

News Release



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May 30, 2006

Mirant Proposes to Acquire NRG for Approximately \$8 Billion and Assumption of Debt

- Mirant Corporation Proposes to Acquire NRG Energy, Inc. for Approximately \$57.16 in Cash and Mirant Stock Per NRG Share – a 33% Premium (Based on the Closing Prices of Mirant and NRG on Tuesday, May 30, 2006)
- Transaction Would Be Immediately Accretive to Mirant's Pro Forma Free Cash Flow Per Share
- Mirant Has Received a Financing Commitment from JPMorgan for Approximately \$11.5 Billion for the Transaction

ATLANTA – Mirant Corporation (NYSE: MIR) today announced that it has made a proposal to acquire NRG Energy, Inc. (NYSE: NRG) at a premium of approximately 33% to NRG's share price as of Tuesday, May 30, 2006. The proposal would be immediately accretive to the pro forma free cash flow per share of Mirant. Mirant has received a financing commitment from JPMorgan of approximately \$11.5 billion for the transaction.

NRG flatly rejected the proposal last week without engaging in any discussions with Mirant. Mirant continues to believe that the proposal creates significant value for the owners of both companies and has decided to make its proposal public in the letter below, sent today to NRG's board of directors.

May 30, 2006

NRG Energy, Inc.
Attention: Board of Directors

Ladies and Gentlemen:

We were disappointed that you would reject so quickly on behalf of your shareholders, without any discussion with us, our acquisition proposal of May 10, 2006, which provides your shareholders a substantial premium to their share price and the opportunity to participate in the additional value creation we expect from the combined company. We think that it is important for your shareholders to be informed of such a compelling opportunity, and, therefore, we are simultaneously releasing this letter to the public.

In the transaction we proposed, your shareholders would receive, at their election, \$57.50 per share in cash or Mirant Corporation common stock at an exchange ratio of 2.25 Mirant shares for each share of NRG common stock, based upon our understanding that you have 137.5 million fully diluted shares outstanding. Your shareholders' elections to receive the total of approximately \$3.9 billion in cash (representing 50% of the total consideration) or Mirant common stock would be subject to proration to preserve the 50/50 cash/stock mix in the deal.

This transaction would provide a blended value of approximately \$57.16 per share of NRG common stock and would represent a substantial premium of approximately 33% to NRG's share price, based on the closing prices of Mirant and NRG on Tuesday, May 30, 2006. In addition, your shareholders would receive a premium of approximately 33% to your one year average trading price and approximately 55% to your two year average trading price.

We think that a combination of Mirant and NRG would create an enterprise with significant opportunities for expense and operational synergies and a national footprint that is without parallel. The combination would generate a number of specific and compelling benefits. Our best estimate of the annual cost savings from the reduction of overlapping functions is \$150 million (based on publicly available information), in addition to significant opportunities for cost savings from the procurement and use of fuel and in the application of emissions credits. The combination also would diversify the risks associated with the assets and operations of both companies. In addition, the combination would create the largest independent power company in the United States with a strong presence in four key regions (Texas, Mid-Atlantic, Northeast and California). The combined company would have over 43,000 megawatts globally, with over 37,500 megawatts in the United States. Approximately 32% of its domestic capacity would be low-cost, baseload generating capacity. Finally, the combination would enhance liquidity and value for the shareholders of both companies. We estimate that the combined company would have adjusted EBITDA for 2007 in excess of \$3 billion. The transaction would be immediately accretive to Mirant's pro forma free cash flow per share. In

short, we think that the combined company would deliver superior returns to our combined shareholder base, with benefits flowing to our respective customers, employees and other constituencies as well.

Mirant emerged from Chapter 11 on January 3, 2006, with what most observers characterize as the strongest balance sheet in the industry. Since January 3, 2006, a total of approximately 275 million of our shares have traded, representing approximately 92% of our total outstanding shares. Our hedging strategy has been effective in reducing risk while improving our earnings profile. We currently expect that cash flows from operations through 2011 will be sufficient to fund our forecasted capital expenditures, including those for required environmental controls. Finally, we have a new management team with extensive experience in the industry.

