

KGen Power Corporation Fiscal 2009 Annual Shareholder Meeting

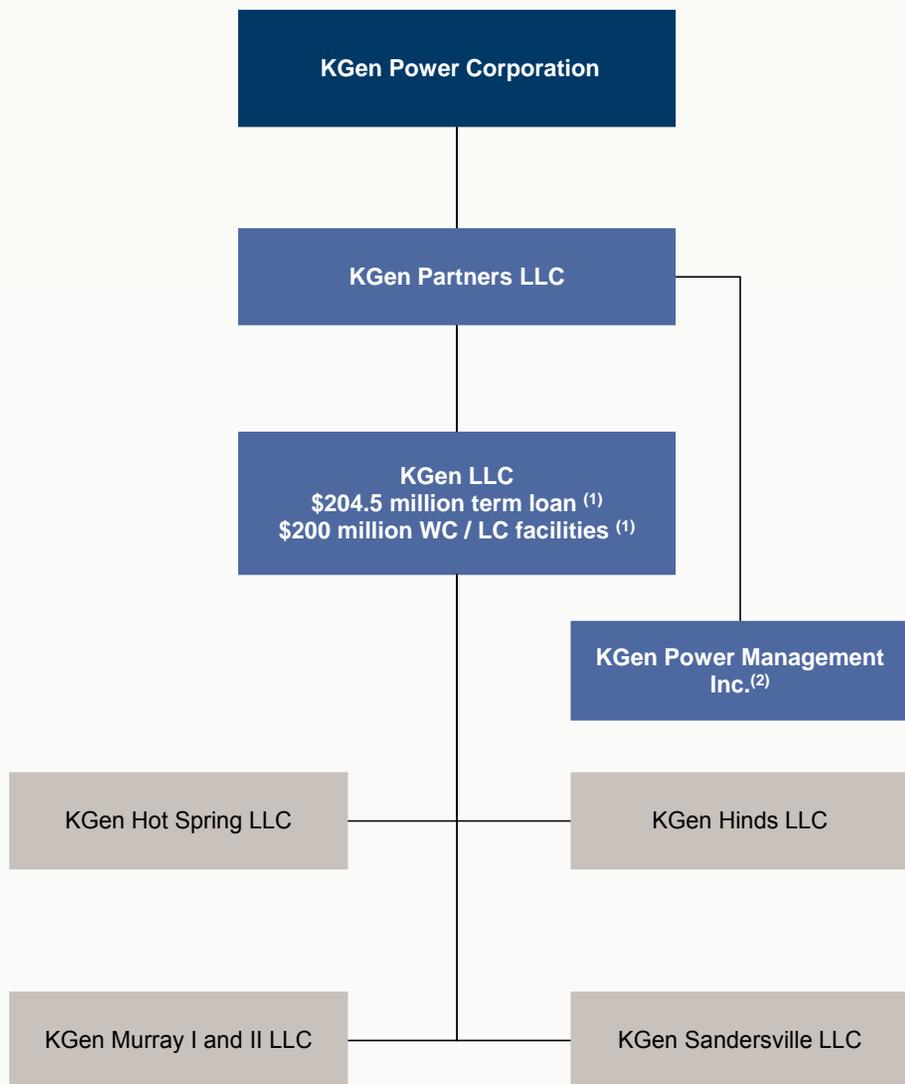
December 10, 2009



Forward Looking Statements

Certain items in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not necessarily limited to, statements relating to future operations. Words such as “expect(s)” and similar expressions are intended to identify such forward-looking statements. These statements are based on management’s current expectations and beliefs and are subject to a number of factors that could lead to actual results materially different from those described in the forward-looking statements. KGen’s expectations may not be attained. There are important factors that could cause actual results, level of activity, performance or achievements to differ from the results, level of activity, performance or achievements expressed or implied in the forward-looking statements. In light of these risks, uncertainties and assumptions, the future performance or events described in the forward-looking statements in this press release may not occur. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. Such forward-looking statements speak only as of the date of this press release. KGen expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

EBITDA is a non-GAAP financial measure. Consolidated EBITDA can be reconciled to Net income (loss) using the following calculation: Net income (loss) less Income tax benefit (expense), plus Interest expense and Depreciation and amortization expense equals EBITDA. Management and some members of the investment community utilize EBITDA to measure financial performance on an ongoing basis. However, EBITDA should not be used in lieu of GAAP measures such as net income and cash flow from operations.



- KGen Partners was organized in 2004 by investment funds controlled by MatlinPatterson Global Advisors LLC
- KGen Partners purchased the Portfolio from Duke Energy North America in August 2004
- KGen Power Corporation was formed in December 2006 to conduct a private placement of shares and acquire KGen Partners
- Acquisition of KGen Partners by KGen Power Corporation was completed in February 2007
- All generation facilities organized under LLCs
- LLCs are 100% owned by KGen LLC
- Murray I and II, Hot Spring and Sandersville entered into bond financing transactions to take advantage of favorable property tax abatements

(1) Existing debt September 30, 2009. Subject to change of control provisions

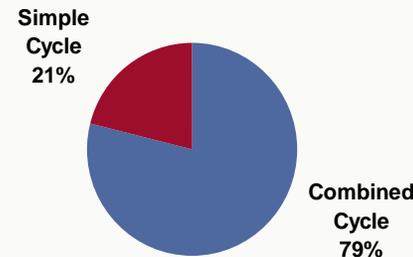
(2) KGen Power Management Inc. is the entity responsible for overseeing management services for each of the Company's assets. Services include finance, accounting, tax, asset management, human resources, information services, environmental, legal, and insurance.

