183)**	**(81,384)**
Income Tax Related to Cash Flow Hedges	(9,681)	200	15,339
Income Tax Related to Defined Benefit Plans	20	34	-
Income Tax Related to Other Comprehensive Income	**(9,661)**	**234**	**15,339**
OTHER COMPREHENSIVE INCOME (LOSS), NET	**39,230**	**(5,949)**	**(66,045)**
TOTAL COMPREHENSIVE INCOME	**67,551**	**31,153**	**(46,461)**

Empresa Eléctrica Angamos S.A.
Statements of Changes in Equity
For the years ended December 31, 2013, 2012 and 2011
(in thousands of United States dollars)

			Accumulated Other Comprehensive Income			
Statement of Changes in Equity	**Issued Capital**	**Share Premium**	**Cash Flow Hedge Reserve**	**Defined Benefit Plan Reserve**	**Other Various Reserves**	**Retained Earnings**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Opening Balance (01/01/2013)	309,927	1,125	(55,710)	711	2,609	59
Changes in Equity:						
Net Income	-	-	-	-	-	28
Other Comprehensive Income (Loss)	-	-	39,282	(52)	-	
Increases (Decreases) for Transfers and Other Changes	-	-	-	-	-	
Total Changes in Equity	**-**	**-**	**39,282**	**(52)**		**28**
Ending Balance (12/31/2013)	**309,927**	**1,125**	**(16,428)**	**659**	**2,609**	**88**

			Accumulated Other Comprehensive Income			
Statement of Changes in Equity	**Issued Capital**	**Share Premium**	**Cash Flow Hedge Reserve**	**Defined Benefit Plan Reserve**	**Other Various Reserves**	**Retained Earnings**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Opening Balance (01/01/2012)	336,927	1,125	(49,362)	312	2,620	22,5
Changes in Equity:						
Net Income	-	-	-	-	-	37,1
Other Comprehensive Income (Loss)	-	-	(6,348)	399	-	
Increases (Decreases) for Transfers and Other Changes	(27,000)	-	-	-	(11)	
Total Changes in Equity	**(27,000)**	**-**	**(6,348)**	**399**	**(11)**	**37,1**
Ending Balance (12/31/2012)	**309,927**	**1,125**	**(55,710)**	**711**	**2,609**	**59,6**

Empresa Eléctrica Angamos S.A.
Statement of Changes in Equity
For the years ended December 31, 2013, 2012 and 2011
(In thousands of United States dollars)

			Accumulated Other Comprehensive Income		
Statement of Changes in Equity	**Issued Capital**	**Share Premium**	**Cash Flow Hedge Reserve**	**Defined Benefit Plan Reserve**	**Other Various Reserves**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Opening Balance (01/01/2011)	336,927	1,125	16,995		2,604
Changes in Equity:					
Net Income	-	-	-	-	-
Other Comprehensive Income (Loss)	-	-	(66,357)	312	-
Increases (Decreases) for Transfers and Other Changes	-	-	-	-	16
Total Changes in Equity	**-**	**-**	**(66,357)**	**312**	**16**
Ending Balance (12/31/2011)	**336,927**	**1,125**	**(49,362)**	**312**	**2,620**

Empresa Eléctrica Angamos S.A.
Statements of Cash Flows
For the years ended December 31, 2013, 2012 and 2011
(in thousands of United States dollars)

Statement of Cash Flows	For the year ended December 31		
	2013	2012	2011
	ThUS$	ThUS$	ThUS$
Net Cash Flows Used in Operating Activities			
Receipts from Customers	335,317	347,660	185,176
Other Proceeds from Operating Activities	5	892	44
Other Payments for Operating Activities	(9,950)	-	(5)
Payments to Suppliers	(188,522)	(211,874)	(149,868)
Payments to Employees	(8,893)	(8,210)	(7,897)
Interest Paid	(33,675)	(27,167)	(17,522)
Interest Received	23	15	-
Taxes Paid (Received)	(1)	(1)	101
Other Operating Inflows (Outflows)	69	424	(69)
Net Cash Flows Provided by Operating Activities	**94,373**	**101,739**	**9,960**
Net Cash Flow Used in Investing Activities			
Loans made to Related Party	(67,545)	(38,389)	-
Purchases of Property, Plant and Equipment	(5,263)	(25,693)	(112,336)
Purchases of Intangible Assets	(8)	-	-
Other Investing Inflows (Outflows)	-	-	(4,988)
Net Cash Flows Used in Investing Activities	**(72,816)**	**(64,082)**	**(117,324)**
Net Cash Flow Used in Financing Activities			
Proceeds from Project Financing Loans	-	-	165,954
Payments of Loans	(36,634)	(20,985)	-
Payments of Financing Related Cost	(107)	(55)	-
Net Cash Flows Used in Financing Activities	**(36,741)**	**(21,040)**	**165,954**
Increase (Decrease) in Cash and Cash Equivalents, before Effects of Foreign Exchanges Differences	(15,184)	16,617	58,590
Net Foreign Exchange Differences	(467)	489	(2,710)
Net Cash and Cash Equivalents Increase (Decrease)	**(15,651)**	**17,106**	**55,880**
Cash and Cash Equivalents at the Beginning of Period	85,571	68,465	12,585
Cash and Cash Equivalents at the End of Period	**69,920**	**85,571**	**68,465**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1– GENERAL INFORMATION

Empresa Eléctrica Angamos S.A. (hereinafter "the Company" or "Angamos") was formed by public deed on November 12, 2007, signed before Santiago Notary Public Mr. Fernando Alzate Claro.

The Company is registered in the Commercial Registry of the Santiago Real Estate Registrar, on page 11,036, of 2007.

Angamos is a privately-held corporation dedicated primarily to electricity generation. Its role is to efficiently, safely and sustainably supply electricity, while fulfilling commitments with customers, shareholders, employees, communities, suppliers, regulators and other persons and entities with which it interacts.

The Company operates in the Great North Interconnected System ("SING") and owns a 545MW two-unit coal-combined thermoelectric power plant in the city of Mejillones, in the 2nd Region of Antofagasta.

Angamos' commercial office is located at Rosario Norte N°532, floors 18-20, Las Condes, Santiago, Chile.

The Company is controlled by AES Gener S.A. ("AES Gener") through its subsidiary Inversiones Nueva Ventanas S.p.A., which holds 99.9% of the Company's shares. The ultimate parent of the company is The AES Corporation.

The financial statements of the Company as of and for the year ended December 31, 2013 were approved by the Company's Board of Directors on April 4, 2014.

NOTE 2– BASIS OF PREPARATION

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements of Angamos cover the Statements of Financial Position as of December 31, 2013 and 2012, and the corresponding Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years ended December 31, 2013, 2012 and 2011, and their related notes, which have been prepared and presented in accordance with IFRS.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

An asset or liability is considered current when it is expected to be realized, sold or consumed during the Company's normal operating cycle, is maintained for commercialization or is expected to be realized within 12 months following the reporting date.

The information contained in these financial statements is the responsibility of the management of Angamos.

As of the date of these financial statements, the following accounting standards have been issued by the IASB whose application was not yet mandatory, and as such they will be applied as of the dates described below.

Standards and Amendments	Mandatory Application
New Standards	
IFRS 9: Financial Instruments: Classification and Measurement	January 1, 2018
IFRIC 21: Levies	January 1, 2014
Amendments and Improvements	
IFRS 3: Business Combinations	July 1, 2014
IFRS 10: Consolidated Financial Statements	January 1, 2014
IFRS 12: Disclosure of Participation in Other Entities	January 1, 2014
IAS 19: Employee Benefits	July 1, 2014
IAS 27: Separate Financial Statements	January 1, 2014
IAS 32: Financial Instruments: Presentation	January 1, 2014
IAS 36: Impairment of Assets	January 1, 2014
IAS 39: Financial Instruments: Recognition and Measurement	January 1, 2014
IAS 40: Investment Property	July 1, 2014

NEW STANDARDS

IFRS 9 "Financial Instruments: Classification and Measurement"

This standard introduces new requirements for the classification and measurement of financial assets. The basis of classification depends on the business model of the entity and the characteristics of the contractual cash flows of the financial asset. Financial assets may be measured initially at amortized cost or fair value. Only financial assets designated to be measured at amortized cost should be tested for impairment.

IFRIC 21 "Levies"

IFRIC 21 is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (IAS 37) that was issued in May 2013. IAS 37 establishes criteria for recognizing a liability, one of which is the requirement that the entity should have a present obligation as a result of a past event. The interpretation clarifies that this past event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by applicable legislation. IFRIC 21 is effective for all annual periods beginning on or after January 1, 2014.

AMENDMENTS

IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements"

The amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" stem from the Exposure Draft on Investment Entities published in August 2011. The amendments define an investment entity and introduce an exception for consolidating certain subsidiaries belonging to investment entities. These amendments require an investment entity to record those subsidiaries at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments" in their consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27. Entities are required to apply the amendments to annual periods beginning on or after January 1, 2014. Early adoption is permitted.

IAS 32 "Financial Instruments: Presentation"

The amendments to IAS 32, issued in December 2011, are intended to clarify differences regarding application relating to offsetting and to reduce the level of diversity in current practice. The amendments are applicable beginning January 1, 2014, and early adoption is permitted.

IAS 36 "Impairment of Assets"

The amendments to IAS 36, issued in May 2013, address the disclosure of information on the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These amendments are related to the issuance of IFRS 13 "Fair Value Measurement". The amendments should be applied retrospectively for annual periods beginning on or after January 1, 2014. Early adoption is permitted when the entity has already adopted IFRS 13.

IAS 39 "Financial Instruments: Recognition and Measurement"

The amendments to IAS 39, issued in June 2013, provide an exception to the requirement to discontinue hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. Entities are required to apply the amendments to annual periods beginning on or after January 1, 2014. Early adoption is permitted.

IAS 19 "Employee Benefits"

The amendments to IAS 19, issued in November 2013, apply to employee or third-party contributions to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments are applicable beginning July 1, 2014. Early adoption is permitted.

IFRS 3 "Business Combinations"

"Annual Improvements 2010–2012 Cycle," issued in December 2013 clarifies some aspects of accounting for contingent consideration in a business combination. The IASB noted that IFRS 3 "Business Combinations" ("IFRS 3") requires the subsequent measurement of contingent consideration to be at fair value. Consequently, it eliminated references to IAS 37 or other IFRS that potentially have measurement bases other than fair value. The reference to IFRS 9 "Financial Instruments" ("IFRS 9") is maintained; IFRS 9 is amended to clarify that contingent consideration that is a financial asset or financial liability can only be measured at fair value, with changes in fair value being presented in either profit or loss or other comprehensive income depending on the requirements of IFRS 9. The amendments are applicable beginning July 1, 2014. Early adoption is permitted.

