



KGen Power Corporation

April 8, 2011

**KGEM POWER CORPORATION COMPLETES SALE OF
MURRAY I AND MURRAY II FACILITIES**

The Board of Directors of KGen Power Corporation is pleased to announce that it has completed its previously announced sale of the Company's Murray I and Murray II electric generation facilities to Oglethorpe Power Corporation, a power supply cooperative. The Company received \$529.31 million in sales proceeds (which represents a \$531.25 million purchase price adjusted for the estimated level of closing date working capital and spare parts inventory), of which approximately \$80 million was placed in escrow for a period of 18 months after closing to secure customary post-closing indemnification obligations. The Company expects to use its existing tax net operating losses (NOLs) to offset most of the taxable gain resulting from the sale of the Murray I and Murray II facilities.

This successful divestiture is a key milestone in our process of maximizing value for all stockholders of the Company, and the Board looks forward to continuing this process.

We encourage you to call Thomas White (713) 979-1935, Daniel Hudson at (281) 252-5201 or any of the other Directors, if you have any questions.

The Board of KGen Power Corporation

Daniel Hudson (Chairman)

James P. Jenkins

Gerald J. Stalun

Thomas B. White (CEO & President)

About KGen Power Corporation

KGen Power Corporation owns and operates merchant electric power generation plants and sells electricity and electrical generation capacity. Its existing portfolio consists of two operational and fully permitted combined cycle power plants in the southeastern United States, with an aggregate capacity of 1,140 megawatts. For more information, visit www.kgenpower.com.