

VIENNA POWER LLC
Form POSASR
November 09, 2006

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As filed with the Securities and Exchange Commission on November 8, 2006

No. 333-130549

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Post-Effective
Amendment No. 1 to
FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

NRG Energy, Inc.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of Incorporation
or organization)

41-1724239

(I.R.S. Employer Identification No.)

**221 Carnegie Center
Princeton, New Jersey 08540
(609) 524-4500**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Timothy W.J. O'Brien
Vice President and General Counsel
NRG Energy, Inc.
211 Carnegie Center
Princeton, NJ 08540
Tel.: (609) 524-4500
Fax: (609) 524-4589**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

SEE TABLE OF ADDITIONAL REGISTRANTS

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Table of Contents**TABLE OF ADDITIONAL REGISTRANTS**

Name of Subsidiary	Jurisdiction of Formation	I.R.S. Employer Identification Number
Arthur Kill Power LLC	Delaware	41-1937649
Astoria Gas Turbine Power LLC	Delaware	41-1937470
Berrians I Gas Turbine Power LLC	Delaware	41-2008755
Big Cajun II Unit 4 LLC	Delaware	41-2018822
Cabrillo Power I LLC	Delaware	76-0595964
Cabrillo Power II LLC	Delaware	76-0595963
Chickahominy River Energy Corp.	Virginia	13-3469941
Commonwealth Atlantic Power LLC	Delaware	41-2013264
Conemaugh Power LLC	Delaware	41-1973743
Connecticut Jet Power LLC	Delaware	41-1949386
Devon Power LLC	Delaware	41-1949385
Dunkirk Power LLC	Delaware	41-1937466
Eastern Sierra Energy Company	California	33-0299028
El Segundo Power, LLC	Delaware	41-1893999
El Segundo Power II, LLC	Delaware	76-0663675
GCP Funding Company, LLC	Delaware	02-0732615
Hanover Energy Company	California	33-0334380
Hoffman Summit Wind Project, LLC	California	20-5821818
Huntley IGCC LLC	Delaware	20-5080480
Huntley Power LLC	Delaware	41-1937468
Indian River IGCC LLC	Delaware	20-5080561
Indian River Operations Inc.	Delaware	41-1973349
Indian River Power LLC	Delaware	41-1973747
James River Power LLC	Delaware	41-2013263
Kaufman Cogen LP	Delaware	76-0606757
Keystone Power LLC	Delaware	41-1973744
Lake Erie Properties Inc.	Delaware	20-5821703
Long Beach Generation LLC	Delaware	41-1899713
Louisiana Generating LLC	Delaware	41-1870498
LS Power Management LLC	Delaware	22-3601356
Middletown Power LLC	Delaware	41-1949384
Montville IGCC LLC	Delaware	20-5080863
Montville Power LLC	Delaware	41-1949383
NEO California Power LLC	Delaware	41-1986204
NEO Chester-Gen LLC	Delaware	41-1980236
NEO Corporation	Minnesota	41-1753235
NEO Freehold-Gen LLC	Delaware	41-1980237
NEO Landfill Gas Holdings Inc.	Delaware	41-1854641
NEO Montauk Genco Management LLC	Delaware	41-2014923
NEO Power Services Inc.	Delaware	23-3043507
New Genco GP, LLC	Delaware	02-0732611
New Genco LP, LLC	Delaware	02-0732614
Norwalk Power LLC	Delaware	41-1949381
NRG Affiliate Services Inc.	Delaware	41-1960764

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NRG Arthur Kill Operations Inc.	Delaware	41-1939116
NRG Asia-Pacific, Ltd.	Delaware	98-0138856
NRG Astoria Gas Turbine Operations Inc.	Delaware	41-1939115
NRG Bayou Cove LLC	Delaware	41-2016940
NRG Cabrillo Power Operations Inc.	Delaware	41-1938132
NRG Cadillac Operations Inc.	Delaware	41-1910726
NRG California Peaker Operations LLC	Delaware	20-0088453
NRG Connecticut Affiliate Services Inc.	Delaware	41-1952333
NRG Devon Operations Inc.	Delaware	41-1950239
NRG Development Company Inc.	Delaware	41-1959656
NRG Dunkirk Operations Inc.	Delaware	41-1939114
NRG El Segundo Operations Inc.	Delaware	41-1929997
NRG Generation Holdings, Inc.	Delaware	20-1911335
NRG Huntley Operations Inc.	Delaware	41-1939118
NRG International LLC	Delaware	41-1744096
NRG International II Inc.	Delaware	41-1893527
NRG International III Inc.	Delaware	41-1988391
NRG Latin America Inc.	Delaware	41-1910733
NRG Kaufman LLC	Delaware	74-2982419
NRG Marketing Services LLC	Delaware	74-2982421
NRG Mesquite LLC	Delaware	74-2982421

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Name of Subsidiary	Jurisdiction of Formation	I.R.S. Employer Identification Number
NRG MidAtlantic Affiliate Services Inc.	Delaware	41-1996587
NRG Middletown Operations Inc.	Delaware	41-1950236
NRG Montville Operations Inc.	Delaware	41-1950237
NRG New Jersey Energy Sales LLC	Delaware	03-0412726
NRG New Roads Holdings LLC	Delaware	41-1968966
NRG North Central Operations Inc.	Delaware	41-2004025
NRG Northeast Affiliate Services Inc.	Delaware	41-1940300
NRG Norwalk Harbor Operations Inc.	Delaware	41-1950238
NRG Operating Services, Inc.	Delaware	41-1744095
NRG Oswego Harbor Power Operations Inc.	Delaware	41-1939117
NRG Power Marketing Inc.	Delaware	41-1910737
NRG Rocky Road LLC	Delaware	41-1959448
NRG Saguario Operations Inc.	Delaware	41-2013262
NRG Services Corporation	Delaware	41-1841627
NRG South Central Affiliate Services Inc.	Delaware	41-1996193
NRG South Central Generating LLC	Delaware	41-1963217
NRG South Central Operations Inc.	Delaware	41-2002465
NRG South Texas LP	Texas	30-0083668
NRG Texas LLC	Delaware	20-1504355
NRG Texas LP	Texas	34-2019301
NRG West Coast LLC	Delaware	41-1942517
NRG Western Affiliate Services Inc.	Delaware	41-1949168
Oswego Harbor Power LLC	Delaware	41-1937465
Padoma Wind Power, LLC	California	33-0973091
Saguario Power LLC	Delaware	41-2013654
San Juan Mesa Wind Project II, LLC	Delaware	20-3994621
Somerset Operations Inc.	Delaware	41-1923722
Somerset Power LLC	Delaware	41-1924606
Texas Genco Financing Corp.	Delaware	27-0110393
Texas Genco GP, LLC	Texas	75-3013803
Texas Genco Holdings, Inc.	Texas	76-0695920
Texas Genco LP, LLC	Delaware	30-0381697
Texas Genco Operating Services, LLC	Delaware	75-3172707
Texas Genco Services, LP	Texas	38-3694336
Vienna Operations Inc.	Delaware	41-1973351
Vienna Power LLC	Delaware	41-1973745
WCP (Generation) Holdings LLC	Delaware	74-2922374
West Coast Power LLC	Delaware	36-4301246

EXPLANATORY NOTE

This Post-Effective Amendment No. 1 to the Registration Statement on Form S-3 (Commission File No. 333-130549) (the Registration Statement) of NRG Energy, Inc. and certain of its subsidiaries is being filed for the purpose of adding additional registrants to the Table of Additional Registrants. No changes or additions are being made hereby to the base prospectus that already forms a part of the Registration Statement. Accordingly, such base prospectus is being omitted from this filing.

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PART II
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Item 14. Other Expenses of Issuance and Distribution

The following table sets forth the estimated expenses to be incurred in connection with the issuance and distribution of the securities being registered, other than underwriting discounts and commissions, to be paid by the Registrant.

	Amount to be Paid
SEC registration fee	*
Legal fees and expenses	\$ 1,000,000
Accounting fees and expenses	300,000
Stock exchange listing fees	150,000
Blue sky fees	10,000
Printing fees	200,000
Rating agency fees	1,500,000
Trustee s fees and expenses	50,000
Miscellaneous	100,000
Total	\$ 3,310,000

* Deferred in accordance with Rule 456(b) and 457(r) of the Securities Act of 1933, as amended, except for \$749,697 which has already been paid with respect to prior offerings pursuant to this Registration Statement.

Item 15. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law, or DGCL, authorizes a corporation, subject to the procedures and limitations stated therein, to indemnify its directors, officers, employees and agents against expenses, including attorneys fees, judgments, fines and amounts paid in settlement reasonably incurred provided they act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, although in the case of proceedings brought by or on behalf of the corporation, indemnification is limited to expenses and is not permitted if the individual is adjudged liable to the corporation, unless the court determines otherwise. The statute provides that indemnification pursuant to its provisions is not exclusive of other rights of indemnification to which a person may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Article NINE of our Amended and Restated Certificate of Incorporation provides for the limitation of liability of directors and for the indemnification of directors and officers. Article NINE states that to the fullest extent

permitted by the DGCL, and except as otherwise provided in our Amended and Restated By-laws, (i) no director of the Company shall be liable to the Company or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Company or its stockholders; and (ii) the Company shall indemnify its officers and directors.

Set forth below are material provisions of Article FIVE of our by-laws that authorize the indemnification of directors and officers:

Section 1 of Article FIVE provides that our directors and officers shall be indemnified and held harmless by the Company to the fullest extent authorized by the DGCL. In addition, this right of indemnification continues to persons who have ceased to be our directors or officers and to his or her heirs, executors and administrators; provided, however, that, except with respect to proceedings to enforce rights to indemnification, the Company shall not indemnify any such indemnitee in connection with a proceeding initiated by such indemnitee except to the extent such proceeding was authorized in writing by the board of directors of the Company.

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Section 3 of Article FIVE provides that the Company may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee or agent of the Company against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the Company would have the power to indemnify such person against such expenses, liability or loss under the DGCL.

Section 5 of Article FIVE provides that the rights to indemnification conferred in Article FIVE of our by-laws and in our certificate of incorporation shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Item 16. Exhibits

See the attached Exhibit Index.

Item 17. Undertakings

The undersigned Registrants hereby undertake:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended;
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, as amended, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933, as amended, to any purchaser:
 - (i) Each prospectus filed by a Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
 - (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of

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the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

- (5) That, for the purpose of determining liability of a Registrant under the Securities Act of 1933, as amended, to any purchaser in the initial distribution of the securities, the undersigned Registrants undertake that in a primary offering of securities of the undersigned Registrants pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrants will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) Any preliminary prospectus or prospectus of an undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of an undersigned Registrant or used or referred to by an undersigned Registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about an undersigned Registrant or its securities provided by or on behalf of an undersigned Registrant; and
 - (iv) Any other communication that is an offer in the offering made by an undersigned Registrant to the purchaser.
- (6) That, for purposes of determining any liability under the Securities Act of 1933, as amended, each filing of NRG Energy, Inc.'s annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934, as amended) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (7) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(6)(2) of the Trust Indenture Act.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of each Registrant pursuant to the foregoing provisions, or otherwise, each Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a Registrant of expenses incurred or paid by a director, officer or controlling person of a Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, that Registrant will, unless in the opinion of its counsel it has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the

Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on the 6th day of November, 2006.

NRG Energy, Inc.

By: /s/ David Crane
David Crane
President and Chief Executive Officer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on November 6, 2006:

Signature	Title
*	President, Chief Executive Officer and Director (Principal Executive Officer)
David Crane	
*	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Robert C. Flexon	
*	Director
John F. Chlebowski	
*	Director
Lawrence S. Coben	
*	Director (Chairman of the Board)
Howard E. Cosgrove	
*	Director
Stephen L. Cropper	
*	Director
Maureen Miskovic	
*	Director
Anne C. Schaumburg	

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* Director

Herbert H. Tate

* Director

Thomas H. Weidemeyer

* Director

Walter R. Young

/s/ William Hantke Director

William Hantke

/s/ Paul Hobby Director

Paul Hobby

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

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POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Arthur Kill Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

ARTHUR KILL POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

David Crane

President and Chief Executive Officer of
NRG Energy, Inc.
(principal executive officer)

*

Robert C. Flexon

Executive Vice President and
Chief Financial Officer of NRG Energy, Inc.
(principal financial officer)

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Astoria Gas Turbine Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

ASTORIA GAS TURBINE POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Berrians I Gas Turbine Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

BERRIANS I GAS TURBINE POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of NRG Energy,nc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Big Cajun II Unit 4 LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

BIG CAJUN II UNIT 4 LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of
NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG SOUTH CENTRAL GENERATING LLC

Sole Member

By: *

John P. Brewster
Vice President

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Cabrillo Power I, LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

CABRILLO POWER I, LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

/s/ David Crane

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

/s/ Robert C. Flexon

Executive Vice President and Chief Financial Officer
of

Robert C. Flexon

NRG Energy, Inc. (principal financial officer)

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

WEST COAST POWER LLC

Sole Member

By: /s/ Clint Freeland

Clint Freeland
Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Cabrillo Power II, LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

CABRILLO POWER II, LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

/s/ David Crane

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

/s/ Robert C. Flexon

Executive Vice President and Chief Financial Officer
of

Robert C. Flexon

NRG Energy, Inc. (principal financial officer)

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

WEST COAST POWER LLC

Sole Member

By: /s/ Clint Freeland

Clint Freeland
Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Chickahominy River Energy Corp., a Virginia corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

CHICKAHOMINY RIVER ENERGY
CORP.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of

Robert C. Flexon

NRG Energy, Inc. (principal financial officer)

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

/s/ Robert Martin Henry

Director

Robert Martin Henry

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Commonwealth Atlantic Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

COMMONWEALTH ATLANTIC POWER
LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of NRG
Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of

NRG Energy, Inc. (principal financial officer)
Sole Member

Robert C. Flexon

NRG ENERGY, INC.

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Conemaugh Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

CONEMAUGH POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Connecticut Jet Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

CONNECTICUT JET POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of
NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Devon Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

DEVON POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Dunkirk Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

DUNKIRK POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Eastern Sierra Energy Company, a California corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

EASTERN SIERRA ENERGY COMPANY

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
David Crane	
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
*	Director
David Lloyd	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

/s/ M. Stephen Hoffman	Director
------------------------	----------

M. Stephen Hoffman

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, El Segundo Power, LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

EL SEGUNDO POWER, LLC

By: /s/ Clint Freeland
 Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
<p>/s/ David Crane David Crane</p>	<p>President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)</p>
<p>/s/ Robert C. Flexon Robert C. Flexon</p>	<p>Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)</p>
<p>/s/ Carolyn Burke Carolyn Burke</p>	<p>Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)</p>

WEST COAST POWER LLC Sole Member

By: /s/ Clint Freeland

Clint Freeland
Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, El Segundo Power II, LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

EL SEGUNDO POWER II, LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
/s/ David Crane David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
/s/ Robert C. Flexon Robert C. Flexon	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
/s/ Carolyn Burke Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)

WEST COAST POWER LLC Sole Member

By: /s/ Clint Freeland

Clint Freeland
Vice President and Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, GCP Funding Company, LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

GCP FUNDING COMPANY, LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

/s/ David Crane

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

/s/ Robert C. Flexon

Executive Vice President and Chief Financial Officer
of

Robert C. Flexon

NRG Energy, Inc. (principal financial officer)

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.

Carolyn Burke

(Principal Accounting Officer)

NRG TEXAS LLC

Sole Member

By: /s/ Clint Freeland

Clint Freeland
Vice President and Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Hanover Energy Company, a California corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

HANOVER ENERGY COMPANY

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

/s/ Robert Martin Henry

Director

Robert Martin Henry

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Hoffman Summit Wind Project, LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

HOFFMAN SUMMIT WIND PROJECT,
LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
/s/ David Crane David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
/s/ Robert C. Flexon Robert C. Flexon	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
/s/ Carolyn Burke Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
PADOMA WIND POWER, LLC	Sole Member

By: /s/ Clint Freeland

Clint Freeland
Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Huntley IGCC LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

HUNTLEY IGCC LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
/s/ David Crane David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
/s/ Robert C. Flexon Robert C. Flexon	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
/s/ Carolyn Burke Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)

NRG ENERGY, INC.

Sole Member

By: /s/ Clint Freeland

Clint Freeland
Vice President and Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Huntley Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

HUNTLEY POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of
NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Indian River IGCC LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

INDIAN RIVER IGCC LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
/s/ David Crane David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
/s/ Robert C. Flexon Robert C. Flexon	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
/s/ Carolyn Burke Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)

NRG ENERGY, INC. Sole Member

By: /s/ Clint Freeland

Clint Freeland
Vice President and Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Indian River Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

INDIAN RIVER OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
David Crane	
*	Executive Vice President and Chief Financial Officer of
Robert C. Flexon	NRG Energy, Inc. (principal financial officer)
*	Sole Director
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Indian River Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

INDIAN RIVER POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of
NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, James River Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

JAMES RIVER POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of
NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

Robert M. Henry
President

By: *

Robert M. Henry
*Sole Management Committee
Member*

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act

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and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Kaufman Cogen, LP, a Delaware limited partnership, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

KAUFMAN COGEN, LP

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of
NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG KAUFMAN LLC

General Partner

By: *

Robert M. Henry
Vice President

NRG ENERGY, INC.

Sole Member of the General Partner

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she

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might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Keystone Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

KEYSTONE POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of
NRG Energy, Inc. (principal executive officer)

David Crane

*

Executive Vice President and Chief Financial Officer
of
NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NRG ENERGY, INC.

Sole Member

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Lake Erie Properties Inc., a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

LAKE ERIE PROPERTIES INC.

By: /s/ Clint Freeland
 Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
<p>/s/ David Crane</p> <p>David Crane</p>	<p>President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)</p>
<p>/s/ Robert C. Flexon</p> <p>Robert C. Flexon</p>	<p>Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)</p>
<p>/s/ Carolyn Burke</p> <p>Carolyn Burke</p>	<p>Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)</p>
<p>/s/ Gerald F. Pittman</p> <p>Gerald F. Pittman</p>	<p>Sole Director</p>
<p>NRG ENERGY, INC.</p>	<p>Sole Shareholder</p>

By: /s/ Gerald F. Pittman

Gerald F. Pittman
Sole Director

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Long Beach Generation LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

LONG BEACH GENERATION LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
/s/ David Crane David Crane /s/ Robert C. Flexon Robert C. Flexon /s/ Carolyn Burke Carolyn Burke WEST COAST POWER LLC	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer) Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer) Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer) Sole Member

By: /s/ Clint Freeland

Clint Freeland
Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Louisiana Generating LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

LOUISIANA GENERATING LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
NRG SOUTH CENTRAL GENERATING LLC	Sole Member

By: *

John P. Brewster
Vice President

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, LS Power Management LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

LS POWER MANAGEMENT LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY INC.	
By: *	
Timothy W.J. O'Brien	
Vice President and General Counsel	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Middletown Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

MIDDLETOWN POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY, INC.	

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Montville IGCC LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

MONTVILLE IGCC LLC

By: /s/ Clint Freeland
 Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
<p>/s/ David Crane</p> <p>David Crane</p>	<p>President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)</p>
<p>/s/ Robert C. Flexon</p> <p>Robert C. Flexon</p>	<p>Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)</p>
<p>/s/ Carolyn Burke</p> <p>Carolyn Burke</p>	<p>Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)</p>
<p>NRG ENERGY, INC.</p>	<p>Sole Member</p>

By: /s/ Clint Freeland

Clint Freeland
Vice President and Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Montville Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

MONTVILLE POWER LLC

By: /s/ Clint Freeland
 Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY, INC.	

