



NRG Energy, Inc. Announces Tender Offers and Consent Solicitations for High Yield Notes of NRG, Texas Genco

December 15, 2005

PRINCETON, N.J.--(BUSINESS WIRE)--Dec. 15, 2005--NRG Energy, Inc. (NYSE:NRG), today commenced a cash tender offer and consent solicitation for any and all outstanding \$1,080,412,000 aggregate principal amount of its 8% second priority senior secured notes due 2013 (CUSIP No. 629377AS1) (the "NRG Notes"). This tender offer and consent solicitation is subject to the terms and conditions set forth in NRG's Offer to Purchase and Consent Solicitation Statement dated December 15, 2005 relating to the NRG Notes. NRG is also commencing a cash tender offer and consent solicitation for any and all outstanding \$1,125,000,000 aggregate principal amount of Texas Genco LLC's and Texas Genco Financing Corp.'s 6.875% senior notes due 2014 (CUSIP Nos. 882444AA0, U88243AA5) (the "Texas Genco Notes"). This tender offer and consent solicitation is subject to the terms and conditions set forth in NRG's Offer to Purchase and Consent Solicitation Statement dated December 15, 2005 relating to the Texas Genco Notes.

This offer to purchase the NRG Notes and the Texas Genco Notes is part of the Company's previously announced financing plan in connection with its pending acquisition of Texas Genco LLC. NRG continues to work towards a first quarter 2006 transaction close date.

Tender Offer and Consent Solicitation for NRG Notes

The tender offer for the NRG Notes is scheduled to expire at 5:00 p.m., New York City time, on January 31, 2006, unless extended. The consent solicitation for the NRG Notes will expire at 5:00 p.m. New York City time, on December 29, 2005, unless extended (the "NRG Consent Date"). The total consideration for each \$1,000 principal amount of NRG Notes validly tendered and accepted for payment and consents validly delivered on or prior to the NRG Consent Date will be equal to the present value of \$1,040 and all future interest payments on the NRG Notes to December 15, 2008, minus accrued and unpaid interest from the last date on which interest has been paid, up to, but not including, the payment date. The present value will be determined using the yield on the 3.375% U.S. Treasury Note due December 15, 2008, plus a fixed spread of 50 basis points. The total consideration for each Note tendered includes a consent payment of \$30.00 per \$1,000 principal amount of NRG Notes to holders who validly tender their NRG Notes and deliver their consents prior to 5:00 p.m. on the NRG Consent Date. Holders who tender their NRG Notes after the NRG Consent Date will not receive the consent payment. Payment for all NRG Notes validly tendered in the tender offer, including the consent payment for consents validly delivered on or prior to the NRG Consent Date, will be made promptly after expiration of the tender offer for the NRG Notes.

In conjunction with the tender offer, NRG is soliciting (1) the consents of the holders of the Notes to eliminate substantially all of the restrictive covenants and certain events of default and related provisions in the indenture under which the NRG Notes were issued, and (2) a waiver of the application of the restrictive covenants in the indenture to allow a portion of the funds to be raised in connection with the pending acquisition of Texas Genco LLC to be held in escrow pending the closing of that acquisition. Holders who tender their NRG Notes must consent to the proposed amendments and the waiver.

