UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
Calpine Corporation, et al.,	)	Case No. 05-60200 (BRL)
	)	Jointly Administered
Debtors.	)	

UPDATED VALUATION ANALYSIS FOR CALPINE CORPORATION, ET AL.

I. Introduction

On September 26, 2007, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an order (the "Disclosure Statement Order") [Docket No. 6136] approving the *Debtors' Fourth Amended Disclosure Statement for Debtors' Fourth Amended Joint Plan of Reorganization* [Docket No. 6140] (the "Disclosure Statement") filed by Calpine Corporation and its affiliated debtors and debtors in possession (collectively, the "Debtors"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the *Debtors' Fourth Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code* [Docket No. 6139] (as amended, the "Plan"). The Disclosure Statement Order provides that "Miller Buckfire shall update the Valuation Analysis (as defined in the Disclosure Statement) no later than 10 days prior to the Voting Deadline (November 30, 2007) to reflect Miller Buckfire's best professional judgment as to the New Calpine Total Enterprise Value as of that time." (Disclosure Statement Order at ¶22). This updated valuation analysis (the "Updated Valuation Analysis") is disclosed pursuant to the Disclosure Statement Order and is subject to the protections incorporated therein including section 1125 of the Bankruptcy Code and Local Rule 3017(a)-1 as containing "adequate information" as defined by section 1125(a) of the Bankruptcy Code. The Updated Valuation Analysis supersedes the June 20, 2007 valuation analysis set forth in the Disclosure Statement.

Set forth below are the Updated Valuation Analysis, certain information regarding the preparation of the Updated Valuation Analysis, certain information regarding the Debtors' current estimates of Allowed Claims, and the resulting updated projected recoveries for Holders of Allowed Claims and Interests under the Plan. The information regarding projected recoveries for Holders of Allowed Claims and Interests under the Plan supersedes any information regarding projected recoveries for Holders of Allowed Claims and Interests set forth in the Disclosure Statement, including Articles I.D, IV.D, IV.F-G, and V.C.

At the Confirmation Hearing, the Debtors will take the position that the New Calpine Total Enterprise Value upon the Debtors' emergence from chapter 11 is $19.35 billion, based on the Updated TEV Midpoint (as defined herein). However, as described in the Disclosure Statement, the Bankruptcy Court will determine the New Calpine Total Enterprise Value following the Confirmation Hearing, and, as a result, it is possible that the Bankruptcy Court will find that the New Calpine Total Enterprise Value will be materially higher or lower than $19.35 billion.

The conclusions in the Updated Valuation Analysis should not be ascribed to the Official Committee of Unsecured Creditors or the Official Committee of Equity Security Holders appointed in the Chapter 11 Cases (each, a "Committee"). Each Committee has developed its own separate analysis and determinations regarding the valuation of Reorganized Debtors, which will be available for viewing at http://www.kccllc.net/calpine, and will present its position to the Bankruptcy Court at the Confirmation Hearing.

II. Preparation of the Updated Valuation Analysis and Related Assumptions

In preparing the Updated Valuation Analysis, Miller Buckfire, among other things: reviewed certain recent historical financial results of the Debtors; reviewed certain financial and operating data of the Debtors; discussed with certain senior executives and advisors the current operations and prospects of the Debtors; reviewed certain operating and financial forecasts prepared by the Debtors, including the consolidated projected operating and financial results accompanying the Disclosure Statement and updated Cash EBITDAR projections for the period January 1, 2008 through December 31, 2013 (the "Updated Projections");[1] discussed with certain senior executives of the Debtors and their advisors key assumptions related to the Updated Projections; prepared discounted cash flow analyses based on the Updated Projections, utilizing various discount rates; considered the market value of certain publicly-traded companies in businesses reasonably comparable to the operating business of the Debtors; considered certain economic and industry information relevant to the operating business of the Debtors; and conducted such other analyses as Miller Buckfire deemed necessary under the circumstances. In preparing the Updated Valuation Analysis, Miller Buckfire also considered a range of other issues, including: the Reorganized Debtors' capital structure; commodity price volatility; exogenous risks; and regulatory and legislative challenges.