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
 (Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NEO California Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NEO CALIFORNIA POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NEO CORPORATION	

By: *

Clint Freeland
Treasurer

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NEO Chester-Gen LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NEO CHESTER-GEN LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NEO CORPORATION	
By: *	
Clint Freeland <i>Treasurer</i>	
*	<i>Sole Director</i>
Robert M. Henry	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

Edgar Filing: VIENNA POWER LLC - Form POSASR

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NEO Corporation, a Minnesota corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NEO CORPORATION

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
* David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
* Robert C. Flexon	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
* Robert M. Henry	Sole Director

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NEO Freehold-Gen LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NEO FREEHOLD-GEN LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

David Crane

*

Robert C. Flexon
NEO CORPORATION

President and Chief Executive Officer of NRG Energy,
Inc.
(principal executive officer)
Executive Vice President and Chief Financial Officer of
NRG Energy, Inc. (principal financial officer)

Sole Member

By: *

Clint Freeland
Treasurer

*

Robert M. Henry

Sole Director

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

Edgar Filing: VIENNA POWER LLC - Form POSASR

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NEO Landfill Gas Holdings Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NEO LANDFILL GAS HOLDINGS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	
/s/ Robert Martin Henry	Director
Robert Martin Henry	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NEO Montauk Genco Management LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NEO-MONTAUK GENCO
MANAGEMENT LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature

Title

*

President and Chief Executive Officer of NRG Energy, Inc.

David Crane

(principal executive officer)

*

Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)

Robert C. Flexon

NEO CORPORATION

By: *

Sole Member

Robert M. Henry
Vice President

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NEO Power Services Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NEO POWER SERVICES INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	
/s/ Robert Martin Henry	Director
Robert Martin Henry	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, New Genco GP, LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NEW GENCO LP, LLC

By: /s/ Clint Freeland
 Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
/s/ David Crane David Crane /s/ Robert C. Flexon Robert C. Flexon /s/ Carolyn Burke Carolyn Burke NRG TEXAS LLC	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer) Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer) Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer) Sole Member

By: /s/ Clint Freeland

Clint Freeland
Vice President and Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, New Genco LP, LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NEW GENCO LP, LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
/s/ David Crane	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
/s/ Robert C. Flexon	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	
NRG TEXAS LLC	Sole Member

By: /s/ Clint Freeland

Clint Freeland
Vice President and Treasurer

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Norwalk Power LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NORWALK POWER LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY, INC.	

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Affiliate Services Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG AFFILIATE SERVICES INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
*	Sole Director
Denise Wilson	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Arthur Kill Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG ARTHUR KILL OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Director
*	
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Asia-Pacific, Ltd., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG ASIA-PACIFIC, LTD.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
*	Director
John P. Brewster	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Astoria Gas Turbine Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG ASTORIA GAS TURBINE OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Director
*	
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Bayou Cove LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG BAYOU COVE LLC

By: /s/ Clint Freeland
 Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
NRG SOUTH CENTRAL GENERATING LLC	Sole Member

By: *

John P. Brewster
Vice President

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Cabrillo Power Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG CABRILLO POWER OPERATIONS
INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
*	Sole Director
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Cadillac Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG CADILLAC OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Director
*	
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG California Peaker Operations LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG CALIFORNIA PEAKER
OPERATIONS LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon NRG OPERATING SERVICES, INC	Sole Member

By: *

Christine A. Jacobs
President

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke
Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Connecticut Affiliate Services Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG CONNECTICUT AFFILIATE
SERVICES INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
*	Sole Director
Denise Wilson	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Devon Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG DEVON OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Director
*	
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Development Company Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG DEVELOPMENT COMPANY INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY INC.	

By: *

Timothy W.J. O Brien
Vice President and General Counsel

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Dunkirk Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG DUNKIRK OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
* David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
* Robert C. Flexon	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
* Christine A. Jacobs	Sole Director

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke
Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG El Segundo Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG EL SEGUNDO OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Director
*	
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Generation Holdings, Inc., a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG GENERATION HOLDINGS, INC.

By: /s/ Clint Freeland
 Clint Freeland
Treasurer

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
<p>/s/ David Crane</p> <p>David Crane</p>	<p>President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)</p>
<p>/s/ Robert C. Flexon</p> <p>Robert C. Flexon</p>	<p>Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)</p>
<p>/s/ Carolyn Burke</p> <p>Carolyn Burke</p>	<p>Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)</p>
<p>/s/ Steve Winn</p> <p>Steve Winn</p>	<p>Director</p>
<p>/s/ Eddy Daniels</p> <p>Eddy Daniels</p>	<p>Director</p>
<p>NRG ENERGY, INC.</p>	<p>Sole Shareholder</p>

By: /s/ Eddy Daniels

Eddy Daniels
 Director

By: /s/ Steven Winn

Steven Winn
Director

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Huntley Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG HUNTLEY OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
* David Crane *	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
Robert C. Flexon *	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Christine A. Jacobs	Sole Director

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG International LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG INTERNATIONAL LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY, INC.	

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG International II Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG INTERNATIONAL II INC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	
David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon NRG INTERNATIONAL, LLC	Sole Member

By: *

Robert M. Henry
President

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke
Carolyn Burke
Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG International III Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG INTERNATIONAL III INC

By: /s/ Clint Freeland
 Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
NRG INTERNATIONAL, LLC	Sole Member

By: *

Robert M. Henry
President

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Latin America Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG LATIN AMERICA INC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	
David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
*	
Robert C. Flexon NRG ENERGY, INC.	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer) Sole Member
By: *	
Timothy W.J. O'Brien <i>Vice President and General Counsel</i>	

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Kaufman LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG KAUFMAN LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY, INC.	

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Marketing Services LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG MARKETING SERVICES LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY, INC.	
By: *	
Timothy W.J. O'Brien	
<i>Vice President and General Counsel</i>	

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Mesquite LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG MESQUITE LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY, INC.	

By: *

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG MidAtlantic Affiliate Services Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG MIDATLANTIC AFFILIATE
SERVICES INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
*	Sole Director
Denise Wilson	

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG MidAtlantic Generating LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG MIDATLANTIC GENERATING LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY, INC.	

By: *

David Crane
President, Chief Executive
Officer and Director

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Middletown Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG MIDDLETOWN OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Director
*	
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Montville Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG MONTVILLE OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
* David Crane *	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
Robert C. Flexon *	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Christine A. Jacobs	Sole Director

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke
Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG New Jersey Energy Sales LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG NEW JERSEY ENERGY SALES LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG POWER MARKETING, INC	

By: *

Shiran Kochavi
Secretary

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG New Roads Holdings LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG NEW ROADS HOLDINGS LLC

By: /s/ Clint Freeland
 Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
NRG SOUTH CENTRAL GENERATING LLC	Sole Member

By: *

John P. Brewster
Vice President

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG North Central Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG NORTH CENTRAL OPERATIONS
INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
*	Sole Director
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Northeast Affiliate Services Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG NORTHEAST AFFILIATE SERVICES
INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
* David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
* Robert C. Flexon	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
* Denise Wilson	Sole Director

*By: /s/ Tanuja M. Dehne

Tanjuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke
Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Northeast Generating LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG NORTHEAST GENERATING LLC

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Member
NRG ENERGY, INC.	

By: *

David Crane
President, Chief Executive
Officer and Director

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Norwalk Harbor Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG NORWALK HARBOR OPERATIONS
INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	
*	Sole Director
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke

Vice President and Controller of NRG Energy, Inc.
(Principal Accounting Officer)

Carolyn Burke

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Operating Services, Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG OPERATING SERVICES INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Director
*	
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Oswego Harbor Power Operations Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG OSWEGO HARBOR POWER OPERATIONS INC.

By: /s/ Clint Freeland
Clint Freeland
Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
*	President and Chief Executive Officer of NRG Energy, Inc.
David Crane	(principal executive officer)
*	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
Robert C. Flexon	Sole Director
*	
Christine A. Jacobs	

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, NRG Power Marketing Inc., a Delaware corporation, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

NRG POWER MARKETING INC.

By: /s/ Clint Freeland
Clint Freeland
Vice President and Treasurer

* * * * *

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 6, 2006.

Signature	Title
* David Crane	President and Chief Executive Officer of NRG Energy, Inc. (principal executive officer)
* Robert C. Flexon	Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (principal financial officer)
* Kevin T. Howell	Sole Director

*By: /s/ Tanuja M. Dehne

Tanuja M. Dehne
Attorney-in-fact

POWER OF ATTORNEY

The individuals whose signatures appear below constitute and appoint David Crane, Timothy W.J. O'Brien and Tanuja M. Dehne, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

/s/ Carolyn Burke	Vice President and Controller of NRG Energy, Inc. (Principal Accounting Officer)
Carolyn Burke	

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, NRG Rocky Road LLC, a Delaware limited liability company, has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on November 6, 2006.

2,118

(Loss) income before minority interest, income taxes and discontinued operations	(2,510)	(10,457)	(9,621)	94,285	(12,550)
Minority interest in loss (income) of consolidated subsidiaries	--	--	--	(3,551)	88
Benefits from (provision for) income taxes	1,738	2,279	3,326	(32,367)	15,332
Discontinued operations, net of tax	--	--	4,907	(2,004)	(1,819)
Net (loss) income	\$ (772)	\$ (8,178)	\$ (1,388)	\$ 56,363	\$ 1,051
Per share financial data					
Operating revenues	\$ 1.02	\$ 0.48	\$ 0.10	\$ 0.06	\$ 0.05
Loss from continuing operations	(0.16)	(0.43)	(0.41)	(0.71)	(0.79)
Other income & expenses	0.06	(0.05)	--	5.32	0.11
(Loss) income before minority interest, income taxes and discontinued operations	(0.09)	(0.48)	(0.41)	4.61	(0.68)
Minority interest in loss (income) of consolidated subsidiaries	--	--	--	(0.17)	--
Benefits from (provision for) income taxes	0.06	0.11	0.14	(1.58)	0.83
Discontinued operations, net of tax	--	--	0.21	(0.10)	(0.10)
Net (loss) income per share basic	\$ (0.03)	\$ (0.38)	\$ (0.06)	\$ 2.75	\$ 0.06
Net (loss) income per share diluted	\$ (0.03)	\$ (0.38)	\$ (0.06)	\$ 2.54	\$ 0.05
Basic shares outstanding	26,763,995	21,604,959	23,274,978	20,469,846	18,461,885
Diluted shares outstanding	26,763,995	21,604,959	23,274,978	22,189,828	21,131,786

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

Forward Looking Statements

Statements in this discussion about expectations, plans and future events or conditions are forward looking statements. Actual future results, including oil and natural gas production growth, financing sources, and environmental and capital expenditures, could be materially different depending on a number of factors, such as: commodity prices, political or regulatory events, and other matters. Please see “Cautionary Statement Regarding Forward-Looking Statements” and Item 1A in this Report, which should be carefully considered in reading this section.

General Overview

U.S. Energy Corp. (“U.S. Energy” or “Company”) historically invested in mineral properties and sold them prior to placing them into production. Beginning in 2008, the Company began investing primarily in oil and gas properties and expending the amount of capital necessary to place them into production with the intent of generating recurring cash flows, revenues and net income.

The Company is now, predominantly, an oil and gas exploration and production company. Our primary objective is to acquire and develop oil and gas producing properties in the continental United States. Our business is currently focused in the Rocky Mountain region (specifically the Williston Basin of North Dakota and Montana and Anadarko Basin of Colorado), Texas, Louisiana and California, however, we do not intend to limit our focus to these geographic areas. We continue to focus on increasing production, reserves, revenue and cash flow from operations while managing our level of debt. Our liquidity and access to financing under our Senior Secured Revolving Credit Facility (see Liquidity and Capital Resources below) allows us to seek additional oil and gas opportunities in the U.S.

We currently explore for and produce oil and gas primarily through a non-operator business model; however, we expect to operate our Colorado property for our own account in 2011. As a non-operator, we rely on our operating partners to propose, permit and manage wells. Before a well is spud, the operator is required to provide all oil and gas interest owners in the designated well unit the opportunity to participate in the drilling costs and revenues of the well on a pro-rata basis. After the well is completed, our operating partners also transport, market and account for all production.

Additionally, we are involved in the exploration for and development of minerals (molybdenum) through our ownership of the Mt. Emmons project in Colorado, geothermal energy through our investment in Standard Steam Trust and commercial real estate operations. Capitalized dollar amounts invested in each of these areas at December 31, 2010 and December 31, 2009 were as follows:

	(In thousands)	
	December 31, 2010	December 31, 2009
Unproved oil and gas properties	\$ 21,620	\$ 5,361
Proved oil and gas properties	\$ 63,317	\$ 24,595
Undeveloped mining properties	\$ 21,077	\$ 21,969

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Investment in geothermal properties	\$ 2,834	\$ 2,958
Commercial real estate	\$ 23,084	\$ 24,600
	\$ 131,932	\$ 79,483

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Oil & Gas

In 2010, we recognized record revenues from oil and natural gas production of \$26.5 million, production of 448,855 BOE and oil and gas proved reserves, at December 31, 2010, of 1,954,941 BOE. The key drivers to our success for 2010 included the following:

Drilling programs. Our success is largely dependent on the results of our drilling programs. During the year ended December 31, 2010, we drilled 13 gross wells (3.33 net wells) with a success rate of 62% that was comprised of: (a) seven of seven gross wells (2.41 net wells) in the Williston Basin, and (b) one gross (0.53 net wells) of six gross wells (0.92 net wells) in the Gulf Coast and Texas drilling programs. At December 31, 2010, 6 additional gross wells (1.51 net wells) were awaiting completion (5 gross wells (1.46 net wells) in the Williston Basin and 1 gross well (0.05 net wells) in the onshore Gulf Coast area.

Reserve growth. As a result of our drilling programs discussed above, our reserves increased 80% to 1,954,941 BOE at December 31, 2010, replacing 193% of 2010 production.

Production. Our 2010 annual production of 448,855 BOE, or 1,230 BOE/d, was a record high for the Company. The 2010 production increased 173% from 2009 production of 164,396 BOE or 450 BOE/d, primarily due to production from the Williston Basin.

Financial flexibility. In July 2010, we improved our financial flexibility through establishment of a senior credit facility to borrow up to \$75 million from a syndicate of banks, financial institutions and other entities, including BNP Paribas (“BNP”). In October 2010, the Borrowing Base increased from the initial \$12.0 million to \$18.5 million as a result of a redetermination using our June 30, 2010 financial statements, production reports and a reserve report for our Williston Basin wells. See Capital Resources - BNP Paribas Reserve Lending Facility below.

Commodity prices. Our average realized oil price in 2010 was \$72.11 per Bbl (excluding the impact of our economic hedges), or \$5.89 higher than in 2009. Our average natural gas price realized during 2010 was \$4.96 per Mcf, \$0.66 per Mcf higher than the 2009 price of \$4.30. Commodity prices are affected by changes in market demand, overall economic activity, weather, pipeline capacity constraints, inventory storage levels, basis differentials and other factors. Our financial results are significantly dependent on commodity prices, particularly oil prices, which are beyond our control and have been and are expected to remain volatile.

In 2010, through our wholly-owned affiliate Energy One LLC (“Energy One”), we entered into three commodity derivative contracts (“hedges”) with BNP Paribas, a costless collar and two fixed price swaps. U.S. Energy is a guarantor of Energy One under the hedges. The objective of utilizing the hedges is to reduce the effect of price changes on a portion of our future oil production, achieve more predictable cash flows in an environment of volatile oil and gas prices and to manage our exposure to commodity price risk. The use of these derivative instruments limits the downside risk of adverse price movements. However, there is a risk that such use may limit our ability to benefit from favorable price movements. Energy One may, from time to time, add incremental derivatives to hedge additional production, restructure existing derivative contracts or enter into new transactions to modify the terms of current contracts in order to realize the current value of the its existing positions.

Other

Minerals (molybdenum). Our investment in the Mt. Emmons project in Colorado is a long term investment. In 2008, we entered into an Option Agreement with Thompson Creek Metals Company USA (“TCM”) under which TCM may acquire up to 75% ownership of the Mt. Emmons project after expending \$400 million.

Real estate. We continue to receive cash flows, revenues and net profits from our energy related multifamily housing development in northeastern Wyoming. We do not plan to build or acquire any additional multifamily housing projects.

Geothermal. We own a 22.8% interest in a geothermal limited partnership, Standard Steam Trust, LLC (“SST”). Due to the sale of two of SST’s geothermal properties in 2010, we recorded an equity gain from SST in 2010 of \$1.0 million, however, equity losses from the investment in SST are expected until such time as additional SST properties are sold, equity losses reduce the investment to zero or we sell the investment. Our net investment in this partnership at December 31, 2010 is \$2.8 million.

The principal factors affecting the Company are the success of its oil and gas exploration activities, commodity prices, drilling and completion costs, lease operating expenses, decline rates of our wells, mechanical and geological issues with our wells, the grade of mineral deposits, permitting and costs associated with exploration and development of the prospects.

Liquidity and Capital Resources

We maintained a strong liquidity position throughout the year ended December 31, 2010, notwithstanding significant investment into our oil and gas properties. The Company experienced \$12.4 million in cash flow from operations and reduced its debt while maintaining strong liquidity ratios and cash balances. The following table sets forth key liquidity measures for the year ended December 31, 2010 as compared to the year ended December 31, 2009:

	(in thousands)	
	December 31, 2010	December 31, 2009
Current ratio(1)	1.59 to 1	7.16 to 1
Working capital(2)	\$ 11,061	\$ 53,428
Total debt	\$ 600	\$ 800
Total cash and marketable securities less debt	\$ 24,617	\$ 55,840
Total stockholders' equity	\$ 130,688	\$ 129,133
Total liabilities to equity	0.19 to 1	0.14 to 1

(1)Current assets divided by current liabilities

(2)Current assets less current liabilities

Our strong working capital position and current ratio are the result of conservative investment strategies which are expected to yield revenues, cash flow and net income in the future. As of December 31, 2010, our only debt is related to the acquisition of a property near the Mt. Emmons project. Additional sources of capital that may be used to

expand operations include borrowings pursuant to our credit facility with BNP, long-term financing and sale of the multifamily housing complex and a \$10 million line of credit with a commercial bank.

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Components of the \$42.4 million decrease in working capital for the years ended December 31, 2010 from working capital at December 31, 2009 are as follows:

	(In thousands)		
	December 31, 2010	December 31, 2009	Increase (Decrease)
CURRENT ASSETS:			
Cash and cash equivalents	\$ 6,010	\$ 33,403	\$ (27,393)
Marketable securities			
Held to maturity - treasuries	17,843	22,059	(4,216)
Available for sale securities	1,364	1,178	186
Accounts receivable			
Trade	3,932	3,882	50
Reimbursable project costs	114	2	112
Income taxes	104	353	(249)
Other current assets	457	1,223	(766)
Current assets	29,824	62,100	(32,276)
CURRENT LIABILITIES:			
Accounts payable	\$ 14,915	\$ 6,500	\$ 8,415
Accrued compensation	1,669	1,748	(79)
Commodity risk management liability	1,725	--	1,725
Current portion of long-term debt	200	200	--
Other current liabilities	254	224	30
Total current liabilities	18,763	8,672	10,091
Working Capital	\$ 11,061	\$ 53,428	\$ (42,367)

Major changes in working capital during the year ended December 31, 2010 were:

Current Assets. Current assets as of December 31, 2010 decreased by \$32.3 million from current assets at December 31, 2009, primarily as a result of the use of cash and monetization of U.S. Treasuries to fund oil and gas exploration and well completion costs, operations and mineral property holding expenses. Please see the discussion below regarding cash flows for the twelve months ended December 31, 2010.

Current Liabilities. Current liabilities increased \$10.1 million from at December 31, 2009, primarily as a result of:

- Accounts payable increased significantly as a result of drilling and completion costs associated with wells in progress at December 31, 2010.
- At December 31, 2010, we recorded a \$1.7 million unrealized loss resulting from derivatives. This represents the fair value of our derivative contracts at December 31, 2010.