We think that now is the right time to pursue a combination of our companies, and we are committed to doing so on an expedited basis. Our proposal has been approved by our Board of Directors, and we are prepared to begin negotiations of the terms of our proposal with you immediately and to enter into a definitive merger agreement and complete the transaction as soon as possible. We have received a financing commitment from JPMorgan of approximately \$11.5 billion which, when combined with our available cash, will fund the cash portion of the purchase consideration for your common and, if necessary, preferred stock; refinance your senior credit facilities; and fund the purchase of your 7.250% Senior Notes and 7.375% Senior Notes pursuant to a change of control offer at a price equal to 101% of the aggregate principal amount, plus accrued and unpaid interest. The indebtedness of our subsidiaries, including Mirant Americas Generation, LLC and Mirant North America, LLC, would remain in place. We expect that due diligence can be completed quickly. In addition, given the complementary geographies of our respective operations, we expect that all regulatory approvals will be obtained expeditiously. With your cooperation, we think that we can close the transaction in 2006.

We expect your shareholders to respond enthusiastically to this transaction: current shareholders who wish to exit will have the opportunity to do so at an attractive premium; those shareholders who choose to continue as investors in the combined company will receive both an attractive premium and have the opportunity to participate in the additional value creation we expect from the combination. We believe ardently in the wisdom and strategic value of this transaction and the benefits it offers to our combined shareholders and stakeholders. This matter has the highest priority for us.

Sincerely,

Edward R. Muller
Chairman and Chief Executive Officer

Mirant is a competitive energy company that produces and sells electricity in the United States, the Caribbean, and the Philippines. Mirant owns or leases approximately 17,300 megawatts of electric generating capacity globally. The company operates an asset management and energy marketing organization from its headquarters in Atlanta. For more information, please visit <http://www.mirant.com>.

Some of the statements included herein involve forward-looking information. Mirant cautions that these statements involve known and unknown risks and that there can be no assurance that such results will occur. There are various important factors that could cause actual results to differ materially from those indicated in the forward-looking statements, such as, but not limited to, legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the electric utility industry; changes in state, federal and other regulations (including rate regulations); changes in, or changes in the application of, environmental and other laws and regulations to which Mirant and its subsidiaries and affiliates are or could become subject; the failure of Mirant's assets to perform as expected; Mirant's pursuit of potential business strategies, including the acquisition of additional assets or the disposition or alternative utilization of existing assets; changes in market conditions, including developments in energy and commodity supply, demand, volume and pricing or the extent and timing of the entry of additional competition in the markets of Mirant's subsidiaries and affiliates; increased margin requirements, market volatility or other market conditions that could increase Mirant's obligations to post collateral beyond amounts which are expected; Mirant's inability to access effectively the over-the-counter and exchange-based commodity markets or changes in commodity market liquidity or other commodity market conditions, which may affect Mirant's ability to engage in asset management and proprietary trading activities as expected; Mirant's inability to enter into intermediate and long-term contracts to sell power and procure fuel, including its transportation, on terms and prices acceptable to Mirant; weather and other natural phenomena, including hurricanes and earthquakes; war, terrorist activities or the occurrence of a catastrophic loss; environmental regulations that restrict Mirant's ability to operate its business; deterioration in the financial condition of Mirant's customers or counterparties and the resulting failure to pay amounts owed to Mirant or to perform obligations or services due to Mirant; the disposition of the pending litigation described in Mirant's Form 10-K for the year ended December 31, 2005 and Form 10-Q for the quarter ended March 31, 2006 filed with the Securities and Exchange Commission; political factors that affect Mirant's international operations, such as political instability, local security concerns, tax increases, expropriation of property, cancellation of contract rights and environmental regulations; the inability of Mirant's operating subsidiaries to generate sufficient cash flow and Mirant's inability to access that cash flow to enable Mirant to make debt service and other payments; the resolution of claims and obligations that were not resolved during Mirant's Chapter 11 proceedings that may have a material adverse effect on Mirant's results of operations and other factors discussed in Mirant's Form 10-K for the year ended December 31, 2005, and its Form 10-Q for the quarter ended March 31, 2006.

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