The Updated Valuation Analysis is based on data and information as of November 19, 2007. Miller Buckfire makes no representations as to changes to such data and events that may occur after November 19, 2007, or information that may become available after November 19, 2007.

Miller Buckfire assumed, without independent verification, the accuracy, completeness, and fairness of all of the financial and other information available to it from public sources or as provided to Miller Buckfire by the Debtors or their representatives. Miller Buckfire did not make any independent evaluation or appraisal of the Debtors' assets, nor did Miller Buckfire independently verify any of the information it reviewed. Miller Buckfire has assumed that the Updated Projections are true and that the Debtors or their representatives reasonably prepared them on bases reflecting the best estimates and good faith judgments of the Debtors' management as to future operating and financial performance as of the date of their preparation, and that the Debtors have informed Miller Buckfire of all circumstances occurring since such date that could make the Updated Projections incomplete or misleading. To the extent the Updated Valuation Analysis is dependent upon the Reorganized Debtors' achievement of the Updated Projections, and the assumption that general economic, financial, and market conditions as of the Effective Date will not differ materially from those prevailing as of the date of the Updated Valuation Analysis, the Updated Valuation Analysis must be considered speculative. Miller Buckfire conducted the Updated Valuation Analysis with the explicit understanding that it is based on standards of assessment, including economic, political, legal, and other conditions, in existence as of the date of the Updated Valuation Analysis, that standards of assessment may change in the future, and that such changes could have a material impact (positive or negative) on its assessment of the updated valuation of the Reorganized Debtors. Miller Buckfire disclaims any responsibility for any impact any such change may

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1 Cash EBITDAR is equal to cash earnings before interest, taxes, depreciation, amortization, and operating rent and restructuring charges ("Cash EBITDAR"). On November 1, 2007, the Debtors updated their Cash EBITDAR projections for the period January 1, 2008 through December 31, 2013.

have on the assessment of the valuation of the Reorganized Debtors set forth herein. Miller Buckfire does not make any representation or warranty as to the fairness of the terms of the Plan.

In addition to the foregoing, Miller Buckfire relied upon the following assumptions in preparing the Updated Valuation Analysis: the Effective Date occurs on December 31, 2007; the Debtors have access to the New Credit Facility as of the Effective Date; and the Debtors and their subsidiaries will have an estimated $1.53 billion in Cash and other assets available for distribution on the Effective Date (the "Available Cash and Other Assets"). Available Cash and Other Assets excludes restricted Cash, certain Cash at project-financed subsidiaries that is not available for distribution, and Cash that is required to be maintained by the Debtors for working capital and collateral needs, but includes value from assets held for sale and other non-operating assets of $494 million.

The Updated Projections used in the Updated Valuation Analysis assume that all of the Debtors' net operating losses ("NOLs") will be available to the Reorganized Debtors, subject to any limitations under federal income tax laws. The Updated Projections used in the Updated Valuation Analysis also assume that general economic, financial, and market conditions as of the Effective Date will not differ materially from those conditions prevailing as of the date of the Updated Valuation Analysis. Although subsequent developments may affect Miller Buckfire's conclusions, Miller Buckfire does not have any obligation to update, revise, or reaffirm its analysis.

III. The Updated Valuation Analysis

A. Total Enterprise Value

In conducting the Updated Valuation Analysis, Miller Buckfire used two methodologies to derive the updated total enterprise value ("Updated TEV") range based on the Updated Projections: (1) a calculation of the present value of free cash flows, added to a terminal value, using a range of discount rates (the "DCF Analysis"); and (2) a comparison of the Debtors' projected performance to that of other public companies (the "Selected Companies") with lines of business and operating characteristics similar to those of the Debtors (the "Comparable Companies Analysis"). Miller Buckfire assigned equal weightings to the two methodologies.

