



NRG Completes Sale of Interests in Energy Development Limited

July 25, 2002

MINNEAPOLIS (July 25, 2002) (BUSINESS WIRE) -- NRG Energy, Inc., a wholly owned subsidiary of Xcel Energy (NYSE: XEL), today announced it has completed the sale of its ownership interests in an Australian Energy Company, Energy Development Limited (EDL). As a result of the sale the following interests were transferred: NRG's holding of 14.6 million EDL ordinary shares to Infratil Limited and Orion Energy and the buy back by EDL of NRG's holding of 16.8 million preferred shares for a total of (Aus.) \$78.5 million in proceeds (approximately \$43.9 million U.S.).

"This sale represents a milestone in the execution of our business plan to strengthen NRG's balance sheet through the divestiture of assets in our international portfolio," said Richard C. Kelly, president and chief operating officer of NRG. "We have enjoyed our relationship with EDL and believe this transaction offers significant benefits to EDL and its new shareholders, Infratil Limited and Orion Energy, as well as providing NRG additional cash liquidity."

NRG Energy, a wholly owned and unregulated subsidiary of Xcel Energy, develops and operates power generating facilities. NRG's operations include competitive energy production and cogeneration facilities, thermal energy production and energy resource recovery facilities.

EDL is a listed Australian energy company engaged in the development and management of an international portfolio of projects with a particular focus on renewable and waste fuels. The company's project implementation capabilities include project development, financing, manufacturing, construction and operation.

Xcel Energy is a major U.S. electricity and natural gas company with regulated operations in 12 Western and Midwestern states. The company provides a comprehensive portfolio of energy-related products and services to 3.2 million electricity customers and 1.7 million natural gas customers through its regulated operating companies. In terms of customers, it is the fourth-largest combination natural gas and electricity company in the U.S. Company headquarters are located in Minneapolis.

This release may include forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate," "estimate," "expect," "projected," "objective," "outlook," "possible," "potential" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including their impact on capital expenditures; business conditions in the energy industry; competitive factors; unusual weather; changes in federal or state legislation; regulation; risks associated with the California power market; currency translation and transaction adjustments; the higher degree of risk associated with Xcel Energy's nonregulated businesses compared with Xcel Energy's regulated business; the satisfaction of all conditions to the exchange offer that cannot be waived and the satisfaction or waiver of conditions to the exchange offer that may be waived; and the other risk factors listed from time to time by Xcel Energy in reports filed with the Securities and Exchange Commission (SEC), including Exhibit 99.01 to Xcel Energy's report on Form 10-K for year 2001.

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