IAS 40 "Investment Property"

"Annual Improvements cycle 2011–2013," issued in December 2013, clarifies that judgment is needed to determine whether the acquisition of investment property is the acquisition of an asset, a group of assets or a business combination in the scope of IFRS 3 and that this judgment is based on the guidance in IFRS 3. The IASB concluded that IFRS 3 and IAS 40 "Investment Property" are not mutually exclusive and that judgment is also needed to determine whether the transaction is solely the acquisition of an investment property or whether it is the acquisition of a Company of assets or a business combination that includes an investment property. The amendments are applicable beginning July 1, 2014. Early adoption is permitted.

The Company is currently in the process of evaluating the initial effects of applying the new standards and amendments.

IMPACT OF APPLYING NEW STANDARDS AND AMENDMENTS IN 2013

The accounting policies adopted in preparing the financial statements are consistent with those used in preparing the Company's annual financial statements for the year ended December 31, 2012, except for the adoption of new standards and interpretations in effect beginning January 1, 2013.

The Company is applying, for the first time, certain standards and amendments that—in principle—require restatements of previous financial statements. These include, for example: IAS 19 "Employee Benefits" (Revised in 2011), IFRS 13 "Fair Value Measurement", etc. In the Company's case, the changes did not result in impacts that require restatements of previous financial statements. Several other new standards and amendments are applied for the first time in 2013. However, they do not affect the Company's previous annual financial statements. The nature and effect of these changes in standards and amendments are described below.

IAS 1 – "Presentation of Items in Other Comprehensive Income" – Amendments to IAS 1

The amendments to IAS 1 introduce a Companying of items presented in Other Comprehensive Income. Those items that could be reclassified to net income in the future (e.g. net gain on net investment hedges, exchange differences on translation of foreign operations, net movements of cash flow hedges and the net loss or gain on available-for-sale investments) must now be presented separately from items that will not be reclassified (e.g. actuarial gains and losses on defined benefit plans). The amendment affects only the presentation and did not have any impact on the Company's financial position or earnings.

IAS 1 – "Clarification of Requirements for Comparative Information" (Amendment)

The amendment to IAS 1 clarifies the difference between the minimum amount of required comparative information and voluntary disclosures. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period.

An additional statement of financial position (known as the "third balance sheet") must be presented when the entity applies an accounting change retrospectively, makes retroactive adjustments or reclassifies items in its financial statements, provided that any of these changes have a significant effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that related notes to support the third balance sheet are not required. This amendment did not impact the Company's financial statements.

IAS 32 – "Tax Effect of Distributions to Holders of Equity Instruments" (Amendment)

The amendment to IAS 32 "Financial Instruments: Presentation" clarifies that taxes on distributions to holders of equity instruments are accounted for in accordance with IAS 12 "Income Taxes". The amendment eliminates the existing income tax requirements in IAS 32 and requires entities to apply IAS 12 to any income tax on distributions to equity holders. This amendment did not apply to the Company's financial statements.

IAS 34 – "Interim Financial Reporting and Segment Information for Total Assets and Liabilities" (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 "Operating Segments". Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the amount disclosed in the entity's previous annual financial statements for that reportable segment. This amendment does not impact the Company's annual financial statements.

IAS 19 "Employee Benefits" (Revised in 2011) (IAS 19R)

IAS 19 includes a series of amendments to the accounting for defined benefit plans, including: (1) actuarial gains and losses must now be recognized in Other Comprehensive Income and are permanently excluded from the Income Statement; (2) the expected return on plan assets is no longer recognized in the Income Statement, but rather there is a requirement to recognize the interest on net defined benefit liabilities (assets) in the Income Statement, calculated at the discount rate used to measure the defined benefit obligation, etc. Other amendments include new disclosures such as quantitative sensitivity disclosures.

In the Company's case, the changes did not impact the previous financial statements or the current annual financial statements because the Company has no assets in defined benefit plans and in recent years no actuarial gains or losses have been recognized in the Income Statement and the prior cumulative effect of such actuarial gains and losses was reclassified to Retained Earnings (Losses) in accordance with paragraph 122 of IAS 19R. Beginning on January 1, 2013, all actuarial gains and losses are recognized in Other Comprehensive Income.

IFRS 7 "Financial Instruments: Disclosures" – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

The amendment requires an entity to disclose information about rights to financial instruments and related/annex set-off agreements (e.g. collateral agreements). These disclosures are designed to provide users with information that is useful in evaluating the effect of offsetting agreements on the entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or a similar agreement, irrespective of whether they are set off in accordance with IAS 32. The Company provides additional information on set off agreements in Note 7.

IFRS 10 "Consolidated Financial Statements" and IAS 27 "Separate Financial Statements"

IFRS 10 establishes a single oversight model that applies to all entities, including special purpose entities. IFRS 10 replaces the part of IAS 27 related to financial statements and replaces SIC 12 "Consolidation – Special Purpose Entities". IFRS 10 changes the definition of control so that an investor controls an investee when it has exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns. In order to meet the definition of control in IFRS 10, the following three criteria must be met: (a) an investor has power over the subsidiary, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has the ability to use its power over the investee to affect the amount of the returns. IFRS 10 did not apply to these financial statements.

IFRS 11 "Joint Arrangements" and IAS 28 "Investments in Associates and Joint Ventures"

IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Ventures." IFRS 11 eliminates the option to proportionately consolidate jointly controlled entities (JCEs), resulting in an amendment to IAS 28 "Investments in Associates and Joint Ventures." Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. IFRS 11 did not impact the financial statements of the Company.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 establishes the disclosure requirements for an entity's interests in subsidiaries, joint ventures, associates and structured entities—in principle—in the annual financial statements for periods beginning on or after January 1, 2013. Given that Angamos does not have interests in subsidiaries, joint ventures, associates or structured entities, this new standard has not impacted these financial statements.

IFRS 13 "Fair Value Measurement"

IFRS 13 establishes a sole source of guidance for IFRS regarding all fair value measurement. IFRS does not change when an entity is required to use fair value, but does provide guidance as to how to measure fair value in accordance with IFRS when such valuation is required or permitted. Applying IFRS 13 has not materially affected the Company's fair value measurements.

IFRS 13 also requires specific disclosures on fair values, some of which replace the existing disclosure requirements in other standards, including IFRS 7 "Financial Instruments: Disclosures". The Company presents these disclosures in Note 7.

In addition to the amendments mentioned above and the new standards, IFRS 1 "First-time Adoption of IFRS" was modified for periods beginning on or after January 1, 2013. The Company is not adopting IFRS for the first time and, therefore, this amendment is not applicable.

The Company has not adopted in advance any other standard, interpretation or modification that has been issued but is not yet in effect.

NOTE 3– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Leases

In determining whether an agreement contains a lease, the Company analyzes whether the agreement depends on the use of the specific asset or assets and whether the agreement conveys a right to use the asset. Leases in which the risks and rewards are substantially transferred to the property are classified as a finance lease. Examples of indicators that the agreement is a financial lease include:

- The lease transfers ownership of the asset to the lessee by the end of the lease term;
- The lessee has the option to buy the asset at a price that is expected to be sufficiently lower than fair value at the date the option becomes exercisable so it can be reasonably certain, at the inception of the lease, that the option will be exercised;
- The lease term is for the major part of the economic life of the asset even if title is not transferred;
- At the beginning of the lease, the present value of future minimum lease payments is equivalent to at least the fair value of the leased asset; and
- The assets leased are of a nature so specialized that only the lessee can use them without realizing major modifications.

Contracts which not comply with the finance lease indicators are classified as operating leases.

(a) **Company as a Lessee – Operating Lease**

Leases in which the lessor retains an important part of the risks and rewards of ownership are classified as operating leases. Payments for operating leases (net of any incentive received from the lessor) are charged to the Income Statement on a straight-line basis over the lease period.

(b) **Company as a Lessor – Operating Lease**

Assets leased to third parties under operating leases are included in Property, Plant and Equipment within the Statement of Financial Position according to the nature of the asset.

Income from operating leases is recognized in net income on a straight-line basis over the lease term.

During the years covered by these financial statements, the Company did not participate in significant contracts of this type.

(c) **Company as a Lessee – Finance Lease**

The Company leases certain property, plant and equipment. Leases of property, plant and equipment in which the Company retains substantially all risks and rewards of ownership are classified as finance leases. Assets subject to finance leases are capitalized at the beginning of the lease at the lower between the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is distributed between the liability and finance charges so as to produce a constant interest rate on the outstanding balance of the obligation. The corresponding lease obligations, net of finance charges, are included in Other Current or Non-Current Financial Liabilities, depending on their maturities. The interest element of the finance expense is charged to the Income Statement over the lease period. Items of property, plant and equipment acquired under a finance lease are depreciated over the shorter of their useful lives and the duration of the respective lease contract.

3.2 Foreign Currency Transactions

(a) Presentation and Functional Currency

The items included in the financial statements are valued using the currency of the principal economic environment in which the entity operates ("functional currency"). The financial statements of Angamos are presented in US dollars, which is the functional and presentation currency of the Company.

(b) Transactions and Balances

Transactions in currencies other than the functional currency are converted to the functional currency using the exchange rate in effect as of the date of the transaction. Exchange differences that result from settling these transactions and converting foreign-currency-denominated monetary assets and liabilities to closing exchange rates are recognized in the Income Statement, except when deferred in equity as an effective cash flow hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair values in a foreign currency are translated using the exchange rate at the date the fair value was determined.

(c) Basis of Conversion

Assets and liabilities denominated in Chilean pesos and Unidades de Fomento are presented using the following respective exchange rates and closing values per US$1:

	December 31, 2013	December 31, 2012
Chilean pesos (Ch$).....	524.61	479.96
Unidad de Fomento (UF).....	0.02250	0.02144

The Unidad de Fomento (UF) is an inflation-indexed monetary unit denominated in Chilean pesos. The UF rate is established daily in advance based on the prior month's variation in the Chilean Consumer Price Index.

3.3 Property, Plant and Equipment

Land belonging to the Company is recognized at cost, net of accumulated impairment losses.

Plants, buildings, equipment and transmission systems used for electricity generation and other items of property, plant and equipment are recognized at historical cost less related accumulated depreciation and impairment losses.

The cost of an asset includes its acquisition cost, all costs directly related to bringing the asset to the location and condition necessary for it to be capable of operating as intended by management, the initial estimate of costs for the decommissioning of the asset, as well as costs for restoring the site where it is located, all of which the Company undertakes upon acquiring the asset or as a consequence of using the asset during a given period.

Subsequent costs are recognized as part of the carrying amount of the asset or as a separate asset, only if they meet the recognition criteria in IAS 16 "Property, Plant and Equipment":

- It is probable that the future economic benefits related with the item will flow to the Company; and
- The cost of the parts can be determined reliably.

When parts are replaced, the respective carrying amount is derecognized. All other repairs and maintenance are charged to income for the period in which they are incurred.

Projects under construction include the following expenses that are capitalized during the construction period:

(i) Interest expenses related to external financing that are directly attributable to construction, both specific and generic in nature. In terms of generic financing,

capitalized interest expenses are obtained by applying the weighted average cost of long-term financing to the average accumulated investment not directly financed.

