

## **Edison Mission Energy Completes A Sale - Leaseback of Its Homer City Facility**

IRVINE, Calif., Dec. 7 -- Edison Mission Energy today announced that it had completed a sale-leaseback transaction with General Electric Capital Corporation of the three coal-fired electric generating facilities owned by **EME Homer City** Generation L.P., its indirect subsidiary. The transaction, valued at approximately \$1.6 billion, is part of Edison Mission Energy's overall strategy to strengthen its balance sheet. In addition to retiring existing project indebtedness, net proceeds of approximately \$400 million will be used by EME to pay down corporate debt.

To effectuate the transaction, Edison Mission Holdings Co., a wholly-owned subsidiary of Edison Mission Energy, launched a consent solicitation and an exchange offer with respect to its 8.137% senior secured bonds due 2019 and 8.734% senior secured bonds due 2026 (the "Old Bonds") to exchange the Old Bonds for newly issued bonds (the "New Bonds") and to amend the indenture governing the Old Bonds. The requisite consents have been received and today the Old Bonds were replaced by newly issued bonds ("the New Bonds") with the principal amount, payment dates and maturity date identical to those of the Old Bonds. The assets subject to the lien securing the New Bonds are substantially the same as those securing the Old Bonds. Both the Old Bonds and the New Bonds have been registered under the Securities Act of 1933, as amended.

Credit Suisse First Boston Corporation and Lehman Brothers Inc. acted as the solicitation agents and D.F. King & Co., Inc. as the information agent for the consent solicitation. The Bank of New York acted as the depositary for the consent solicitation.

Edison Mission Energy, an Edison International (NYSE: EIX) company, is a leading global power producer as measured by megawatts. Through its subsidiaries, Edison Mission Energy engages in the business of developing, acquiring, owning and leasing and operating electric power generation facilities. Edison Mission Energy information is available at [www.edison.com](http://www.edison.com).

Edison International companies include Edison Mission Energy, Edison Capital, Edison Enterprises, Edison O&M Services and Southern California Edison.

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