

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 June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(in thousands)			
Operating revenues	\$ 4,299	\$ 9,847	\$ 8,539	\$ 18,658
Operating revenues – affiliate	71,688	131,442	139,761	284,595
Cost of fuel, electricity and other products	24,121	33,133	48,469	90,413
Cost of fuel, electricity and other products – affiliate	13,461	34,649	36,934	53,023
Gross Margin (excluding depreciation and amortization)	38,405	73,507	62,897	159,817
Operating Expenses:				
Operations and maintenance	15,023	27,302	42,840	41,815
Operations and maintenance – affiliate	20,597	25,832	38,793	49,846
Facilities leases	8,729	9,193	17,457	18,697
Depreciation and amortization	15,822	14,816	31,492	29,604
(Gain) loss on sales of assets, net	(34)	(3)	79	(3)
Total operating expenses	60,137	77,140	130,661	139,959
Operating Income (Loss)	(21,732)	(3,633)	(67,764)	19,858
Other Income (Expense):				
Interest expense	(357)	(52)	(700)	(48)
Interest expense – affiliate	(17,908)	(17,288)	(35,305)	(34,151)
Interest income	1	—	1	20
Total other expense, net	(18,264)	(17,340)	(36,004)	(34,179)
Loss Before Income Taxes	(39,996)	(20,973)	(103,768)	(14,321)
Provision for income taxes	8	10	16	16
Net Loss	\$ (40,004)	\$ (20,983)	\$ (103,784)	\$ (14,337)

GENON REMA, LLC AND SUBSIDIARIES
(Wholly-Owned Indirect Subsidiary of GenOn Energy, Inc.)
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	June 30, 2012	December 31, 2011
	(in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 18,955	\$ 28,680
Funds on deposit.....	431	678
Receivables, net.....	569	63
Receivables, net—affiliate.....	4,348	7,894
Derivative contract assets—affiliate.....	936	251
Inventories.....	93,180	122,019
Prepaid rent and other expenses.....	16,236	19,806
Total current assets.....	134,655	179,391
Property, plant and equipment, gross.....	653,984	644,913
Accumulated depreciation	(91,128)	(60,034)
Property, Plant and Equipment, net	562,856	584,879
Noncurrent Assets:		
Intangible assets, net.....	1,148	1,169
Other.....	30,084	29,526
Total noncurrent assets.....	31,232	30,695
Total Assets	\$ 728,743	\$ 794,965
 LIABILITIES AND MEMBER'S DEFICIT		
Current Liabilities:		
Current portion of long-term debt.....	\$ 122	\$ 118
Accounts payable and accrued liabilities.....	24,982	29,218
Payables, net—affiliate.....	11,620	22,504
Subordinated accounts and interest payable, net—affiliate	547,438	511,773
Subordinated interest payable on note payable—affiliate.....	93,134	67,656
Derivative contract liabilities.....	6,948	13,922
Derivative contract liabilities—affiliate.....	963	182
Other.....	2,099	2,414
Total current liabilities	687,306	647,787
Noncurrent Liabilities:		
Derivative contract liabilities—affiliate.....	657	—
Out-of-market contracts.....	130,789	134,331
Other.....	45,007	44,017
Total noncurrent liabilities	176,453	178,348
Subordinated Note Payable—Affiliate	543,563	543,563
Long-term Debt, net of current portion	154	216
Commitments and Contingencies		
Member's Deficit:		
Common stock; no par value (1,000 shares authorized, issued and outstanding)	—	—
Additional paid-in deficit.....	(499,910)	(499,910)
Accumulated deficit.....	(178,823)	(75,039)
Total member's deficit	(678,733)	(574,949)
Total Liabilities and Member's Deficit	\$ 728,743	\$ 794,965

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

	<u>Six Months Ended June 30,</u>	
	<u>2012</u>	<u>2011</u>
	(in thousands)	
Cash Flows from Operating Activities:		
Net loss	\$ (103,784)	\$ (14,337)
Adjustments to reconcile net loss and changes in operating assets and liabilities to net cash provided by operating activities:		
Depreciation and amortization.....	31,492	29,604
Amortization of acquired contracts.....	(3,542)	(1,983)
Unrealized gains	(6,221)	(17,007)
(Gain) loss on sales of assets, net	79	(3)
Excess materials and supplies inventory reserve	15,624	—
Lower of cost or market inventory adjustments.....	8,281	—
Other, net.....	(58)	(45)
Changes in operating assets and liabilities.....	58,810	35,370
Total adjustments	<u>104,465</u>	<u>45,936</u>
Net cash provided by operating activities.....	<u>681</u>	<u>31,599</u>
Cash Flows from Investing Activities:		
Capital expenditures	(10,873)	(9,337)
Proceeds from the sales of assets	236	3
Restricted funds on deposit, net	247	(43)
Other, net	(16)	—
Net cash used in investing activities.....	<u>(10,406)</u>	<u>(9,377)</u>
Cash Flows from Financing Activities:		
Net cash provided by financing activities.....	<u>—</u>	<u>—</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(9,725)	22,222
Cash and Cash Equivalents, beginning of period.....	28,680	21,145
Cash and Cash Equivalents, end of period	\$ 18,955	\$ 43,367
Supplemental Disclosures:		
Cash paid for interest to affiliate, net of amounts capitalized.....	\$ —	\$ 44,920
Cash paid for interest to third parties.....	608	17
Cash refunds received for income taxes, net	—	3,700
Supplemental Disclosures for Non-Cash Investing and Financing Activities:		
Distribution of employee-related obligations and related deferred taxes, net of valuation allowance.....	\$ —	\$ 39,002
Conversion of intercompany interest payable to equity.....	—	798