Analysis of Cash Flows:

The following tables summarize the provision and use of cash in Operations, Investing Activities and Financing Activities for the years ended December 31, 2010, 2009 and 2008:

	(In thousands)		
	For the years ended December 31,		
	2010	2009	2008
Cash provided by (used in) operations	\$ 12,372	\$ 2,552	\$ (6,536)
Cash provided by (used in) investing activities	\$ (39,859)	\$ 17,150	\$ (70,557)
Cash provided by (used in) financing activities	\$ 94	\$ 5,267	\$ 8,909

	For the years ended December 31,		
	2010		
	2010	2009	2008
Net increase (decrease) in cash and cash equivalents	\$ (27,393)	\$ 24,969	\$ (63,858)
Net (redemption) investment in U.S. Treasury investments	(78)	(183)	(1,255)
Net change in cash and U.S. Treasuries	\$ (27,471)	\$ 24,786	\$ (65,113)

Investments of surplus cash in U.S. Treasuries have maturity dates in excess of 90 days and are therefore classified as Held to Maturity Marketable Securities for financial presentation purposes under Generally Accepted Accounting Practices (“GAAP”) in the United States of America. Although they are classified in this manner, they are used as needed to fund operations and capital projects, and accordingly are presented in the above table with cash and cash equivalents for clarity of the net change in ready liquid assets. A description of the provision of and use of cash in Operations, Investing Activities and Financing Activities for the year ended December 31, 2010 follows:

Operations:

Operations for the year ended December 31, 2010 resulted in a net after tax loss of \$772,000. This loss included \$17.2 million in non-cash expenses related to depreciation, depletion, loss related to derivative instruments, impairment of the multifamily housing project, and non-cash compensation.

For a complete discussion of the cash flows from Operations please refer to Results of Operations below.

Investing Activities:

Cash provided by Investing Activities includes:

- Redemption of U.S. Treasuries in the amount of \$4.3 million.

- \$1.1 million that was received as a capital distribution from SST related to the sale of one of SST's geothermal properties.

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- In December 2010, TCM prepaid the third annual option payment of \$1.0 million that was due in January 2011.

- Proceeds from the sale of marketable securities of \$602,000

Cash consumed in Investing Activities includes:

- Investment in oil and gas properties of \$45.9 million.
- Investment of \$624,000 in property and equipment: \$431,000 for equipment at the Mt. Emmons water treatment plant, \$22,000 in improvements at the Company's multifamily housing project and \$171,000 in the acquisition of office equipment and software.

Financing Activities:

Cash provided by Financing Activities includes:

- \$294,000 for the exercise of employee options and warrants to third party consultants.

Cash consumed in Financing Activities:

- We retired \$200,000 in long term debt due under a note for the purchase of a 160 acre parcel of property purchased in the vicinity of the Mt. Emmons project.

Capital Resources

Potential primary sources of future liquidity include the following:

Oil and Gas Production

The Company's current sources of cash are expected to be provided by successful oil and gas wells. The ultimate amount of cash resources derived from the production of oil and gas will be determined by production volumes, the price of oil and gas, exploration and production costs. We plan to continue to explore for and develop oil and gas properties and may also acquire existing production.

To achieve more predictable cash flows and to reduce our exposure to downward price fluctuations, we utilize derivative instruments to economically hedge future sales prices on a portion of our oil production. Our current strategy is to economically hedge up to 50% of our proved developed producing (PDP) volumes. The use of certain types of derivative instruments may prevent us from realizing the benefit of upward price movements. See "Item 1A. Risk Factors - The use of hedging arrangements in oil and gas production could result in financial losses or reduce income."

The following table is a summary of our estimated reserves as of December 31, 2010:

Estimated net proved reserves:	Bakken / Three Forks	Gulf Coast / Texas	Total
Producing:			
Oil (bbls)	1,120,018	22,616	1,142,634
Gas (Mcf)	505,565	717,000	1,222,565
NGL (bbls)	--	26,000	26,000
Developed			
Non-producing:			
Oil (bbls)	182,328	37,771	220,099
Gas (Mcf)	153,924	620,000	773,924
NGL (bbls)	--	26,532	26,532
Undeveloped			
Oil (bbls)	183,713	--	183,713
Gas (Mcf)	139,286	--	139,286
NGL (bbls)	--	--	--
Total (BOE)	1,619,188	335,753	1,954,941
Future net income			
before income taxes	\$ 71,362,000	\$ 10,193,000	\$ 81,555,000
PV-10	\$ 43,265,000	\$ 8,808,000	\$ 52,073,000

Estimated proved reserves (on a BOE basis) at December 31, 2010 increased by 868,738 BOE or approximately 80% over estimated proved reserves at December 31, 2009. Most of the increase is related to our successful Williston Basin drilling program.

The reserve estimates are calculated by independent engineering firms in accordance with SEC rules. Estimated future net cash flows before income taxes are discounted at 10%. This value is not intended to represent the current market value of the reserves. Reserve estimates are inherently imprecise and are continually subject to revision based on production history, results of additional exploration and development, oil and gas prices, and other factors.

Estimates of reserve volumes and future net cash flows are based on the average of first day of month prices during the year ended December 31, 2010 (\$79.43 per barrel of oil and \$4.38 per MMBtu of gas). Future estimated production taxes and ad valorem taxes, capital costs and operating costs are deducted from estimated future cash flows, and the result is discounted at an annual rate of 10% to determine "present value" ("PV10").

PV10 is widely used in the oil and gas industry, and is followed by institutional investors and professional analysts, to compare companies. However, the PV10 data is not an alternative to the standardized measure of discounted future net cash flows calculated under GAAP and in accordance with ASC 932-235-55, which includes the effects of income taxes. The following table provides a reconciliation of Estimated Future Net Revenues Discounted at 10% to the Standardized Measure of Discounted Future Net Cash Flows as shown in Note G to the Company's Consolidated Financial Statements.

	(in thousands) Year Ended December 31, 2010
Estimated future net revenues discounted at 10%	\$ 52,073
Future income tax expense (discounted)	(7,420)
Standardized measure of discounted future net cash flows	\$ 44,653

Cash on Hand

At December 31, 2010, we had \$6.0 million in cash and cash equivalents and \$17.8 million in U.S. Treasuries. Cash is invested in interest bearing accounts, with the majority invested in U.S. Government Treasuries. During the past three years, this investment policy has insured the preservation of principal and yielded a return.

BNP Paribas Reserve Credit Facility

On July 30, 2010, we established a senior credit facility to borrow up to \$75 million from a syndicate of banks, financial institutions and other entities, including BNP. The Facility may be used to further our short and mid-terms goals of increasing our investment in oil and gas. As a result of establishing this credit facility we formed a wholly owned subsidiary, Energy One LLC (“Energy One”), to own the majority of our oil and gas properties as well as the BNP senior credit facility.

From time to time until the expiration of the credit facility (July 30, 2014) if Energy One is in compliance with the Facility Documents, Energy One may borrow, pay, and re-borrow funds from the Lenders, up to an amount equal to the Borrowing Base, which was originally established at \$12 million. On October 13, 2010, the Borrowing Base increased to \$18.5 million as a result of a redetermination using our June 30, 2010 financial statements, production reports and a reserve report for our Bakken wells.

The Borrowing Base will be redetermined semi-annually, taking into account updated reserve reports. Any proposed increase in the Borrowing Base will require approval by all Lenders in the syndicate, and any proposed Borrowing Base decrease will require approval by Lenders holding not less than two-thirds of outstanding loans and loan commitments. As of December 31, 2010 we had not borrowed from the Facility. On February 18, 2011 we borrowed \$3.0 million under the Credit Facility to fund a portion of our initial participation in the Eagle Ford Shale oil prospect in Zavala County, Texas.

Commercial Bank

Line of Credit - We have a \$10.0 million line of credit with a commercial bank. No borrowings have been made under this line of credit as of the date of this report. The line of credit has a variable interest rate which is tied to a national market rate with a minimum interest rate of 5.5%. The expiration date of the line of credit, January 31, 2011, was extended to April 15, 2011. The line of credit may be renewed depending on the financial strength and needs of the Company. The credit line is secured by the Remington Village multifamily housing project and a corporate

aircraft.

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Equity Market

We filed a registration statement with the Securities and Exchange Commission on October 20, 2009 which became effective on November 6, 2009. The registration statement provides for the sale of \$100 million of the Company's common stock. During the fourth quarter of 2009, we sold 5 million shares of our common stock for \$5.25 per share or \$26.3 million, \$24.3 million net of offering costs. Additional capital may be raised under the registration statement to fund future oil and gas acquisitions and development drilling.

Real Estate

We own a 216 unit multifamily housing property in Gillette, Wyoming, known as Remington Village. The property averaged an occupancy rate of 90% during 2010 and was 89% occupied as of December 31, 2010. Occupancy is dependent on the regional economy including coal mining operations, oil and gas exploration and construction of a power generating plant in the area. The property generated positive cash flow from operations of \$1.2 million during 2010 and is projected to remain in that range of cash flow during 2011. To reach these levels, occupancy rates will have to average 90% and costs and expenses remain similar to those experienced in 2010.

Although the property is pledged as collateral for the \$10 million line of credit, there is no debt against the property. In 2011 we made the decision to finance and ultimately sell the property and use the proceeds to further our oil and gas exploration and development projects. The appraised value of the property at December 31, 2010 of \$21.0 million resulted in a \$1.5 million impairment.

Mt. Emmons Molybdenum Project and Thompson Creek Metals Company, USA

In 2008, we entered into an agreement with TCM for the permitting and development of the Mt. Emmons project, near Crested Butte, Colorado. Under the terms of the agreement, TCM pays all costs related to activities on the project with the exception of the water treatment plant costs which are currently paid 100% by the Company. TCM may earn up to a 75% interest in the property after it spends \$400 million. At such time as TCM has acquired its desired level of ownership, the Company and TCM will fund all costs in proportion to their ownership.

TCM is obligated to pay the Company six annual option payments in the amount of \$1.0 million each due in January each year through 2014. TCM has paid three of these payments as of December 31, 2010, one of which was prepaid in December 2010 for the January 2011 option payment.

Once permitted and placed into production, the Mt. Emmons project is expected to provide the Company with long term capital resources. Historical records filed by predecessor owners of the Mt. Emmons project with the Bureau of Land Management (BLM) in the 1990's for the application of patented mineral claims, referenced identification of mineral resources of approximately 220 million tons of 0.366% molybdenic disulfide (MoS₂) mineralization. A high grade section of the mineralization containing roughly 23 million tons at a grade of 0.689% MoS₂ was also reported. No assurance can be given that these quantities of MoS₂ exist or that the Company and TCM will be successful in permitting the property.

Future Receipts of Royalties and Contractual Commitments from Uranium Properties

We retained a 4% Net Profits Royalty on a portion of the Green Mountain uranium property in Wyoming which is owned by Rio Tinto, Inc. No assurance can be given as to when or if the property will be placed into production. Any royalty due will be based on the market price of uranium concentrates and the cost of producing those concentrates.

Pursuant to the terms of the 2007 sale of our uranium properties to sxr Uranium One Inc., we are entitled to receive \$20 million when commercial production begins at the Utah uranium mill which the Company sold; \$7.5 million when the first delivery of ore to any commercial mill, after commercial production commences, from any of the uranium properties we sold; and a production royalty of up to \$12.5 million. No assurance can be given as to if or when these events and payments will occur.

Capital Requirements

Our direct capital requirements during 2011 are the funding of our drilling programs, additional oil and gas exploration and development projects, acquisition of prospective oil and gas properties and or existing production, operating and capital improvement costs of the water treatment plant at the Mt. Emmons project, operations at Remington Village and general and administrative costs. We intend to finance our 2011 capital expenditure plan primarily from the sources described above under "Capital Resources". We may be required to reduce or defer part of our 2011 capital expenditures plan if we are unable to obtain sufficient financing from these sources.

Oil and Gas Exploration and Development

We expect to spud approximately 40 gross and 13 net wells with capital expenditures of approximately \$45.7 million in our 2011 oil and gas drilling program. We have allocated an estimated \$33.2 million to be spent in the Williston Basin of North Dakota in the Rough Rider and Yellowstone/SEHR programs with Brigham Exploration and Zavanna LLC, respectively. The remaining \$12.5 million in capital expenditure is budgeted to be spent on exploration initiatives in the San Joaquin Basin of California, in Texas and Louisiana (primarily onshore Gulf Coast), and our Colorado drilling program which we will operate. Amounts budgeted for each regional drilling program is contingent upon timing, well costs and success. If our non-Bakken drilling initiatives in California and Colorado are not initially successful, funds allocated for those drilling programs will be allocated to other drilling initiatives in due course. The actual number of gross and net wells could vary in each of these cases. We have also budgeted \$1,000,000 for the acquisition of oil and gas leases during 2011.

Mt. Emmons Molybdenum Project

Under the terms of our agreement with TCM, we are responsible for all costs associated with operating the water treatment plant at the Mt. Emmons project. Annual operating costs during 2011 are projected to be approximately \$1.8 million. Additionally, we have budgeted \$750,000 for capital improvements in the plant which are expected to improve its efficiency.

In 2009, U.S. Energy and TCM purchased a 160 acre parcel of property near the Mt. Emmons project. Under the terms of the purchase agreement the Company is obligated to make annual payments to the prior owner in the amount of \$200,000 beginning in January 2010 through January 2014 with 6% interest per annum on the unpaid balance. In addition to the retirement of the debt, we will be responsible for one half of the holding and operating costs of the acreage which are expected to be minimal.

Through December 31, 2010, TCM has expended \$12.2 million on the property which includes \$3.5 million in option payments to U.S. Energy. TCM is contractually obligated to spend \$2.5 million during 2011, including the \$1.0 million option payment to the Company which was pre-paid by TCM in December 2010. As per the terms of the agreement with TCM, we will not be required to fund any of the proposed work to be performed on the property during 2011 unless TCM terminates the agreement. TCM, as project manager, is preparing and evaluating engineering and environmental trade off studies. A Plan of Operations was submitted in 2010 for baseline data collection to the U.S. Forest Service (“USFS”). All the costs related to these studies and activities under the Plan of Operations will be paid for by TCM as per the agreement.

Real Estate

Cash operating expenses at Remington Village are projected to be \$1.0 million for 2011. We do not anticipate any major capital expenditures on the property. Remington Village is pledged as collateral for a \$10.0 million line of credit with a commercial bank. At the date of this report there was no debt against Remington Village. We plan to obtain long term financing of the property during 2011 and ultimately sell the property to provide capital for the exploration and development or acquisition of oil and gas properties and or production.

Geothermal and Alternative Energy Projects

At December 31, 2010, our net investment was \$2.8 million which reflected a 22.8% minority ownership position in a geothermal partnership. We are not obligated to fund cash calls and will suffer further dilution if we do not fund.

Insurance

We have liability insurance coverage in amounts deemed sufficient and in line with industry standards for the location, stage, and type of operations in oil and gas, mineral property development (the Mt. Emmons molybdenum project), and the Remington Village housing complex. Payment of substantial liabilities in excess of coverage could require diversion of internal capital away from regular business, which could result in diminished operations. We have property loss insurance on all major assets equal to the approximate replacement value of the assets. We have also purchased additional liability insurance for our oil and gas drilling programs.

Reclamation Costs

We have reclamation obligations of \$159,000 related to our oil and gas wells and \$144,000 related to the Mt. Emmons molybdenum property. No reclamation is expected to be performed on the existing wells at December 31, 2010 during the year ended December 31, 2011. Reclamation will only begin after the wells no longer produce oil or gas in economic quantities. The earliest projected reclamation will begin in 2013 in the Gulf Coast unless wells in other areas are abandoned due to operational challenges. As the Mt. Emmons project is developed, the reclamation liability is expected to increase. It is not anticipated that this reclamation work will occur in the near term. Our objective, upon closure of the proposed mine at the Mt. Emmons project, is to eliminate long-term liabilities associated with the property.

Results of Operations

Year Ended December 31, 2010 Compared with the Year ended December 31, 2009

We recorded a net loss after taxes of \$772,000 or \$0.03 per share basic and diluted, for the year ended December 31, 2010 as compared to a net loss after taxes of \$8.2 million, or \$0.38 per share, during the year ended December 31, 2009.

We recognized \$27.2 million in revenues during the year ended December 31, 2010 as compared to revenues of \$10.3 million during same period in the prior year. Tabular representation of the increases in revenues as well as the income (loss) from operations for the years ended December 31, 2010 and 2009 is as follows:

	(In thousands)	
	For the years ending	
	December 31, 2010	December 31, 2009
Revenues	\$ 29,057	\$ 10,349
Realized loss from risk management activities	(156)	--
Unrealized (loss) from risk management activities	(1,725)	--
	27,176	10,349
Operating expenses	17,738	13,086
Depreciation, depletion and amortization	12,130	5,066
Impairment	1,540	1,468
	31,408	19,620
Operating (loss)	\$ (4,232)	\$ (9,271)

The significant increase in revenues of \$16.8 million for the year ended December 31, 2010 as compared to those revenues recorded during the prior year is primarily a result of production of oil and gas in the Williston Basin. The increased expenses are a result of the increases in lease operating, work over, and depletion costs recognized during the year ended December 31, 2010. During the year ended December 31, 2009, we recorded an impairment of \$1.5 million on the oil and gas operations due to depressed gas prices and dry hole costs which had been capitalized. As a result of increased oil and gas prices during 2010 and additional reserves to amortize the full cost pool, no impairment of our oil and gas assets was required during the year ended December 31, 2010.

Oil and gas production from the Williston Basin has increased revenue trends and as additional wells are drilled and completed in 2011 it is believed that this trend will continue. We have experienced a 100% completion rate on wells drilled in the Williston Basin with good initial production results. Future wells may not perform as well. The multi stage frac completion techniques used by the Company and Brigham are relatively new which makes long term production projections uncertain. We rely on professional third party reserve engineers to calculate our reserves.

Oil and gas operations produced net operating income of \$8.0 million during the year ended December 31, 2010 as compared to net operating income of \$1.5 million from oil and gas operations during the year ended December 31, 2009. The following table details the results of operations from the oil and gas sector for the years ended December 31, 2010 and 2009:

	(In thousands)	
	For the years ending	
	December 31, 2010	December 31, 2009
Oil and gas revenues	\$ 26,548	\$ 7,581
Realized loss from risk management activities	(156)	--
Unrealized (loss) from risk management activities	(1,725)	--
	24,667	7,581
Operating expenses	6,073	1,085
Depreciation, depletion and amortization	10,610	3,571
Impairment	--	1,468
	16,683	6,124
Operating income	\$ 7,984	\$ 1,457

The following table summarizes production volumes, average sales prices and operating revenues for the years ended December 31, 2010 and 2009:

	Year Ended December 31,		Increase (Decrease)
	2010	2009	
Production volumes			
Oil (Bbls)	303,433	80,461	222,972
Natural gas (Mcf)	757,905	467,691	290,214
Natural gas liquids (Bbls)	19,104	5,987	13,117
Average sales prices			
Oil (per Bbl)	\$ 72.11	\$ 66.22	\$ 5.89
Natural gas (per Mcf)	4.96	4.30	0.66
Natural gas liquids (per Bbl)	47.53	40.25	7.28
Operating revenues (in thousands)			
Oil	\$ 21,881	\$ 5,328	\$ 16,553
Natural gas	3,759	2,012	1,747
Natural gas liquids	908	241	667
Total operating revenue	26,548	7,581	18,967
Lease operating expense	(3,056)	(394)	(2,662)
Production taxes	(3,017)	(691)	(2,326)
Risk management activities	(1,881)	-	(1,881)
Impairment	-	(1,468)	1,468
Income before depreciation, depletion and amortization	18,594	5,028	13,566
Depreciation, depletion and amortization	(10,610)	(3,571)	(7,039)
Income	\$ 7,984	\$ 1,457	\$ 6,527

Portions of our natural gas production are sent to gas processing plants to profitably extract from the gas various natural gas liquids (“NGL”) that are sold separately from the remaining natural gas. We sell some of our processed gas before processing and some after processing but in both cases receive revenues based on a share of post-processing proceeds from plant sales of the extracted NGL and the remaining natural gas. In the table above, our share of processing costs are classified in lease operating expenses.

