



KGen Power Corporation

September 21, 2012

Update on Hot Spring and Hinds Transactions

The Board of Directors of KGen Power Corporation wishes to update shareholders on the status of the pending sales of our Hot Spring and Hinds power generation facilities to subsidiaries of Entergy Corporation.

As we have discussed in previous communications, these transactions are subject to ongoing review by the Department of Justice. Based, in part, upon a timing agreement that we and Entergy executed with the Department of Justice that contemplated a conclusion of that review by the end of September 2012, we had expected that the transactions would close around September 30, 2012. Recently, the Department of Justice has requested that we and Entergy extend the timing agreement. We are currently discussing this request with the Department of Justice and Entergy.

Because of this development, we do not expect the transactions to close by September 30, 2012. We will continue to provide updates to shareholders on transaction developments.

Please call Thomas White at (713) 979-1935 if you have any questions.

The Board of KGen Power Corporation

Daniel Hudson (Chairman)

Gerald J. Stalun

Thomas B. White (President and Chief Executive Officer)