(ii) Directly related personnel and other expenses of an operating nature attributable to the construction.

Balances of construction in progress are transferred to property, plant and equipment once the testing period is finalized and when they are available for use, at which time depreciation begins.

Depreciation of property, plant and equipment is calculated using the straight-line method over the estimated economic useful lives. The estimated useful lives of property, plant and equipment are detailed in Note 14.

The residual value and the useful life of the assets are reviewed, and adjusted if necessary, as of each year-end, so that the remaining useful life is in accordance with the expectations of the use of the asset.

When the fair value of an asset is greater than its estimated recoverable value, its carrying amount is written down to its recoverable value by recognizing an impairment loss.

Gains and losses on sales of property, plant and equipment are calculated by comparing the proceeds from the sale with the carrying amount and are included in "Other Gains (Losses)".

The amounts corresponding to the de-recognized elements of property, plant and equipment include original cost net of accumulated depreciation and accumulated impairment losses.

3.4 Intangible Assets

Intangibles assets consist primarily of easement rights, which are presented at historical cost. These rights have no time limits and therefore are considered assets with an indefinite useful life, and consequently are not subject to amortization. However, the determination of useful life is reviewed during each reporting period to determine whether the status of indefinite useful life still applies. These assets undergo impairment testing on an annual basis. An exception to this concept of indefinite useful life exists in the cases where there is a contractual obligation that limits the useful life of the easement (see Note 13).

3.5 Impairment of Non-Financial Assets

Assets subject to amortization are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value of an asset less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units").

An impairment loss is recognized when there is an excess of the carrying amount of the assets or cash-generating unit over corresponding recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use. The estimate of the value in use is based on cash flow projections that are discounted using a rate that reflects the current evaluations of the market and the risks associated with the assets or cash generating unit. The best estimate of fair value less costs to sell includes prices of similar transactions carried out in the market place. If the transactions cannot be identified in the market, a valuation model is used.

Non-financial assets, other than goodwill, that have suffered an impairment loss are assessed at the end of each reporting period for indications that the impairment loss may no longer exist. Loss reversals cannot exceed the carrying amount that would have been obtained, net of amortization and depreciation, had no impairment loss been recognized for the asset in prior periods.

Impairment tests of intangible assets with indefinite useful lives are performed annually on October 1.

3.6 Financial Assets

Presentation and Classification

Angamos classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity financial investments, available-for-sale financial investments and derivatives designated as hedging instruments in an effective hedge (see Note 3.8). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition.

(a) **Financial Assets at Fair Value through Profit or Loss**

Financial assets at fair value through profit or loss are financial assets held for trading or designated as such upon initial recognition. A financial asset is classified in this category if acquired principally to sell in the short term. This category also includes derivative financial instruments that are not designated as hedging instruments.

(b) **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those with maturities greater than 12 months from year-end, which are classified as non-current assets. Loans and receivables are included in Trade and Other Receivables in the Statement of Financial Position.

(c) **Held-to-Maturity Financial Investments**

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold until their maturity. If the Company were to sell more than an insignificant amount of held-to-maturity financial assets, the entire category would be reclassified to the available-for-sale category.

(d) **Available-For-Sale Financial Investments**

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within the upcoming 12 months.

Initial Recognition and Disposal

Acquisitions and disposals of financial investments are recognized as of the date of negotiation (i.e. the date on which the Company commits to purchase or sell the asset). Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are registered in the Income Statement.

Subsequent Valuation

Available-for-sale financial assets and financial instruments at fair value through profit or loss are subsequently recorded at fair value. Loans and other receivables and held-to-maturity financial assets are accounted for at amortized cost using the effective interest rate method.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with changes in fair value recognized in Finance Income or Finance Expense in the Income Statement.

When instruments classified as available for sale are disposed of or impaired, the accumulated fair value adjustments previously recognized in Accumulated Other Comprehensive Income are included in net income.

Investments are written-off when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Impairment

As of each reporting date, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets may be impaired. In the case of equity instruments classified as available-for-sale, to determine if impairment exists, the Company will consider whether a significant or prolonged decline in the fair value of the instruments below their cost has taken place. If any evidence of this type exists for available-for-sale financial investments, the accumulated loss determined as the difference between the acquisition cost and the current fair value, less accumulated impairment loss is eliminated from Other Comprehensive Income and is recognized in income. Impairment losses recognized in the Statement of Comprehensive Income for equity instruments are not reversed. However, increases in their fair value subsequent to impairment are recognized directly in Other Comprehensive Income.

Trade and Other Receivables are recognized initially at fair value and subsequently at amortized cost, in accordance with the effective interest rate method less allowance for doubtful accounts.

The allowance for doubtful accounts in Trade and Other Receivables is established when evidence exists that the Company will not be able to receive the amounts according to the original terms. The existence of financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy or financial reorganization and the failure or delay of payments are considered indicators that the account receivable is impaired. The amount of the allowance is the difference between the carrying amount of the asset and the present value of the future estimated cash flows discounted at the effective interest rate. The carrying amount of the asset is reduced by the allowance for doubtful accounts and the loss is recognized in Costs of Sales. When an amount is determined to be unrecoverable, the amount is written off against the allowance for doubtful accounts. The subsequent recovery of amounts previously written-off is recognized as a credit to Cost of Sales.

3.7 Financial Liabilities

Angamos classifies its financial liabilities into the following categories: at fair value through profit or loss, trade payables, interest-bearing loans or derivatives designated as hedging instruments in an effective hedge (see Note 3.8). Management determines the classification of its financial liabilities upon initial recognition.

Financial liabilities are derecognized when the obligation is settled, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, the original liability is derecognized and the new liability recognized with the difference in the respective carrying amounts recorded in income.

Financial liabilities are initially recognized at fair value and, in the case of loans, include directly attributable transaction costs. Subsequent measurement of financial liabilities depends on their classification, as described below:

(a) **Financial Liabilities at Fair Value through Profit or Loss**

Financial liabilities are classified as at fair value through profit or loss when they are held for trading or designated as such upon initial recognition. Gains and losses from liabilities held for trading are recognized in income. This category includes derivative instruments not designated for hedge accounting.

(b) **Trade and Other Payables**

Balances payable to suppliers are subsequently measured at their amortized cost using the effective interest rate method. Accounts payable with generally accepted commercial maturities are not discounted.

(c) **Interest-Bearing Loans**

Interest-bearing loans are subsequently measured at their amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any initial premium or discount on the loan and includes any transaction costs that are an integral part of the effective interest rate.

3.8 Derivative Financial Instruments and Hedging

The Company uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest fluctuations. Derivatives are initially recognized at fair value on the date on which the derivative contract is executed and are subsequently re-measured at their fair value. The method for recognizing the loss or gain resulting from changes in the fair value depends on whether the derivative has been designated as a hedging instrument and, if so, of the nature of the hedged item. The Company designates particular derivatives as:

- fair value hedges; and
- cash flow hedges;

The Company documents the relationship between hedging instruments and the hedged items at the inception of the transaction, as well as its risk management objectives and strategy for carrying out diverse hedge transactions. The Company also documents its assessment, both at inception as well as on a continued basis, of whether the derivatives used in hedge transactions are highly effective in offsetting changes in fair value or in the cash flows of hedged items.

(a) Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in net income, together with any change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

The Company has not used fair value hedges in the periods covered by these financial statements.

(b) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in Other Comprehensive Income within the cash flow hedge reserve. Any loss or gain related to the ineffective portion is recognized immediately in Finance Income or Finance Expense.

Amounts accumulated in Other Comprehensive Income are recorded in the income statement in the periods in which the hedged item impacts the Income Statement. For variable interest rate hedges, the amounts recognized in equity are reclassified to Finance Expense as the associated debts accrue interest.

When a hedging instrument matures, is sold or when it no longer meets hedge accounting requirements, gains or losses accumulated in Other Comprehensive Income remain in equity and are recognized when the forecasted transaction affects earnings. When the forecasted transaction is not expected to occur, any accumulated gain or loss in Accumulated Other Comprehensive Income is immediately recognized in income.

(c) Derivatives Not Designated as Hedges

Derivatives that are not designated as hedging instruments in an effective hedge are recognized at fair value through profit or loss. Changes in the fair value of any derivative instrument classified in this category are recognized immediately in the Income Statement within Finance Income or Finance Expense.

(d) Embedded Derivatives

The Company evaluates the existence of embedded derivatives in financial and non-financial instrument contracts, which are not already accounted for as assets or liabilities at fair value through profit or loss, to determine if their characteristics and risks are closely related to the host contract. If not closely related, the embedded derivatives are bifurcated and the variations in fair value of these embedded derivatives are recorded in income.

3.9 Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the average weighted price method.

3.10 Cash and Cash Equivalents

Cash and cash equivalents include cash, time deposits in credit institutions and other highly-liquid, short-term investments with original maturities not in excess of three months and bank overdrafts. In the Statement of Financial Position, bank overdrafts are classified as external resources within Other Financial Liabilities. The classification of Cash and Cash Equivalents does not differ from that used in the Statement of Cash Flows.

Restricted cash is included in the Statement of Financial Position in Cash and Cash Equivalents except when the nature of the restriction is such that it prevents funds from being liquid or easily convertible to cash. In this case, cash restricted with restrictions less than 12 months will be recognized in Other Current Financial Assets and those greater than 12 months will be recognized in Other Non-Current Financial Assets.

The Company has defined the following considerations in the preparation of the Statement of Cash Flows:

(iii) Operating Activities: These are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

(iv) Investing activities: These consist of the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

(v) Financing activities: These are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Payments and receipts of interest and dividends are classified in the Statement of Cash Flow as part of Operating Activities. Cash flows arising from taxes on income are separately disclosed within cash flows from operating activities.

3.11 Issued Capital

The Company's issued share capital consists of a single class of ordinary shares with one vote per share.

Incremental costs directly attributable to the issuance of new shares or options are presented in equity as a reduction of the funds obtained by issuing new shares, net of taxes.

3.12 Taxes

Current Taxes

The Company determines its current income taxes based on its net taxable income, which is determined in accordance with tax laws in effect for each period. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in Chile, the country where the Company operates and generates taxable income.

Income tax expense or benefit for the period is determined as the sum of the Company's current income tax, which result from applying taxes to taxable income for the period, which includes taxable income and deductible expenses, plus variations in deferred tax assets and liabilities and tax credits.

Deferred Taxes

Deferred taxes arising from temporary differences and other events that generate differences between the carrying amount for financial reporting purposes and tax bases of assets and liabilities are recorded in accordance with IAS 12 "Income Taxes".

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences and unused tax losses and credits, to the extent that it is probable that the taxable profit will be available

against which the deductible temporary differences and carry forward of unused tax losses with tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current taxes and variations in deferred taxes that do not arise from business combinations are recorded in income or equity, based on where the originating gains or losses were recorded.