Portfolio Summary

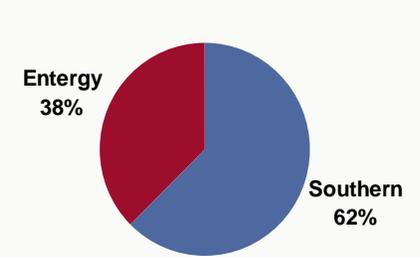
- 5 natural gas-fired power generation plants with an aggregate nominal generation capacity of 3,030 MW
- Interconnected to Southern, Entergy and TVA Sub-regions
- Qualified as exempt wholesale generators
- Combined cycle plants all use GE 7FA technology
- Peaker unit utilizes 7EA equipment
- Low carbon footprint

Capacity Overview

Capacity by Technology



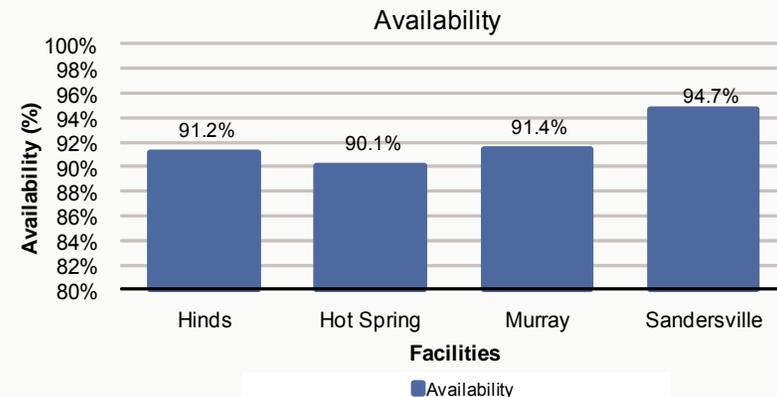
Capacity by NERC Sub-Region



Portfolio Characteristics

Facility	Sub-region	Location	Capacity (MW)	Fuel	Heat rate (Btu/kWh)	COD
Combined-Cycle						
Murray I	Southern	GA	630	Gas	7,250	June 2002
Murray II	Southern/TVA	GA	620	Gas	7,250	June 2002
Hot Spring	Entergy	AR	620	Gas	7,150	June 2002
Hinds	Entergy	MS	520	Gas	7,000	May 2001
Simple-Cycle						
Sandersville	Southern	GA	640	Gas	12,150	June 2002
Total			3,030			

Average⁽¹⁾ Availability⁽²⁾ by Facility



(1) For period of 2006 through September 30, 2009

(2) Number of hours available divided by total hours in the period.

Fully permitted and operational facilities of relatively recent vintage

Maintain Operational Efficiency and Excellence along with Cost Effectiveness

- 3,030 MW of generation capacity with strong operating track records
- Commercial online dates between May 2001 and June 2002
- Modern GE 7FA and 7EA turbines for combined-cycle and simple cycle facilities, respectively
- Low Carbon footprint
- Maintain excellent availability and reliability

Execute Disciplined and Opportunistic Commercial Strategy

- Attractive contracts at both Murray I and Sandersville (48% of Southern region Portfolio is contracted)
- Additional opportunities for hedging contracts with financial institutions at attractive prices
- Geographic balance of portfolio well positioned to take advantage of RFPs

Explore Credible Value Enhancing Strategic Alternatives

- Including but not limited to sales of individual facilities, long term power sale agreements and potential business combinations
- Management's compensation package includes incentives payable upon successful facility sales or a change in control transaction

- Management team with renewed focus on reducing costs and increasing operational efficiency
 - 2009 corporate expenses approximately \$6.4 MM lower than fiscal 2008. Additional annual savings of \$2.4 MM identified in fiscal Q1 2010

- Refined approach to bidding for contracting opportunities should also further increase RFP success rate
 - Attractive new tolling agreement enhances overall value of Sandersville within KGen portfolio
 - Increase in interest in origination opportunities

- Operational Improvements
 - Measurable economic value of reactivating foggers at Sandersville, which adds up to 40 MW of peak summer capacity
 - New AGC certification and equipment improvements at Hinds and Hot Spring should provide further operational efficiency and flexibility
 - KGen was one of the first merchant generators to be certified to provide AGC to Entergy

- Increased generation in the six month period from March 1, 2009 through September 30, 2009
 - Increased by 1,200 gigawatt hours in this period versus the previous year

- Valuation benefits due to the capital intensive nature of our industry
 - Essential nature of electricity
 - Market equilibrium between 2012 and 2016
 - Current new build costs of approximately \$800 to \$1,000 per kilowatt

- Demand growth of electricity
 - Higher demand growth in the southeast versus the rest of the country
 - Accelerated growth demand in the next 10 years versus longer term trends
 - Supports positive investment thesis for KGen

Q&A