

PPL Energy Supply, LLC Announces Private Debt Exchange Offer for Outstanding Bonds of its Subsidiary PPL Ironwood, LLC

ALLENTOWN, Pa., Nov. 15, 2012 [/PRNewswire/](#) -- PPL Energy Supply, LLC (the "Company") announced today the commencement of a private offer to exchange up to all but not less than a majority of 8.857% Senior Secured Bonds due 2025 of its wholly owned subsidiary PPL Ironwood, LLC (CUSIP No. 00103XAC7) (the "Ironwood Bonds") for 2.375% Senior Notes due 2017 of the Company (the "New Notes") to be issued in a private placement by the Company.

The Ironwood Bonds exchanged in connection with the exchange offer will be retired and cancelled and will not be reissued.

For each \$1,000 principal amount of Ironwood Bonds tendered prior to or on the Early Tender Time (as defined below) and accepted for exchange, PPL Energy Supply will pay the total consideration (the "Total Consideration") of \$1,190 per \$1,000 principal amount remaining payable on the Ironwood Bonds outstanding at the Expiration Date to be paid in New Notes. For each \$1,000 principal amount of Ironwood Bonds tendered after the Early Tender Time and accepted for exchange, PPL Energy Supply will pay the exchange consideration (the "Exchange Consideration") of \$1,140 per \$1,000 principal amount remaining payable on the Ironwood Bonds outstanding at the Expiration Date to be paid in New Notes.

In conjunction with the exchange offer, the Company is soliciting from holders of the Ironwood Bonds consents to certain proposed amendments to the Ironwood Bonds, the indenture governing the Ironwood Bonds and the Collateral Agency and Intercreditor Agreement among the Company and the trustee, collateral agent and depositary bank thereto. The proposed amendments would, among other things, eliminate substantially all of the restrictive covenants pertaining to the Ironwood Bonds and certain provisions relating to the operation and financing of the facilities operated by Ironwood.

The exchange offer and consent solicitation are subject to certain conditions, including the requirement that the Company receives valid tenders, not validly withdrawn, of a majority of the outstanding Ironwood Bonds in exchange for the New Notes, the issuance of a minimum principal amount of New Notes, and the delivery of the requisite amount of consents.

The exchange offer will expire at 11:59 p.m., New York City time, on December 13, 2012, unless extended or earlier terminated (the "Expiration Time"). Holders of Ironwood Bonds that properly tender and do not validly withdraw their Ironwood Bonds prior to or on the Early Tender Time, which is 5:00 p.m., New York City time, on November 29, 2012, unless extended, and whose Ironwood Bonds are accepted for exchange will receive the Total Consideration as described above. Holders of Ironwood Bonds who properly tender their Ironwood Bonds after the Early Tender Time and on or before the Expiration Time and whose Ironwood Bonds are accepted for exchange will receive the Exchange Consideration as described above. In addition, accrued and unpaid interest up to, but not including, the settlement date will be paid in cash on all properly tendered and accepted Ironwood Bonds.

The exchange offer is being made within the United States only to "qualified institutional buyers" pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. investors pursuant to Regulation S under the Securities Act. The New Notes to be offered have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy Ironwood Bonds or New Notes in any jurisdiction in which such an offer or sale would be unlawful.

The Company's obligation to accept any Ironwood Bonds tendered and to pay the applicable consideration for them is set forth solely in the Confidential Offering Memorandum (the "Offering Memorandum") relating to the exchange offer and consent solicitation and the accompanying Letter of Transmittal and Consent. Documents relating to the exchange offers will only be distributed to holders of Ironwood Bonds who complete a letter of

eligibility confirming that they are within the category of eligible holders for the exchange offer. Copies of the eligibility letter are available to holders of the Ironwood Bonds through the information agent, D.F. King & Co, Inc., at (800) 714-3313 (toll free) or (212) 269-5550 (collect) or visit their website for this purpose at <http://www.dfking.com/ppl>. The exchange offer is made only by, and pursuant to, the terms set forth in the Offering Memorandum, and the information in this press release is qualified by reference to the Offering Memorandum and the accompanying Letter of Transmittal and Consent. Subject to applicable law, the Company may amend, extend or terminate the exchange offer and the consent solicitation.