The DCF Analysis derives an estimated TEV of the Reorganized Debtors by combining the Reorganized Debtors' unlevered projected free cash flows based on the Updated Projections and a terminal value at the end of the projection period, discounted at an appropriate range of discount rates. The terminal value was derived using two methodologies: (1) applying a perpetuity growth rate range of 1.75% to 2.25% to the projected 2013 unlevered free cash flow of the Reorganized Debtors; and (2) applying an EBITDAR multiple range of 8.5x to 9.5x to the Reorganized Debtors' projected Cash EBITDAR in 2013. Miller Buckfire used a discount rate range of 9.0% to 9.5% to perform the DCF Analysis.

The Comparable Companies Analysis considers the market enterprise values of the Selected Companies as a multiple of projected 2008 EBITDAR based on guidance provided by the management of the Selected Companies and recent public research reports published by third parties. Miller Buckfire applied ranges of ratios to the Reorganized Debtors' projected Cash EBITDAR to derive a range of implied values based on Miller Buckfire's analysis of such ratios for the Selected Companies. Miller Buckfire assumed a 2008 EBITDAR multiple range of 10.0x to 11.0x.

The Updated TEV includes an estimated value for the Debtors' NOL carryforwards of $0.9 to $1.1 billion.

Based on the methodologies described above, and after further review, discussions, considerations, and assumptions, Miller Buckfire has estimated the Updated TEV range for the Reorganized Debtors as of the Effective Date to be $18.30 to $20.40 billion, with a midpoint of $19.35 billion (the "Updated TEV Midpoint"). The Updated TEV Midpoint reflects a decrease of approximately $900 million from the previous TEV midpoint set forth in the Disclosure Statement. This decrease is a result of, among other things, a general decrease in the market enterprise value of the Selected Companies and a general increase in market volatility, both partially offset by the increases in projected Cash EBITDAR in the Updated Projections as compared to the Cash EBITDAR projections included in exhibit 12 to the Plan Supplement.

B. Reorganized Equity Value

Miller Buckfire estimated the updated reorganized equity value (the "Updated Reorganized Equity Value") by deducting the Reorganized Debtors' projected net debt, which ranges from $10.49 billion to $10.55 billion from the Updated TEV Midpoint. The estimated range of Updated Reorganized Equity Value is between $8.80 billion and $8.86 billion. Based on a hypothetical 500 million shares of New Calpine Common Stock outstanding, the illustrative value per share is estimated to range from $17.60 to $17.72.

(*$million*)	**High Claims**	**Low Claims**
Updated TEV Midpoint	$ 19,350	$ 19,350
Less: Funded Exit Facility	(7,050)	(7,000)
Less: Reinstated Net Project and Other Debt	(3,992)	(3,987)
Plus: Remaining Available Cash and Other Assets	494	499
Updated Reorganized Equity Value	**$ 8,801**	**$ 8,862**
Illustrative value per new share[2]	**$ 17.60**	**$ 17.72**

IV. Impact of Updated Valuation Analysis on Projected Recoveries under the Plan

A. Claims Estimates

Since the Bankruptcy Court approved the Disclosure Statement, the Debtors have continued to object to, reconcile, and resolve outstanding Claims against the Estates. As a result of this process, the Debtors have developed updated ranges of estimates for the ultimate amount of Allowed Claims on a Class-by-Class basis. The Debtors' updated Claims estimates set forth below are based upon a number of assumptions and supersede any such prior Claims estimates contained in the Disclosure Statement, including Articles I.D, III.D.10, IV.D-G, and V.C. Both the "low-end" and the "high-end" Claims estimates assume that any settlements regarding Makewhole Claims currently pending before the Bankruptcy Court will be approved.

Among other things, the "low-end" estimates for Claims include the principal amount of the Claims plus applicable interest accruing from the Petition Date through the Interest Accrual Limitation

2 Illustrative value per new share is based on 500 million shares of New Calpine Common Stock outstanding.

Date (which date is assumed to be December 31, 2007) at the non-default contract rate or the Federal Judgment Rate effective as of the Petition Date (4.34%). The low-end estimates do not include default interest. The low-end estimates also assume that the litigation remaining pending regarding the Makewhole Claims against the Debtors' Estates arising out of the repayment of the CalGen Second Priority Secured Floating Rate Notes Due 2010, the CalGen Second Priority Secured Term Loans Due 2010, the CalGen 11.5% Third Priority Secured Notes Due 2011, and the CalGen Third Priority Secured Floating Rate Notes Due 2011 (the "CalGen Second and Third Lien Makewhole Claims") will result in such Claims being disallowed in full. Finally, the low-end estimates assume that, in general, contingent, unliquidated, and Disputed Claims will be disallowed or Allowed in a negligible amount.

