

KGen Power Corporation Fiscal 2010 Annual Shareholders Meeting

December 13, 2010

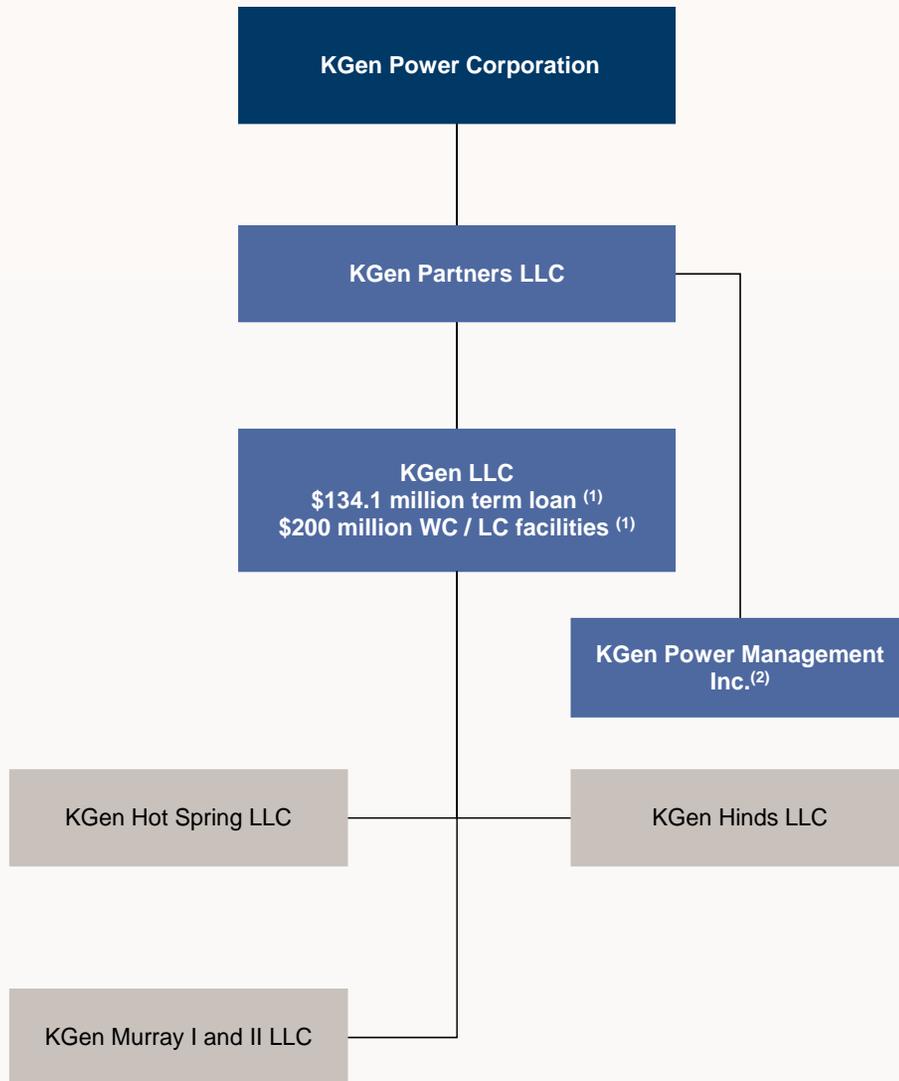


Forward-Looking Statements

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. Many of these factors are described in our annual report to shareholders for the period ended June 30, 2010, which is available on our website, www.kgenpower.com. 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 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.

Reconciliation to GAAP Financial Information

The following presentation contains certain non-GAAP financial measures including adjusted EBITDA, adjusted plant EBITDA, merchant energy margin, merchant capacity sales, adjusted contracted energy margin, adjusted contracted capacity sales, adjusted plant expenses, and adjusted corporate expenses. Reconciliations of these measures to the most directly comparable GAAP measures can be found in our annual report to shareholders for the period ended June 30, 2010



- KGen Partners was organized in 2004 by investment funds controlled by Matlin Patterson 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 and Hot Spring entered into bond financing transactions to take advantage of favorable property tax abatements

(1) Existing debt September 30, 2010.

(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.