About the Company

PPL Energy Supply, formed in 2000 and headquartered in Allentown, Pennsylvania, is an energy company engaged through its subsidiaries in the generation and marketing of electricity, primarily in the northeastern and northwestern power markets of the United States. PPL Energy Supply's major operating subsidiaries are PPL Generation and PPL EnergyPlus. PPL Energy Supply is an indirect wholly owned subsidiary of PPL Corporation, a Pennsylvania corporation.

Forward-Looking Statements

Certain statements included in this press release, including statements concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical fact are "forward-looking statements" within the meaning of the federal securities laws. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in the "Risk Factors" section in the Offering Memorandum and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, the following are among the important factors that could cause actual results to differ materially from the forward-looking statements: fuel supply cost and availability; weather conditions affecting generation, customer energy use and operating costs; operation, availability and operating costs of existing generation facilities; the length and cost of scheduled and unscheduled outages at our generating facilities; transmission and distribution system conditions and operating costs; potential expansion of alternative sources of electricity generation; potential laws or regulations to reduce emissions of "greenhouse" gases or the physical effects of climate change; collective labor bargaining negotiations; the outcome of litigation against us; potential effects of threatened or actual terrorism, war or other hostilities, cyber-based intrusions or natural disasters; our commitments and liabilities and those of our subsidiaries; market demand and prices for energy, capacity, transmission services, emission allowances, renewable energy credits and delivered fuel; competition in retail and wholesale power and natural gas markets; liquidity of wholesale power markets; defaults by counterparties under energy, fuel or other power product contracts; market prices of commodity inputs for ongoing capital expenditures; capital market conditions, including the availability of capital or credit, changes in interest rates and certain economic indices, and decisions regarding capital structure; stock price performance of PPL Corporation, our parent; volatility in the fair value of debt and equity securities and its impact on the value of assets in PPL Susquehanna's nuclear plant decommissioning trust funds and in defined benefit plans, and the potential cash funding requirements if fair value declines; interest rates and their effect on pension, retiree medical, and nuclear decommissioning liabilities, and interest payable on certain debt securities; volatility in or the impact of other changes in financial or commodity markets and economic conditions; profitability and liquidity, including access to capital markets and credit facilities; new accounting requirements or new interpretations or applications of existing requirements; changes in securities and credit ratings; current and future environmental conditions, regulations and other requirements and the related costs of compliance, including environmental capital expenditures, emission allowance costs and other expenses; legal, regulatory, political, market or other reactions to the 2011 incident at the nuclear generating facility at Fukushima, Japan, including additional Nuclear Regulatory Commission requirements; political, regulatory or economic conditions in states, regions or countries where we and our subsidiaries conduct business; receipt of necessary governmental permits, approvals and rate relief; new state, federal or foreign legislation, including new tax, environmental, healthcare or pension-related legislation; state, federal or foreign regulatory developments; the impact of any state, federal or foreign investigations applicable to us and the energy industry; the effect of any business or industry restructuring; development of new projects, markets and technologies; performance of new ventures; and business dispositions or acquisitions and our ability to successfully operate such acquired businesses and realize expected benefits from business acquisitions. Any such forward-looking statements should be considered in light of such important factors and in conjunction with other documents we file with the Securities and Exchange Commission. New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made and, except as required by applicable law, we undertake no obligation to update the information contained in such statement to reflect subsequent

developments or information.

SOURCE PPL Energy Supply

For further information: For news media: George C. Lewis, +1-610-774-5997; For financial analysts: Joseph P. Bergstein; +1-610-774-5609, both of PPL Corporation

<https://news.pplweb.com/news-releases?item=135600>