TRACTEBEL FINANCE US, INC.

MANAGEMENT REPORT

30 JUNE 2010

Tractebel Finance US, Inc. (the "Company") is a wholly owned subsidiary of GDF SUEZ Energy North America, Inc. (GSENA), which is a wholly owned subsidiary of GDF SUEZ-Tractebel S.A. (the "Parent"), whose ultimate parent is GDF SUEZ S.A.

The Company was incorporated in 1998 in the state of Delaware with 1,000 shares of stock at $1 par value.

The Company was formed for the purpose of providing a source of long and short term financing for GSENA and its subsidiaries having industrial operations in the United States and Canada.

In order to fulfill its purpose, the Company borrows funds from an affiliate of the Parent, GDF SUEZ CC, as well as from third-party sources such as banks and institutional investors through bonds. The Company then makes available the proceeds of its borrowing activities to GSENA and its subsidiaries.

Financing of GSENA and its subsidiaries takes the form of interest bearing loan facilities from the Company in favor of GSENA and its subsidiaries. Terms may be long or short terms.

The Company acts as the Borrower under stand-by letters of credit facilities with various commercial banks, and makes available to GSENA and its subsidiaries the issuance of letters of credit under its facilities.

Finally, the Company also acts as a "cash pooler" for GSENA and its subsidiaries. Cash balances (negative and positive) from GSENA and its subsidiaries are pooled daily within the Company, and the aggregate position is borrowed or deposited with GDF SUEZ CC through a cash pooling agreement and working capital loan facility (the "revolving working capital funding line".)

GSENA provides its guarantees in favor of GDF SUEZ CC with regard to the loan performance of the Company on loans from GDF SUEZ CC.

Loan performance on third-party debt instruments is guaranteed by the Parent or GDF SUEZ S.A., in favor of the Lenders. These include a €50 million Eurobond issuance in 2003 through ING (formerly BBL) as well as multiple credit lines with commercial banks for the sole purpose of issuing letters of credit for GSENA and its subsidiaries.

DISCUSSION:

ASSETS

During this period, total assets decreased $361 million. This result was due to the following occurrences. Total current assets for the Company decreased $214 million during this period which resulted from decreases of $172 million in notes receivables from GSENA subsidiaries, $37 million in its derivatives' valuation. The decrease in current notes receivables was due to the collection of Notes from GSENA subs, partially offset by a reclassification of affiliated long-term notes receivable with maturities in 2010 to current. The decrease in the derivatives' valuation was due to the settlement of a foreign currency swap, a reclassification from noncurrent to current of a foreign currency swap and volatility in exchange rates. Due from affiliates decreased $5 million resulting from the receipt of fees from affiliates offset by a decrease in interest receivables resulting from the repayment of affiliated loans. Noncurrent assets decreased by $147 million as a result of collection of notes receivable from GSENA subs and reclassification of the notes receivable to current as well as the adjusted valuation of the derivatives, $133 million and $13 million respectively.

DEBT

Total liabilities decreased by $359 million. This was primarily due to the repayment of debt. Current liabilities decreased by $215 million. This decrease was attributable to the repayment of notes to affiliate ($89 million), prepayment of notes payable to third party ($83 million), and a decrease in derivative liability resulting from the settlement of a currency swap ($39 million). Noncurrent liabilities were reduced during the period by $143 million. This was due in part to the reclassification of third-party debt to short-term which will mature in 2011 (€50 million Eurobonds with a valuation of $72 million). Additionally, noncurrent debt decreased by $61 million due to the repayment of affiliate debt ($68 million), offset by an increase in affiliated borrowing ($7 million) Also, noncurrent derivative liabilities decreased by $10 million resulting from interest rate volatility and a reclassification of a portion to current.

Loans from affiliates maturing in the second half of 2010 amount to $66 million. No affiliate loans are maturing in 2011. Third-party bonds with maturities in 2011 total $61 million. Affiliate loans with maturities beyond 2011 total $1.2 billion (GDF SUEZ CC loans).

EQUITY

There was a $2 million change in stockholders equity during this period which resulted from $1 million of net loss for the period and a $1 million distribution.

PROFIT & LOSS STATEMENT

A net loss of $1 million was realized during the period. Revenues generated via interest and fees received from GSENA subsidiaries totaled $58 million which equaled interest and fees payable owed to affiliates and third parties. This corresponds with the purpose of the Company which is to borrow from affiliates and third-parties for the benefit of GSENA subsidiaries. Interest and fees received and paid by the Company included interest on affiliated and third-party debt, including letters of credit, and guarantee fees to both the Parent and GDF SUEZ S.A. The Company recognized a $1.4 million pre-tax loss due to the timing of designating foreign currency swaps as hedges, which was partially offset by $.5 million of tax benefit.

