



KGen Power Corporation

July 31, 2012

Arkansas Public Service Commission Approves Sale of Hot Spring Facility

Closing of Hot Spring and Hinds Transactions Expected by Quarter-End

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.

On July 11, 2012, the Arkansas Public Service Commission issued an order approving the sale of our Hot Spring facility to Entergy Arkansas, Inc. The receipt of this approval satisfies a key closing condition for this transaction.

Both the Hot Spring and Hinds transactions remain subject to the satisfaction of various closing conditions and completion of the ongoing review by the Department of Justice. We continue to expect both transactions to close by the end of the third calendar quarter of 2012, but the transactions may close after such time.

We encourage you to 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)