In contrast, the "high-end" estimates for Claims in each Class assume that Allowed Claims will include interest accruing from the Petition Date through the Interest Accrual Limitation Date (which date is assumed to be December 31, 2007) at the default contract rate, where applicable, subject to the primary principal Claim being satisfied in full and will include compound interest. The high-end estimates also assume that the Debtors' maximum estimates for the CalGen Second and Third Lien Makewhole Claims will be Allowed and will include accrued interest at the default rate, where applicable. Finally, the high-end estimates assume maximum liability for contingent, unliquidated, and Disputed Claims, including accrued compounded interest at the default rate, where applicable. Should the Bankruptcy Court determine that different interest rates are applicable to Claims in each Class or that some or all of the contingent, unliquidated, and Disputed Claims are Allowed, the total amount of Allowed Claims in each Class may vary materially from the estimates provided below.

B. Projected Distribution to Holders of Allowed Claims and Interests under the Plan

Miller Buckfire estimated the updated reorganization value that will be distributable to Holders of Allowed Claims and Interests (the "Updated Reorganization Value") by adding approximately $1.53 billion of Available Cash and Other Assets to the Updated TEV Midpoint. The estimated Updated Reorganization Value is $20.88 billion. Using the Updated Reorganization Value and the Debtors' low-end Claims estimates, the Debtors estimate that (1) Holders of Allowed Unsecured Claims (other than Holders of Claims in Classes C-10, D, and E-2) will be paid their Allowed principal plus pre- and postpetition interest Claims in full, and (2) Holders of Allowed Interests will receive $0.41 on account of each share of common stock. Using the same Updated Reorganization Value and the Debtors' high-end Claims estimates, the Debtors estimate that postpetition interest Claims will not be paid, and therefore (1) Holders of Allowed Claims in Classes C-2, C-5, C-7, C-8, and C-9 will recover 88.0% of their Allowed principal plus pre- and postpetition interest Claims (which recovery is equivalent to 99.7% of Allowed principal plus prepetition interest Claims), and (2) Holders of Allowed Interests will receive no recovery on account of their common stock.

The chart below depicts the waterfall structure of the Plan and any residual value remaining for distribution to Holders of Allowed Interests based on the Debtors' high- and low-Claims scenarios.

($million)	**High Claims**	**Low Claims**
Updated TEV Midpoint	$ 19,350	$ 19,350
Plus: Available Cash and Other Assets	1,533	1,533
Updated Reorganization Value	**$ 20,883**	**$ 20,883**
Non-Debtor Net Project Debt	(3,800)	(3,800)
DIP Facility Claims	(3,970)	(3,970)
Administrative Claims	(20)	(20)
Priority Tax Claims	(76)	(71)
First Lien Debt Claims	(58)	(58)
Second Lien Debt Claims	(4,004)	(3,949)
Other Secured Claims	(129)	(129)
Other Priority Claims	(1)	(1)
Convenience Claims	(23)	(22)
Updated Reorganized Equity Value	$ 8,801	$ 8,862
Senior Note Claims	$ 953	$ 953
General Note Claims	2,731	2,705
Subordinated Note Claims	777	762
Canadian Settlement Claims	2,548	2,548
Canadian Guarantee Claims	200	150
Canadian Intercompany Claims	259	259
Rejection Damage Claims	1,237	847
General Unsecured Claims	526	343
Unsecured Makewhole Claims	101	101
CalGen Makewhole Claims	288	-
Unsecured Claims	$ 9,619	$ 8,667
Unsecured Claims Recovery	<100%	100%
Value Remaining for Equity	$ - $0.00 (per share)	$ 195 $0.41 (per share)