Our other revenue producing sector is commercial real estate. A breakdown of the income from operations from commercial real estate is contained in the following table:

	(In thousands)	
	For the years ending	
	December 31, 2010	December 31, 2009
Real estate revenues	\$ 2,509	\$ 2,768
Operating expenses	1,271	1,059
Interest expense	--	19
Depreciation, depletion and amortization	1,063	1,045
Impairment	1,540	--
	3,874	2,123
Operating (loss) income	\$ (1,365)	\$ 645

The decline in revenues for the year ended December 31, 2010 as compared to the same period of the prior year is as a result of lower average rental rates, discounts provided and occupancy rates during the year ended December 31, 2010. Occupancy rates were approximately 80% at December 31, 2009 and 89% at December 31, 2010. Operating expenses increased as a result of the multifamily housing project reaching maturity which added additional expenses to the grounds maintenance and ongoing maintenance of apartment units when property damage occurs or tenants move out. The property was appraised at December 31, 2010 and reflected a value of \$21.0 million resulting in a \$1.5 million impairment.

Mt. Emmons Molybdenum Project - Pursuant to the 2008 Exploration, Development and Mine Operating Agreement TCM, we are required to pay all costs associated with the water treatment plant at the Mt. Emmons project and thereby recorded \$1.8 million in costs and expenses for that facility and \$85,000 in holding costs of the Mt. Emmons project during the year ended December 31, 2010. During the year ended December 31, 2009, we expended \$1.6 million in operating costs related to the water treatment plant and \$323,000 in holding costs for the Mt. Emmons project.

General Administrative - General and administrative expenses decreased by \$460,000 during the year ended December 31, 2010 as compared to general and administrative expenses for the year ended December 31, 2009.

Other income and expenses - As a result of the sale of two of Standard Steam Trust's geothermal properties, we recorded an equity gain of \$1.0 million from our investment in SST during the year ended December 31, 2010. We recorded an equity loss of \$1.4 million for the year ended December 31, 2009. Equity losses from the investment in SST are expected to continue until such time as additional SST properties are sold, equity losses reduce the investment to zero or we sell the investment.

We recorded a gain on sale of marketable securities of \$438,000 during the year ended December 31, 2010. The gain was related to the sale of shares of Sutter Gold Mining, Inc. and Kobex Resources, Inc. No similar gains were recorded in the prior year.

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We recorded a gain on sale of assets of \$115,000 during the year ended December 31, 2010. The gain was primarily related to the sale of an office building that we previously held as rental property. We recorded a loss on sale of assets of \$43,000 during the year ended December 31, 2009.

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Interest income decreased from \$314,000 during the year ended December 31, 2009 to \$112,000 during the year ended December 31, 2010. The decrease is a result of lower amounts of cash invested in interest bearing instruments and lower interest received on those investments.

Interest expense of \$70,000 during the year ended December 31, 2010 was related primarily to the financing of a property purchased with TCM near the Mt. Emmons project. During the year ended December 31, 2009 we recorded interest expense of \$98,000. The increase over what we recorded in the year ended December 31, 2010 was primarily due to the construction loan for Remington Village which was fully repaid in January 2009.

We therefore recorded a net loss after taxes of \$772,000, or \$0.03 per share basic and diluted, during the year ended December 31, 2010 as compared to a net loss after taxes of \$8.2 million, or \$0.38 per share basic and diluted, during the year ended December 31, 2009.

Year Ended December 31, 2009 Compared with the Year ended December 31, 2008

The Company recorded a net loss after taxes of \$8.2 million, or \$0.38 per share, for the year ended December 31, 2009 as compared to a net loss after taxes of \$1.4 million, or \$0.06 per share, during the year ended December 31, 2008. The net loss for the year ended December 31, 2008 included a gain of \$4.9 million, or \$0.21 per share, from discontinued operations related to the sale of a portion of the Company's investment in Sutter Mining Company, Inc.

Depreciation, amortization and depletion expense increased \$3.6 million during the year ended December 31, 2009 over the prior year due primarily to the increased depletion on wells drilled in the Williston Basin and the a full years depreciation of the Company's multifamily housing complex. Non-cash compensation decreased \$601,000 during the year ended December 31, 2009 from those recorded during the same period of 2008 as a result of lower expenses related to the amortization of stock options and lower market prices for the Company's common stock related to equity compensation.

The Company recognized \$9.6 million in revenues during the year ended December 31, 2009 as compared to revenues of \$2.3 million during the prior year. Fourth quarter revenues were on average four times greater than the first three quarters of 2009. The increase was as a result of the Company's drilling activity in the Williston Basin wells with Brigham. The fourth quarter revenues were reflective of only six wells drilled and completed during the fourth quarter of 2009 with production occurring primarily during the months of November and December. Revenues during the fourth quarter increased by a factor of four times while expenses roughly doubled of the previous quarters. The increased expenses were a result of the increased depletion recognized on the increased oil production during the quarter. Also included in the increased operating expenses was a \$1.4 million bonus accrual pursuant to the Company's adopted performance compensation plan. The bonus was not paid until the first quarter of 2010. During the year ended December 31, 2009, the Company recorded an impairment of \$1.5 million on its oil and gas operations due to depressed oil and gas prices during the first and third quarters of 2009 and only one producing well to spread the entire exploration cost over. As a result of increased oil and gas prices during the fourth quarter of 2009 and additional production to amortize the full cost pool over, no additional impairment was required during 2009.

The oil production from the Williston Basin not only increased revenue trends but also cut the operating loss by half on a quarterly basis. The Company has experienced a very high rate of completion in the Williston Basin with good initial production flows. Future wells may not perform as well. The multi stage frac completion techniques used by the Company and Brigham are relatively new which makes long term production projections uncertain. The Company relies on professional third party reserve engineers to calculate decline curves.

Oil and gas operations produced a net operating gain during the year ended December 31, 2009 as compared to a loss from oil and gas operations during the year ended December 31, 2008. Production from the Williston Basin during the fourth quarter of 2009 increased revenues from oil and gas operations by 7.7 times over the prior three quarters of 2009 and 12 times over the revenues from oil and gas production during the twelve months ended December 31, 2008. The operating gain from oil and gas operations during the fourth quarter of 2009 was \$2.9 million in comparison to an annual gain from oil and gas operations of \$1.5 million. During the first three quarters of 2009, the Company recorded an impairment of \$1.5 million.

The Company's other revenue producing sector is commercial real estate. Although revenues increased \$1.1 million during the year ended December 31, 2009 over the prior year, the Company experienced a decline in quarterly revenues throughout the year. The decline was as a result of lower occupancy rates at Remington Village. Expenses increased during the fourth quarter as a result of a bad debt write off of \$64,000. As a result of a full year of operations, revenues increased as well as the operating gain from \$51,000 in 2008 to \$645,000 during the year ended December 31, 2009. Commercial real estate generated positive cash flow of \$1.7 million during the year ended December 31, 2009 and \$1.1 million during the year ended December 31, 2008. Interest expense was reduced from \$417,000 during 2008 to \$19,000 during 2009 as a result of the repayment of the construction loan utilized to build the property. The loan was retired in January of 2009 and no debt existed against the property as of December 31, 2009.

Mt. Emmons Molybdenum Property

When the Company entered into its agreement with TCM, it agreed to pay all costs associated with the water treatment plant at the Mt. Emmons project and thereby recorded \$1.6 million in costs and expenses for that facility and \$323,000 in holding costs of the Mt. Emmons project during the year ended December 31, 2009. During the year ended December 31, 2008, the Company expended \$1.5 million in operating costs related to the water treatment plant and \$834,000 in holding costs related to the Mt. Emmons project.

General Administrative

General and administrative expenses increased by \$1.5 million during the year ended December 31, 2009 over those experienced at during the year ended December 31, 2008. The increase was as a result of the accrual of a yearend bonus to all employees of the Company as a result of meeting corporate and personal goals, meeting annual budget goals, increased share price and cash flow from operations. Under a Performance Compensation Plan ("PCP") adopted by the board of directors, employees can earn from 33% to 100% of their base compensation as bonuses if the terms of the PCP are met. No employees earned 100% of their base compensation or the allowable amount under the PCP during 2009 as certain financial measurements were not met. The PCP was proposed by the Company's Compensation Committee and adopted by the full Board in April 2009. Details of the PCP are disclosed in their entirety in the Company's annual proxy statement for the annual meeting held in June of 2009. The bonus for 2009 performance was paid during the first quarter of 2010.

Other income and expenses – The Company recorded an equity loss of \$1.4 million from its investment in SST during the year ended December 31, 2009 with no similar losses reported during the prior year. Equity losses from the Company's investment in SST are expected to continue until such time as SST properties are sold, equity losses reduce the Company's investment to zero or the Company sells its investment. Interest income decreased from \$1.4 million during the year ended December 31, 2008 to \$314,000 during the year ended December 31, 2009. The decrease was a result of lower amounts of cash

invested in interest bearing instruments and lower interest paid on those investments. Interest expense during the year ended December 31, 2009 was related primarily to the construction loan for Remington Village, \$19,000, and the financing of a property purchased with TCM near the Mt. Emmons project, \$60,000. Interest expense during 2008 related primarily to the construction loan for Remington Village which was fully repaid in January 2009.

During the year ended December 31, 2008, the Company recorded a net gain on the sale of its controlling interest in Sutter Gold Mining, Inc of \$4.9 million. No similar activities occurred during the year ended December 31, 2009.

The Company therefore recorded a net loss after taxes of \$8.2 million, or \$0.38 per share, during the year ended December 31, 2009 as compared to a net loss after taxes of \$1.4 million, or \$.06 per share, during year ended December 31, 2008.

Critical Accounting Policies

Oil and Gas Properties - We follow the full cost method in accounting for our oil and gas properties. Under the full cost method, all costs associated with the acquisition, exploration and development of oil and gas properties are capitalized and accumulated in a country-wide cost center. This includes any internal costs that are directly related to development and exploration activities, but does not include any costs related to production, general corporate overhead or similar activities. Proceeds received from property disposals are credited against accumulated cost except when the sale represents a significant disposal of reserves, in which case a gain or loss is recognized. The sum of net capitalized costs and estimated future development and dismantlement costs for each cost center is depleted on the equivalent unit-of-production method, based on proved oil and gas reserves. Excluded from amounts subject to depletion are costs associated with unproved properties.

Under the full cost method, net capitalized costs are limited to the lower of unamortized cost reduced by the related net deferred tax liability and asset retirement obligations or the cost center ceiling. The cost center ceiling is defined as the sum of (i) estimated future net revenue, discounted at 10% per annum, from proved reserves, based on unescalated average prices per barrel of oil and per MMBtu of natural gas at the first of each month in the 12-month period prior to the end of the reporting period and costs, adjusted for contract provisions, financial derivatives that hedge the Company's oil and gas revenue and asset retirement obligations, (ii) the cost of properties not being amortized, (iii) the lower of cost or market value of unproved properties included in the cost being amortized less (iv) income tax effects related to tax assets directly attributable to natural gas and crude oil properties. If the net book value reduced by the related net deferred income tax liability and asset retirement obligations exceeds the cost center ceiling limitation, a non-cash impairment charge is required in the period in which the impairment occurs.

Full cost pool capitalized costs are amortized over the life of production of proven properties. Capitalized costs at December 31, 2010 and December 31, 2009 which were not included in the amortized cost pool were \$21.6 million and \$5.4 million, respectively. These costs consist of wells in progress, seismic costs that are being analyzed for potential drilling locations as well as land costs and are related to unproved properties. No capitalized costs related to unproved properties are included in the amortization base at December 31, 2010 and December 31, 2009. It is anticipated that these costs will be added to the full cost amortization pool in the next two years as properties are proved, drilled or abandoned.

Given the volatility of oil and gas prices, it is probable that our estimate of discounted future net cash flows from proved oil and gas reserves will change. If oil or natural gas prices decline substantially, even for only a short period of time, or if we have downward revisions to our estimated proved reserves, it is possible that write-downs of oil and gas properties could occur in the future.

Ceiling Test - We perform a quarterly ceiling test for each of our oil and gas cost centers, which in 2010 and 2009, there was only one. The ceiling test incorporates assumptions regarding pricing and discount rates over which management has no influence in the determination of present value. In arriving at the ceiling test for the year ended December 31, 2010, the Company used \$79.43 per barrel for oil and \$4.38 per MMBtu for natural gas to compute the future cash flows of the Company's producing property. The discount factor used was 10%.

At December 31, 2010, the ceiling was in excess of the net capitalized costs as adjusted for related deferred income taxes and no impairment was required. Furthermore, as of year-end there were no unproved properties that were considered to be impaired and reclassified to properties being amortized. Management will continue to review its unproved properties based on market conditions and other changes and if appropriate unproved property amounts may be reclassified to the amortized base of properties within the full cost pool.

Derivative Instruments - We use derivative instruments, typically fixed-rate swaps and costless collars to manage price risk underlying its oil and gas production. We may also use puts, calls and basis swaps in the future. All derivative instruments are recorded in the consolidated balance sheets at fair value. We offset fair value amounts recognized for derivative instruments executed with the same counterparty. Although we do not designate any of its derivative instruments as a cash flow hedge, such derivative instruments provide an economic hedge of our exposure to commodity price risk associated with forecasted future oil and gas production. These contracts are accounted for using the mark-to-market accounting method and accordingly, we recognize all unrealized and realized gains and losses related to these contracts currently in earnings and are classified as gain (loss) on derivative instruments, net in our consolidated statements of operations.

Our Board of Directors sets all risk management policies and reviews the status and results of derivative activities, including volumes, types of instruments and counterparties on a quarterly basis. These policies require that derivative instruments be executed only by the President or Chief Financial Officer after consultation and concurrence by the President, Chief Financial Officer and Chairman of the Board. The master contracts with approved counterparties identify the President and Chief Financial Officer as the only Company representatives authorized to execute trades. See Note E, Commodity Price Risk Management, for further discussion.

Proved Reserves - Our estimates of proved reserves are based on quantities of oil and gas reserves which current engineering data indicates are recoverable from known reservoirs under existing economic and operating conditions. Estimates of proved reserves are key elements in determining our depletion expense and our full cost ceiling limitation. Estimates of proved reserves are inherently imprecise because of uncertainties in projecting rates of production and timing of developmental expenditures, interpretations of geological, geophysical, engineering and production data and the quality and quantity of available data. Changing economic conditions also may affect our estimates of proved reserves due to changes in developmental costs and changes in commodity prices that may impact reservoir economics. We utilize independent reserve engineers to estimate our proved reserves annually.

On December 29, 2008, the SEC issued a revision to Staff Accounting Bulletin 113 ("SAB 113") which established guidelines related to modernizing accounting and disclosure requirements for oil and natural gas companies. The revised disclosure requirements include provisions that permit the use of new

technologies to determine proved reserves if those technologies have been demonstrated empirically to lead to reliable conclusions about reserve volumes. The revised rules also allow companies the option to disclose probable and possible reserves in addition to the existing requirement to disclose proved reserves. The revised disclosure requirements also require companies to report the independence and qualifications of third party preparers of reserves and file reports when a third party is relied upon to prepare reserves estimates. A significant change to the rules involves the pricing at which reserves are measured. The revised rules utilize a 12-month average price using first of the month pricing during the 12-month period prior to the ending date of the balance sheet to report oil and natural gas reserves rather than year-end prices. In addition, the 12-month average is used to measure ceiling test impairments and to compute depreciation, depletion and amortization. The revised rules became effective for reserve estimation at December 31, 2009 with first reporting for calendar year companies in their 2009 annual reports.

Mineral Properties - We capitalize all costs incidental to the acquisition of mineral properties. Mineral exploration costs are expensed as incurred. When exploration work indicates that a mineral property can be economically developed as a result of establishing proved and probable reserves, costs for the development of the mineral property as well as capital purchases and capital construction are capitalized and amortized using units of production over the estimated recoverable proved and probable reserves. Costs and expenses related to general corporate overhead are expensed as incurred. All capitalized costs are charged to operations if we subsequently determine that the property is not economical due to permanent decreases in market prices of commodities, excessive production costs or depletion of the mineral resource.

Mineral properties at December 31, 2010 and December 31, 2009 reflect capitalized costs associated with the Mt. Emmons project near Crested Butte, Colorado. We entered into an agreement with TCM to develop this property. TCM may earn up to a 75% interest in the project for the investment of \$400 million. We have received three of six anticipated \$1.0 million annual payments. These payments were applied as a reduction of our investment in the Mt. Emmons project.

We review our investment in the Mt. Emmons project annually to determine if an impairment has occurred to the carrying value of the property. As a result of the market price for Molybdenum Oxide increasing from \$11.50 per pound at December 31, 2009 to \$16.60 per pound at December 31, 2010 and the reduction of the book value of Mt. Emmons by \$3.0 million as a result of TCM's option payments, we have determined that no impairment is needed to the book value of the property.

Long Lived Assets - Real Estate - We evaluate our long-lived assets, which consist of commercial real estate, for impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable. Impairment calculations are based on market appraisals. If rental rates decrease or costs increase to levels that result in estimated future cash flows, on an undiscounted basis, that are less than the carrying amount of the related asset, an asset impairment is considered to exist. Changes in significant assumptions underlying future cash flow estimates may have a material effect on our financial position and results of operations. The property was appraised at December 31, 2010. The appraisal reflected a value of \$21.0 million which resulted in a \$1.5 million impairment at December 31, 2010. At December 31, 2010, management determined that an impairment in the amount of \$1.5 million existed on the long-lived asset as the December 31, 2010 appraised value was less than the net book value of the asset.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the USA requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of

revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include oil and gas reserves used for depletion and impairment considerations and the cost of future asset retirement obligations. Due to inherent uncertainties, including the future prices of oil and gas, these estimates could change in the near term and such changes could be material.

Asset Retirement Obligations - We account for asset retirement obligations under ASC 410-20. We record the fair value of the reclamation liability on inactive mining properties as of the date that the liability is incurred. We review the liability each quarter and determine if a change in estimate is required as well as accrete the liability on a quarterly basis for the future liability. Final determinations are made during the fourth quarter of each year. We deduct any actual funds expended for reclamation during the quarter in which it occurs.

Revenue Recognition - We record oil and natural gas revenue under the sales method of accounting. Under the sales method, we recognize revenues based on the amount of oil or natural gas sold to purchasers, which may differ from the amounts to which we are entitled based on its interest in the properties. Gas balancing obligations as of December 31, 2010 were not significant. Revenues from real estate operations are reported on a gross revenue basis and are recorded at the time the service is provided.

Stock Based Compensation - We measure the cost of employee services received in exchange for all equity awards granted including stock options based on the fair market value of the award as of the grant date.

We recognize the cost of the equity awards over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. As share-based compensation expense is recognized based on awards ultimately expected to vest, the expense has been reduced for estimated forfeitures based on historical forfeiture rates.

Income Taxes - We recognize deferred income tax assets and liabilities for the expected future income tax consequences, based on enacted tax laws, of temporary differences between the financial reporting and tax bases of assets, liabilities and carry forwards.

We recognize deferred tax assets for the expected future effects of all deductible temporary differences, loss carry forwards and tax credit carry forwards. Deferred tax assets are reduced, if deemed necessary, by a valuation allowance for any tax benefits which, based on current circumstances, are not expected to be realized. Management believes it is more likely than not that such tax benefits will be realized and a valuation allowance has not been provided.

Future Operations

We intend to acquire new oil and gas properties and pursue new business opportunities. Long term, we intend to be prepared to pay our share of the holding and development costs associated with the Mt. Emmons project.