3.13 Employee Benefits

(a) Short-Term Pension Obligations and Other Post-Employment Obligations

The Company recognizes all liabilities related to short term benefits to employees such as salary, vacation, bonuses and others on an accrual basis considering amounts stipulated in collective agreements following normal Company policy.

(b) Staff Severance Indemnities

The Company's obligation for staff severance indemnities is measured and recorded at the present value of the total obligation using the projected benefit cost method, considering a discount rate based on UF-denominated sovereign bonds from the Chilean Central Bank and average long-term projected inflation.

The value of these liabilities is calculated using the projected unit credit method. This actuarial calculation includes the projected benefit discounted at an annual nominal rate considering the probability of such payments or benefits. Assumptions considered in the calculation include the probability of such payments or benefits based on mortality, employment rotation, future costs, amounts of benefits offered and the discount rate.

Actuarial gains and losses include experience adjustments and the effects of changes in actuarial assumptions. As of January 1, 2013, the Company adopted the amendments in IAS 19R which, among other changes, eliminated the "corridor approach" for actuarial gains and losses, which are now recognized in equity in the Defined Benefit Plan Reserve.

3.14 Provisions

Provisions for environmental restoration, site restoration and asset removal, as well as restructuring and litigation expenses are recognized when:

(d) The Company has a current obligation, whether legal or constructive, as a result of past events; and
(e) It is probable that an outflow of resources will be needed to settle the obligation; and
(f) The amount can be reliably estimated.

Provisions are not recognized for future operating losses.

Provisions are recorded at the present value of the expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Income Statement as Finance Expense.

3.15 Revenue Recognition

The Company recognizes revenues when:

- The amount can be reliably measured, and
- It is probable that the future economic benefits flow to the entity; and

- Specific conditions have been met for each of the Company's activities as described below.

The amount of income is not considered to be reliably measured until all contingencies related to the sale have been resolved. The Company bases its estimates on historical results, taking into account the type of customer, type of transaction and the concrete terms of each agreement.

Operating revenue includes the fair value of considerations received or to be received for the sale of goods and services in the ordinary course of the Company's activities. Operating revenue is presented net of value added taxes, returns, rebates and discounts and after eliminating inter-company sales.

(a) **Sales Revenues**

Revenue from energy and capacity sales is recognized once the energy or capacity has been physically delivered at prices established in the respective contracts or at current electricity market prices in accordance with current regulations. This includes unbilled revenue from energy and capacity supplied but not invoiced as of each period end, which is accounted for at the contractual rates existing at each respective period end. These amounts are included in current assets as Trade Receivables.

Additionally, the Company recognizes revenues from sales of inventory, such a coal, when all risks and benefits are transferred to the customers. It also recognizes revenues for engineering, advisory and other services as the service is provided using the degree of completion method.

(b) **Finance Income**

Finance income is recognized using the effective interest rate method.

(c) **Deferred Revenue**

The Company has included amounts paid in advance for facility use and supply contracts within both current and non-current liabilities. The effect on income of these payments is recognized within Operating Revenue over the life of the respective contract.

NOTE 4– FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

4.1 Risk Management Policy

The Company's risk management strategy is designed to safeguard the stability and sustainability of Angamos at all times, under both normal and exceptional circumstances in relation to all relevant components of financial uncertainty. The Company's risk management is aligned with the general guidelines defined by its controlling shareholder, the AES Gener.

"Financial risk events" refer to situations in which there is exposure to conditions that indicate financial uncertainty, and are classified based on the source of the uncertainty and associated transmission mechanisms. The responsible and effective management of these uncertainties is viewed by the Company as strategic from the standpoint of value creation.

The following aspects of financial risk management are most important:

- Providing transparency, establishing and managing risk tolerances and determining guidelines in order to develop strategies to limit significant exposure to risk.

- Providing a disciplined and formal process for assessing risk and carrying out the commercial aspects of the business.

Financial risk management involves the identification, determination, analysis, quantification, measurement and control of these events. It is management's responsibility, particularly financial and commercial management, to constantly assess and manage financial risk.

4.2 Risk Factors

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of a change in market prices. Market risks comprise three types: Foreign Exchange Risk, Interest Rate Risk, and Commodity Price Risk.

(i) Foreign Exchange Risk

The Company's functional currency is the US dollar given that its revenue, expenses, investments in equipment and debt are mainly denominated in or linked to the US dollar. Also, the Company is authorized to file and pay its taxes in Chile in US dollars. Exchange rate risk is associated with any revenue, expenses, investments and debt denominated in any currency other than US dollars. The main exposure to Chilean peso is a short period of spot market receivables. Given the Company's net asset position in Chilean pesos as of December 31, 2013, the impact of 10% depreciation in the exchange rate of the Chilean peso with respect to the US dollar could have generated an impact of approximately ThUS$1,944 in Angamos' Net Income. During the year ended December 31, 2013, approximately 100% of operating revenue and expenses were in US dollars. As of December 31, 2013, 100.0% of the debt is denominated in US dollars.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with variable interest rates.

The Company manages its interest rate risk by entering into interest rate swaps to mitigate the risk for its long-term obligations. Currently, the Company has interest rate swaps for an important part of its debt. A 10% increase in variable interest rates would not have a significant impact on net income as 82.4% of the debt is at fixed rate

associated with the swaps described above. The following table shows the composition of debt by type of interest rate as of December 31, 2013 and 2012:

Rate	December 31, 2013 %	December 31, 2012 %
Fixed rate	82.4	82.4
Variable rate	17.6	17.6

(iii) Commodity Price Risk

The fuel used by the Company is primarily coal, which is a commodity with international prices set by market factors outside of the Company's control. Since both units of Angamos are coal-fired generation facilities, coal costs represent an important part of operating costs. Additionally, the price of fuel is a key factor in plant dispatch and spot prices in Chile.

Currently, all of the Company's power purchase agreements (PPA) include fuel pass-through provisions that adjust prices based on the increase and decrease in the price of coal in accordance with the indices and adjustment periods specified under each contract, in order to mitigate variations in the fuel cost. Moreover, a great portion of the energy produced by Angamos is committed under its PPAs (100% from 2018 onwards), minimizing the exposure to spot market prices.

(b) Credit Risk

Credit risk is related to the credit rating of Angamos' counterparties. The Company is exposed to credit risk primarily from its operating activities related to trade receivables and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The plant's capacity is fully contracted under long term PPAs with creditworthy subsidiaries of BHP Billiton and Teck Resources in northern Chile. Minera Escondida Limitada and Minera Spence S.A., which are controlled by BHP Billiton Group (A+/A1) and Quebrada Blanca S.A., who is controlled by Teck Resources Limited (BBB/Baa2/BBB), are top quartile copper mines that are considered among the most creditworthy counterparties in Chile. In the case of Quebrada Blanca, the PPA is guaranteed by Teck Resources Limited, where the amount of the guarantee decreases in line with the stage of completion of its mine.

In the case Angamos has excess of energy; it is sold in the spot market. According to Chilean regulations; the Company's spot sales are required to be with other CDEC participants that have energy deficits according to economic dispatch performed by the CDEC.

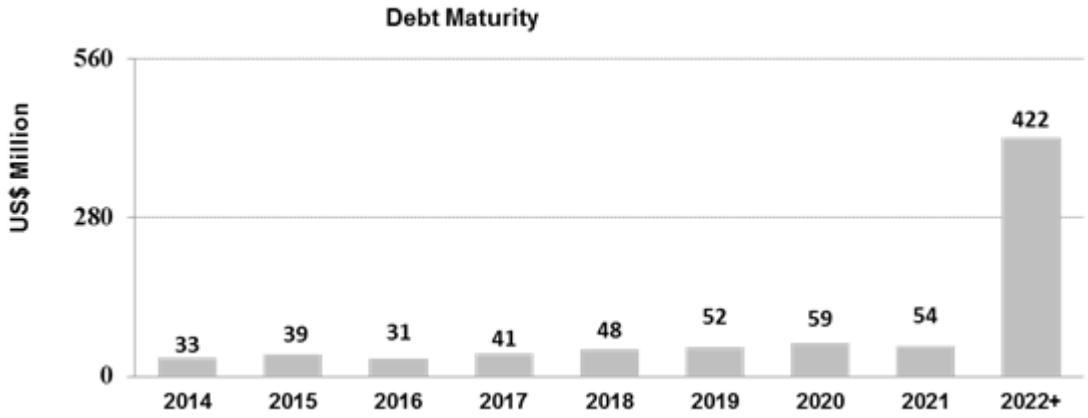
Financial instruments held by Angamos such as mutual funds and time deposits are executed with local and foreign financial institutions that have national and/or international credit ratings greater than or equal to "A" under the S&P and Fitch scale and "A2" in Moody's rating scale. Similarly, derivatives executed for financial debt are carried out with top-level international entities. The Company has cash, investment and treasury policies to guide its cash management and minimize credit risk.

(c) Liquidity Risk

Liquidity risk relates to the need for funds to meet payment obligations. The Company's objective is to maintain balance between fund continuity and financial flexibility through normal operating cash flows, bank loans, public bonds, short-term investments and committed and uncommitted credit lines.

As of December 31, 2013, Angamos had available liquid resources of ThUS$69,920 classified as cash and cash equivalents compared to ThUS$85,571 as of December 31, 2012.

The following graph details Angamos' amortization schedule for the outstanding debt of ThUS$779,529 as of December 31, 2013:



	As of December 31, 2013					
		Expected contractual maturity date				
	Average interest rate	2014	2015	2016	2017	2018+
		(in US$ millions)				
Variable Rate						
Syndicated Loans (US$)	LIBOR + Spread	33.0	39.1	31.3	41	635.1

4.3 Risk Measurement

The Company has developed methods to measure the efficiency and effectiveness of risk strategies, both prospectively and retrospectively.

For those analyses, different market methods for risk quantification are used, such as regression methods, risk bearing capacity and maximum risk exposure, which allow the Company to adjust risk strategies and mitigation methods and assess their impact.

NOTE 5– SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Management must make judgments and estimates that can have a significant effect on the figures presented in the financial statements. Changes in these assumptions and estimates may have a significant impact on the financial statements. The estimates and critical judgments used by the Company's management are detailed below:

- Hypotheses used in actuarial calculations of employee benefits obligations.
- The useful life and residual values of property, plant and equipment and intangible assets. (See Note 13 and 14)
- The assumptions used to calculate the fair value of financial instruments, including credit risk. (See Note 7)
- The probability of occurrence and the value of contingent liabilities or liabilities whose amount is uncertain. (See Note 22)
- Future disbursements for asset dismantling or removal obligations. (See Note 17)
- Determination of the existence of finance or operating leases based on the transfer of risks and rewards of the leased assets. (See Note 14.2)

Although these estimates have been made based on the best information available as of the date of issuance of these financial statements, it is possible that future developments may force the Company to modify these estimates in upcoming periods. Such modifications would be adjusted prospectively, recognizing the effects of the change in estimate in the corresponding future financial statements, as required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

NOTE 6– CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Cash on Hand	-	5
Cash at Banks	69,920	85,566
Cash and Cash Equivalents	**69,920**	**85,571**

Cash and Cash Equivalents by type of currency as of December 31, 2013 and 2012 are detailed as follows:

Cash and Cash Equivalents by Currency	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Ch$	14,286	19,084
US$	55,634	66,487
Total Cash and Cash Equivalents	**69,920**	**85,571**

As of December 31, 2013 and 2012, these balances are restricted by the requirements of the credit agreement with a consortium of banks led by BNP Paribas bank (formerly Fortis). These funds are being used by the Company for operational and working capital needs.

