



NRG Energy Buys PowerGen's German and Hungarian Assets

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MINNEAPOLIS, April 17, 2001 (BUSINESS WIRE)—NRG Energy, Inc. (NYSE:NRG) reported today that it has agreed to acquire PowerGen's interest in three energy businesses—Saale Energie GmbH (SEG), MIBRAG mbH, Csepel I and II—for approximately \$190 million

By acquiring PowerGen's interest in SEG, NRG is increasing its ownership of the Schkopau power station from 200 to 400 megawatts (MW). Schkopau, a 960 MW lignite-fueled mid-merit power station commissioned in 1996 and located near Halle, Germany, obtains lignite under a long-term contract from MIBRAG's Profen mine. SEG sells its output from the Schkopau station to VEAG under a 25-year contract.

NRG is also acquiring PowerGen's interest in MIBRAG, an integrated energy business in eastern Germany--increasing NRG's ownership from 33.3 percent to 66.7 percent. NRG has granted an option to MIBRAG's other shareholder, the Washington Group International, Inc. (NYSE: WNG), to acquire 16.7 percent of NRG's interest--that would bring each partner's stake to 50 percent.

"The MIBRAG and Schkopau assets have performed well for NRG over the years and we are pleased to be able to capture an increased position in each asset," said David H. Peterson, NRG president, chairman and chief executive officer.

MIBRAG primarily comprises two lignite mines (Schleenhain and Profen), three combined heat and power stations (Mumsdorf, Deuben and Wahlitz), as well as coal briquette and dust manufacturing operations. MIBRAG, located near Leipzig, was acquired through privatization in 1994.

NRG will acquire 100 percent of the Csepel power generation facilities in Budapest, Hungary. These power generation facilities--Csepel I, a 116 MW thermal plant, and Csepel II, a 389 MW gas turbine power station--are both located on Csepel Island in Budapest. Csepel II reached commercial operation in November 2000 and is the primary facility. The sale is subject to Hungarian regulatory approval.

"NRG has been working to identify a strategic entry into the Hungarian market. The Csepel purchase gives NRG that solid entry point into Hungary, with its healthy economic environment and its place in the Central Europe core market region," said Ronald J. Will, NRG managing director and CEO, NRG Europe. "We are especially gratified to be entering now that Hungary is working to become a member of the European Union."

The acquisitions' impact on earnings will be discussed during NRG's first-quarter earnings conference call at 1 pm (eastern) on Wednesday, April 25.

NRG is a leading global energy company engaged primarily in the acquisition, development, construction, ownership and operation of power generation facilities. NRG owns all or a portion of 191 power generation plants and its net ownership interest in these projects is 18,379 MW. In addition, the company has 6,344 MW of projects under signed acquisition agreement and 7,049 MW of projects in advanced development, for a total of 31,773 MW of identifiable projects. The company's operations utilize such diverse fuel sources as natural gas, oil, coal and coal seam methane, biomass, landfill gas, and hydro, as well as refuse-derived fuel.

Certain statements included in this news release are 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. Forward-looking statements above include, but are not limited to, projected growth and future financial performance. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct. Factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements above include, among others, the following: factors affecting power generation operations such as unusual weather conditions, generator outages, changes in fuel costs or availability and environmental incidents; factors affecting the availability or cost of capital, such as, for example, changes in interest rates or changes in investor perceptions of the power generation industry, NRG or any of its subsidiaries; workforce factors; the volatility of energy prices in a deregulated market environment and the adverse impacts on the profitability of our generation facilities that may result from the imposition of price limitations and other mechanisms to address such volatility; and other business or investment considerations that may be disclosed from time to time in NRG's Securities and Exchange Commission filings or in other publicly disseminated written documents.

NRG undertakes no obligation to update or revise any forward-looking statement, 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 in this news release should not be construed as exhaustive. For more information regarding these risks and uncertainties, review NRG's filings with the Securities and Exchange Commission.

More information on NRG Energy is available at www.nrgenergy.com.

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