

**GenOn REMA, LLC**

**GENON REMA, LLC AND SUBSIDIARIES**  
**(Wholly-Owned Indirect Subsidiary of GenOn Energy, Inc.)**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in thousands)			
Operating revenues .....	\$ 4,203	\$ 10,248	\$ 12,742	\$ 28,906
Operating revenues – affiliate .....	107,472	132,308	247,233	416,903
Cost of fuel, electricity and other products ....	29,670	33,778	78,139	123,689
Cost of fuel, electricity and other products – affiliate .....	26,051	40,668	62,985	94,193
<b>Gross Margin (excluding depreciation and amortization) .....</b>	<b>55,954</b>	<b>68,110</b>	<b>118,851</b>	<b>227,927</b>
<b>Operating Expenses:</b>				
Operations and maintenance .....	15,915	14,763	58,755	59,587
Operations and maintenance – affiliate .....	19,404	21,086	58,197	67,923
Facilities leases .....	8,728	9,236	26,185	27,933
Depreciation and amortization .....	15,909	14,819	47,401	44,423
Impairment losses .....	47,113	1,490	47,113	1,490
(Gain) loss on sales of assets, net .....	(1)	—	78	(3)
Gain on sales of assets, net – affiliate .....	—	(1)	—	(1)
Total operating expenses .....	107,068	61,393	237,729	201,352
<b>Operating Income (Loss) .....</b>	<b>(51,114)</b>	<b>6,717</b>	<b>(118,878)</b>	<b>26,575</b>
<b>Other Income (Expense):</b>				
Interest expense .....	(308)	(17)	(1,008)	(65)
Interest expense – affiliate .....	(18,135)	(18,503)	(53,440)	(52,654)
Interest income .....	—	1	1	21
Total other expense, net .....	(18,443)	(18,519)	(54,447)	(52,698)
<b>Loss Before Income Taxes .....</b>	<b>(69,557)</b>	<b>(11,802)</b>	<b>(173,325)</b>	<b>(26,123)</b>
Provision for income taxes .....	8	499	24	515
<b>Net Loss .....</b>	<b>\$ (69,565)</b>	<b>\$ (12,301)</b>	<b>\$ (173,349)</b>	<b>\$ (26,638)</b>

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**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
	(in thousands)	
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents .....	\$ 19,387	\$ 28,680
Funds on deposit.....	—	678
Receivables, net.....	1,182	63
Receivables, net—affiliate.....	4,605	7,894
Derivative contract assets—affiliate.....	608	251
Inventories.....	86,467	122,019
Prepaid rent and other expenses.....	43,606	19,806
Total current assets.....	155,855	179,391
Property, plant and equipment, gross.....	585,648	644,913
Accumulated depreciation .....	(73,311)	(60,034)
<b>Property, Plant and Equipment, net .....</b>	<b>512,337</b>	<b>584,879</b>
<b>Noncurrent Assets:</b>		
Intangible assets, net.....	1,138	1,169
Other.....	31,414	29,526
Total noncurrent assets.....	32,552	30,695
<b>Total Assets .....</b>	<b>\$ 700,744</b>	<b>\$ 794,965</b>
 <b>LIABILITIES AND MEMBER'S DEFICIT</b>		
<b>Current Liabilities:</b>		
Current portion of long-term debt.....	\$ 124	\$ 118
Accounts payable and accrued liabilities.....	27,194	29,218
Payables, net—affiliate.....	23,091	22,504
Subordinated accounts and interest payable, net—affiliate .....	556,600	511,773
Subordinated interest payable on note payable—affiliate.....	106,013	67,656
Derivative contract liabilities.....	3,502	13,922
Derivative contract liabilities—affiliate.....	621	182
Other.....	2,149	2,414
Total current liabilities .....	719,294	647,787
<b>Noncurrent Liabilities:</b>		
Derivative contract liabilities—affiliate.....	635	—
Out-of-market contracts.....	129,018	134,331
Other.....	47,145	44,017
Total noncurrent liabilities .....	176,798	178,348
<b>Subordinated Note Payable—Affiliate .....</b>	<b>543,563</b>	<b>543,563</b>
<b>Long-term Debt, net of current portion .....</b>	<b>122</b>	<b>216</b>
<b>Commitments and Contingencies</b>		
<b>Member's Deficit:</b>		
Common stock; no par value (1,000 shares authorized, issued and outstanding) ....	—	—
Additional paid-in deficit.....	(490,645)	(499,910)
Accumulated deficit.....	(248,388)	(75,039)
Total member's deficit .....	(739,033)	(574,949)
<b>Total Liabilities and Member's Deficit .....</b>	<b>\$ 700,744</b>	<b>\$ 794,965</b>

**GENON REMA, LLC AND SUBSIDIARIES**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

	<b>Nine Months Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>
	(in thousands)	
<b>Cash Flows from Operating Activities:</b>		
Net loss .....	\$ (173,349)	\$ (26,638)
Adjustments to reconcile net loss and changes in operating assets and liabilities to net cash provided by operating activities:		
Depreciation and amortization.....	47,401	44,423
Impairment losses.....	47,113	1,490
Amortization of acquired contracts.....	(5,313)	(3,020)
Unrealized gains .....	(9,703)	(24,813)
(Gain) loss on sales of assets, net .....	78	(4)
Excess materials and supplies inventory reserve .....	15,624	—
Lower of cost or market inventory adjustments.....	9,192	—
Other, net.....	(88)	910
Changes in operating assets and liabilities.....	78,758	67,688
Total adjustments .....	<u>183,062</u>	<u>86,674</u>
Net cash provided by operating activities.....	<u>9,713</u>	<u>60,036</u>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures .....	(19,900)	(19,607)
Proceeds from the sales of assets .....	216	(246)
Restricted funds on deposit, net.....	678	(73)
Net cash used in investing activities.....	<u>(19,006)</u>	<u>(19,926)</u>
<b>Cash Flows from Financing Activities:</b>		
Net cash provided by financing activities.....	<u>—</u>	<u>—</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents .....</b>	<b>(9,293)</b>	<b>40,110</b>
<b>Cash and Cash Equivalents, beginning of period.....</b>	<b>28,680</b>	<b>21,145</b>
<b>Cash and Cash Equivalents, end of period .....</b>	<b>\$ 19,387</b>	<b>\$ 61,255</b>
<b>Supplemental Disclosures:</b>		
Cash paid for interest to affiliate, net of amounts capitalized.....	\$ —	\$ 44,920
Cash paid for interest to third parties.....	958	54
Cash refunds received for income taxes, net .....	—	(3,700)
<b>Supplemental Disclosures for Non-Cash Investing and Financing Activities:</b>		
Distribution of employee-related obligations and related deferred taxes, net of valuation allowance.....	\$ —	\$ 39,002
Conversion of intercompany interest payable to equity.....	—	798
Contribution from affiliate of subordinated accounts payable to affiliate .....	9,265	—