Effects of Changes in Prices

Natural resource operations are significantly affected by changes in commodity prices. As prices for a particular mineral increase, values for that mineral typically also increase, making acquisitions of such properties more costly and sales potentially more valuable. Conversely, a price decline could enhance acquisitions of properties containing those natural resources, but could make sales of such properties more difficult. Operational impacts of changes in mineral commodity prices are common in the natural

resource business. Historical and current prices for the Company's two main natural resource participation interests follow:

Oil and Gas - The ten year Cushing, OK WTI spot price for oil reached a high of \$133.88 per barrel during June 2008 and a ten year low of \$19.39 per barrel during December of 2001. As of December 31, 2010 the Cushing, OK WTI spot price for oil had increased to \$89.15 per barrel.

The ten year U.S. Natural Gas City Gate Price reached a high of \$12.48 per mcf in July of 2008 and the ten year low was \$3.37 per mcf in October 2001. The price per mcf at December 31, 2010 was \$5.74.

Higher oil and gas prices should positively impact our revenues going forward while lower oil and gas prices will have a negative impact not only on revenues, cash flows and profitability but also may impact ultimate reserve calculations for our wells. There is no assurance that our projected 2011 investments in oil and gas properties will be profitable.

Molybdenum - The ten year high for dealer molybdenum oxide was \$38 per pound in June of 2005 declined to a ten year low of \$8.03 per pound in April of 2009. The mean price of molybdenum oxide at December 31, 2010 and December 31, 2009 was \$16.60 per pound and \$11.50 per pound, respectively. The price of molybdenum will have a direct impact on the development of Mt. Emmons project.

Contractual Obligations

We had three divisions of contractual obligations at December 31, 2010: Debt to third parties of \$600,000 with interest at 6% per annum, executive retirement of \$1.0 million and asset retirement obligations of \$303,000. The debt will be paid over a period of four years in equal installments of \$200,000 with interest with the next payment due on January 2, 2012. The executive retirement liability will be paid out over varying periods starting after the actual projected retirement dates of the covered executives. The asset retirement obligations will be retired during the next 34 years. The following table shows the scheduled debt payment, projected executive retirement benefits and asset retirement obligations:

	(In thousands)				
	Payments due by period				
Total	Less than one Year	One to Three Years	Three to Five Years	More than Five Years	
Long-term debt obligations	\$ 600	\$ 200	\$ 400	\$ --	\$ --
Executive retirement	1,039	191	327	163	358
Asset retirement obligation	303	--	69	14	220
Totals	\$ 1,942	\$ 391	\$ 796	\$ 177	\$ 578

Item 7A – Quantitative and Qualitative Disclosures About Market Risk

Commodity Risk. Our major market risk exposure is the commodity pricing applicable to our oil and natural gas production. Realized commodity prices received for such production are primarily driven by the prevailing worldwide price for oil and spot prices applicable to natural gas. The effects of such pricing volatility have been discussed above, and such volatility is expected to continue. A 10% fluctuation in the price received for oil and natural gas production would have an approximate \$2.7 million impact on our 2010 annual revenues.

To mitigate some of our commodity risk, we use derivative instruments, typically fixed-rate swaps and costless collars to manage price risk underlying its oil and gas production. USE may also use puts, calls and basis swaps in the future. We do not hold or issue derivative instruments for trading purposes. The objective of utilizing the economic hedges is to reduce the effect of price changes on a portion of USE's future oil production, achieve more predictable cash flows in an environment of volatile oil and gas prices and to manage our exposure to commodity price risk. The use of these derivative instruments limits the downside risk of adverse price movements. However, there is a risk that such use may limit our ability to benefit from favorable price movements. Energy One may, from time to time, add incremental derivatives to hedge additional production, restructure existing derivative contracts or enter into new transactions to modify the terms of current contracts in order to realize the current value of the its existing positions.

Through our wholly-owned affiliate Energy One, we have entered into three commodity derivative contracts ("economic hedges") with BNP Paribas, a costless collar and two fixed price swaps, as described below. The three derivative contracts are priced using West Texas Intermediate ("WTI") quoted prices. U.S. Energy Corp. is a guarantor of Energy One under the economic hedges.

Energy One's commodity derivative contracts as of December 31, 2010 are summarized below:

Settlement Period	Counterparty	Basis	Quantity (Bbl/d)	Strike Price	
Crude Oil Costless Collars					
10/01/10 - 09/30/11	BNP Parabis	WTI	200	Floor:	\$ 75.00
				Ceiling:	\$ 83.25
Crude Oil Swaps					
10/01/10 - 09/30/11	BNP Parabis	WTI	200	Fixed:	\$ 79.05
01/01/11 - 12/31/11	BNP Parabis	WTI	200	Fixed:	\$ 89.60

The following table details the fair value of the derivatives recorded in the applicable condensed consolidated balance sheet, by category:

Underlying Commodity	Location on Balance Sheet	Fair Value at December 31, 2010
Crude oil derivate contract	Current Liability	\$ 632,000
Crude oil derivate contract	Current Liability	789,000
Crude oil derivate contract	Current Liability	304,000
		\$ 1,725,000

These contracts are accounted for using the mark-to-market accounting method and accordingly, USE recognizes all unrealized and realized gains and losses related to these contracts currently in earnings and are classified as gain (loss) on derivative instruments, net in our consolidated statements of operations. The net loss realized by us related to these instruments was \$156,000, \$0 and \$0 for the years ended December 31, 2010, 2009 and 2008, respectively.

Item 8 – Financial Statements

Financial statements meeting the requirements of Regulation S-X are included below.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
U.S. Energy Corp.

We have audited the accompanying consolidated balance sheets of U.S. Energy Corp. and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of U.S. Energy Corp. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), U.S. Energy Corp.'s and subsidiaries' internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 14, 2011 expressed an unqualified opinion on the effectiveness of U.S. Energy Corp.'s internal control over financial reporting.

HEIN & ASSOCIATES LLP

Denver, Colorado
March 14, 2011

U.S. ENERGY CORP.
CONSOLIDATED BALANCE SHEETS
ASSETS
(In thousands)

	December 31, 2010	December 31, 2009
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,010	\$ 33,403
Marketable securities		
Held to maturity - treasuries	17,843	22,059
Available for sale securities	1,364	1,178
Accounts receivable		
Trade	3,932	3,882
Reimbursable project costs	114	2
Income taxes	104	353
Other current assets	457	1,223
Total current assets	29,824	62,100
INVESTMENT	2,834	2,958
PROPERTIES AND EQUIPMENT:		
Oil & gas properties under full cost method, net of \$14,563 and \$3,953 accumulated depletion, depreciation and amortization	70,374	26,002
Undeveloped mining claims	21,077	21,969
Commercial real estate, net	20,738	23,200
Property, plant and equipment, net	9,336	9,301
Net properties and equipment	121,525	80,472
OTHER ASSETS	1,833	1,193
Total assets	\$ 156,016	\$ 146,723

The accompanying notes are an integral part of these statements.

U.S. ENERGY CORP.
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY
(In thousands, except shares)

	December 31, 2010	December 31, 2009
CURRENT LIABILITIES:		
Accounts payable	\$ 14,915	\$ 6,500
Accrued compensation	1,669	1,748
Commodity risk management liability	1,725	--
Current portion of long-term debt	200	200
Other current liabilities	254	224
Total current liabilities	18,763	8,672
LONG-TERM DEBT, net of current portion	400	600
DEFERRED TAX LIABILITY	5,015	7,345
ASSET RETIREMENT OBLIGATIONS	303	211
OTHER ACCRUED LIABILITIES	847	762
SHAREHOLDERS' EQUITY:		
Common stock, \$.01 par value; unlimited shares authorized; 27,068,610 and 26,418,713 shares issued, respectively	271	264
Additional paid-in capital	121,062	118,998
Accumulated surplus	8,713	9,485
Unrealized gain on marketable securities	642	386
Total shareholders' equity	130,688	129,133
Total liabilities and shareholders' equity	\$ 156,016	\$ 146,723

The accompanying notes are an integral part of these statements.

U.S. ENERGY CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except per share data)

	Years ended December 31,		
	2010	2009	2008
REVENUES:			
Oil and gas	\$ 26,548	\$ 7,581	\$ 589
Realized (loss) on risk management activities	(156)	--	--
Unrealized (loss) on risk management activities	(1,725)	--	--
Real estate	2,509	2,768	1,633
	27,176	10,349	2,222
OPERATING EXPENSES:			
Oil and gas	6,073	3,611	80
Oil and gas depreciation depletion and amortization	10,610	1,045	382
Impairment of oil and gas properties	--	1,468	--
Real estate	2,334	2,104	1,165
Impairment of real estate properties	1,540	--	--
Water treatment plant	1,793	1,636	1,462
Mineral holding costs	85	323	834
General and administrative	8,973	9,433	7,903
	31,408	19,620	11,826
OPERATING (LOSS):	(4,232)	(9,271)	(9,604)
Other income and (expenses)			
Gain/(loss) on sale of assets	115	(43)	(17)
Equity gain/(loss) in unconsolidated investment	1,014	(1,374)	--
Gain on sale of marketable securities	438	--	--
Impairment of marketable securities	--	--	(1,023)
Miscellaneous income and (expenses)	113	15	83
Interest income	112	314	1,426
Interest expense	(70)	(98)	(486)
	1,722	(1,186)	(17)
LOSS BEFORE INCOME TAX:	(2,510)	(10,457)	(9,621)

The accompanying notes are an integral part of these statements.

U.S. ENERGY CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except per share data)

	Years ended December 31,		
	2010	2009	2008
Income taxes:			
Current benefit from (provision for)	104	210	4,645
Deferred benefit from (provision for)	1,634	2,069	(1,319)
	1,738	2,279	3,326
(LOSS) FROM CONTINUING OPERATIONS	(772)	(8,178)	(6,295)
DISCONTINUED OPERATIONS			
Loss from discontinued operations	--	--	(501)
Gain on sale of discontinued operations (net of taxes)	--	--	5,408
	--	--	4,907
NET (LOSS)	\$ (772)	\$ (8,178)	\$ (1,388)
NET (LOSS) INCOME PER SHARE			
Basic and diluted (loss) from continuing operations	\$ (0.03)	\$ (0.38)	\$ (0.27)
Basic and diluted income from discontinued operations	--	--	0.21
	\$ (0.03)	\$ (0.38)	\$ (0.06)
Weighted average shares outstanding			
Basic and diluted	26,763,995	21,604,959	23,274,978

The accompanying notes are an integral part of these statements.

U.S. ENERGY CORP.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)
(In thousands except share data)

	Common Shares	Stock Amount	Additional Paid-In Capital	Retained Earnings	Unrealized Gain (Loss) on Marketable Securities	Unallocated ESOP Contribution	Total Shareholders' Equity
Balance December 31, 2007	23,592,493	\$ 236	\$ 96,560	\$ 19,051	\$ (256)	\$ (491)	\$ 115,100
Net loss available to common shareholders	--	--	--	(1,388)	--	--	(1,388)
Recognized impairment on marketable securities	--	--	--	--	256	--	256
Unrealized tax effect on on the unrealized loss	--	--	--	--	--	--	--
Comprehensive (loss)							(1,132)
Funding of ESOP	126,878	1	207	--	--	--	208
Vesting of stock warrants to outside contractor	--	--	30	--	--	--	30
Issuance of common stock 2001 stock compensation plan	85,000	1	283	--	--	--	284
Vesting of stock options issued to employees	--	--	1,151	--	--	--	1,151
Vesting of stock options issued to outside directors	--	--	17	--	--	--	17

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Cancellation of common stock from the ESOP	(155,811)	(2)	(489)	--	--	491	--
Issuance of common stock from stock warrants	446,698	5	1,523	--	--	--	1,528
Deferred tax on FAS 123R compensation	--	--	202	--	--	--	202
Common stock buy back program	(2,160,129)	(22)	(5,533)	--	--	--	(5,555)
Balance December 31, 2008	21,935,129	\$ 219	\$ 93,951	\$ 17,663	\$ --	\$ --	\$ 111,833

The accompanying notes are an integral part of these statements.

U.S. ENERGY CORP
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)
(continued)
(In thousands except share data)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Unrealized Gain (Loss) on Marketable Securities	Total Shareholders' Equity
Balance December 31, 2008	21,935,129	\$ 219	\$ 93,951	\$ 17,663	\$ --	\$ 111,833
Net loss available to common shareholders	--	--	--	(8,178)	--	(8,178)
Unrealized gain on marketable securities	--	--	--	--	602	602
Unrealized tax effect on the unrealized gain	--	--	--	--	(216)	(216)
Comprehensive (loss)						(7,792)
Issuance of common stock	5,000,000	50	24,267	--	--	24,317
Funding of ESOP	36,583	--	217	--	--	217
Issuance of common stock						
2001 stock compensation plan	80,000	1	185	--	--	186
Issuance of common stock from stock warrants	71,088	1	232	--	--	233
Issuance of common stock from stock options	1,984	--	5	--	--	5
Vesting of stock options issued to employees	--	--	1,430	--	--	1,430
Vesting of stock warrants to outside contractor	--	--	9	--	--	9
Vesting of stock options	--	--	56	--	--	56

issued to outside directors						
Excess tax benefit on the exercise of stock options and warrants	--	--	38	--	--	38
Common stock buy back program	(706,071)	(7)	(1,392)	--	--	(1,399)
Balance December 31, 2009	26,418,713	\$ 264	\$ 118,998	\$ 9,485	\$ 386	\$ 129,133

The accompanying notes are an integral part of these statements.

U.S. ENERGY CORP
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)
(continued)
(In thousands except share data)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Unrealized Gain (Loss) on Marketable Securities	Total Shareholders' Equity
Balance December 31, 2009	26,418,713	\$ 264	\$ 118,998	\$ 9,485	\$ 386	\$ 129,133
Net loss	--	--	--	(772)	--	(772)
Unrealized gain on marketable securities	--	--	--	--	400	400
Unrealized tax effect on the unrealized gain	--	--	--	--	(144)	(144)
Comprehensive (loss)						(516)
Issuance of common stock	--	--	--	--	--	--
Funding of ESOP Issuance of common stock	42,802	--	260	--	--	260
2001 stock compensation plan Issuance of common stock	80,000	1	429	--	--	430
Issuance of common stock from stock options - employees	275,728	3	(455)	--	--	(452)
Issuance of common stock from stock options and warrants - others	251,367	3	743	--	--	746
Vesting of stock options	--	--	1,021	--	--	1,021
Vesting of stock warrants	--	--	66	--	--	66
Balance December 31, 2010	27,068,610	\$ 271	\$ 121,062	\$ 8,713	\$ 642	\$ 130,688

The accompanying notes are an integral part of these statements.

U.S. ENERGY CORP.
STATEMENTS OF CASH FLOWS

	(In thousands)		
	For the years ended December 31,		
	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (772)	\$ (8,178)	\$ (1,388)
Income from the sale of SGMI stock	--	--	(5,408)
Income from discontinued operations	--	--	501
Loss from continuing operations	(772)	(8,178)	(6,295)
Reconcile net loss to net cash used in operations			
Depreciation, depletion & amortization	12,130	5,066	1,426
Change in fair value of commodity price risk management activities, net	1,725	--	--
Accretion of discount on treasury investment	(78)	(183)	(1,255)
Impairment of marketable securities	--	--	1,023
Impairment of oil and gas properties	--	1,468	--
Impairment of real estate properties	1,540	--	--
Gain on sale of marketable securities	(438)	--	--
Equity (gain)/loss from Standard Steam	(1,014)	1,374	--
Net change in deferred income taxes	(1,584)	(2,069)	1,319
(Gain) loss on sale of assets	(115)	43	17
Noncash compensation	1,710	1,935	2,536
Noncash services	66	65	46
Net changes in assets and liabilities			
Accounts receivable	(162)	(2,843)	(342)
Income tax receivable	249	5,543	(3,809)
Other current assets	(386)	(192)	(18)
Accounts payable	(567)	80	(692)
Accrued compensation expense	6	1,000	(283)
Other liabilities	62	(557)	(209)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	12,372	2,552	(6,536)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net redemption (investment in) treasury investments	4,293	29,277	(49,897)
Cash distributions from (to) Standard Steam	1,138	(877)	(3,455)
Acquisition & development of real estate	--	(3)	(11,597)
Acquisition & development of oil & gas properties	(45,933)	(17,498)	(5,354)
Acquisition & development of mining properties	(123)	(1)	(2,905)
Mining property option payment	1,000	2,000	--

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Acquisition of property and equipment	(624)	(410)	(294)
Proceeds from sale of marketable securities	602	--	--
Proceeds from sale of property and equipment	118	11	1,103
Net change in restricted investments	(330)	4,651	1,842
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(39,859)	17,150	(70,557)

The accompanying notes are an integral part of these statements.

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U.S. ENERGY CORP.
STATEMENTS OF CASH FLOWS

	(In thousands)		
	For the years ended December 31,		
	2010	2009	2008
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of common stock	294	24,516	1,528
Tax benefit from the exercise of stock options	--	38	--
Proceeds from short-term construction debt	--	--	11,423
Proceeds from long term debt	--	--	1,875
Repayments of debt	(200)	(17,888)	(363)
Stock buyback program	--	(1,399)	(5,554)
NET CASH PROVIDED BY FINANCING ACTIVITIES	94	5,267	8,909
Net cash used in operating activities of discontinued operations	--	--	(76)
Net cash provided by investing activities of discontinued operations	--	--	4,402
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(27,393)	24,969	(63,858)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,403	8,434	72,292
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 6,010	\$ 33,403	\$ 8,434
SUPPLEMENTAL DISCLOSURES:			
Income tax received	\$ (353)	\$ (5,753)	\$ (945)
Interest paid	\$ 22	\$ 39	\$ 69
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Unrealized gain	\$ 642	\$ 386	\$ --
Acquisition and development of oil and gas properties through accounts payable	\$ 8,983	\$ 5,522	\$ --
Acquisition and development of oil and gas through asset retirement obligations	\$ 75	\$ 58	\$ --
Development of mining properties			

through asset retirement obligation	\$	--	\$	9	\$	--
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The accompanying notes are an integral part of these statements.

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U.S. ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010, 2009 AND 2008

A. BUSINESS ORGANIZATION AND OPERATIONS

U.S. Energy Corp. was incorporated in the State of Wyoming on January 26, 1966. U.S. Energy Corp. ("USE") engages in the acquisition, exploration, holding, sale and/or development of mineral properties. Principal asset interests at December 31, 2010 are in oil and gas, molybdenum, real estate and minority ownership in a geothermal partnership. Historically, USE also participated in other base and precious metals. Our gold related mining properties were sold during 2008.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include oil and gas reserves used for depletion and impairment considerations and the cost of future asset retirement obligations. Due to inherent uncertainties, including the future prices of oil and gas, these estimates could change in the near term and such changes could be material.

Principles of Consolidation

The financial statements of USE as of December 31, 2010 include the accounts of USE and wholly owned subsidiaries Energy One, LLC ("Energy One") and Remington Village, LLC ("Remington Village"). The consolidated financial statements as of December 31, 2009 and December 31, 2008, include USE and Remington Village. All inter-company balances and transactions have been eliminated in consolidation. The financial statements as of December 31, 2010, 2009 and 2008 reflect USE's ownership in a geothermal partnership, Standard Steam Trust LLC ("SST") which is accounted for using the equity method. At December 31, 2010 USE's ownership interest in SST was 22.8%.

Cash and Cash Equivalents

USE considers all highly liquid investments with original maturities of three months or less to be cash equivalents. USE maintains its cash and cash equivalents in bank deposit accounts which exceed federally insured limits. At December 31, 2010 and 2009, USE had its cash and cash equivalents with several financial institutions, primarily invested in U.S. Treasury Bills. USE has not experienced any losses in such accounts and believe is the accounts are not exposed to any significant credit risk on cash and cash equivalents.