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Notwithstanding the updated ranges of Claims estimates set forth herein and the Debtors' projected recoveries to Holders of Allowed Claims and Interests in the low- and high-end Claims scenarios, based on an individualized assessment of each material Disputed Claim and the Updated Reorganization Value, the Debtors believe that the litigation-risk adjusted outcome under the Plan is that (1) Holders of Allowed Claims in Classes C-2, C-5, C-7, C-8, and C-9 will receive 96.7% of their Allowed Claims for principal, prepetition interest, and postpetition interest, and (2) Holders of Allowed Interests will receive no recovery. Because Disputed Claims have not yet been finally adjudicated, no assurances can be given that actual recoveries of Holders of Allowed Claims and Interests will not be materially higher or lower. In no event shall interest accrued after the Petition Date through December

31, 2007 be paid in connection with any Allowed Unsecured Claim until all amounts due on Allowed Unsecured Claims arising prior to the Petition Date have been paid in full or fully reserved for in accordance with the terms of the Plan.[3]

The projected recoveries for Holders of Allowed Claims and Interests for unclassified Claims and on a Class-by-Class basis in the Debtors' high- and low-Claims scenarios are set forth in the charts below.

Summary of Treatment and Recoveries for Unclassified Claims

Claim	Plan Treatment	Estimated Range of Claims	Projected Recovery Under the Plan
DIP Facility Claims	Paid in full in Cash.	$3.97 billion	100.0%
Administrative Claims	Paid in full in Cash.	$20.42 - $20.43 million (does not include Professionals' Claims)	100.0%
Priority Tax Claims	Paid in full in Cash pursuant to section 1129(a)(9)(C) of the Bankruptcy Code.	$71.15 million - $76.34 million	100.0%

3 Notwithstanding the updates to the Debtors' estimates of Allowed Claims as set forth herein and the general difficulties in quantifying recoveries to Holders of Allowed Claims and Interests with precision, the Debtors believe that, taking into account the Updated Valuation Analysis, the Plan continues to satisfy the "best interests" test of section 1129(a)(7) of the Bankruptcy Code. In particular, using the Updated TEV Midpoint and the Debtors' current litigation-risk assessment of Allowed Claims, the Debtors estimate that Holders of Allowed Claims in Classes C-2, C-5, C-7, C-8, and C-9 would recover 96.7% of their Allowed Claims for principal plus pre- and post-petition interest under the Plan exceeding any recoveries for such Unsecured Creditors in a hypothetical chapter 7 liquidation in which the Debtors estimate that such Unsecured Creditors would not receive a full recovery on Allowed Claims and Holders of Interests would receive no recovery.

Summary of Treatment and Recoveries for Claims and Interests on a Class-by-Class Basis

Classes	Claim	Plan Treatment of Class	Estimated Range of Claims	Projected Recovery Under the Plan as % of Principal and Pre/Post-Petition Interest Claims	Status	Voting Rights
A-1	**First Lien Debt Claims**	Paid in full in Cash.	$58.05 million	100.0%	Unimpaired	Deemed to Accept
A-2	**Second Lien Debt Claims**	Paid in full in Cash.	$3.95 billion - $4.00 billion	100.0%	Unimpaired	Deemed to Accept
A-3	**Other Secured Claims**	Reinstated; paid in full in Cash; or satisfied in full by a return of the collateral.	$128.75 million	100.0%	Unimpaired	Deemed to Accept
B	**Other Priority Claims**	Paid in full in Cash.	$0.53 million - $0.90 million	100.0%	Unimpaired	Deemed to Accept
C-1	**Senior Note Claims**	Pro rata share of the New Calpine Common Stock Pool For Creditors until paid in full.	$953.13 million	100.0%	Impaired	Entitled to Vote
C-2	**General Note Claims**	Pro rata share of the New Calpine Common Stock Pool For Creditors until paid in full.	$2.70 billion - $2.73 billion	88.0% - 100.0%	Impaired	Entitled to Vote
C-3	**Subordinated Note Claims**	Pro rata share of the New Calpine Common Stock Pool For Creditors until paid in full.	$761.75 million - $776.77 million	73.3 % -100.0%[4]	Impaired	Entitled to Vote
C-4	**ULC1 Settlement Claims**	Pro rata share of the New Calpine Common Stock Pool For Creditors until paid in full.	$3.51 billion	100.0% (subject to cap)	Impaired	Entitled to Vote