NOTE 7– FINANCIAL INSTRUMENTS

7.1 Financial Assets and Liabilities

Financial assets are classified into the categories described in Note 3.6, detailed as follows:

December 31, 2013	Cash and Cash Equivalents ThUS$	Loans and Receivables ThUS$	Hedging Instruments ThUS$	Total ThUS$
Cash and Cash Equivalents	69,920	-	-	69,920
Trade and Other Receivables	-	36,293	-	36,293
Other Non-Current Financial Assets	-	-	13,879	13,879
Related Party Receivables	-	113,258	-	113,258
Total	**69,920**	**149,551**	**13,879**	**233,350**

December 31, 2012	Cash and Cash Equivalents ThUS$	Loans and Receivables ThUS$	Total ThUS$
Cash and Cash Equivalents	85,571	-	85,571
Trade and Other Receivables	-	36,915	36,915
Related Party Receivables	-	42,312	42,312
Total	**85,571**	**79,227**	**164,798**

The carrying amount of financial assets such as Cash and Cash Equivalents, Trade and Other Receivables and the current portion of Related Party Receivables are approximately equivalent to their fair values, due to the short-term nature of their maturities.

Financial instruments classified as Other Non-Current Financial Assets are Hedging Derivatives that are presented at fair value in the Statement of Financial Position. See Note 7.2 for the methods used to calculate these fair values.

Financial liabilities are classified into the categories described in Note 3.7, detailed as follows:

December 31, 2013	Hedging Instruments ThUS$	Other Financial Liabilities ThUS$	Total ThUS$
Other Current Financial Liabilities	11,728	42,244	53,972
Trade Payables	-	15,479	15,479
Other Non-Current Financial Liabilities	-	705,865	705,865
Related Party Payables	-	29,816	29,816
Total	**11,728**	**793,404**	**805,132**

December 31, 2012	Hedging Instruments ThUS$	Other Financial Liabilities ThUS$	Total ThUS$
Other Current Financial Liabilities	10,820	45,389	56,209
Trade Payables	-	14,838	14,838
Other Non-Current Financial Liabilities	35,432	734,769	770,201
Related Party Payables	-	21,034	21,034
Total	**46,252**	**816,030**	**862,282**

The carrying amounts of the current portion of Related Party and Trade Payables approximate their fair values given the short-term nature of their maturities.

Instruments recorded in Other Current and Other Non-Current Financial Liabilities classified as Hedging Derivatives are presented at fair value in the Statement of Financial Position. See Note 7.2 for the methods used to calculate these fair values.

The carrying value of interest-bearing loans included in Other Current and Other Non-Current Financial Liabilities differs from their fair values principally due to fluctuations in exchange rates and market interest rates. The methodology to calculate fair values of these instruments consists of discounting future cash flows of the debt using a yield curve. For the purposes of calculating this present value, assumptions are used such as the value of the exchange rate of the debt, the credit rating of the instrument and the credit rating of the Company. The assumptions used as of December 31, 2013 and 2012 are classified as Level 2 within the Fair Value Hierarchy as defined in Note 7.2. The following table details the carrying amounts and fair values of interest-bearing loans:

	December 31, 2013		December 31, 2012	
Interest-Bearing Loans	Carrying Value ThUS$	Fair Value ThUS$	Carrying Value ThUS$	Fair Value ThUS$
Interest-Bearing Loans	748,058	779,529	779,994	816,163

7.2 Fair Values

The Company uses the Reval Hedge Rx system to calculate the fair value of interest rate swaps.

The following principal assumptions are used in valuation models for derivative instruments:

d) Market assumptions such as future spot prices, other price projections, credit risk (own and counterparty).

e) Discount rate inputs such as risk-free rates, local and counterparty spreads (based on risk profiles and data available in the market).

f) The models also incorporate variables such as volatilities, correlations, regression formulas and market spreads using observable market data and techniques commonly used by market participants.

Valuation Methodology for Derivative Instruments

(a) **Interest Rate Swaps**

The valuation model for interest rate swaps involves forecasting cash flows using forward curves for each intermediate and final settlement date, and then discounting those cash flows using the LIBOR zero-coupon rate. The assumptions used in the model include prices and rates observable in the market, risk-free rates, country and/or counterparty risk, the Company's credit risk, etc.

(b) Hierarchy of Fair Value of Derivative Instruments

Financial instruments recognized at fair value in the Statement of Financial Position are classified based on the following hierarchies:

Level 1: Quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability are not based on observable market data.

The following tables show financial assets and liabilities by fair value hierarchy:

December 31, 2013	Note	Level 2 ThUS$
Assets		
Hedging Instruments		
Interest Rate Swap	7.4 (a.1)	13,879
Total Assets		**13,879**
Liabilities		
Hedging Instruments		
Interest Rate Swap	7.4 (a.1)	11,728
Total Liabilities		**11,728**

December 31, 2012	Note	Level 2 ThUS$
Liabilities		
Hedging Instruments		
Interest Rate Swap	7.4 (a.1)	46,252
Total Liabilities		**46,252**

As of December 31, 2012, the Company did not have any hedging instruments in an asset position.

As of December 31, 2013 and 2012, the Company has no financial instruments valued at fair value on a recurring basis that use significant assumptions not based on observable market information (Level 3).

Likewise, during the year ended December 31, 2013 and 2012, the Company recorded no movements of financial assets and liabilities between Level 1 and Level 2.

(c) **Master Netting Agreements**

The following table shows the derivative instruments as of December 31, 2013 and 2012, that are subject to master netting agreements, where there is a contractual right to set off assets and liabilities under these financial instruments.

	December 31, 2013		December 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Other Non-Financial Assets	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Current	-	11,728	-	10,820
Non-Current	13,879	-	-	35,432
Total Derivatives	**13,879**	**11,728**	**-**	**46,252**
Subject to Master Netting Agreements (Gross is Equal to Net)	13,879	11,728	-	46,252
Total Amount	**13,879**	**11,728**	**-**	**46,252**

As of December 31, 2013 and 2012, the Company has not provided any cash guarantees.

7.3 Credit Risk of Financial Assets

The Company is exposed to credit risk in its commercial activities as well as in its financial activities.

The Company evaluates the credit quality of its counterparties, which includes principally mining customers. In Angamos' case, the majority of its clients and its parent have international investment-grade ratings. Credit quality is determined by qualified rating agencies that determine the solvency of the entities from most solvent (rating of "AAA") to least solvent (rating of "E"). Investment grade is considered "BBB" or higher.

Regarding financial instruments, Angamos executes investments with local and international counterparties with international or national risk ratings of A- or A3 according to Standard & Poor's and Moody's, respectively. Similarly, derivatives executed for financial debt are carried out with top-level international entities. The Company has cash, investment and treasury policies to guide its cash management and minimize credit risk.

7.4 Derivative Instruments

Financial derivatives held by Angamos correspond primarily to transactions entered into with the intent to hedge interest rate volatility arising from financing its plant.

The Company, in line with its risk management policy, enters into interest rate to reduce the anticipated variability of the underlying debt's future cash flows.

The portfolio of derivative instruments as of December 31, 2013 and 2012 is detailed as follows:

(a) Cash Flow Hedges

The fair values of the swap contracts that partially hedge the syndicated loan of Angamos are as follows:

a.1 Interest Rate Swaps:

				As of December 31, 2013				As o	
				Asset		Liability		Asset	
Derivative Instrument	Counterparty	Classification	Interest Rate	Current ThUS$	Non-Current ThUS$	Current ThUS$	Non-Current ThUS$	Current ThUS$	Non-C Th
Interest Rate Swap	Various	Cash Flow Hedge	2.83%	-	13,879	11,728	-	-	
Total				**-**	**13,879**	**11,728**	**-**	**-**	

In December 2008, Angamos executed seven interest rate swap contracts, which are currently held by SMBC, the Royal Ba (formerly Fortis), Credit Agricole (formerly Calyon), HSBC and ING, maturing in 17 years for ThUS$690,000, to fix var construction and operating periods of its power plant.

These swap contracts partially hedge the loan from a consortium of banks led by BNP Paribas for the Angamos Power Plant w October 2011.

a.4 Other Information - Cash Flow Hedges

Hedge maturities are included in the following table:

				Period		Maturity (Notiona		
Company	Derivative Instrument	Counterparty	Hedged Item	Start	End	2014 ThUS$	2015 ThUS$	Tl
Emp. Eléctrica Angamos S.A.	Interest Rate Swap	Various	Interest Rate	12-30-2008	09-30-2025	27,194	32,213	5
Total						**27,194**	**32,213**	**5**

For more details on debt maturity, see Note 15 Other Financial Liabilities.

The Company has not executed cash flow hedge instruments for highly probable transactions that then failed to occur.

For the years ended December 31, 2013 2012 and 2011, the ineffectiveness of cash flow hedges caused losses in the Income Statement of US$0, US$1,126 and US$322, respectively.

The following movements were recognized in Accumulated Other Comprehensive Income during the years ended December 31, 2013, 2012 and 2011:

	December 31, 2013 ThUS$	December 31, 2012 ThUS$	December 31, 2011 ThUS$
Gains (Losses) related to Derivatives Recognized in Other Comprehensive Income	48,403	(6,548)	(81,696)
Gains (Losses) related to Derivatives Reclassified from Other Comprehensive Income to Net Income	560	-	-

(b) Embedded Derivatives

In the periods covered by these financial statements no embedded derivatives requiring separate recognition were identified.

NOTE 8– OTHER NON-FINANCIAL ASSETS

As of December 31, 2013 and 2012, Other Current Non-Financial Assets are detailed as follows:

	December 31	
Other Current Non-Financial Assets	**2013 ThUS$**	**2012 ThUS$**
Prepaid Insurance	1,585	1,310
Other Project Related Services	10	77
Total	**1,595**	**1,387**

As at December 31, 2013 and 2012, there were no non-current other non-financial assets held by the Company.

NOTE 9– TRADE AND OTHER RECEIVABLES

Amounts in Trade and Other Receivables relate to transactions within the Company's line of business, which principally consists of sales of energy, capacity and transmission.

