



January 30, 2015

TO: To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees

FROM: KGen Power Corporation

RE: Important Tax Information Regarding the Final Liquidating Distribution Made on June 30, 2014 In Respect of the Shares of Common Stock of KGen Power Corporation (CUSIP: 49373X103; 49373X202; U5250L106)

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The dissolution (the "Dissolution") of KGen Power Corporation (the "Company") became effective on June 30, 2014 (the "Dissolution Date"). On the Dissolution Date, the Company transferred to a liquidating trust (the "Liquidating Trust") for the benefit of the Company's stockholders all cash and other assets held by the Company and the Liquidating Trust assumed the Company's liabilities and obligations. Each of the Company's stockholders of record as of the close of business on the Dissolution Date automatically received a distribution of one uncertificated unit of beneficial interests in the Liquidating Trust for, and in complete redemption and cancellation of, each share of common stock of the Company they then owned. The Dissolution, transfer to the Liquidating Trust and distribution of the uncertificated units of beneficial interests in the Liquidating Trust constituted the final liquidating distribution of the Company under the plan of complete liquidation adopted in April 2011 by the board of directors of the Company.

For U.S. federal income tax purposes, the Dissolution and the transfer of the Company's assets to the Liquidating Trust is treated as if each stockholder received, as a liquidating distribution, a distribution of its proportionate share of the Company's remaining assets and then contributed such proportionate share of the assets to the Liquidating Trust in exchange for units of beneficial interests in the Liquidating Trust. This distribution was a taxable event. A summary of the U.S. federal income tax considerations relating to the deemed distribution is attached to our letter to former stockholders, dated May 15, 2014, which is available on our website [www.kgenpower.com](http://www.kgenpower.com).

An evaluation by an outside consultant experienced in the valuation of assets in the power industry indicates that, as of the Dissolution Date, the fair market value of the net assets of the Company transferred to the Liquidating Trust was \$0.38 per share. Based on this amount, the Company has determined that the estimated value of the portion of the distribution reflecting the Company's cash on hand as of the Distribution Date was \$0.05 per share and the estimated value of the remaining net assets of the company was \$0.33 per share.

For U.S. federal income tax purposes, the amount deemed to be received by each stockholder will be reported to each stockholder on IRS Form 1099-DIV, with the cash portion calculated based on \$0.05 per share indicated in Box 8 and the non-cash portion calculated based on \$0.33 per share indicated in Box 9 of such form.

Please note that this non-cash liquidating distribution is separate from (and in addition to) the cash liquidating distribution of \$0.33 per share paid by the Company on or about June 24, 2014 to the Company's stockholders of record as of the close of business on June 9, 2014, for which you received separate notification.

We encourage you to contact Thomas B. White at (713) 979-1935 if you have any questions.