[4] The 7.75% Convertible Noteholders believe that the 7.75% Convertible Noteholders are not subordinate in right of payment to the payment of postpetition interest, makewhole, or breach of contract damage Claims that may be due under the Senior Debt (as defined in the indenture for the 7.75% Contingent Convertible Notes due 2015). Accordingly, the 7.75% Convertible Noteholders believe that the low-end recovery for the Holders of Allowed Subordinated Note Claims may be higher than projected herein.

Classes	Claim	Plan Treatment of Class	Estimated Range of Claims	Projected Recovery Under the Plan as % of Principal and Pre/Post-Petition Interest Claims	Status	Voting Rights
C-5	**Canadian Guarantee Claims**	Pro rata share of the New Calpine Common Stock Pool For Creditors until paid in full.	\$150.00 million - \$200.00 million	88.0% - 100.0%	Impaired	Entitled to Vote
C-6	**Canadian Intercompany Claims**	Pro rata share of the New Calpine Common Stock Pool For Creditors until paid in full.	\$335.04 million	100.0% (subject to cap)	Impaired	Entitled to Vote
C-7	**Rejection Damages Claims**	Pro rata share of the New Calpine Common Stock Pool For Creditors until paid in full.	\$847.36 million - \$1.24 billion	88.0% - 100.0%	Impaired	Entitled to Vote
C-8	**General Unsecured Claims**	Pro rata share of the New Calpine Common Stock Pool For Creditors until paid in full.	\$343.03 million - \$526.03 million	88.0% -100.0%	Impaired	Entitled to Vote
C-9	**Unsecured Makewhole Claims**	Pro rata share of the New Calpine Common Stock Pool For Creditors until paid in full.	\$100.79 million	88.0% - 100.0%	Impaired	Entitled to Vote
C-10	**Unsecured Convenience Class Claims**	Paid in full (without postpetition interest) in Cash.	\$22.33 million - \$22.63 million	100.0%	Impaired	Entitled to Vote
C-11	**Intercompany Claims**	Reinstated or receive no distribution.	N/A	100.0%	Unimpaired	Deemed to Accept
C-12	**CalGen Makewhole Claims**	Paid in full in Cash.	\$0 - \$287.61 million	100.0%	Unimpaired	Deemed to Accept
D	**Subordinated Debt Securities Claims**	Pro rata distribution of the New Calpine Common Stock Pool For Subordinated Debt Securities Claimants until paid in full.	\$0	N/A	Impaired	Entitled to Vote
E-1	**Interests**	Pro rata share of the New Calpine Common Stock Pool For Shareholders.	N/A	\$0.00 - \$0.41 per share	Impaired	Entitled to Vote

Classes	Claim	Plan Treatment of Class	Estimated Range of Claims	Projected Recovery Under the Plan as % of Principal and Pre/Post-Petition Interest Claims	Status	Voting Rights
E-2	**Subordinated Equity Securities Claims**	Pro rata share of the New Calpine Common Stock Pool For Shareholders until paid in full.	$0	N/A	Impaired	Entitled to Vote
E-3	**Intercompany Interests**	Reinstated.	N/A	100.0%	Unimpaired	Deemed to Accept

The Debtors' estimates of the value of potential recoveries under the Plan to Holders of Allowed Unsecured Claims and Interests set forth herein: (1) do not take into account that a certain percentage of New Calpine Common Stock will be reserved for the Management and Director Equity Incentive Plan, and that there may be further dilution of the New Calpine Common Stock as a result of the exercise of rights or options under such Incentive Plan; (2) exclude shares that may be issued to satisfy Allowed Subordinated Equity Securities Claims, to the extent such Claims are Allowed; and (3) assume no distributions on account of any Old Calpine Common Stock held by or for the benefit of the Debtors, including with respect to the DB Share Lending Agreement.

