



NRG Energy, Inc. Announces Cash Tender Offers

May 9, 2016

PRINCETON, N.J.--(BUSINESS WIRE)--May 9, 2016-- NRG Energy, Inc. (NYSE: NRG) announced today that it has commenced tender offers to purchase certain of its outstanding senior notes listed in the table below for aggregate cash consideration of up to \$1.0 billion (the "Maximum Tender Cap") to be financed with the net proceeds from NRG's concurrent private placement, which was also announced today, together with cash on hand.

The tender offers consist of the following:

- The offers to purchase the 2018 Notes, the 2020 Notes and the 2021 Notes, collectively, the "Fixed-Price Offers," will be conducted as fixed-price tender offers.
- The offer to purchase the 2022 Notes, the 2023 Notes and 2024 Notes (the "Dutch Auction Offer" and, together with the Fixed-Price Offers, the "Tender Offers") will be conducted pursuant to a modified "Dutch Auction."

The securities and other information related to the Tender Offers are listed in the following table:

Title of Notes	CUSIP	Principal Amount		Acceptance	
	Number/ ISIN	Outstanding (in millions)	Total Consideration (Bid Range)(1)	Priority Level	Tender Cap (in millions)
<u>Fixed-Price Offers</u>					
7.625% Senior Notes due 2018	629377BN1	\$954	\$1,090.00	1	\$300
8.250% Senior Notes due 2020	629377BJ0 629377BH4 U66962AE8 629377BK7	\$1,058	\$1,043.75	2	\$250
7.875% Senior Notes due 2021	629377BS0	\$1,128	\$1,041.88	3	\$250
<u>Dutch Auction Offer</u>					
6.250% Senior Notes due 2022	629377BW1	\$1,060	\$975.00-995.00	n/a	
6.625% Senior Notes due 2023	629377BU5	\$898	\$977.50-997.50	n/a	\$200
6.250% Senior Notes due 2024	629377BY7	\$838	\$970.00-990.00	n/a	

(1) Per \$1,000 principal amount of Notes accepted for purchase. Includes the Early Participation Amount.

The Fixed-Price Offers

The amount of each series of Notes that is purchased in the Fixed-Price Offers will be based on the applicable Tender Cap (as defined below) and the order of priority ("Acceptance Priority Level") for such series of Notes as set forth in the table above. If one or more of the applicable Tender Caps for such series of notes in a higher Acceptance Priority Level is increased such that the Tender Offers are oversubscribed, tendered Notes of each series will be accepted in numerical order according to the Acceptance Priority Level for that series, as listed in the table above. Accordingly, all tenders of Notes with an Acceptance Priority Level of "1" will be accepted before any tenders of Notes with an Acceptance Priority Level of "2" are accepted, and so on until the Maximum Tender Cap has been allocated. The maximum aggregate cash consideration for the 2018 Notes, 2020 Notes and the 2021 Notes is equal to \$300 million (the "2018 Notes Tender Cap"), \$250 million (the "2020 Notes Tender Cap") and \$250 million (the "2021 Notes Tender Cap"), respectively. In the event that, after accepting all tenders of Notes with a particular Acceptance Priority Level, the remaining portion of the Maximum Tender Cap is sufficient to accept some, but not all, tenders of Notes with the next Acceptance Priority Level, then tenders of Notes in such next Acceptance Priority Level will be accepted on a pro rata basis according to the aggregate principal amount of tenders of that Acceptance Priority Level. After allocating the Maximum Tender Cap in this manner, no tenders of Notes with any subsequent Acceptance Priority Level will be accepted.

The Dutch Auction Offers

The maximum aggregate cash consideration for the Dutch Auction Offer is equal to the Maximum Tender Cap less the aggregate purchase price of the securities tendered and accepted for purchase in the Fixed-Price Offers (the "Dutch Auction Cap" and together with the 2018 Notes Tender Cap, 2020 Notes Tender Cap, 2021 Notes Tender Cap and the Maximum Tender Cap, the "Tender Caps"); provided that in no event shall the Dutch Auction Cap exceed \$200 million.

