

**GenOn REMA, LLC**

**September 30, 2011**

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

	Successor		Predecessor	
	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2010
	(in thousands)		(in thousands)	
Operating revenues .....	\$ 10,248	\$ 28,906	\$ 8,671	\$ 21,871
Operating revenues – affiliate .....	132,308	416,903	182,775	478,176
Cost of fuel, electricity and other products ....	33,778	123,689	76,213	206,020
Cost of fuel, electricity and other products – affiliate .....	40,668	94,193	3,814	4,883
<b>Gross Margin (excluding depreciation and amortization) .....</b>	<b>68,110</b>	<b>227,927</b>	<b>111,419</b>	<b>289,144</b>
<b>Operating Expenses:</b>				
Operations and maintenance .....	12,781	53,628	24,338	112,228
Operations and maintenance – affiliate .....	23,068	73,882	21,240	81,723
Facilities leases .....	9,236	27,933	14,962	44,886
Depreciation and amortization .....	11,819	35,423	12,268	37,749
Impairment losses .....	1,490	1,490	74,293	74,293
Gain on sales of assets, net .....	—	(3)	—	(78)
Gain on sales of assets, net – affiliate .....	(1)	(1)	—	—
Total operating expenses .....	58,393	192,352	147,101	350,801
<b>Operating Income (Loss) .....</b>	<b>9,717</b>	<b>35,575</b>	<b>(35,682)</b>	<b>(61,657)</b>
<b>Other Income (Expense):</b>				
Interest expense .....	(17)	(65)	(398)	(1,245)
Interest expense – affiliates .....	(18,503)	(52,654)	(16,044)	(46,920)
Interest income .....	1	21	2	9
Total other expense, net .....	(18,519)	(52,698)	(16,440)	(48,156)
<b>Loss Before Income Taxes .....</b>	<b>(8,802)</b>	<b>(17,123)</b>	<b>(52,122)</b>	<b>(109,813)</b>
Provision for income taxes .....	499	515	2,553	17,907
<b>Net Loss .....</b>	<b>\$ (9,301)</b>	<b>\$ (17,638)</b>	<b>\$ (54,675)</b>	<b>\$ (127,720)</b>

See Note 1 to the Unaudited Condensed Consolidated Interim Financial Statements

**GENON REMA, LLC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

	<b>September 30, 2011</b>	<b>December 31, 2010</b>
	(in thousands)	
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents .....	\$ 61,255	\$ 21,145
Funds on deposit .....	285	212
Receivables, net .....	939	5,528
Receivables, net – affiliate .....	3,546	71,648
Derivative contract assets .....	2,152	10,541
Derivative contract assets – affiliate .....	860	2,919
Inventories .....	116,373	95,136
Prepaid expenses and other current assets .....	29,134	1,361
Total current assets .....	214,544	208,490
Property, plant and equipment, gross .....	619,408	602,001
Accumulated depreciation .....	(33,752)	(3,176)
<b>Property, Plant and Equipment, net</b> .....	<b>585,656</b>	<b>598,825</b>
<b>Noncurrent Assets:</b>		
Intangible assets, net .....	2,459	7,151
Other .....	28,376	27,817
Total noncurrent assets .....	30,835	34,968
<b>Total Assets</b> .....	<b>\$ 831,035</b>	<b>\$ 842,283</b>
 <b>LIABILITIES AND MEMBER'S EQUITY (DEFICIT)</b>		
<b>Current Liabilities:</b>		
Current portion of long-term debt .....	\$ 116	\$ 110
Accounts payable and accrued liabilities .....	23,332	49,049
Accounts payable – affiliate .....	23,828	8,790
Subordinated accounts payable, net – affiliate .....	492,433	433,905
Subordinated interest payable – affiliate .....	54,778	61,562
Derivative contract liabilities .....	21,640	47,123
Derivative contract liabilities – affiliate .....	566	—
Other .....	1,974	2,671
Total current liabilities .....	618,667	603,210
<b>Noncurrent Liabilities:</b>		
Derivative contract liabilities .....	3,438	13,782
Pension and postretirement obligations .....	—	34,297
Out-of-market contracts .....	105,123	109,309
Other .....	39,096	39,049
Total noncurrent liabilities .....	147,657	196,437
<b>Subordinated Note Payable – Affiliate</b> .....	<b>543,563</b>	<b>543,563</b>
<b>Long-term Debt, net of current portion</b> .....	<b>246</b>	<b>333</b>
<b>Commitments and Contingencies</b>		
<b>Member's Equity (Deficit):</b>		
Common stock; no par value (1,000 shares authorized, issued and outstanding) .....	—	—
Additional paid-in capital (deficit) .....	(468,079)	(510,051)
Retained earnings .....	(11,019)	6,619
Accumulated other comprehensive income .....	—	2,172
Total member's equity (deficit) .....	(479,098)	(501,260)
<b>Total Liabilities and Member's Equity (Deficit)</b> .....	<b>\$ 831,035</b>	<b>\$ 842,283</b>