1) As of December 31, 2013 and 2012, this account is detailed as follows:

	December 31			
	Current		Non-Current	
Trade and Other Receivables, Gross	**2013 ThUS$**	**2012 ThUS$**	**2013 ThUS$**	**2012 ThUS$**
Trade Receivables, Gross	36,293	36,938	-	-
Allowance for Doubtful Accounts	-	(23)	-	-
Trade Receivables, Net	**36,293**	**36,915**	**-**	**-**
Sales Tax Credits	-	1,063	-	-
Other Accounts Receivable	882	366	88	35
Trade and Other Receivables, Net	**37,175**	**38,344**	**88**	**35**

The fair value of Trade and Other Receivables does not differ significantly from their carrying amount.

2) Trade Receivables past due but not impaired are detailed as follows:

	December 31	
Trade Receivables Past Due but Not Impaired	**2013 ThUS$**	**2012 ThUS$**
Less than Three Months	29,943	36,912
Between Three and Six Months	-	-
Between Six and Twelve Months	-	3
More than Twelve Months	-	-
Total Trade Receivables Past Due but Not Impaired	**29,943**	**36,915**

3) The movements in allowance for doubtful accounts related to Trade and Other Receivables are detailed in the following table:

Allowance for Doubtful Accounts	**ThUS$**
Balance as of January 1, 2011	**-**
Increase (Decrease) for the Year	-
Amounts Written-off t to Income	-
Balance as of December 31, 2011	**-**
Increase (Decrease) for the Year	23
Amounts Written-off to Income	-
Balance as of December 31, 2012	**(23)**
Increase (Decrease) for the Year	23
Amounts Written-off to Income	-
Total as of December 31, 2013	**-**

NOTE 10– BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions between the Company and its related parties consist of recurring transactions made at terms equivalent to those t
transaction.

10.1 Balances and Transactions with Related Parties

(a) The balances of Receivables between the Company and its related parties are detailed as follows:

Related Party Receivables					Current	
Company	Country	Transaction	Relationship	Currency	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Norgener S.A.	Chile	Employee Benefits	Direct Parent	Ch$	186	14
Norgener S.A.	Chile	Energy Sales	Direct Parent	Ch$	4,431	1,47
Norgener S.A.	Chile	Miscellaneous Operating Services	Direct Parent	Ch$	377	
AES Gener S.A.	Chile	Employee Benefits	Local Parent	US$	32	2,29
AES San Andrés	Dominican Republic	Miscellaneous Services	Common Ultimate Parent	US$	6	
AES Gener S.A.	Chile	Intercompany Loan	Local Parent	US$	-	
AES Gener S.A.	Chile	Energy Sales	Local Parent	Ch$	1,849	
Empresa Eléctrica Cochrane S.p.A.	Chile	Miscellaneous Services	Common Local Parent	Ch$	9	
AES Gener S.A.	Chile	Miscellaneous Services	Local Parent	Ch$	434	
Total					**7,324**	**3,92**

As of December 31, 2013 and 2012, there are no allowances for doubtful accounts relating to these balances.

(b) The balances of Payables between the Company and its related parties are detailed as follows:

Related Party Payables					Current	
Company	Country	Transaction	Relationship	Currency	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Norgener S.A.	Chile	Purchase of Energy and Capacity	Direct Parent	Ch$	1,238	2,7
Norgener S.A.	Chile	Miscellaneous Services	Direct Parent	US$	1,518	
AES Corporation	United States	Miscellaneous Services	Ultimate Parent Company	US$	58	
AES Gener S.A.	Chile	Intercompany Loan	Local Parent	US$	23,857	14,2
AES Gener S.A.	Chile	Purchase of Energy and Capacity	Local Parent	US$	-	2
AES Gener S.A.	Chile	Operational Services	Local Parent	US$	189	3,4
Empresa Eléctrica Campiche S.A.	Chile	Miscellaneous Services	Common Local Parent	Ch$	106	1
Eléctrica Santiago S.A.	Chile	Miscellaneous Services	Common Local Parent	Ch$	5	
AES Gener S.A.	Chile	Operational Services	Local Parent	Ch$	2,759	
Empresa Eléctrica Ventanas S.A.	Chile	Miscellaneous Services	Local Parent	Ch$	45	
Empresa Eléctrica Campiche S.A.	Chile	Other	Common Local Parent	US$	38	
Total					**29,813**	**21,0**

(c) The effects on net income of transactions with related parties during the years ended December 31, 2013, 2012 and 2011,

Company	Country	Transaction	Relationship	2013 ThUS$	Effect on Income (Charge/ Credit) ThUS$	2012 ThUS$	Ef I (C T
Norgener S.A.	Chile	Sale of Energy and Capacity	Direct Parent	15,438	15,438	20,086	
Norgener S.A.	Chile	Cost of Sales	Direct Parent	937	(937)	1,254	
AES Corporation	United States	Insurance Claim	Ultimate Parent Company	632	632	-	
AES Gener S.A.	Chile	Sale of Energy and Capacity	Local Parent	7,577	7,577	8,789	
AES Gener S.A.	Chile	Other Revenues	Local Parent	217	217	226	
AES Gener S.A.	Chile	Purchase of Energy and Capacity	Local Parent	-	-	100	
AES Gener S.A.	Chile	Cost of Sales	Local Parent	712	(712)	-	
AES Gener S.A.	Chile	Miscellaneous Services	Local Parent	5,098	5,098	5,231	
Empresa Eléctrica Ventanas S.A.	Chile	Cost of Sales	Local Parent	38	(38)	-	
AES Gener S.A.	Chile	Interest Expense	Local Parent	437	(435)	-	
Norgener S.A.	Chile	Interest Expense	Direct Parent	43	(43)	-	

Transactions with related companies, in general, consist of recurring transactions made at terms equivalent to those that prevail in a

10.2 Key Management Personnel

Key Management Personnel are those that have the authority and responsibility to plan, direct and control the activities of the Company, whether directly or indirectly. Angamos is managed by the members of AES Gener's Senior Management ("Senior Management") and by its Board of Directors composed of three directors, who are elected for a period of three years by the Shareholders in the Ordinary General Shareholders' Meeting.

Balances and Transactions with Key Management Personnel

There are no pending receivables or payables between the Company and its Directors and Senior Management.

In the periods covered by these financial statements, no transactions took place between the Company and its Directors or Senior Management.

There are no guarantees granted in favor of the Directors.

There are no guarantees granted by the Company in favor of the Senior Management.

There are no compensation plans linked to the market value of shares of the Company.

NOTE 11– INVENTORY

Inventory, valued in accordance with accounting policy described in Note 3.9, is detailed as follows:

Inventory	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Coal	15,561	16,560
Oil	1,697	1,707
Spare Parts and Materials	8,024	5,219
Materials in Transit	718	180
Other Inventory	-	95
Total	**26,000**	**23,761**

The amount of inventory recognized as cost of sales in income for the years ended December 31, 2013, 2012 and 2011, is detailed as follows:

Inventory Recognized as Cost of Sales in Net Income	2013 ThUS$	2012 ThUS$	2011 ThUS$
Coal	122,201	149,225	61,453
Oil	872	796	588
Spare Parts	6,184	4,480	1,718
Total	**129,257**	**154,501**	**63,759**

In the periods covered by these financial statements, no adjustments exist that would significantly affect the carrying value of inventory.

NOTE 12–TAXES

12.1 Current Taxes Receivables and Payables

Current Tax Receivables as of December 31, 2013 and December 31, 2012, are detailed as follows:

	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Employee Training Credit (Sence)	34	37
Donation Credits	3	2
Other	34	3
Less:		
Rejected Expenses Provision	-	1
First Category Tax Provision	-	(1)
Total	**71**	**42**

12.2 Income Tax Expense

The income tax expense for the years ended December 31, 2013, 2012 and 2011, is composed as follows:

Current and Deferred Income Tax Expense	2013 ThUS$	2012 ThUS$	2011 ThUS$
Adjustments to Prior Period Current Tax	-	(30)	(1)
Other Current Tax Expenses	-	-	37
Total Current Tax Expense (Benefit)	**-**	**(30)**	**36**
Deferred Tax Expenses (Benefit) Related to Changes in Temporary Differences	7,083	7,869	6,586
Total Deferred Tax Expense (Benefit)	**7,083**	**7,869**	**6,586**
Income Tax Expense	**7,083**	**7,839**	**6,622**

The following table reconciles the income tax charge resulting from applying the statutory tax rate in Chile to the effective rate for the years 2013, 2012 and 2011:

Reconciliation of Tax Expense	2013 ThUS$	2012 ThUS$	2011 ThUS$
Tax Expense Using Statutory Rate	7,081	8,988	6,004
Non-Deductible Expenses	(3)	(7)	23
Change in Legal Tax Rate	-	(1,129)	594
Other Increase (Decrease) in Charge for Legal Taxes	5	(13)	1
Adjustments to Tax Expense Using Legal Rate	**2**	**(1,149)**	**618**
Tax Expense Using Effective Rate	**7,083**	**7,839**	**6,622**

Tax Related to Items Recorded in Net Equity	2013 ThUS$	2012 ThUS$	2011 ThUS$
Net Movements in Cash Flow Hedges	(9,681)	200	15,339
Actuarial Gains (Losses) on Defined Benefit Plan	20	34	-
Total Tax Effect on Items Recorded in Equity	**9,661**	**234**	**15,339**

12.3 Deferred Taxes

Balances of Deferred Tax Assets as of December 31, 2013 and 2012 are detailed as follow:

Deferred Tax Assets	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Provisions	685	619
Employee Benefits	35	35
Fair Value of Financial Instruments	2,632	9,250
Tax Losses	99,755	68,386
Interest-Bearing Loans	259	2,840
Other	4,882	5,757
Total	**108,248**	**86,887**

The most significant deferred tax asset is related to the tax losses resulting from Angamos being in operations for a short period. The cause of these losses is principally due to depreciation expense and the inability to capitalize all of the finance expenses relating to the project.

There is evidence that these losses will be used as a result of future taxable income associated with energy supply contracts (PPAs).

