



NRG Energy, Inc. Prices NRG and Texas Genco Bond Tender Offers

January 26, 2006

PRINCETON, N.J.--(BUSINESS WIRE)--Jan. 25, 2006--NRG Energy, Inc. (NYSE:NRG) today announced the pricing terms of its previously announced tender offer 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") and related consent solicitation under NRG's Offer to Purchase and Consent Solicitation Statement dated December 15, 2005 relating to the NRG Notes. NRG also announced today the pricing terms of its previously announced tender offer 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") and related consent solicitation under NRG's Offer to Purchase and Consent Solicitation Statement dated December 15, 2005 relating to the Texas Genco Notes.

In addition, NRG today announced that it is extending the tender offer for the NRG Notes. The tender offer for the NRG Notes will now expire at 8:00 a.m., New York City time, on February 2, 2006, unless further extended (the "NRG Notes Expiration Date").

NRG also announced today that it is extending the tender offer for the Texas Genco Notes. The tender offer for the Texas Genco Notes will now expire at 5:00 p.m., New York City time, on February 2, 2006, unless further extended (the "Texas Genco Notes Expiration Date").

Tender Offer and Consent Solicitation for NRG Notes

The total consideration for each \$1,000 principal amount of NRG Notes (the "NRG Notes Total Consideration"), which will be payable in respect of the NRG Notes that are accepted for payment and that were validly tendered on or prior to December 29, 2005 (the "Consent Date"), will be \$1,117.17 per \$1,000.00 principal amount of the NRG Notes, which includes a \$30.00 consent payment payable only in respect of NRG Notes that were tendered on or prior to the Consent Date. The NRG Notes Total Consideration was determined as of 2:00 p.m., New York City time, today, and was calculated based on the present value of \$1,040.00 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 scheduled payment date. The present value was determined using the yield on the 3.375% U.S. Treasury Note due December 15, 2008, which was 4.3860% as of 2:00 p.m., New York City time, today, plus a fixed spread of 50 basis points. Holders who validly tender their NRG Notes after the Consent Date and on or prior to 8:00 a.m., New York City time, on the NRG Notes Expiration Date, unless extended, will be eligible to receive the tender offer consideration, which consists of the NRG Notes Total Consideration less the consent payment (the "NRG Notes Tender Offer Consideration").

The scheduled payment date for the NRG Notes will be February 2, 2006 and the calculation of the NRG Notes Total Consideration and NRG Notes Tender Offer Consideration is based on this date. In addition to the NRG Notes Total Consideration or NRG Notes Tender Offer Consideration, as the case may be, tendering holders will receive accrued and unpaid interest to, but not including, February 2, 2006.

Tender Offer and Consent Solicitation for Texas Genco Notes

The total consideration for each \$1,000 principal amount of Texas Genco Notes (the "Texas Genco Notes Total Consideration"), which will be payable in respect of the Texas Genco Notes that are accepted for payment and that were validly tendered on or prior to the "Consent Date", will be \$1,086.00 per \$1,000.00 principal amount of the Texas Genco Notes, which includes a \$30.00 consent payment payable only in respect of Texas Genco Notes that were tendered on or prior to the Consent Date. The Texas Genco Notes Total Consideration for the Texas Genco Notes was determined as of 2:00 p.m., New York City time, today, and was calculated based on 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" is 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 scheduled payment date. The present value was determined using the yield on the 3.5% U.S. Treasury Note due December 15, 2009, which was 4.3930% as of 2:00 p.m., New York City time, today, plus a fixed spread of 50 basis points. Holders who validly tender their Texas Genco Notes after the Consent Date and on or prior to 5:00 p.m., New York City time, on the Texas Genco Notes Expiration Date, unless extended, will be eligible to receive the tender offer consideration, which consists of the Texas Genco Notes Total Consideration less the consent payment (the "Texas Genco Notes Tender Offer Consideration").

The scheduled payment date for the Texas Genco Notes will be February 3, 2006 and the calculation of the Texas Genco Notes Total Consideration and Texas Genco Notes Tender Offer Consideration is based on this date. In addition to the Texas Genco Notes Total Consideration or the Texas Genco Notes Tender Offer Consideration, as the case may be, tendering holders will receive accrued and unpaid interest to, but not including, February 3, 2006.

General

As of 5:00 p.m., New York City time, on January 24, 2006, NRG had received valid tenders from holders of approximately \$1,078,141,353 in aggregate principal amount of the NRG Notes, representing approximately 99.8% of the outstanding NRG Notes, and had received valid tenders from holders of \$1,125,000,000 in aggregate principal amount of the Texas Genco Notes, representing 100% of the outstanding Texas Genco Notes.

Consummation of each tender offer is conditioned upon 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, and (3) certain other customary conditions. There can be no assurance that any of such conditions will be met. 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 offers 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 acting as 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.

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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