See Note 1 to the Unaudited Condensed Consolidated Interim Financial Statements

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

	<u>Successor</u> <u>Nine Months Ended</u> <u>September 30, 2011</u> <u>(in thousands)</u>	<u>Predecessor</u> <u>Nine Months Ended</u> <u>September 30, 2010</u> <u>(in thousands)</u>
<b>Cash Flows from Operating Activities:</b>		
Net loss .....	\$ (17,638)	\$ (127,720)
Adjustments to reconcile net loss and changes in other operating assets and liabilities to net cash provided by operating activities:		
Depreciation and amortization .....	35,423	37,749
Amortization of acquired contracts .....	(3,020)	—
Deferred income taxes .....	—	17,738
Net changes in derivative contracts .....	(24,813)	(19,069)
Impairment losses .....	1,490	74,293
Gain on sales of assets, net .....	(4)	(78)
Other, net .....	910	(74)
Changes in operating assets and liabilities .....	67,688	69,568
Total adjustments .....	<u>77,674</u>	<u>180,127</u>
Net cash provided by operating activities .....	<u>60,036</u>	<u>52,407</u>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures .....	(19,607)	(18,560)
Purchases of emission allowances – affiliate .....	(256)	(7,145)
Other, net .....	(63)	6
Net cash used in investing activities .....	<u>(19,926)</u>	<u>(25,699)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from notes payable to affiliate .....	—	20,000
Payments on subordinated working capital facility payable to affiliate .....	—	(25,809)
Payments on notes payable to affiliate .....	—	(36,191)
Net cash used in financing activities .....	<u>—</u>	<u>(42,000)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents .....</b>	<b>40,110</b>	<b>(15,292)</b>
<b>Cash and Cash Equivalents, beginning of period .....</b>	<b>21,145</b>	<b>18,062</b>
<b>Cash and Cash Equivalents, end of period .....</b>	<b>\$ 61,255</b>	<b>\$ 2,770</b>
<b>Supplemental Disclosures:</b>		
Cash paid for interest to affiliate, net of amounts capitalized .....	\$ 44,920	\$ 68,728
Cash paid for interest to third parties .....	54	88
Cash paid for income taxes (net of refunds received) .....	(3,700)	(656)
<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 .....	—	6,877

See Note 1 to the Unaudited Condensed Consolidated Interim Financial Statements

## GENON REMA, LLC AND SUBSIDIARIES

### NOTE TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 1. Basis of Presentation

In connection with the merger between Mirant Corporation (Mirant) and RRI Energy, Inc. (RRI Energy) on December 3, 2010, former Mirant stockholders received approximately 54% of the voting interest in the combined company. Although RRI Energy was the legal acquirer, the merger is accounted for as a reverse acquisition whereby Mirant is treated as the accounting acquirer and RRI Energy is treated as the acquired company for financial reporting purposes. As such, the assets and liabilities of RRI Energy were recorded at their respective fair values as of the merger date. Fair value adjustments related to the merger have been pushed down to GenOn REMA, LLC and its subsidiaries (REMA), resulting in certain assets and liabilities of REMA being recorded at fair value at December 3, 2010. The financial statements include interim revisions to the fair value adjustments on December 3, 2010 that were reported at June 30, 2011, March 31, 2011 and December 31, 2010.

REMA's consolidated statement of operations subsequent to the merger includes amortization expense relating to fair value adjustments and depreciation expense based on the fair value of REMA's property, plant and equipment. In addition, effective with the merger, REMA adopted accounting policies of GenOn Energy, Inc. Therefore, REMA's financial information prior to the merger is not comparable to its financial information subsequent to the merger.

Due to the impact of push down accounting, the financial statements separate REMA's presentations into two distinct periods, the period before the consummation of the merger (labeled Predecessor) and the period after that date (labeled Successor), to indicate the application of different basis of accounting between the periods presented.

Certain prior period amounts have been reclassified to conform to the current period financial statement presentation.