Balances of Deferred Tax Liabilities as of December 31, 2013 and 2012 are detailed in the following table:

Deferred Tax Liabilities	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Depreciation	112,774	72,755
Provisions	89	-
Employee Benefits	14	-
Fair Value of Financial Instruments	6,517	3,741
Finance Expenses	8,137	11,616
Other	3,732	5,047
Total	**131,263**	**93,159**
Net Balance of Deferred Tax Assets (Liabilities)	**(23,015)**	**(6,272)**

The following movements occurred in deferred tax assets and liabilities during the years ended December 31, 2013 and 2012:

Movements in Deferred Tax Assets	Assets ThUS$	Liabilities ThUS$
Balance as of January 1, 2012	**44,291**	**42,927**
Increase (Decrease) recognized in Income (Losses)	42,362	50,232
Increase (Decrease) recognized in Other Comprehensive Income	234	-
Balance as of December 31, 2012	**86,887**	**93,159**
Increase (Decrease) recognized in Income (Losses)	31,022	38,104
Increase (Decrease) recognized in Other Comprehensive Income	(9,661)	-
Balance as of December 31, 2013	**108,248**	**131,263**

NOTE 13– INTANGIBLE ASSETS

The principal classes of Intangible Assets, valued as described in Note 3.4, are detailed as follows:

	December 31, 2013		
Intangible Assets	**Gross ThUS$**	**Accumulated Amortization ThUS$**	**Net ThUS$**
Intangible Assets with Definite Useful Lives	477	(27)	450
Intangible Assets with Indefinite Useful Lives	1,192	-	1,192
Intangible Assets, Gross	**1,669**	**(27)**	**1,642**
Easements	1,661	(27)	1,634
Other Identifiable Intangible Assets	8	-	8
Identifiable Intangible Assets, Gross	**1,669**	**(27)**	**1,642**

	December 31, 2012		
Intangible Assets	**Gross ThUS$**	**Accumulated Amortization ThUS$**	**Net ThUS$**
Intangible Assets with Definite Useful Lives	469	(17)	452
Intangible Assets with Indefinite Useful Lives	1,192	-	1,192
Intangible Assets, Gross	**1,661**	**(17)**	**1,644**
Easements	1,661	(17)	1,644
Identifiable Intangible Assets, Gross	**1,661**	**(17)**	**1,644**

Easements do not have defined useful lives, therefore it has been established that they are indefinite and continuously permanent. These intangibles have not suffered any contractual or legal modification as of December 31, 2013. Accumulated amortization of easements as of December 31, 2013 and 2012, correspond exclusively to easements of Mejillones lot A, which has a defined useful life related to the duration of the underlying contracts.

Estimated Useful Lives or Amortization Rates Used	**Maximum Life or Rate**	**Minimum Life or Rate**
Easements	Indefinite	30 Years
Other Identifiable Intangible Assets	10 Years	2 Years

	2013		
Movements in Intangible Assets	**Easements ThUS$**	**Other Identifiable Intangible Assets ThUS$**	**Total Intangible Assets ThUS$**
Opening Balance as of January 1, 2013	1,644	-	1,644
Additions	-	8	8
Amortization	(10)	-	(10)
Total Changes	**(10)**	**8**	**(2)**
Ending Balance as of December 31, 2013	**1,634**	**8**	**1,642**

	2012	
Movements in Intangible Assets	**Easements ThUS$**	**Total Intangible Assets ThUS$**
Opening Balance as of January 1, 2012	1,654	1,654
Amortization	(10)	(10)
Total Changes	**(10)**	**(10)**
Ending Balances as of December 31, 2012	**1,644**	**1,644**

Movements in Intangible Assets	2011 Easements ThUS$	2011 Total Intangible Assets ThUS$
Opening Balance as of January 1, 2011	1,661	1,661
Amortization	(7)	(7)
Total Changes	**(7)**	**(7)**
Ending Balance as of December 31, 2011	**1,654**	**1,654**

NOTE 14– PROPERTY, PLANT AND EQUIPMENT

14.1 Property, Plant and Equipment

The balances of the different categories of property, plant and equipment as of December 31, 2013 and 2012, are detailed as follows:

	December 31, 2013		
Classes of Property, Plant and Equipment	**Gross ThUS$**	**Accumulated Amortization ThUS$**	**Net ThUS$**
Construction in Progress	7,272	-	7,272
Land	5,107	-	5,107
Plant and Equipment	1,076,300	(109,397)	966,903
IT Equipment	57	(55)	2
Furniture	899	(60)	839
Motor Vehicles	534	(203)	331
Total	**1,096,169**	**(109,715)**	**980,454**

	December 31, 2012		
Classes of Property, Plant and Equipment	**Gross Value ThUS$**	**Accumulated Amortization ThUS$**	**Net Value ThUS$**
Construction in Progress	8,236	-	8,236
Land	5,107	-	5,107
Plant and Equipment	1,078,714	(66,643)	1,012,071
IT Equipment	57	(43)	14
Furniture	61	(44)	17
Motor Vehicles	485	(128)	357
Total	**1,092,660**	**(66,858)**	**1,025,802**

In April 2011, Unit 1 of the Company's thermoelectric power plant started operations with a gross capacity of 260 MW, while Unit 2 started operations in October 2011, also with a gross capacity of 260 MW.

The useful lives of principal classes of the Company's Property, Plant and Equipment are detailed as follows:

Classes of Property, Plant and Equipment	**Minimum Life (Years)**	**Maximum Life (Years)**
Buildings	20	45
Plant and Equipment	5	45
IT Equipment	2	5
Furniture	2	20
Motor Vehicles	2	5
Other Property, Plant and Equipment	5	25

The expenditures related to construction in progress during the years ending December 31, 2013, 2012 and 2011 are as follow:

Additional Disclosures for Property, Plant and Equipment	**December 31, 2013 ThUS$**	**December 31, 2012 ThUS$**	**December 31, 2011 ThUS$**
Expenditures on Construction in Progress	5,263	25,693	112,336

The Company does not have any commitments to purchase Property, Plant and Equipment as of December 31, 2013 and 2012.

The following tables present movements in Property, Plant and Equipment during the years ended December 31, 2013, 2012 and 2011, respectively:

Movements Year 2013		Construction in Progress ThUS$	Land ThUS$	Plant and Equipment ThUS$	IT Equipment ThUS$	Furniture ThUS$	Motor Vehicles ThUS$	Total Property, Plant and Equipment ThUS$
Opening Balance as of January 1, 2013		8,236	5,107	1,012,071	14	17	357	1,025,802
Changes	Additions	2,733	-	92	-	13	50	2,888
	Disposals	-	-	(1,119)	-	-	-	(1,119)
	Depreciation	-	-	(42,857)	(12)	(16)	(76)	(42,961)
	Other Increases (Decreases)	(3,697)	-	(1,284)	-	825	-	(4,156)
	Total Changes	**(964)**	**-**	**(45,168)**	**(12)**	**822**	**(26)**	**(45,348)**
Ending Balance as of December 31, 2013		**7,272**	**5,107**	**966,903**	**2**	**839**	**331**	**980,454**

Movements Year 2012		Construction in Progress ThUS$	Land ThUS$	Plant and Equipment ThUS$	IT Equipment ThUS$	Furniture ThUS$	Motor Vehicles ThUS$	Total Property, Plant and Equipment ThUS$
Opening Balance as of January 1, 2012		6,549	5,107	1,026,107	34	24	222	1,038,043
Changes	Additions	9,031	-	20,781	-	-	183	29,995
	Depreciation	-	-	(42,159)	(18)	(9)	(50)	(42,236)
	Other Increases (Decreases)	(7,344)	-	7,342	(2)	2	2	-
	Total Changes	**1,687**	**.**	**(14,036)**	**(20)**	**(7)**	**135**	**(12,241)**
Ending Balance as of December 31, 2012		**8,236**	**5,107**	**1,012,071**	**14**	**17**	**357**	**1,025,802**

Movements Year 2011		Construction in Progress ThUS$	Land ThUS$	Plant and Equipment ThUS$	IT Equipment ThUS$	Furniture ThUS$	Motor Vehicles ThUS$	Total Property, Plant and Equipment ThUS$
Opening Balance as of January 1, 2011		946,173	3,313	9,338	33	29	23	958,909
Changes	Additions	95,649	1,794	5,752	27	2	240	103,464
	Disposals	-	-	-	-	-	(2)	(2)
	Depreciation	-	-	(24,255)	(26)	(7)	(40)	(24,328)
	Other Increases (Decreases)	(1,035,273)	-	1,035,272	-	-	1	-
	Total Changes	**(939,624)**	**1,794**	**1,016,769**	**1**	**(5)**	**199**	**79,134**
Ending Balance as of December 31, 2011		**6,549**	**5,107**	**1,026,107**	**34**	**24**	**222**	**1,038,043**

No significant amounts of interest were capitalized during the year ended December 31, 2013, 2012 or 2011.

The Company has insurance contracts for its generation plant, including all-risk policies and business interruption insurance, which cover damages caused by fire, flood and earthquakes, among other events.

14.2 Leased Assets

Finance leases by asset class, the Company as lessee:

Finance Leases	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Plant and Equipment	189	210
Total Property, Plant and Equipment under Finance Leases	**189**	**210**

The minimum lease payments related to finance lease noted above are expected to be fully made in 2014.

14.3 Asset Impairment

According to Note 3.5, the recoverable amount of Property, Plant and Equipment is evaluated when there is evidence that the asset may be impaired.

No impairment losses were identified during the years ended December 31, 2013, 2012 and 2011.

14.4 Disposal of Property, Plant and Equipment

In 2013, 2012 and 2011, there have been no significant disposals of Property, Plant and Equipment.

14.5 Property, Plant and Equipment Subject to Liens

Property, plant and equipment, net of accumulated depreciation, of $948 million and 987 million is subject to liens in accordance with the project financing agreement as of December 31, 2013 and 2012, respectively.

NOTE 15– OTHER FINANCIAL LIABILITIES

As of December 31, 2013 and December 31, 2012, Other Financial Liabilities are detailed as follows:

	Current		Non-Current	
Other Financial Liabilities	**December 31, 2013 ThUS$**	**December 31, 2012 ThUS$**	**December 31, 2013 ThUS$**	**December 31, 2012 ThUS$**
Interest-Bearing Loans	42,244	45,389	705,865	734,769
Derivatives (Hedging Instruments)(see Note 7.1)	11,728	10,820	-	35,432
Total	**53,972**	**56,209**	**705,865**	**770,201**

Interest-Bearing Loans

	Current		Non-Current	
Interest-Bearing Loans	**December 31, 2013 ThUS$**	**December 31, 2012 ThUS$**	**December 31, 2013 ThUS$**	**December 31, 2012 ThUS$**
Bank Loans	42,193	45,225	705,865	734,769
Lease Obligations	51	164	-	-
Total	**42,244**	**45,389**	**705,865**	**734,769**

(a) Bank Loans

The following tables detail bank loans by financial institution, including loan currency, rate and a maturity schedule as of Dec
schedule represents expected future cash flows of capital and projected interest payments.

December 31, 2013

Company Name	Country	Lender Name	Currency	Amortization	Effective Rate	Nominal Rate	Final Maturit
Empresa Eléctrica Angamos S.A.	Chile	Syndicated Banks led by BNP PARIBAS	US$	Semi-Annual	3.05%	2.30%	2025
Total							

				Current			N	
	Company Name	**Country**	**Lender Name**	**Maturity Less than 90 days ThUS$**	**Maturity More than 90 days ThUS$**	**Total Current December 31, 2013 ThUS$**	**Maturity between 1 and 3 Years ThUS$**	**Maturi betwee 3 and 5 Year ThUS**
	Empresa Eléctrica Angamos S.A.	Chile	Syndicated Banks led by BNP PARIBAS	4,039	54,409	**58,448**	110,312	124,2
Total				4,039	**54,409**	**58,448**	**110,312**	**124,2**

The following tables detail bank loans by financial institution, including loan currency, rate and a maturity schedule as of Dec
schedule represents expected future cash flows of capital and projected interest payments.

