



NRG Energy to Acquire Thermal Systems from Statoil Energy

July 24, 2000

MINNEAPOLIS, July 24, 2000 (BUSINESS WIRE)--NRG Energy, Inc. (NYSE:NRG) announced today that its wholly owned subsidiary, NRG Thermal Corporation, has signed a stock purchase agreement with Statoil Energy, Inc. to acquire First State Power Management, Inc. located in Dover, Del. This system joins NRG Thermal's other operating subsidiaries in Minneapolis and St. Paul, Minn., San Francisco and San Diego, Calif., Grand Forks, N.D., Camas, Wash., as well as Harrisburg and Pittsburgh, Pa.

"NRG Energy's purchase of First State Power Management enhances NRG Thermal's history of providing reliable and affordable thermal energy to meet its customers' critical needs," said Craig A. Mataczynski, president of NRG North America.

First State Power Management owns a 190,000 pounds of steam per hour, 18-megawatt coal-fired cogeneration facility providing steam and electricity to a major manufacturing facility, also located in Dover. Excess electrical energy is sold through the Dover municipal electric utility. By next summer, an 88-MW expansion of peaking simple cycle electrical production will be available for output into the merchant energy and capacity markets.

"We are pleased to help our current steam customer remain a strong manufacturing plant in a highly competitive market," said Michael R. Carroll, president of NRG Thermal.

NRG Thermal, in a separate stock purchase agreement, has agreed to purchase Statoil's Distributed Generation and Engineering Services Group, consisting of three generation projects totaling 6.2 MW as well as a diesel-services group. The generation projects provide electricity for Crozer Chester Medical Center, Riverside Hospital and Freehold Cogeneration Plant in Chester, Pa. The diesel-services group provides full operations and maintenance, mechanical and instrumentation services for the three generation projects as well as numerous external clients. Ultimately, NEO Corporation, a wholly owned subsidiary of NRG Energy, plans to own and operate the Distributed Generation and Engineering Services assets.

NRG Energy (www.nrgenergy.com) is a leading global energy company primarily engaged in the acquisition, development, ownership and operation of power generation facilities. NRG Energy owns all or a portion of 57 power generation projects with a total generating capacity of more than 23,000 MW; its net ownership interest in these projects exceeds 13,000 MW. NRG Energy'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. NRG Thermal owns, operates and manages numerous industrial and commercial thermal energy operations. NEO Corporation owns small landfill gas generation and hydroelectric projects around the country.

Certain information included in this press release contains statements that are forward-looking. Such forward-looking information involves risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by or on behalf of NRG Energy. 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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