Pricing and acceptance in the Dutch Auction Offer will be determined according to the procedures described in the Offer to Purchase. The amounts of each series of securities that are purchased in the Dutch Auction Offer may be prorated as set forth in the Offer to Purchase. Tendens of Notes pursuant to the Dutch Auction Offer at a premium outside the applicable bid price range will not be accepted and will not be used in calculating the applicable clearing premium.

The Tender Offers

Notes tendered on or before the Early Participation Date (as defined below) will have priority in acceptance over Notes tendered after the Early Participation Date. NRG reserves the right, but is under no obligation, to increase any or all of the Tender Caps without extending withdrawal rights, except as required by law.

Holders who validly tender (and do not validly withdraw) their Notes prior to 5:00 p.m., New York City time, on May 20, 2016 (as such time and date may be extended, the "Early Participation Date") will be eligible to receive the Total Consideration listed in the table above, which includes the "Early Participation Amount" of \$30 per \$1,000 principal amount of Notes accepted for purchase. Holders who validly tender their Notes after the Early Participation Date and on or prior to the Expiration Date (as defined below) will only be eligible to receive the Total Consideration less the Early Participation Amount. In addition, holders whose Notes are accepted for purchase will receive a cash payment in an amount equal to any accrued and unpaid interest up to, but not including, the applicable payment date.

Following the Early Participation Date and prior to the Expiration Date, NRG may, but is not obligated to, elect to accept for purchase any Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Date (the "Early Payment Date"), subject to the applicable Acceptance Priority Level and Tender Caps, provided that all conditions to the Tender Offers have been satisfied or waived by NRG. The Early Payment Date will be determined at NRG's option and is currently expected to occur on May 23, 2016. The final payment date, if applicable, will occur promptly following the Expiration Date (as defined below).

The Tender Offers will expire at 11:59 p.m., New York City time, on June 6, 2016 (as such time and date may be extended, the "Expiration Date"). Tendered Notes may be withdrawn at any time prior to 5:00p.m., New York City time, on May 20, 2016.

The tender offers are subject to the satisfaction or waiver of certain conditions, including the receipt by NRG of proceeds from a proposed debt financing on terms reasonably satisfactory to NRG, generating net proceeds, together with cash on hand, in an amount that is sufficient to effect the repurchase of the Notes validly tendered and accepted for purchase pursuant to the Tender Offers. The Tender Offers are being made pursuant to an offer to purchase and a related letter of transmittal, each dated as of May 9, 2016. The company may amend, extend or terminate the Tender Offers in its sole discretion and subject to applicable law.

Requests for documents relating to the tender offer may be directed to D.F. King & Co., Inc., the Information Agent, at (866) 620-2538 (Toll-Free) or (212) 232-3325. BofA Merrill Lynch and Deutsche Bank Securities Inc. will act as Dealer Managers for the tender offer. Questions regarding the tender offer may be directed to BofA Merrill Lynch at (888) 292-0070 (U.S. Toll-Free) or (980) 388-3646 (Collect) or Deutsche Bank Securities Inc. at (855) 287-1922 (U.S. Toll-Free) or (212) 250-7527 (Collect).

This press release does not constitute a notice of redemption under the optional redemption provisions of the indentures governing the Notes, nor does it constitute an offer to sell, or a solicitation of an offer to buy, any security, including the New Notes, nor does it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

About NRG

NRG is the leading integrated power company in the U.S., built on the strength of the nation's largest and most diverse competitive electric generation portfolio and leading retail electricity platform. A Fortune 200 company, NRG creates value through best in class operations, reliable and efficient electric generation, and a retail platform serving residential and commercial businesses. Working with electricity customers, large and small, we continually innovate, embrace and implement sustainable solutions for producing and managing energy. We aim to be pioneers in developing smarter energy choices and delivering exceptional service as our retail electricity providers serve almost 3 million residential and commercial customers throughout the country.

Forward-Looking Statements

This communication contains forward-looking statements that may state NRG's or its management's intentions, beliefs, expectations or predictions for the future. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, and 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 whether NRG will offer the New Notes or consummate the offering, the anticipated terms of the New Notes and the anticipated use of proceeds.

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 SEC at www.sec.gov.



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