Marketable Securities

USE categorizes its marketable securities as available-for-sale or held-to-maturity. Increases or decreases in the fair value which are considered temporary are recorded within equity as comprehensive income or losses. Gains or losses as a result of sale are recorded in operations when realized.

U.S. ENERGY CORP.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2010, 2009 AND 2008
 (Continued)

Accounts Receivable

USE determines any required allowance by considering a number of factors including the length of time trade and other accounts receivable are past due and our previous loss history. USE provides reserves for account receivable balances when they become uncollectable. Payments subsequently received on such reserved receivables are credited to the allowance for doubtful accounts. During the year ended December 31, 2010, USE recorded \$76,000 in bad debt expense related to its multifamily housing project. The balance of accounts receivable at December 31, 2010 are for the sale of oil and gas and have been collected subsequent to the balance sheet date. No reserve for uncollectable receivables was booked during the year ended December 31, 2010 or 2009.

Restricted Investments

USE accounts for cash deposits held as collateral for reclamation obligations as restricted investments. Maturities or release dates less than twelve months from the end of the reported accounting period are reported as current assets while maturities or release dates in excess of twelve months from report dates are reported as long term assets.

Properties and Equipment

Land, buildings, improvements, machinery and equipment are carried at cost. Depreciation of buildings, improvements, machinery and equipment is provided principally by the straight-line method over estimated useful lives ranging from 3 to 45 years. Following is a breakdown of the lives over which assets are depreciated:

M a c h i n e r y a n d	
Equipment:	
O f f i c e	3 to 5
Equipment	years
Planes	1 - 5
	years
Field Tools and	5 to 7
Hand Equipment	years
Vehicles and	3 to 7
Trucks	years
H e a v y	7 to
Equipment	1 - 0
	years
B u i l d i n g s a n d	
Improvements:	
S e r v i c e	2 - 0
Buildings	years
C o r p o r a t e	4 - 5
H e a d q u a r t e r	years
Building	

U.S. ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010, 2009 AND 2008
(Continued)

Components of Property and Equipment as of December 31, 2010 and 2009 are as follows:

	(In thousands)	
	December 31, 2010	December 31, 2009
Oil & Gas properties		
Unproved	\$ 17,926	\$ 3,993
Wells in progress	3,694	1,367
Proved	63,317	24,595
	84,937	29,955
Less accumulated depreciation depletion and amortization	(14,563)	(3,953)
Net book value	70,374	26,002
 Mining properties	 21,077	 21,969
 Commercial real estate	 23,084	 24,600
Less Accumulated depreciation	(2,346)	(1,400)
Net book value	20,738	23,200
 Building, land and equipment	 14,564	 14,196
Less accumulated depreciation	(5,228)	(4,895)
Net book value	9,336	9,301
Totals	\$ 121,525	\$ 80,472

Oil and Gas Properties

USE follows the full cost method in accounting for its oil and gas properties. Under the full cost method, all costs associated with the acquisition, exploration and development of oil and gas properties are capitalized and accumulated in a country-wide cost center. This includes any internal costs that are directly related to development and exploration activities, but does not include any costs related to production, general corporate overhead or similar activities. Proceeds received from disposals are credited against accumulated cost except when the sale represents a significant disposal of reserves, in which case a gain or loss is recognized. The sum of net capitalized costs and estimated future development and dismantlement costs for each cost center is depleted on the equivalent unit-of-production method, based on proved oil and gas reserves. Excluded from amounts subject to depletion are costs associated with unproved properties.

Under the full cost method, net capitalized costs are limited to the lower of unamortized cost reduced by the related net deferred tax liability and asset retirement obligations or the cost center ceiling. The cost center ceiling is defined as the sum of (i) estimated future net revenue, discounted at 10% per annum, from proved reserves, based on unescalated average prices per barrel of oil and per MMBtu of natural gas at the first of each month in the 12-month period prior to the end of the reporting period and costs, adjusted for contract provisions, financial derivatives that

hedge USE's oil and gas revenue and asset retirement obligations, (ii) the cost of properties not being amortized, and (iii) the lower of cost or market

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U.S. ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010, 2009 AND 2008
(Continued)

value of unproved properties included in the cost being amortized, less (iv) income tax effects related to differences between the book and tax basis of the natural gas and crude oil properties. If the net book value reduced by the related net deferred income tax liability and asset retirement obligations exceeds the cost center ceiling limitation, a non-cash impairment charge is required in the period in which the impairment occurs. At December 31, 2010, the book value of our oil and gas properties did not exceed the cost center ceiling. During the year ended December 31, 2009, USE recorded a non-cash impairment of \$1.5 million.

Mineral Properties

USE capitalizes all costs incidental to the acquisition of mineral properties. Mineral exploration costs are expensed as incurred. When exploration work indicates that a mineral property can be economically developed as a result of establishing proved and probable reserves, costs for the development of the mineral property as well as capital purchases and capital construction are capitalized and amortized using units of production over the estimated recoverable proved and probable reserves. Costs and expenses related to general corporate overhead are expensed as incurred. All capitalized costs are charged to operations if USE subsequently determines that the property is not economical due to permanent decreases in market prices of commodities, excessive production costs or depletion of the mineral resource.

Mineral properties at December 31, 2010 and 2009 reflect capitalized costs associated with USE's Mount Emmons molybdenum property near Crested Butte, Colorado. USE has entered into an agreement with Thompson Creek Metals Company USA ("TCM") to develop this property. TCM may earn up to a 75% interest in the project for the investment of \$400 million. USE's carrying balance in the Mount Emmons property at December 31, 2010 and 2009 is as follows:

	(In thousands)	
	December 31, 2010	December 31, 2009
Costs associated with Mount Emmons		
beginning of year	\$ 21,969	\$ 23,950
Development costs during the year	108	19
Option payment from Thompson Creek	(1,000)	(2,000)
Costs at end of year	\$ 21,077	\$ 21,969

Long-Lived Assets – Real Estate

USE evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable. Impairment calculations are generally based on market appraisals. If estimated future cash flows, on an undiscounted basis, are less than the carrying amount of the related asset, an asset

impairment is considered to exist. Changes in significant assumptions underlying future cash flow estimates may have a material effect on USE's financial position and results of operations. During the year ended December 31, 2010, USE recorded an impairment of \$1.5 million on its multifamily housing property as it is probable that the property will be sold in the near term. (See Subsequent Event Note R) No impairments of long lived assets existed were recorded at December 31, 2009 as the market value of the asset exceeded construction costs.

U.S. ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010, 2009 AND 2008
(Continued)

Derivative Instruments

USE uses derivative instruments, typically fixed-rate swaps and costless collars to manage price risk underlying its oil and gas production. USE may also use puts, calls and basis swaps in the future. All derivative instruments are recorded in the consolidated balance sheets at fair value. USE offsets fair value amounts recognized for derivative instruments executed with the same counterparty. Although USE does not designate any of its derivative instruments as a cash flow hedge, such derivative instruments provide an economic hedge of our exposure to commodity price risk associated with forecasted future oil and gas production. These contracts are accounted for using the mark-to-market accounting method and accordingly, USE recognizes all unrealized and realized gains and losses related to these contracts currently in earnings and are classified as gain (loss) on derivative instruments, net in our consolidated statements of operations.

USE's Board of Directors sets all risk management policies and reviews the status and results of derivative activities, including volumes, types of instruments and counterparties on a quarterly basis. These policies require that derivative instruments be executed only by the President or Chief Financial Officer after consultation and concurrence by the President, Chief Financial Officer and Chairman of the Board. The master contracts with approved counterparties identify the President and Chief Financial Officer as the only Company representatives authorized to execute trades.

Fair Value of Financial Instruments

The carrying amount of cash equivalents, receivables, other current assets, accounts payable and accrued expenses approximate fair value because of the short-term nature of those instruments. The recorded amounts for short-term and long-term debt approximate the fair market value due to the variable nature of the interest rates on the short-term debt, and the fact that interest rates remain generally unchanged from issuance of the long-term debt.

Asset Retirement Obligations

USE accounts for its asset retirement obligations under FASB ASC 410-20, "Asset Retirement Obligations." USE records the fair value of the reclamation liability on its inactive mining properties and its operating oil and gas properties as of the date that the liability is incurred. USE reviews the liability each quarter and determines if a change in estimate is required as well as accretes the discounted liability on a quarterly basis for the future liability. Final determinations are made during the fourth quarter of each year. USE deducts any actual funds expended for reclamation during the quarter in which it occurs.

U.S. ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010, 2009 AND 2008
(Continued)

The following is a reconciliation of the total liability for asset retirement obligations:

	(In thousands)	
	December 31, 2010	December 31, 2009
Beginning asset retirement obligation	\$ 211	\$ 144
Accretion of discount	17	12
Liabilities incurred	75	55
Ending asset retirement obligation	\$ 303	\$ 211
Mining properties	\$ 139	\$ 128
Oil & Gas Wells	164	83
Ending asset retirement obligation	\$ 303	\$ 211

Revenue Recognition

USE records natural gas and oil revenue under the sales method of accounting. Under the sales method, USE recognizes revenues based on the amount of natural gas or oil sold to purchasers, which may differ from the amounts to which USE is entitled based on its interest in the properties. Natural gas balancing obligations as of December 31, 2010 and 2009 were not significant.

Revenues from real estate operations are reported on a gross revenue basis and are recorded at the time the service is provided.

Stock Based Compensation

USE measures the cost of employee services received in exchange for all equity awards granted including stock options based on the fair market value of the award as of the grant date.

USE has computed the fair values of its options granted to employees using the Black Scholes pricing model and the following weighted average assumptions (no options were granted in 2010 or 2009):

	Year Ended December 31,		
	2010	2009	2008
Risk-free interest rate	--	--	3.23 %
Expected lives (years)	--	--	6.0
Expected volatility	--	--	56.51 %
Expected dividend yield	--	--	--

USE recognizes the cost of the equity awards over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. As share-based compensation expense is recognized based on awards ultimately expected to vest, the expense has been reduced for estimated forfeitures based on historical forfeiture rates.

U.S. ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010, 2009 AND 2008
(Continued)

Income Taxes

USE recognizes deferred income tax assets and liabilities for the expected future income tax consequences, based on enacted tax laws, of temporary differences between the financial reporting and tax bases of assets, liabilities and carry forwards.

Additionally, USE recognizes deferred tax assets for the expected future effects of all deductible temporary differences, loss carry forwards and tax credit carry forwards. Deferred tax assets are reduced, if deemed necessary, by a valuation allowance for any tax benefits which, based on current circumstances, are not expected to be realized. Management believes it is more likely than not that such tax benefits will be realized and a valuation allowance has not been provided.

Net Income (Loss) Per Share

Basic earnings per share are computed based on the weighted average number of common shares outstanding. Common shares held by the ESOP are included in the computation of earnings per share. Total shares held by the ESOP at December 31, 2010, 2009, and 2008 were 685,382, 642,913, and 606,330, respectively. Diluted earnings per share is computed based on the weighted average number of common shares outstanding adjusted for the incremental shares attributed to outstanding options and warrants to purchase common stock, if dilutive. Using the treasury stock method, potential common shares relating to options and warrants are excluded from the computation of diluted loss per share for the years ending December 31, 2010, 2009 and 2008 because they were anti dilutive. Dilutive options and warrants totaled 1,034,446, 282,504 and 226,246 at December 31, 2010, 2009 and 2008, respectively

Recent Accounting Pronouncements

Accounting Standards Update No. 2010-03 - In December 2008, the Securities and Exchange Commission published a Final Rule, Modernization of the Oil and Gas Reporting Requirements. The new rule permits the use of new technologies to determine proved reserves if those technologies have been demonstrated to lead to reliable conclusions about reserves volumes. The new requirements also allow companies to disclose their probable and possible reserves to investors. In addition, the new disclosure requirements require companies to: (a) report the independence and qualifications of its reserves preparer or auditor; (b) file reports when a third party is relied upon to prepare reserves estimates or conducts a reserves audit; and (c) report oil and gas reserves using an average price based upon the prior 12-month period rather than year-end prices. The use of average prices will affect impairment and depletion calculations. In January 2010, the FASB issued Accounting Standards Update No. 2010-03, Oil and Gas Reserve Estimation and Disclosure, to align the oil and gas reserve estimation and disclosure requirement of the SEC Final Rule with the ASC 932. The new disclosure requirements are effective for annual reports on Form 10-K for fiscal years ending on or after December 31, 2009. USE's adoption of this Final rule for this annual reported dated December 31, 2009 affected our oil and gas disclosures but had no material effect on our financial position and results of operations.

Accounting Standards Update 2010-09 - In May 2009, the FASB issued FASB ASC 855, "Subsequent Events," and in February 2010, the FASB issued ASC Update 2010-09, "Subsequent Events (Topic 855) – Amendments to Certain

Recognition and Disclosure Requirements,” which establishes standards of accounting for and disclosure of events that occur after the balance sheet date but before

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U.S. ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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financial statements are issued. Under this standard, entities that file or furnish financial statements with the SEC, such as USE, are required to use an issued date in evaluating subsequent events. This standard, as updated, is effective February 24, 2010, and USE adopted it at that date. The adoption did not have a material impact on USE's results of operations or financial position.

USE has reviewed other current outstanding statements from the FASB and does not believe that any of those statements will have a material adverse effect on the financial statements of USE when adopted.

C. SUTTER GOLD MINING COMPANY, INC. ("SGMI")

On August 22, 2008, USE sold 39,062,720 common shares of SGMI that it owned, to RMB Resources Ltd. ("RMB"), as trustee for the Telluride Investment Trust. The sale of these shares represented approximately 49.9% of the outstanding common shares of SGMI for purchase price of \$5.1 million. USE recorded a gain of \$5.4 million from the sale and a loss from discontinued operations of \$501,000 for the year ended December 31, 2008.

Under the terms of the agreement, USE retained an equity position of approximately 3,550,361 shares and the 5% net profits interest royalty. USE also participated in a non-brokered private placement by SGMI with the purchase of 4,545,455 units for total cash consideration of \$496,000. USE also received 24-month warrants, which were extended an additional 12 months to August 2011, to purchase an additional 2,272,728 common shares of SGMI at a price of Cdn. \$0.15 per share. During the year ended December 31, 2010 USE sold 3,000,000 shares of SGMI to a private third party for \$525,000 cash consideration and recorded a gain of \$378,000.

D. FAIR VALUE

USE adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 "Fair Value Measurements and Disclosures" (FASB ASC 820) on January 1, 2008, as it relates to financial assets and liabilities. USE adopted FASB ASC 820 on January 1, 2009, as it relates to nonfinancial assets and liabilities. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs that USE uses to measure fair value. The three levels of the fair value hierarchy defined by FASB ASC 820 are as follows:

- Level 1 — Unadjusted quoted prices available in active markets for identical assets or liabilities.
- Level 2 — Pricing inputs, other than quoted prices within Level 1, which are either directly or indirectly observable.
- Level 3 — Pricing inputs that are unobservable requiring USE to use valuation methodologies that result in management's best estimate of fair value.

Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the nonfinancial assets and liabilities and their placement in the fair value hierarchy levels. As of December 31, 2010, we held \$19.2 million of investments in government securities and marketable securities. The fair value of the investments is reflected on the balance sheet as detailed below. The fair value of USE's commodity risk management liabilities and other accrued liabilities are determined using discounted cash flow methodologies based on inputs that are not readily available in public markets. The fair value of USE's other accrued liabilities that are reflected

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on the balance sheet are detailed below. The other accrued liabilities are the long term portion of the executive retirement program.

(In thousands)
Fair Value Measurements at December 31,
2010 Using

Description	December 31 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Available for sale securities	\$ 1,364	\$ 1,364	\$ --	\$ --
Total assets	\$ 1,364	\$ 1,364	\$ --	\$ --
Commodity risk management liability	\$ 1,725	\$ --	\$ 1,725	\$ --
Other accrued liabilities	847	--	--	847
Total	\$ 2,572	\$ --	\$ 1,725	\$ 847

(In thousands)
Fair Value Measurements at December 31,
2009 Using

Description	December 31 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Available for sale securities	\$ 1,178	\$ 1,178	\$ --	\$ --
Total assets	\$ 1,178	\$ 1,178	\$ --	\$ --
Other accrued liabilities	\$ 762	\$ --	\$ --	\$ 762
Total	\$ 762	\$ --	\$ --	\$ 762

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The following table summarizes, by major security type, the fair value and unrealized gain of our investments. The unrealized gain is recorded on the consolidated balance sheet as other comprehensive income, a component of stockholders' equity.

(In thousands)						
December 31, 2010						
Description of Securities	Less Than 12 Months Unrealized		12 Months or Greater Unrealized		Total Unrealized	
	Fair Value	Gain	Fair Value	Gain	Fair Value	Gain
Available for sale securities	\$ 1,364	\$ 1,003	\$ --	\$ --	\$ 1,364	\$ 1,003
Total	\$ 1,364	\$ 1,003	\$ --	\$ --	\$ 1,364	\$ 1,003
December 31, 2009						
Description of Securities	Less Than 12 Months Unrealized		12 Months or Greater Unrealized		Total Unrealized	
	Fair Value	Gain	Fair Value	Gain	Fair Value	Gain
Available for sale securities	\$ 1,178	\$ 602	\$ --	\$ --	\$ 1,178	\$ 602
Total	\$ 1,178	\$ 602	\$ --	\$ --	\$ 1,178	\$ 602

USE's other financial instruments include cash and cash equivalents, accounts receivable, accounts payable, other current liabilities and long-term debt. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate fair value because of their immediate or short-term maturities. The carrying value of USE's long-term debt approximates its fair market value since its interest rates have remained generally unchanged from the issuance of the long-term debt. The fair value and carrying value of our long-term debt was \$600,000 and \$800,000 as of December 31, 2010 and December 31, 2009, respectively.

E. COMMODITY PRICE RISK MANAGEMENT

Through our wholly-owned affiliate Energy One, we have entered into three commodity derivative contracts ("economic hedges") with BNP Paribas, a costless collar and two fixed price swaps, as described below. The three

derivative contracts are priced using West Texas Intermediate (“WTI”) quoted prices. U.S. Energy Corp. is a guarantor of Energy One under the economic hedges. The objective of utilizing the economic hedges is to reduce the effect of price changes on a portion of USE’s future oil production, achieve more predictable cash flows in an environment of volatile oil and gas prices and to manage our exposure to commodity price risk. The use of these derivative instruments limits the downside risk of adverse price movements. However, there is a risk that such use may limit our ability to benefit from favorable price movements. Energy One may, from time to time, add incremental derivatives to hedge additional production, restructure existing derivative contracts or enter into new transactions to modify the terms of current contracts in order to realize the current value of the its existing positions.

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Energy One's commodity derivative contracts as of December 31, 2010 are summarized below:

Settlement Period	Counterparty	Basis	Quantity (Bbl/d)	Strike Price
Crude Oil Costless Collars				
10/01/10 - 09/30/11	BNP Parabis	WTI	200	Floor: \$ 75.00 Ceiling: \$ 83.25
Crude Oil Swaps				
10/01/10 - 09/30/11	BNP Parabis	WTI	200	Fixed: \$ 79.05
01/01/11 - 12/31/11	BNP Parabis	WTI	200	Fixed: \$ 89.60

The following table details the fair value of the derivatives recorded in the applicable condensed consolidated balance sheet, by category:

Underlying Commodity	Location on Balance Sheet	Fair Value at December 31, 2010
Crude oil derivate contract	Current Liability	\$ 632,000
Crude oil derivate contract	Current Liability	789,000
Crude oil derivate contract	Current Liability	304,000
		\$ 1,725,000

Unrealized gains and losses resulting from derivatives are recorded at fair value on the consolidated balance sheet and changes in fair value are recognized in the unrealized gain (loss) on risk management activities line on the consolidated statement of operations. Realized gains and losses resulting from the contract settlement of derivatives are recognized in the commodity price risk management activities line on the consolidated statement of operations. During the year ended December 31, 2010 we recognized a loss of \$156,000 from the contract settlements of derivatives.

