

AES CORP
 Form 4
 September 27, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Qasim Shahzad

(Last) (First) (Middle)
 4300 WILSON BOULEVARD
 (Street)

ARLINGTON, VA 22203

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 AES CORP [AES]

3. Date of Earliest Transaction (Month/Day/Year)
 09/25/2006

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 President, Europe/Africa

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)			
Common Stock	09/25/2006		M		20,000	A	\$ 13.19	20,000	D
Common Stock	09/26/2006		M		60,597	A	\$ 13.19	80,597	D
Common Stock	09/27/2006		M		29,403	A	\$ 13.19	110,000	D
Common Stock	09/25/2006		S		10,000	D	\$ 20.82	100,000	D
Common Stock	09/25/2006		S		2,000	D	\$ 20.73	98,000	D

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Common Stock	09/25/2006	S	8,000	D	\$ 20.6281	90,000	D	
Common Stock	09/26/2006	S	16,000	D	\$ 20.69	74,000	D	
Common Stock	09/26/2006	S	6,000	D	\$ 20.6858	68,000	D	
Common Stock	09/26/2006	S	6,000	D	\$ 20.645	62,000	D	
Common Stock	09/26/2006	S	12,597	D	\$ 20.71	49,403	D	
Common Stock	09/26/2006	S	20,000	D	\$ 20.625	29,403	D	
Common Stock	09/27/2006	S	10,000	D	\$ 20.69	19,403	D	
Common Stock	09/27/2006	S	5,000	D	\$ 20.68	14,403	D	
Common Stock	09/27/2006	S	5,000	D	\$ 20.6448	9,403	D	
Common Stock	09/27/2006	S	4,403	D	\$ 20.62	5,000	D	
Common Stock	09/27/2006	S	5,000	D	\$ 20.6001	0	D	
Common Stock						32,151 ⁽²⁾	I	by 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Pr Deriv Secur (Instr. 3 and 4)	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A)	(D)	

Stock Option Grant (Right to buy)	\$ 13.19	09/25/2006	M	20,000	<u>(1)</u>	<u>(1)</u>	Common Stock	20,000	\$
Stock Option Grant (Right to buy)	\$ 13.19	09/26/2006	M	60,597	<u>(1)</u>	<u>(1)</u>	Common Stock	60,597	\$
Stock Option Grant (Right to buy)	\$ 13.19	09/27/2006	M	29,403	<u>(1)</u>	<u>(1)</u>	Common Stock	29,403	\$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Qasim Shahzad 4300 WILSON BOULEVARD ARLINGTON, VA 22203			President, Europe/Africa	

Signatures

Shahzad Qasim 09/27/2006

__Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This ten year stock option grant was awarded on 10/25/2001 and vested in one year such that the entire grant vested on 10/25/02.
- (2) Mr. Qasim does not report any change in share ownership pursuant to the AES Retirement Savings Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.