SIGNIFICANT EVENTS SINCE END OF FINANCIAL PERIOD

During the second half of 2010, there have been no significant events.

COMPANY'S LIKELY FUTURE DEVELOPMENT

The Company will continue to pursue its purpose to finance GSENA and its subsidiaries under the same operations mode, where interest and fees received offset interest and fees paid. In doing so, it will continue to service its debt and/or refinance maturing loans and bonds where and when necessary. The Company's activities and balance sheet will generally evolve with the activities and investment rate of GSENA and its subsidiaries.

TRACTEBEL FINANCE US, INC.

By:

Cedric Osterrieth
Vice President
Dated: August 25, 2010

Officer's Certificate of Fairness
Tractebel Finance US, Inc.

As Vice President of Tractebel Finance US, Inc. (the "Company"), I hereby certify that, to the best of my knowledge, the unaudited June 30, 2010 financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles of the United States of America and give a true and fair view of its assets, liabilities, and financial position.

Attested to this day, 25 August, 2010:

Tractebel Finance US, Inc.

By:

Cedric Osterrieth
Vice President

TRACTEBEL FINANCE US, INC.
BALANCE SHEETS

unaudited (in thousands)	6/30/2010	12/31/2009
ASSETS		
CURRENT ASSETS:		
Cash	$ 29	$ 36
Due from affiliates	8,199	13,437
Notes receivable from affiliates	157,067	328,945
Deferred tax asset	1,674	1,145
Derivative assets:		
Third party	7,582	45,999
Affiliates	17,553	16,501
Total current assets	192,104	406,063
NOTES RECEIVABLE FROM AFFILIATES	1,164,255	1,297,655
DERIVATIVE ASSETS:		
Third party		19,851
Affiliates	21,938	15,472
TOTAL ASSETS	**$ 1,378,297**	**$ 1,739,041**
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 879	$ 6,997
Due to affiliates	6,642	4,700
Notes payable to affiliates	95,708	184,886
Notes payable to third party	61,355	144,060
Provision for tax contingency	3,201	3,201
Derivative Liabilities -affiliates	21,640	61,065
Total current liabilities	189,425	404,909
LONG-TERM DEBT		72,030
NOTES PAYABLE TO AFFILIATES	1,164,255	1,225,625
DEFERRED TAXES	1,288	1,288
DERIVATIVE LIABILITIES -Affiliates	21,938	31,826
Total liabilities	1,376,906	1,735,678
STOCKHOLDER'S EQUITY:		
Common stock, $1 par value—1000 shares authorized, issued, and outstanding	1	1
Retained earnings	1,390	3,362
Total stockholder's equity	1,391	3,363
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$ 1,378,297**	**$ 1,739,041**

TRACTEBEL FINANCE US, INC.

STATEMENTS OF INCOME
YTD
unaudited (in thousands)

	6/30/2010
REVENUES—Interest and guarantee income—related party	57,622
COSTS AND EXPENSES—Interest and guarantee expense	(57,622)
NET INCOME BEFORE TAX PROVISION	-
FOREIGN CURRENCY EXCHANGE GAIN (LOSS)	(1,435)
INCOME TAX BENEFIT	529
NET INCOME (LOSS)	(906)

TRACTEBEL FINANCE US, INC.

STATEMENTS OF CASH FLOWS
YTD
unaudited (in thousands)

	6/30/2010
CASH FLOW FROM OPERATING ACTIVITIES:	
Net income (loss)	(906)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:	
Changes in assets and liabilities that provided (used) cash:	
Realized loss on derivatives	1,435
Deferred tax benefit	(529)
Due from affiliates	5,238
Due to affiliates	1,942
Accounts payable and accrued expenses	(6,121)
Net cash provided by (used in) operating activities	1,059
CASH FLOW PROVIDED BY (USED IN) INVESTING ACTIVITIES:	
Proceeds of note receivable -related party	(14,254)
Collection of note receivable -related party	149,950
Collection of note receivable -related party	99,675
Net cash provided by (used in) investing activities	235,371
CASH FLOW PROVIDED BY (USED IN) FINANCING ACTIVITIES:	
Dividend distribution	(1,066)
Proceeds of debt (including related party)	14,254
Repayments of debt (including related party)	(249,625)
Net cash provided by (used in) financing activities	(236,437)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7)
CASH AND CASH EQUIVALENTS—Beginning of the year	36
CASH AND CASH EQUIVALENTS—End of the period	29