December 31, 2012

Company Name	Country	Lender Name	Currency	Amortization	Effective Rate	Nominal Rate	Final Maturi
Empresa Eléctrica Angamos S.A.	Chile	Syndicated Banks led by BNP PARIBAS	US$	Semi-Annual	3.20%	2.43%	202
Total							

Company Name	**Country**	**Lender Name**	**Maturity Less than 90 days ThUS$**	**Maturity More than 90 days ThUS$**	**Total Current December 31, 2012 ThUS$**	**Maturity between 1 and 3 Years ThUS$**	**Maturi betwee 3 and 5 Year ThUS**
Empresa Eléctrica Angamos S.A.	Chile	Syndicated Banks led by BNP PARIBAS	-	56,089	**56,089**	109,373	106,3
Total			**-**	**56,089**	**56,089**	**109,373**	**106,3**

NOTE 16– TRADE AND OTHER PAYABLES

Trade and Other Payables as of December 31, 2013 and 2012 are detailed as follows:

Current Trade and Other Payables	December 31, 2013 ThUS$	December 31, 2012 ThUS$
Trade Payables	15,479	14,838
Other Accounts Payable	1,349	407
Total Trade and Other Payables	**16,828**	**15,245**

Angamos does not have Trade and Other Payables that are Non-Current as of December 31, 2013 and 2012.

The average payment period for suppliers is 30 days; therefore, carrying amounts do not differ significantly from their fair values.

NOTE 17– PROVISIONS

As of December 31, 2013 and 2012, provisions are detailed as follows:

	Current		Non-Current	
Provisions	**December 31, 2013 ThUS$**	**December 31, 2012 ThUS$**	**December 31, 2013 ThUS$**	**December 31, 2012 ThUS$**
Decommissioning Costs	-	-	26,188	28,611
Other Provisions	-	5	7	2
Total	**-**	**5**	**26,195**	**28,613**

Decommissioning Costs

Non-current balances within this provision relate to the decommissioning costs and rehabilitation of land on which the Company's power plant is located. The terms of the estimated disbursement is approximately 45 years.

In December 2011, Angamos adjusted its decommissioning provision to account for changes in the discount rate. The adjustment resulted in an increase of ThUS$5,715 in the provision.

During 2012, the decommissioning provision associated with power plant Angamos was adjusted to account for changes in the estimated future expenses and the discount rate. The impact was an increase of ThUS$10,613 in the provision.

There were no adjustments to the decommissioning provision during the year ended December 31, 2013.

Provisions	**Decommissioning Costs ThUS$**	**Other Provisions ThUS$**	**Total ThUS$**
Opening Balance as of January 1, 2013	28,611	7	28,618
Movements in Provisions			
Unwinding of Discount	1,735	-	1,735
Increase (Decrease) in Existing Provisions	(4,158)	-	(4,158)
Changes in Provisions	**(2,423)**	**-**	**(2,423)**
Ending Balance as of December 31, 2013	**26,188**	**7**	**26,195**

Provisions	Decommissioning Costs ThUS$	Other Provisions ThUS$	Total ThUS$
Opening Balance as of January 1, 2012	16,817	32	16,849
Movements in Provisions			
Unwinding of Discount	1,181	-	1,181
Increase (Decrease) in Existing Provisions	10,613	(30)	10,583
Changes in Provisions	**11,794**	**(30)**	**11,764**
Ending Balance as of December 31, 2012	**28,611**	**2**	**28,613**

Provisions	Decommissioning Costs ThUS$	Other Provisions ThUS$	Total ThUS$
Opening Balance as of January 1, 2011	10,367	30	10,397
Movements in Provisions			
Increase in Existing Provisions	5,715	2	5,717
Other Increases	735		735
Changes in Provisions	**6,450**	**2**	**6,452**
Ending Balance as of December 31, 2011	**16,817**	**32**	**16,849**

NOTE 18– EQUITY

18.1 Capital Management

Capital includes issued capital, share premium, retained earnings, and accumulated other comprehensive income.

The main objective of the Company's capital management is to ensure that it maintains a strong credit rating and solid capital ratios in order to sustain business and maximize value for shareholders.

The Company manages its capital structure and makes adjustments based on changes in economic conditions. To maintain or adjust its capital structure, the Company can adjust dividend payments or capital returns to shareholders or issue new shares.

No changes were made to the Company's lines of business, policies or processes during the years ended December 31, 2013 and 2012.

18.2 Subscribed and Issued Capital

As of December 31, 2013, 2012 and 2011, the Company's share capital consists of 21,002,628,303 subscribed and paid shares for a total amount of ThUS$309,927.

18.3 Retained Earnings

Retained Earnings	2013 ThUS$	2012 ThUS$	2011 ThUS$
Opening Balance as of January 1	59,695	22,593	3,009
Net Income Attributable to Owners of the Parent	28,321	37,102	19,584
Total Ending Balance as of December 31	**88,016**	**59,695**	**22,593**

18.4 Accumulated Other Comprehensive Income

Movements of Accumulated Other Comprehensive Income for each period were as follows:

	Cash Flow Hedge Reserve ThUS$	Defined Benefit Plan Reserve ThUS$	Other Various Reserves (*) ThUS$	Total ThUS$
Opening Balance as of January 1, 2013	(55,710)	711	2,609	(52,390)
Derivatives Valuation	48,403	-	-	48,403
Derivatives Reclassifications into Net Income	560	-	-	560
Deferred Taxes	(9,681)	20	-	(9,661)
Other Changes	-	(72)	-	(72)
Ending Balance as of December 31, 2013	**(16,428)**	**659**	**2,609**	**(13,160)**

	Cash Flow Hedge Reserve ThUS$	Defined Benefit Plan Reserve ThUS$	Other Various Reserves (*) ThUS$	Total ThUS$
Opening Balance as of January 1, 2012	(49,362)	312	2,620	(46,430)
Derivatives Valuation	(6,548)	-	-	(6,548)
Deferred Taxes	200	34	-	234
Other Changes	-	365	(11)	354
Ending Balance as of December 31, 2012	**(55,710)**	**711**	**2,609**	**(52,390)**

	Cash Flow Hedge Reserve ThUS$	Defined Benefit Plan Reserve ThUS$	Other Various Reserves (*) ThUS$	Total ThUS$
Opening Balance as of January 1, 2011	16,995	-	2,604	19,599
Derivatives Valuation	(76,693)	-	-	(76,693)
Swaps Settlements	(5,003)	-	-	(5,003)
Deferred Taxes	15,339	-	-	15,339
Other Changes	-	312	16	328
Ending Balance as of December 31, 2011	**(49,362)**	**312**	**2,620**	**(46,430)**

(*) This concept consists primarily of equity adjustments resulting from the adoption of IFRS in 2008.

NOTE 19– REVENUE

Operating Revenues for the years ended December 31, 2013, 2012 and 2011, is detailed as follows:

Operating Revenues	2013 ThUS$	2012 ThUS$	2011 ThUS$
Contract Energy and Capacity Sales	225,141	198,379	37,724
Spot Market Energy and Capacity Sales	81,012	133,285	136,766
Other Operating Revenue	1,454	595	9
Total	**307,607**	**332,259**	**174,499**

NOTE 20– EXPENSES

Expenses by Nature

The table below details the principal operating and administrative costs and expenses recorded by the Company in the years ended December 31, 2013, 2012 and 2011, within the following accounts in the Statement of Comprehensive Income: Cost of Sales, Administrative Expenses and Other Operating Expenses:

Expenses by Nature	2013 ThUS$	2012 ThUS$	2011 ThUS$
Energy and Capacity Purchases on the Spot Market	2,673	1,944	124
Fuel Consumption	123,073	163,143	71,464
Transmission System Use Costs	593	971	284
Cost of Production and Other Sales	54,682	31,941	26,339
Personnel Expenses	8,968	8,021	4,689
Depreciation	43,568	42,611	24,227
Amortization	10	10	104
Total Expenses by Nature	**233,567**	**248,641**	**127,231**

NOTE 21– FINANCE INCOME AND EXPENSE

Finance Income and Expense for the years ended December 31, 2013, 2012 and 2011, are detailed as follows:

Other Gains (Losses)	2013 ThUS$	2012 ThUS$	2011 ThUS$
Income from Financial Assets	(127)	-	-
Other Finance Income	481	206	4
Total Finance Income	**354**	**206**	**4**
Interest on Bank Loans	(22,735)	(27,152)	(17,892)
Loss from Valuation of Derivatives	(15,644)	(14,449)	(5,462)
Other Expenses (Income)	65	(70)	-
Capitalized Finance Expenses	18	47	5,624
Total Finance Expense	**(38,296)**	**(41,624)**	**(17,730)**
Foreign Currency Exchange Differences	19	2,727	(3,352)
Total Net Finance Expense	**(37,923)**	**(38,691)**	**(21,078)**

NOTE 22– COMMITMENTS AND CONTINGENCIES

On October 22, 2008, Angamos secured financing for up to ThUS$908,500 to construct the Angamos thermoelectric power plant as well as letters of credit for up to ThUS$80,000 to guarantee Angamos' obligations, including a ThUS$48,000 letter of credit to guarantee six months of debt service. The loan is for a 17-year period, including a 3-year construction period, and is guaranteed by assets, shares and project cash flows.

Both the loan covenants entered into by Angamos with financial institutions and the issuance contracts that govern the Company's debt impose certain financial obligations over the duration of the loans. These obligations are standard for these types of transactions. As of December 31, 2013, Angamos is in compliance with all of its debt commitments and financial restrictions in accordance with the terms and conditions of each covenant and contract.

NOTE 23– GUARANTEES

Guarantees Granted

Beneficiary	Guarantee Description	Date		
		From	To	ThUS$
HSBC Bank N.A.	Angamos debt service payment guarantee	10-22-2013	10-22-2018	48,000
Terminal Graneles del Norte S.A.	Port contract service's guarantee	10-22-2013	10-22-2014	10,400
Minera Escondida Limitada	Performance guarantee for PPA	10-22-2013	10-22-2014	6,568
Terminal Graneles del Norte S.A.	Port contract service's guarantee	10-22-2013	10-22-2014	6,000
Minera Spence S.A.	Performance guarantee for PPA	10-22-2013	10-22-2014	1,750
Other	Minor guarantees			7
TOTAL				**72,725**

Guarantees Received

Grantor of Guarantee	Guarantee Description	Date		
		From	To	ThUS$
Posco Engineering & Construction Co. Ltd.	Engineering, construction, assembly and commissioning of Angamos Thermoelectric Power Plant	05-28-2008	11-16-2014	65,777
Cia. Minera Teck Quebrada Blanca S.A.	PPA contract	12-07-2012	10-31-2017	216,677
Compañía Portuaria Mejillones S.A.	Performance guarantee	04-11-2013	04-05-2014	6,000
Various	Other minor guarantees			1,820
TOTAL				**290,274**

NOTE 24– SUBSEQUENT EVENTS

As of the date of issuance of these financial statements, no subsequent events were registered that have affected or could affect the information herein presented.

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