Tender Offer and Consent Solicitation for Texas Genco Notes

The tender offer for the Texas Genco Notes is scheduled to expire at 5:00 p.m., New York City time, on January 31, 2006, unless extended. The consent solicitation for the Texas Genco Notes will expire at 5:00 p.m. New York City time, on December 29, 2005, unless extended (the "Texas Genco Consent Date"). The total consideration for each \$1,000 principal amount of Texas Genco Notes validly tendered and accepted for payment and consents validly delivered on or prior to the Texas Genco Consent Date will be equal to the sum of (i) 40% of the Equity Claw-back Price and (ii) 60% of the Fixed Spread Price. The "Equity Claw-back Price" is equal to \$1,068.75 per \$1,000 principal amount of Texas Genco Notes validly tendered. The "Fixed Spread Price" will be equal to the present value of \$1,034.38 and all future interest payments on the Texas Genco Notes to December 15, 2009, minus accrued and unpaid interest from the last date on which interest has been paid, up to, but not including, the payment date. The present value will be determined using the yield on the 3.5% U.S. Treasury Note due December 15, 2009, plus a fixed spread of 50 basis points. The total consideration for each Note tendered includes a consent payment of \$30.00 per \$1,000 principal amount of Texas Genco Notes to holders who validly tender their Texas Genco Notes and deliver their consents prior to 5:00 p.m. on the Texas Genco Consent Date. Holders who tender their Texas Genco Notes after the Texas Genco Consent Date will not receive the consent payment. Payment for all Texas Genco Notes validly tendered in the tender offer, including the consent payment for consents validly delivered on or prior to the Texas Genco Consent Date, will be made promptly after expiration of the tender offer for the Texas Genco Notes.

In conjunction with the tender offer, NRG is soliciting the consents of the holders of the Texas Genco Notes to eliminate substantially all of the restrictive covenants and certain events of default and related provisions in the indenture under which the Texas Genco Notes were issued. Holders who tender their Texas Genco Notes must consent to the proposed amendments.

General

Each tender offer and consent solicitation is subject to the satisfaction of certain conditions, including (1) NRG having obtained funds sufficient to pay the consideration, costs and expenses of the tender offers and consent solicitations from the financing transactions related to the pending acquisition of Texas Genco LLC, (2) the consummation of the pending acquisition of Texas Genco LLC, (3) the receipt of consents from holders of a majority in aggregate principal amount of outstanding NRG Notes or Texas Genco Notes, as the case may be, and (4) certain other customary conditions. NRG may waive some or all of these conditions in its sole discretion (other than consummation of the acquisition of Texas Genco, which will not be waived in the case of the tender offer and consent solicitation for the Texas Genco Notes). NRG may amend, extend or terminate each of the tender offers and consent solicitations in its sole discretion.

The complete terms and conditions of the tender offer and consent solicitations are described in the Offer to Purchase and Consent Solicitation Statement dated December 15, 2005 relating to the NRG Notes, and the Offer to Purchase and Consent Solicitation Statement dated December 15, 2005 relating to the Texas Genco Notes, copies of which may be obtained from MacKenzie Partners, Inc., the information agent for the tender offers and consent solicitations, at 800.322.2885 (U.S. Toll Free) and 212.929.5500 (collect).

NRG has engaged Morgan Stanley & Co. Incorporated and Citigroup Corporate and Investment Banking to act as dealer managers and solicitation agents in connection with the tender offers and consent solicitations. Questions regarding the tender offers and consent solicitations may be directed to Morgan Stanley & Co. Incorporated, at 800.624.1808 (U.S. Toll Free) and 212.761.1457 (collect) or Citigroup Corporate and Investment Banking at 800.558.3745 (U.S. Toll Free) and 212.723.6106 (collect). Law Debenture Trust Company of New York is the Depositary for the tender offers and consent solicitations and can be contacted at 212.750.0888.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell any securities. This announcement is also not a solicitation of consents to the proposed amendments to the respective indentures. No recommendation is made as to whether holders of NRG Notes or holders of Texas Genco Notes should tender their notes or give their consent.

NRG Energy, Inc. owns and operates a diverse portfolio of power-generating facilities, primarily in the Northeast, South Central and Western regions of the United States. Its operations include baseload, intermediate, peaking, and cogeneration facilities, thermal energy production and energy resource recovery facilities. NRG also has ownership interests in generating facilities in Australia and Germany.

Certain statements contained herein may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking typically can be identified by the use of words such as "will," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others: risks and uncertainties related to the capital markets generally, and the availability of financing for NRG's pending acquisition of Texas Genco.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included herein should be considered in connection with information regarding risks and uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at www.sec.gov.

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