F. MINERAL PROPERTY TRANSACTIONS

Mount Emmons Molybdenum Properties

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On August 19, 2008, USE and Thompson Creek Metals Company USA (“TCM”), a Colorado corporation headquartered in Englewood, Colorado, entered into an Exploration, Development and Mine Operating Agreement for USE’s Mount Emmons molybdenum property. TCM assigned the agreement to Mt. Emmons Moly Company, a Colorado corporation and wholly owned subsidiary of TCM effective September 11, 2008. Under the terms of the agreement TCM may acquire up to a 75% interest for \$400 million (option payments of \$6.5 million and project expenditures of \$393.5 million).

The Agreement covers two distinct periods of time: The Option Period, during which TCM may exercise an option (the “Option”) to acquire up to a 50% interest in Mount Emmons; and the Joint

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Venture Period, during which TCM will form a joint venture with USE and also have an option to acquire up to an additional 25% interest in Mount Emmons. The following table sets forth the required option and property expenditures that Thompson Creek must make to own its interest in the Mount Emmons molybdenum property:

	Option Payments to U.S. Energy	(In thousands) Expenditures by Thompson Creek on the Project	Total	
Closing	\$ 500		\$ 500	(1)
December 31, 2008		2,000	2,000	(2)
January 1, 2009	1,000		1,000	(3)
December 31, 2009		4,000	4,000	(4)
January 1, 2010	1,000		1,000	(5)
December 31, 2010		4,000	4,000	(6)
January 31, 2011	1,000		1,000	(7)
June 30, 2011		1,500	1,500	
Total - First Stage	3,500	11,500	15,000	(8)
January 2012	1,000		1,000	
January 2013	1,000		1,000	
January 2014	1,000		1,000	
Stage Two Expenditures		32,000	32,000	(9)
Total - Second Stage	3,000	32,000	35,000	(10)
Stage Three Expenditures	-	350,000	350,000	(11)
	\$ 6,500	\$ 393,500	\$ 400,000	

(1) Paid at Closing on September 11, 2008

(2) Paid during the twelve months ended December 31, 2008

(3) Paid on January 2, 2009

(4) Paid \$3,847,600 and deposited \$142,400 into escrow for the project

(5) Paid on December 31, 2009

(6) Paid \$4,798,400 and deposited \$201,600 into escrow for the project

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- (7) Paid on December 31, 2010
- (8) If TCM has paid a total of \$15 million it has option to own 15%
- (9) To be paid for the development of the project by July 31, 2018
- (10) If TCM has paid a total of \$50 million it has option to own 50%
- (11) If TCM pays 100% of the next \$350 million it has option to own 75% of the project.

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Costs to operate the water treatment plant at the property are being paid solely by USE until TCM elects to exercise its option to own an interest in the property.

Failure by TCM to incur the required amount of expenditures by a deadline, or make an Option Payment to USE, subject to the terms of the Agreement, the Agreement may be terminated without further obligation to USE from TCM. TCM may terminate the Agreement at any time, but if earned and elected to accept, TCM will retain the interest earned and be responsible for that share of all costs and expenses related to Mount Emmons.

The Joint Venture Period; Joint Venture Terms:

Within six months of TCM's election to acquire the 50% interest, TCM, in its sole discretion, shall elect to form a Joint Venture and either: (i) participate on a 50%-50% basis with USE, with each party to bear their own share of expenditures from formation date; or (ii) acquire up to an additional 25% interest in the project by paying 100% of all expenditures equal to \$350 million (for a total of \$400 million, including the \$50 million to earn the 50% interest in the second stage of the Option Period), at which point the participation would be 75% TCM and 25% USE. Provided however, if TCM makes expenditures of at least \$70 million of the \$350 million in expenditures and TCM decides not to fund the additional \$280 million in expenditures, TCM will have earned an additional 2.5% (for a total of 52.5%). Thereafter, TCM will earn an incremental added percentage interest for each dollar it spends toward the total \$350 million amount.

At any time before incurring the entire \$350 million, TCM in its sole discretion, may determine to cease funding 100% of expenditures, in which event USE and TCM then would share expenditures in accordance with their participation interests at that date, in accordance with the Joint Venture. With certain exceptions, either party's interest is subject to dilution in the event of non-participation in funding the Joint Venture's budgets.

Management of the Property

TCM is the Project Manager of Mount Emmons. A four person Management Committee governs the projects' operations, with two representatives each from USE and TCM. TCM will have the deciding vote in the event of a committee deadlock.

If and when Mount Emmons goes into production, TCM will purchase USE's share of the molybdcic oxide produced at an average price as published in Platt's Metals Weekly price less a discount with a cap and a floor. The discount band will be adjusted every five years based upon the United States' gross domestic product.

Oil and Gas Exploration

USE participates in oil and gas projects as a non-operating working interest owner and has active agreements with several oil and gas exploration and production companies. Our working interest varies by project, but typically ranges from approximately 5% to 65%. These projects may result in numerous wells being drilled over the next three to five years.

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Williston Basin, North Dakota

From August 24, 2009 to December 31, 2010, we have drilled and completed 11 gross initial Bakken Formation wells (4.89 net), 1 gross Three Forks formation well (0.17 net) and 1 gross (0.32 net) infill Bakken formation well under the Drilling Participation Agreement with Brigham Oil & Gas, L.P. (“Brigham”) a Delaware limited partnership, wholly-owned by Brigham Exploration Company (a Delaware corporation). Four gross initial Bakken formation wells (1.15 net) and 1 infill Bakken formation wells (0.32 net) were in progress at December 31, 2010. Brigham operates all of the wells.

During the year ended December 31, 2010, we completed 7 gross wells (2.41 net) with our percentage of the net costs of \$18.5 million. Four gross wells (1.22 net) were drilled and awaiting completion at December 31, 2010 with net costs to us of \$9.5 million. One additional gross well (0.25 net) was being drilled at December 31, 2010 with net costs to the Company of \$2.0 million.

Brigham recently announced that the interpretation of the micro-seismic data from the 18 square mile data set accumulated during the Brad Olson 9-16 #2H fracture stimulation indicates that frac wings appear to extend laterally approximately 500' on either side of the wellbore, or 1,000' in total, per well. Based on a one mile wide spacing unit, results from the micro-seismic monitoring appear to support development of at least four wells per producing horizon per 1,280 acre spacing unit, or approximately eight total Bakken and Three Forks wells per spacing unit. If the state of North Dakota allows four wells per formation in each spacing unit, the Company could ultimately drill 60 Bakken formation and 60 Three Forks formation wells for a total of 120 wells. The drilling of each well typically takes 30 days while the completion typically takes 21-28 days.

Additionally, in December 2010, we signed two agreements with Zavanna, LLC (a private oil and gas company based in Denver, Colorado), and other parties, and paid \$10,987,000 cash, to acquire a 35% working interest out of Zavanna's working interests in oil and gas leases covering approximately 6,200 net acres in McKenzie County, North Dakota (see below). Net revenue interests are expected to be in the range of 26.95% to 28%, proportionately reduced depending on Zavanna's actual WI%.

The acreage is in two parcels – the Yellowstone Prospect and the SE HR Prospect. We expect this program will result in 31 gross 1,280 acre spacing units (with various working interests of up to 35%), with the potential of 93 gross Bakken and 93 gross Three Forks wells.

In December 2010, we committed to the drilling of two initial horizontal test wells into the Bakken Formation and paid an advance of \$1,433,000 for drilling costs on an initial well in the Yellowstone Prospect; this well began drilling in January 2011. A second well was spud in February 2011. A third well (which will be the initial well on the SE HR Prospect), is expected to begin drilling in second quarter 2011.

Our interests in all the acreage is subject to reduction by operation of a 30% reversionary working interest in the separate acreage packages under each agreement. On the sooner to occur of 36 months after spudding each initial test well (the “Project Payout Period”), or our reaching “Project Payout,” our 35% working interest will be reduced to 24.5% with the NRI % also being proportionately reduced on all the acreage. Project Payout is that point in time when we have received proceeds from the sale of production (or from sale of all or part of the acreage to third parties) equal to 130% of: the \$10,987,000 (paid on execution of the agreements), plus all drilling and completion costs (including dry

hole costs) and surface gathering facilities, for all wells drilled on the acreage (and on any additional acreage

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acquired in the two Areas of Mutual Interest contemplated by the agreements), referred to as the “Project Payout Properties.”

However, if Project Payout does not occur within the Project Payout Period, the reduction due to operation of the reversionary working interest will take effect on all acreage outside the Project Payout Properties, i.e., that acreage in which wells not have been drilled (including all infill locations in drilling units where the Project Payout Properties are located, and the interest in all subsequent operations thereon). After expiration of the Project Payout Period, all costs and expenses related to the Project Payout Properties will continue to be included in the Project Payout calculation until Project Payout occurs.

U.S. Gulf Coast

During the year ended December 31, 2010, we drilled 7 gross wells (0.94 net) in the U.S. Gulf Coast. One gross well (0.50 net) was successfully completed and is currently producing, 1 gross well (0.05 net) was in progress at December 31, 2010, 1 gross well (0.05 net) was completed, but not producing and 4 gross wells (0.34 net) have been plugged and abandoned. Our net investment in these wells through December 31, 2010 was \$8.7 million.

California

Under an October 2010 agreement with Cirque Resources LP (“Cirque”) (a private exploration and development company based in Denver, Colorado), we paid \$2,498,000 to Cirque to purchase a 40% working interest (32% NRI) in Cirque’s leases on 6,120 net mineral acres (2,448 acres net to our interest), in the San Joaquin Basin. Of the amount paid, \$1,620,000 is an advance against our 40% working interest for the initial well, including 33% of Cirque’s 60% working interest share for the well. Cirque’s lease assignments to us, is held in escrow, until the end of the well’s drilling phase; if we have paid all the drilling costs (ours and Cirque’s carry), and the assignments will be recorded and released to us.

Completion and all other costs and expenses on the initial well and for all subsequent wells and any midstream projects (gathering, compressors, and processing/treatment facilities) will be paid by participants in proportion to their working interests. We are estimating our share of total completion costs for the initial well to be in the range of \$640,000. Cirque is the operator for all operations on the prospect.

General

We are also actively pursuing the potential of acquiring additional exploration, development or production stage oil and gas properties or companies. To further this effort, we have engaged an investment banker to assist in finding, evaluating and if necessary, financing the potential acquisition of such assets.

Full Cost Pool – Full cost pool capitalized costs are amortized over the life of production of proven properties. Capitalized costs at December 31, 2010 and 2009 which were not included in the amortized cost pool were \$21.6 and \$5.4 million, respectively. These costs consist of unproved wells in progress, seismic costs that are being analyzed for potential drilling locations as well as land costs and are related to unproved properties. No capitalized costs related to unproved properties are included in the amortization

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base at December 31, 2010 and 2009. It is anticipated that these costs will be added to the full cost amortization pool in the next two years as properties are evaluated, drilled or abandoned.

Ceiling Test Analysis – USE performs a quarterly ceiling test for each of its oil and gas cost centers, which in 2010, there was only one. The ceiling test incorporates assumptions regarding pricing and discount rates and over which management has no influence in the determination of present value. In arriving at the ceiling test for the quarter ended December 31, 2010, USE used \$79.43 per barrel for oil and \$4.38 per MMBtu for natural gas (and adjusted for property specific gravity, quality, local markets and distance from markets) to compute the future cash flows of USE’s producing property. The discount factor used was 10%.

At December 31, 2010, the ceiling was in excess of the net capitalized costs as adjusted for related deferred income taxes and no impairment was required. We will continue to review our unproved properties based on market conditions and other changes and if appropriate, unproved property amounts may be reclassified to the amortized base of properties within the full cost pool.

During the year ended December 31, 2009, USE recorded impairments totaling \$1.5 million, (\$1.1 million in the first quarter of 2009 and \$405,000 in the third quarter of 2009). These impairments were as a result of two factors, (1) low prices for natural gas during the quarter ended March 31, 2009, \$3.58 per MMBtu and (b) a dry hole drilled during the quarter ended September 30, 2009, which resulted in costs exceeding the ceiling test.

Wells in Progress - Wells in progress represent the costs associated with unproved wells that have not reached total depth or been completed as of period end. They are classified as wells in progress and withheld from the depletion calculation and the ceiling test. The costs for these wells are then transferred to evaluated property when the wells reach total depth and are cased and the costs become subject to depletion and the ceiling test calculation in future periods.

G. SUPPLEMENTAL FINANCIAL INFORMATION ON OIL AND NATURAL GAS EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

Capitalized Costs

The following table presents information regarding USE’s net costs incurred in the purchase of proved and unproved properties, and in exploration and development activities:

	(In thousands)	
	December 31, 2010	December 31, 2009
Oil & Gas properties		
Unproved	\$ 17,926	\$ 3,993
Wells in progress	3,694	1,367
Proved	63,317	24,595
	84,937	29,955

USE's DD&A per equivalent BOE was \$23.64 in 2010 and \$21.72 in 2009.

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Undeveloped properties as of December 31, 2010 include costs incurred in the following years:

	(In thousands)			
	Acquisitions	Exploration	Development	Total
2007	\$ 371	\$ --	\$ --	\$ 371
2008	95	--	--	95
2009	910	--	--	910
2010	13,562	6,682	--	20,244
Total	\$ 14,938	\$ 6,682	\$ --	\$ 21,620

Costs Incurred

Costs incurred in oil and natural gas property acquisition, exploration and development activities are summarized below:

	(In thousands)		
	Year Ended December 31,		
	2010	2009	2008
Property acquisition costs:			
Proved	\$ --	\$ --	\$ --
Unproved	14,237	560	1,184
Exploration costs	35,899	21,107	4,194
Development costs	4,846	--	--
Total costs incurred	\$ 54,982	\$ 21,667	\$ 5,378

Results of Operations

Results of operations from oil and natural gas producing activities are presented below:

	(In thousands)	
	For the years ending	
	December 31, 2010	December 31, 2009
Oil and gas revenues	\$ 26,548	\$ 7,581
Unrealized (loss) from risk management activities	(1,725)	--
Loss from risk management activities	(156)	--
	24,667	7,581

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Operating expenses	6,073	1,085
Depreciation, depletion and amortization	10,610	3,571
Impairment	--	1,468
	16,683	6,124
Operating income (loss)	\$ 7,984	\$ 1,457

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Oil and Natural Gas Reserves (Unaudited)

Proved reserves are estimated quantities of oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved developed reserves are reserves that can reasonably be expected to be recovered through existing wells with existing equipment and operating methods.

Proved oil and natural gas reserve quantities at December 31, 2010 and 2009 and the related discounted future net cash flows before income taxes are based on the estimates prepared by Cawley, Gillespie & Associates, Inc. and Ryder Scott Company, L.P. The reserve report for the period ended December 31, 2008 was prepared by Ryder Scott Company, L.P. Such estimates have been prepared in accordance with guidelines established by the Securities and Exchange Commission.

USE's net ownership interests in estimated quantities of proved oil and natural gas reserves and changes in net proved reserves, all of which are located in the continental United States, are summarized below:

December 31, 2010	Oil (BBLs)	Natural Gas or NGL (MCFE)
Beginning of year	811,789	1,646,482
Revisions of previous quantity estimates	(55,450)	(234,852)
Extensions, discoveries and improved recoveries	1,093,540	1,911,867
Sales of reserves in place	--	--
Production	(303,433)	(872,529)
End of Year	1,546,446	2,450,968
Proved developed reserves at end of year	1,362,733	2,311,682

December 31, 2009	Oil (BBLs)	Natural Gas or NGL (MCFE)
Beginning of year	29,798	1,000,000
Revisions of previous quantity estimates	(3,747)	423,839
Extensions, discoveries and improved recoveries	866,199	710,621
Sales of reserves in place	--	--
Production	(80,461)	(487,978)
End of Year	811,789	1,646,482
Proved developed reserves at end of year	811,789	1,646,482

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Standardized Measure (Unaudited)

The standardized measure of discounted future net cash flows relating to USE's ownership interests in proved oil and natural gas reserves as of year-end is shown below:

	(In thousands)		
	Year Ended December 31,		
	2010	2009	2008
Future cash inflows	\$ 124,629	\$ 51,024	\$ 7,112
Future costs:			
Production	(36,299)	(14,025)	(1,154)
Development	(6,774)	(104)	(64)
Future income tax expense	(11,622)	(8,273)	(1,993)
Future net cash flows	69,934	28,622	3,901
10% discount factor	(25,281)	(8,638)	(583)
Standardized measure of discounted future net cash flows	\$ 44,653	\$ 19,984	\$ 3,318

Future cash flows for the years ended December 31, 2009 and 2010 are computed by applying average prices per barrel of oil and per MMBtu of natural gas at the first day of each month in the 12-month period prior to the end of the reporting period to year-end quantities of proved oil and natural gas reserves. Future cash flows for the year ended December 31, 2008 is based upon the price per barrel of oil and per MMBtu of natural gas on the last day of 2008. Prices used in computing year end 2010, 2009 and 2008 future cash flows were \$79.43/barrel, \$61.18/barrel and \$41.41/barrel, respectively, for oil and \$4.38/MMbtu, \$3.87/MMbtu and \$5.88/MMbtu for natural gas, respectively. Future operating expenses and development costs are computed primarily by USE's petroleum engineers by estimating the expenditures to be incurred in developing and producing USE's proved oil and natural gas reserves at the end of the year, based on year end costs and assuming continuation of existing economic conditions.

Future income taxes are based on year-end statutory rates, adjusted for the tax basis of oil and gas properties and available applicable tax assets. A discount factor of 10% was used to reflect the timing of future net cash flows. The standardized measure of discounted future net cash flows is not intended to represent the replacement cost or fair market value of USE's oil and natural gas properties. An estimate of fair value would also take into account, among other things, the recovery of reserves not presently classified as proved, anticipated future changes in prices and costs, and a discount factor more representative of the time value of money and the risks inherent in reserve estimates.

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Change in Standardized Measure (Unaudited)

Changes in standardized measure of future net cash flows relating to proved oil and natural gas reserves are summarized below:

	(In thousands)		
	Year Ended December 31,		
	2010	2009	2008
Balance at beginning of period	\$ 19,984	\$ 3,318	\$ --
Sales of oil and gas, net of production costs	(20,476)	(6,496)	(509)
Net change in prices and production costs	3,895	297	--
Net change in future development costs	--	--	--
Extensions and discoveries	40,011	26,721	5,820
Revisions of previous quantity estimates	(2,519)	1,586	--
Previously estimated development costs incurred	--	--	--
Net change in income taxes	(2,138)	(4,385)	(1,993)
Accretion of discount	2,576	531	--
Changes in production rates, timing and other	3,320	(1,588)	--
Balance at end of period	\$ 44,653	\$ 19,984	\$ 3,318

Sales of oil and natural gas, net of oil and natural gas operating expenses, are based on historical pretax results. Extensions and discoveries and the changes due to revisions in standardized variables are reported on a pretax discounted basis.

H. GEOTHERMAL

During the year ended December 31, 2010, USE's minority interest investment in Standard Steam Trust, LLC ("SST"), a Denver, Colorado based private geothermal resource acquisition and development company decreased. USE's investment increased by recognizing a \$1.0 million equity gain during the year ended December 31, 2010 and then decreased when USE received a \$1.1 capital distribution from SST. USE's net investment at December 31, 2010 was \$2.8 million. Due to not funding cash calls during 2010 from SST USE's ownership interest decreased from 23.8% to 22.8%. USE has notified SST that it does not intend to fund any future cash calls, which will result in dilution to USE's ownership interest.