V. Reservations

The estimates of value contained herein are not predictions or guarantees of the future value or price of the New Calpine Common Stock nor any other debt or equity instrument to be issued pursuant to the Plan. The value of any securities issued under the Plan is subject to many unforeseeable circumstances and, therefore, cannot be accurately predicted. In addition, the actual amounts of Allowed Claims could materially exceed the amounts estimated by the Debtors for purposes of estimating the anticipated recoveries for the Holders of Allowed Claims and Interests. Accordingly, no representation can be or is being made with respect to whether such percentage recoveries will actually be realized by the Holders of Allowed Claims and Interests.

Miller Buckfire's estimates of the Updated TEV, Updated Reorganization Value, and Updated Reorganized Equity Value do not purport to be appraisals, nor do they necessarily reflect the values that might be realized if the Debtors sold their assets. These estimates assume that the Reorganized Debtors will continue as the owners and operators of their businesses and assets, and that such assets are operated in accordance with the Debtors' business plan. Miller Buckfire developed such estimates solely for purposes of formulation and negotiation of the Plan and analysis of implied relative recoveries to Holders of Allowed Claims and Interests.

Miller Buckfire's estimates are not entirely mathematical, but rather involve complex considerations and judgments concerning various factors that could affect the value of an operating business. Moreover, the value of an operating business is subject to uncertainties and contingencies that are difficult to predict and will fluctuate with changes in factors affecting the financial conditions and prospects of such a business. As a result, Miller Buckfire's estimates are not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. Because such estimates are inherently subject to uncertainties, the Debtors, Miller Buckfire, and any other party do not assume responsibility for the accuracy of such estimates. Depending on the results of the Debtors' operations or changes in the economy or the financial markets in general, Miller Buckfire's estimates performed as of the Effective Date may differ materially.

In addition, the valuation of newly issued securities, such as the New Calpine Common Stock, is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets, the anticipated initial securities held by Creditors, some of which may prefer to liquidate their investment rather than hold it on a long-term basis, and other factors that generally influence the prices of securities. Other factors, many of which are not possible to predict, may also affect actual market prices of such securities. Accordingly, the Updated Reorganized Equity Value estimated by Miller Buckfire does not necessarily reflect, and should not be construed as reflecting, values that will be attained in the public or private markets.

These estimated ranges of values and recoveries represent a hypothetical value that reflects the estimated intrinsic value of the Reorganized Debtors derived through the application of various valuation methodologies. The value ascribed in Miller Buckfire's estimates does not purport to be an estimate of the post-reorganization market trading value, and such trading value may be materially different from the reorganization value ranges associated with Miller Buckfire's estimates. Indeed, there can be no assurance that a trading market will develop for the new securities issued pursuant to the reorganization. Miller Buckfire's estimates are based on economic, market, financial, and other conditions as they exist on, and on the information made available as of, the date of the Updated Valuation Analysis. It should be understood that, although subsequent developments may affect Miller Buckfire's conclusions, after the date of this document, Miller Buckfire does not have any obligation to update, revise, or reaffirm its analysis.

Furthermore, in the event that the actual total Allowed Claims differ from those estimated by the Debtors, the actual recoveries realized by Holders of Allowed Claims and Interests could be significantly higher or lower than estimated by the Debtors.

The summary set forth above does not purport to be a complete description of the Updated Valuation Analysis performed by Miller Buckfire. The preparation of an estimate involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods in the particular circumstances and, therefore, such an estimate is not readily susceptible to summary description.

IN LIGHT OF THE FOREGOING, THE UPDATED VALUATION ANALYSIS IS BASED UPON A NUMBER OF ESTIMATES AND ASSUMPTIONS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS, THE REORGANIZED DEBTORS, AND THEIR PROFESSIONALS. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE RANGES REFLECTED IN THE UPDATED VALUATION ANALYSIS WOULD BE REALIZED IF THE PLAN WERE TO BECOME EFFECTIVE AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE DESCRIBED IN THE DISCLOSURE STATEMENT.