Attractive, Well Positioned and Available Assets

Portfolio Summary

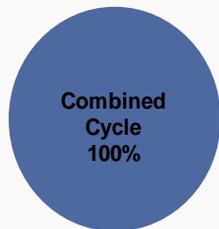
- 4 natural gas-fired power generation plants with an aggregate nominal generation capacity of 2,390 MW
- Interconnected to Southern, Entergy and TVA Sub-regions
- Qualified as exempt wholesale generators
- Combined cycle plants all use GE 7FA technology
- Low carbon footprint

Portfolio Characteristics

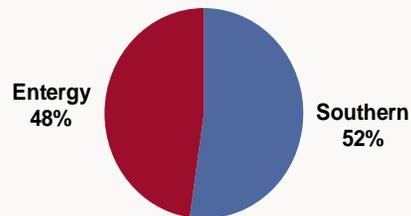
| Facility | Sub-region | Location | Capacity (MW) | Fuel | Heat rate (Btu/kWh) | COD |
|-----------------------|-------------|----------|---------------|------|---------------------|-----------|
| Combined-Cycle | | | | | | |
| Murray I | Southern | GA | 630 | Gas | 7,250 | June 2002 |
| Murray II | Southern/TV | 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 |
| Total | | | 2,390 | | | |

Capacity

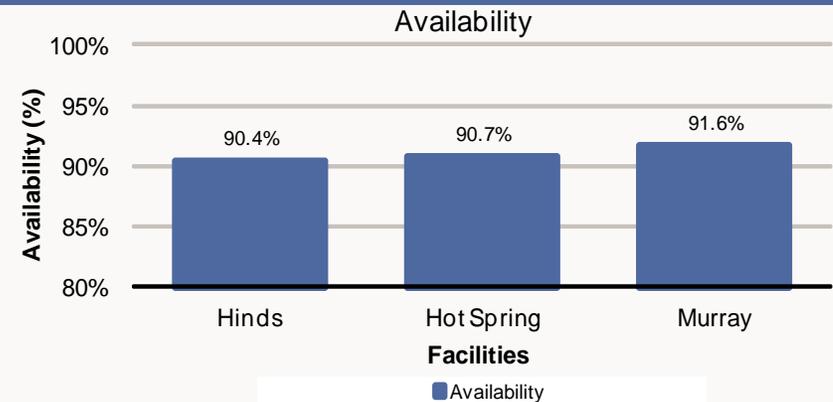
Capacity by Technology



Capacity by NERC Sub-Region



Three Year Average⁽¹⁾ Availability⁽²⁾ by Facility



(1) For the four-year period of calendar years 2006 through 2009.

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

Maintain Cost Effective Operational Efficiency

- 2,390 MW of generation capacity with strong operating track records
- Commercial online dates between May 2001 and June 2002
- Modern GE 7FA turbines for combined-cycle facilities
- Favorable gas emissions profile versus older or coal fired units– low carbon footprint
- Maintain Excellent availability and reliability

Attractive contracts and contract opportunities on Generation Assets

- Attractive contract at Murray I
- Additional Opportunities for hedging contracts with financial institutions at attractive prices
- Geographic balance of portfolio well positioned to take advantage of RFPs

Explore credible and value enhancing alternatives

- Including but not limited to sales of individual facilities, long term power sale agreements and potential business combinations
- Management is incentivized to successfully complete facility sales or a change of control transaction

- Continued focus on Corporate cost structure
 - Corporate expenses were down by \$1.5MM in Fiscal 2010 vs. 2009: and \$7.9MM from fiscal 2008

- Flexible approach to potential contracting opportunities
 - Hinds and Hot Spring summer products
 - Fiscal Q1 2010 saw the highest quarterly generation of total margin in KGen history

- Operational Efficiency
 - Maintain strict HGPI cycles
 - No HGPI's until late 2012

- Demand is up in both Entergy and Southern
- On peak power prices are increasing
 - July through September 2010 pricing in Southern was up 46% over the previous year
 - July through September 2010 pricing in Entergy was up 52% over the previous year
- Total generation is increasing
 - July through September 2010 total generation was up 21% over the previous year
- Gas prices are increasing
 - Average Henry Hub pricing from January through September 2010 was up 21% over the same period in 2009
- Valuation benefits in the future
 - Expected decrease in reserve margins
 - Potential gas fired new build costs in excess of \$1,100/kW

Q&A