I. ENERGY SECTOR HOUSING

Remington Village – Gillette, Wyoming.

USE owns a nine building multifamily apartment complex, with 216 units on 10.15 acres located in Gillette, Wyoming. At December 31, 2010 the net book value of the multifamily housing complex was \$22.2 million and the appraised value was \$21.0 million. USE recorded an impairment on the asset of \$1.5 million at December 31, 2010. (See Subsequent Events, Note R)

J. BNP RESERVE CREDIT FACILITY

On July 30, 2010, USE established a Senior Secured Revolving Credit Facility (the “Facility”) to borrow up to \$75 million from BNP Paribas (“BNP”). At present, BNP is the only lender under the

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Facility. In the future, the facility may include other members of a lending syndicate (the “Lenders”) as provided for in the Facility. BNPP also is the administrative agent for the Facility, which is governed by the following documents: Credit Agreement; Mortgage, Deed of Trust, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement (the “Mortgage”); and Guaranty and Pledge Agreement (the “Guaranty”), which are referred to below together as the “Facility Documents.” The following summarizes the principal provisions of the Facility as set forth in the Facility Documents, which are filed as exhibits to this Report. The summary is qualified by reference to the complete text of the documents.

USE organized a wholly-owned subsidiary, Energy One LLC (“Energy One”), which will be the borrower under the Facility. USE has assigned to Energy One all of its rights, title and interest in certain oil and gas properties and equipment related thereto, rights under various operating agreements, proceeds from sale of production and from sale or other disposition of the properties. USE also has unconditionally and irrevocably guaranteed Energy One’s performance of its obligations under the Credit Agreement, including without limitation Energy One’s payment of all borrowings and related fees thereunder.

From time to time until expiration of the Facility (July 30, 2014), if Energy One is in compliance with the Facility Documents, Energy One may borrow, pay, and re-borrow funds from the Lenders, up to an amount equal to the Borrowing Base, which was initially established at \$12 million. The Borrowing Base will be redetermined semi-annually, taking into account updated reserve reports prepared by USE’s independent consulting engineers. Any proposed increase in the Borrowing Base will require approval by all Lenders in the syndicate (presently only BNP), and any proposed Borrowing Base decrease will require approval by Lenders holding not less than two-thirds of outstanding loans and loan commitments. Using information from the June 30, 2010 financial statements and reserve reports of Energy One, BNP increased the borrowing base to \$18.5 million.

Interest will be payable quarterly at the greater of the Prime Rate, the Federal Funds Effective Rate (plus 0.5%), and the adjusted LIBO for the three prior months, plus, an additional 2.25% to 3.25%, depending on the amount of the loan relative to the Borrowing Base. Interest rates on outstanding loans are adjustable each day by BNPP as administrative agent. Energy One may prepay principal at any time without premium or penalty, but all outstanding principal will be due on July 30, 2014. If there is a decrease in the Borrowing Base, the excess of outstanding loans over the Borrowing Base will be due over the six months following the redetermination.

In addition, on a quarterly basis, Energy One will pay BNP, for the account of each Lender (as applicable), a commitment fee of 0.50% of the unused amount of each Lender’s unused amount of its Facility lending commitment, computed daily until July 30, 2014.

Energy One is required to comply with customary affirmative covenants, and with negative covenants. The principal negative financial covenants (measured at various times as provided in the Credit Agreement) do not permit (i) Interest Coverage Ratio (Interest Expense to EBITDAX) to be less than 3.0 to 1; (ii) Total Debt to EBITDAX to be greater than 3.5 to 1; and (iii) Current Ratio (current assets plus unused lender commitments under the Borrowing Base) to be less than 1.0 to 1.0. EBITDAX is defined in the Credit Agreement as Consolidated Net Income, plus non-cash charges.

If Energy One fails to pay interest or principal when due, or fails to comply with the covenants in the Credit Agreement (after a reasonable cure period, if applicable), BNP as Administrative Agent may (and

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shall, if requested by the Majority Lenders (Lenders holding not less than 2/3 of the outstanding loan principal), declare the loans immediately due, and foreclose on Energy One's assets and enforce USE's guaranty.

At closing, pursuant to a separate fee letter with BNP, USE paid BNP \$145,000 for initial arrangement and upfront fees, \$59,000 to BNPP's legal counsel for legal fees, and will be paying BNPP a commercially reasonable Facility fees in the future if the Borrowing Base is increased. Additionally, USE has paid Madison Williams and Company, investment banker to USE, \$240,000 under the terms of a 2009 financial services agreement, in proportion to the initial \$12 million Borrowing Base.

As of December 31, 2010 we had not borrowed from the Facility. On February 18, 2011 we borrowed \$3.0 million under the Credit Facility to fund our initial participation in an Eagle Ford shale oil prospect in Zavala County, Texas.

K. OTHER LIABILITIES AND DEBT

As of December 31, 2010 and 2009, USE had current and long term liabilities associated with the following funding commitments:

	(In thousands)	
	December 31, 2010	December 31, 2009
Other liabilities and debt:		
Other liabilities		
Security deposits	191	150
Deferred rent	58	35
Employee health insurance self funding	5	--
Accrued expenses	--	29
Retainage on construction in progress	--	10
	\$ 254	\$ 224
Other long term liabilities:		
Accrued retirement costs	\$ 847	\$ 762
Debt:		
Long term Debt		
Real estate note - collateralized by property, interest at 6%	\$ 600	\$ 800
Less current portion	(200)	(200)
Totals	\$ 400	\$ 600

In December 2008, USE and TCM purchased land for \$4 million (\$2 million in January 2009, \$400,000 annually for five years). USE is responsible for one-half the purchase price. As of December 31, 2010 USE has paid \$1.4 million leaving \$600,000 to be paid at the rate of \$200,000 per year through 2013.

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At the date of filing of this annual report USE has a \$10,000,000 line of credit from a commercial bank. The line of credit has a variable interest rate (5.5% minimum). The line of credit expired January 31, 2011 but was extended by the bank to April 15, 2011. As of the date of this report none of the line of credit had been drawn down. The line of credit is collateralized by USE's multifamily housing project, Remington Village, and a corporate aircraft.

L. INCOME TAXES

The provision for income taxes is composed of the following:

	(In thousands)		
	Years ended December 31,		
	2010	2009	2008
Current income tax (benefit)			
Federal	\$ (104)	\$ (210)	\$ (4,551)
State	--	--	(94)
	\$ (104)	\$ (210)	\$ (4,645)
Deferred income tax (benefit)			
Federal	\$ (1,543)	\$ (1,794)	\$ 1,319
State	(91)	(275)	--
	\$ (1,634)	\$ (2,069)	\$ 1,319

The effective income tax rate differs from the U.S. Federal Statutory income tax rate due to the following:

	(In thousands)		
	Years ended December 31,		
	2010	2009	2008
Federal statutory income tax rate	\$ (853)	\$ (3,555)	\$ (3,271)
State income taxes, net of federal benefit	(50)	(209)	(96)
Incentive stock options	258	404	338
Percentage depletion carryover	(1,067)	(128)	--
Other	(26)	1,209	(297)
	\$ (1,738)	\$ (2,279)	\$ (3,326)

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The Components of deferred tax assets and liabilities as of December 31, 2010 and 2009 are as follows:

	(In thousands)	
	December 31, 2010	December 31, 2009
Deferred tax assets:		
Net operating loss	\$ 1,857	\$ 2,078
Derivative instruments	621	--
Asset retirement obligation	109	40
Stock based compensation	287	629
Deferred compensation	372	534
Alternative minimum tax credit	706	810
Contribution carryover	27	19
Equity investments	362	--
Percentage depletion carryover	1,198	128
	5,539	4,238
Deferred tax liabilities:		
Property and equipment	(10,149)	(10,700)
Marketable securities	(361)	--
	(10,510)	(10,700)
Net deferred tax (liabilities)	(4,971)	(6,462)
Less: Valuation Allowance	--	--
Net deferred tax (liability)	\$ (4,971)	\$ (6,462)

During the year ended December 31, 2010, deferred tax assets increased by \$1.3 million and deferred tax liabilities decreased by \$0.2 million. The net change in deferred tax liabilities decreased by \$1.5 million compared to the previous year. This decrease is comprised of a deferred income tax benefit \$1.6 million, and a reduction to other comprehensive income of \$0.1 million resulting from the future tax impact of unrealized gain on marketable securities.

USE has net operating loss carryovers as of December 31, 2010 of \$6.4 million for federal income tax purposes and \$4.4 million for financial reporting purposes. The difference of \$2.0 million relates to tax deductions for compensation expense for financial reporting purposes for which the benefit will not be recognized until the related deductions reduce taxes payable. The net operating loss carryovers may be carried back two years and forward twenty years from the year the net operating loss was generated. The net operating losses may be used to offset taxable income through 2030. In addition, USE has alternative minimum tax credit carry-forwards of \$0.7 million which are available to offset future federal income taxes over an indefinite period.

During 2010, the Internal Revenue Service (“IRS”) issued information document requests (“IDR’s”) requesting information for the tax years ended December 31, 2009, 2008 and 2007. USE responded to the IDR’s and is currently waiting on a response from the IRS as to whether or not the IRS will commence an examination of USE for those years. USE

agreed to extend the statute of limitations for the 2007 tax year

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until July 2012. USE does not anticipate any adjustments to the tax years ended December 31, 2007, 2008 and 2009.

USE adopted the applicable provisions of ASC 740 to recognize, measure, and disclose uncertain tax positions in the financial statements. Under ASC 740, tax positions must meet a “more-likely-than-not” recognition threshold to be recognized. During the year ended December 31, 2010, no adjustments were recognized for uncertain tax positions.

USE recognizes interest and penalties related to uncertain tax positions in income tax expense (benefit). No interest and penalties related to uncertain tax positions were accrued at December 31, 2010.

The tax years 2007 through 2009 for federal returns and 2006 through 2009 for state returns remain open to examination by the major taxing jurisdictions in which we operate, no material changes to unrecognized tax positions are anticipated during the next year.

M. SEGMENTS AND MAJOR CUSTOMERS

During the years ended December 31, 2010 and December 31, 2009, and December 31, 2008, USE, for financial reporting purposes, operated in three business segments, the exploration for and sale of oil and gas, rental of multifamily housing units and mining. As of December 31, 2010, no one customer had a majority of the units under contract in USE’s multifamily housing project in Gillette, Wyoming. USE’s operating segments are reflected in the tables below:

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	(In thousands)		
	For the years ended December 31,		
	2010	2009	2008
Revenues:			
Oil and gas	\$ 24,667	\$ 7,581	\$ 589
Real estate	2,509	2,768	1,633
Total revenues:	27,176	10,349	2,222
Operating expenses:			
Oil and gas	16,683	6,124	462
Real estate	3,874	2,104	1,165
Mineral properties	1,878	1,959	2,296
Total operating expenses:	22,435	10,187	3,923
Interest expense			
Oil and gas	--	--	--
Real estate	--	19	417
Mineral properties	48	60	--
Total interest expense:	48	79	417
Operating income/(loss)			
Oil and gas	\$ 7,984	\$ 1,457	\$ 127
Real estate	(1,365)	645	51
Mineral properties	(1,926)	(2,019)	(2,296)
Operating income/(loss) from identified segments	4,693	83	(2,118)
General and administrative expenses	(8,973)	(9,433)	(7,903)
Add back interest expense	48	79	417
Other revenues and expenses:	1,722	(1,186)	(17)
(Loss) before income taxes	\$ (2,510)	\$ (10,457)	\$ (9,621)
Depreciation expense:			
Oil and gas	\$ 10,610	\$ 1,045	\$ 382
Real estate	1,063	3,571	517
Mineral properties	77	54	49
Corporate	380	396	478
Total depreciation expense	\$ 12,130	\$ 5,066	\$ 1,426

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	(In thousands)		
	December 31,		
	2010	2009	2008
Assets by segment			
Oil and Gas properties	\$ 75,639	\$ 30,016	\$ 8,523
Real estate	20,800	23,450	30,980
Mineral properties	21,258	21,998	24,927
Corporate assets	38,319	71,259	78,201
Total assets	\$ 156,016	\$ 146,723	\$ 142,631

N. SHAREHOLDERS' EQUITY

During 2010, USE issued 649,897 shares of common stock. Issued shares consist of (a) 275,728 shares as a result of the exercise of options by employees of USE; (b) 236,367 shares issued as a result of warrants being exercised (c) 80,000 shares issued to officers of USE pursuant to the 2001 Stock Compensation Plan; (d) 42,802 shares issued for the 2010 ESOP contribution and (e) 15,000 shares as a result of exercise of options by an outside director.

Stock Option Plans

The Board of Directors adopted the U.S. Energy Corp. 1989 Stock Option Plan for the benefit of USE's employees. The Option Plan, as amended and renamed the 1998 Incentive Stock Option Plan ("1998 ISOP"), reserved 3,250,000 shares of USE's \$.01 par value common stock for issuance under the 1998 ISOP. Options which expired without exercise were available for reissue until the 1998 ISOP was replaced by the 2001 ISOP. The last options issued under the 1998 ISOP will expire if not exercised by January 9, 2011 and the 1998 ISOP will be terminated at that date.

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During the years ended December 31, 2010, 2008 and 2007 the following activity occurred under the 1998 ISOP:

	Year ended December 31,		
	2010	2009	2008
Grants			
Qualified	--	--	--
Non-Qualified	--	--	--
	--	--	--
Price of Grants			
High	--	--	--
Low	--	--	--
Exercised			
Qualified	35,000	--	--
Non-Qualified	389,215	--	--
	424,215	--	--
Total Cash Received	\$ --	(1)	\$ --
Forfeitures/Cancellations			
Qualified	--	--	77,782
Non-Qualified	--	--	27,617
	--	--	105,399

(1) 263,971 shares valued at \$1,396,000 were withheld from the option exercises to cover the cost of the exercises, federal income tax and statutory payroll taxes.

In December 2001, the Board of Directors adopted (and the shareholders approved) the U.S. Energy Corp. 2001 Incentive Stock Option Plan (the "2001 ISOP") for the benefit of USE's employees. The 2001 ISOP (amended by approval of the shareholders in 2004 and 2007) reserves for issuance 25% of USE's shares of common stock issued and outstanding at any time. The 2001 ISOP has a term of 10 years. Options issued under the 2001 ISOP remain exercisable until their expiration date under the terms of the 2001 ISOP.

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During the years ended December 31, 2010, 2009 and 2008 the following activity occurred under the 2001 ISOP:

	Year ended December 31,		
	2010	2009	2008
Grants			
Qualified	--	--	248,817
Non-Qualified	--	--	313,683
	--	--	562,500
Price of Grants			
High	--	--	\$ 2.52
Low	--	--	\$ 2.52
Exercised			
Qualified	111,359	1,984	--
Non-Qualified	163,893	--	--
	275,252	1,984	--
Total Cash			
Received	\$ 63,000 (1)	\$ 5,000	\$ --
Forfeitures/Cancellations			
Qualified	--	4,000	77,221
Non-Qualified	--	--	482,709
	--	4,000	559,930

(1) In addition to the cash exercise of 25,015 options: 43,676 shares valued at \$301,000 were exchanged for exercises of 60,901 options; and 116,062 shares valued at \$596,000 were withheld from the exercise of 189,336 options to cover the cost of the exercises, federal income tax and statutory payroll taxes.

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A summary of the Employee Stock Option Plans activity in all plans for the year ended December 31, 2010, 2009 and 2008 is as follows:

	Year ended December 31, 2010		2009		2008	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at beginning of the period	3,711,114	\$ 3.64	3,717,098	\$ 3.63	3,819,927	\$ 3.75
Granted	--	\$ --	--	\$ --	562,500	\$ 2.52
Forfeited	--	\$ --	--	\$ --	(5,333)	\$ 4.97
Expired	--	\$ --	(4,000)	\$ 2.46	(659,996)	\$ 3.37
Exercised	(699,467)	\$ 2.63	(1,984)	\$ 2.52	-	\$ --
Outstanding at period end	3,011,647	\$ 3.87	3,711,114	\$ 3.64	3,717,098	\$ 3.63
Exercisable at period end	2,404,148	\$ 3.78	2,614,453	\$ 3.43	2,131,269	\$ 3.29
Weighted average fair value of options granted during the period		\$ --		\$ --		\$ 1.41

During the year ended December 31, 2010 a total of 699,467 options were exercised by employees by the payment of \$63,000 in cash and the surrender of 325,195 shares valued at \$1.8 million. In the year ended December 31, 2009, 1,984 options were exercised by the payment of \$5,000. No options were exercised during the year ended December 31, 2008.

Option related compensation expense is recognized over the vesting period of the options and is calculated using the Black Scholes option pricing model. USE initially assumed no forfeitures, but has subsequently reduced the cumulative expense based on historical forfeiture.

No option related compensation expense was recognized for options which vested prior to the adoption of FAS 123R. Prior to the adoption of FAS 123R, USE accounted for option compensation pursuant to APB Opinion No. 25. The following table sets forth the option compensation related expense for the years ended December 31, 2007 through the vesting period of the employee options outstanding at December 31, 2010:

Option Related Compensation Expense for the Year Ended December 31,					
2007	2008	2009	2010	2011	Thereafter

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Year Ended December 31,	Options Granted	Total Expense						
2005	700,000	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
2006	25,000	12,000	15,000	(3,000)	--	--	--	--
2007	1,558,000	4,355,000	592,000	1,081,000	1,167,000	757,000	756,000	2,000
2008	562,500	791,000	--	73,000	263,000	264,000	191,000	--
2009	--	--	--	--	--	--	--	--
2010	--	--	--	--	--	--	--	--
	2,845,500	\$ 5,158,000	\$ 607,000	\$ 1,151,000	\$ 1,430,000	\$ 1,021,000	\$ 947,000	\$ 2,000

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The following table summarizes information about employee stock options outstanding and exercisable at December 31, 2010:

Grant Price Range	Options Outstanding at December 31, 2010	Weighted average contractual life in years	Weighted average exercise price	Options exercisable at December 31, 2010	Weighted average exercise price
\$ 2.25 - 2.26 -	125,112	0.94	\$ 2.25	125,112	\$ 2.25
\$ 2.40 - 2.41 -	10,000	0.03	\$ 2.40	10,000	\$ 2.40
\$ 2.46 - 2.47 -	397,319	3.50	\$ 2.46	397,319	\$ 2.46
\$ 2.52 - 2.53 -	462,880	7.73	\$ 2.52	275,381	\$ 2.52
\$ 3.86 - 3.87 -	373,768	4.79	\$ 3.86	373,768	\$ 3.86
\$ 3.90 - 3.91 -	377,928	0.93	\$ 3.90	377,928	\$ 3.90
\$ 4.97 -	1,264,640	6.57	\$ 4.97	844,640	\$ 4.97
	3,011,647	5.16	\$ 3.87	2,404,148	\$ 3.78

The following table sets forth the number of options available for grant as well as the intrinsic value of the options outstanding and exercisable:

	2010	2009	2008
Available for future grant	3,765,506	3,327,780	1,924,524
Intrinsic value of option exercised	\$ 1,956,000	\$ 14,000	\$ --
Aggregate intrinsic value of options outstanding	\$ 6,660,000	\$ 8,514,000	\$ --
Aggregate intrinsic value of options exercisable	\$ 5,526,000	\$ 6,543,000	\$ --

Employee Stock Ownership Plan

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The Board of Directors of USE adopted the U.S. Energy Corp. 1989 Employee Stock Ownership Plan ("ESOP") in 1989, for the benefit of all USE's employees. Employees become eligible to participate in the ESOP after one year of service which must consist of at least 1,000 hours worked. After the employee becomes a participant in the plan, he or she must have a minimum of 1,000 hours of service in each plan year to be considered for allocations of funding from USE. Employees become 20% vested after three years of ser