VISTRA ENERGY

Vistra Energy

Lender Presentation | December 6, 2016

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This presentation has been prepared by the Company and includes market data and other information from sources believed by us to be reliable, including industry publications and surveys. Some data are also based on our good faith estimates, which are derived from our review of internal sources as well as the independent sources described above. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

Section 1

Introduction

Transaction Summary

- Vistra Energy Corp. and Vistra Operations Company, LLC, (“Vistra Operations” and together with Vistra Energy Corp., “Vistra Energy”, or the “Company”) are seeking to raise a new $1.0 billion Term Loan B-2 at Vistra Operations (the “Incremental Facility”). In conjunction with the transaction, Vistra Operations will also upsize its Revolving Credit Facility by $110 million. At closing of the financing, the Credit Facilities will consist of the following:
  - $860 million Senior Secured Revolving Credit Facility
  - $2,850 million Senior Secured Term Loan B
  - $1,000 million Senior Secured Term Loan B-2
  - $650 million Senior Secured Funded L/C Facility
- Vistra Energy is the largest electric power generator and retail electric provider in Texas, with approximately 17 GW of generation capacity and 1.7 million retail customers
- The Company benefits from an integrated retail electricity and generation platform, which creates an attractive and balanced credit profile under various power price environments, highlighted by:
  - A market leading retail business with stable cash flows
  - A large, diversified, and efficient generation fleet that complements the retail business
  - Significant operating and financial benefits of a combined platform, including risk management and collateral efficiencies
- The proceeds from the Incremental Facility will be used to distribute a special dividend to the common shareholders of Vistra Energy Corp. while allowing the Company to move toward optimizing its capital structure
- Pro forma for the transaction, the Company will maintain lower leverage than any independent power producer (“IPP”) at 2.7x[(1)] gross and 2.1x net leverage (based on 2017E EBITDA of $1,425[(2)] million)
  - 2016E EBITDA of $1,585[(2)] million
  - Pro forma for 2017E free cash flow, net leverage ratio would be reduced to 1.5x

(1) Excluding $650mm Funded L/C facility.
(2) Midpoint of Company guidance.

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Section 2

Company Update and Overview

Milestones Since DIP Roll-to-Exit

7/29 — July 29, 2016
Received private letter tax ruling

8/2 — August 2, 2016
Syndication of DIP Roll-to-Exit

8/26 — August 26, 2016
Exit Plan confirmation

9/22 — September 22, 2016
Placement of preferred equity offering

10/3 — October 3, 2016
Emergence from bankruptcy

10/4 — October 4, 2016
Public shares start trading OTC

10/24 — Week of October 24, 2016
Support cost restructuring

11/4 — November 4, 2016
TCEH rebranded to Vistra Energy

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Key Credit Highlights

Vistra Energy has emerged with conservative leverage levels and impressive free cash flow generation

Leading Retail Platform	TXU Energy is the largest retail electric provider in Texas with 1.7 million total customers and a 25% share of the residential market; it is projected to generate over $800mm of EBITDA for 2016E – Defensible market share – Stable, dependable cash flows – Market leader in cost efficiency
Large, Diversified, and Efficient Generation Fleet	Luminant has the largest generation fleet in Texas, diversified by fuel and technology, providing it with optimal dispatch opportunity along the entire supply stack – Nuclear – Coal – Gas
Proven Integrated Business Model	Integrated business model creates incremental value when compared to pure play generators or retailers – Cash flow stability through pairing of retail and generation businesses – Credit efficiencies
Conservative Capital Structure and Strong Cash Flows	Superior leverage and free cash flow generation metrics provide Vistra Energy with ample liquidity and flexibility, especially when compared to its peer group – 2016E gross leverage of 2.7x and net leverage of 2.1x
Right Sized Cost Structure and Improved Operations	Vistra Energy continues to right size operations, reduce SG&A, and improve fuel diversity of generation fleet – The company is forecasting $227mm of cost savings for 2017E as compared to the projections for 2016 at the time of the exit financing, an increase of $75mm to the estimate for 2017 at the time of the exit financing

Company Overview

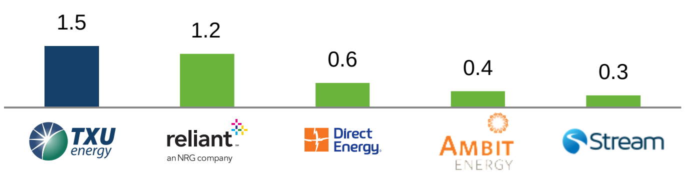
TXU energy | Luminant

Business

TXU energy

- Largest ERCOT retail electric provider
  - 1.7 million total customers[1]
  - ~88% of meter count and ~53% of load is residential[1]
  - 25% residential market customer share, 17% business[2]
  - Delivers leading profitability despite strong competition and pricing pressure

ERCOT Residential Customer Count (millions)[2][3]

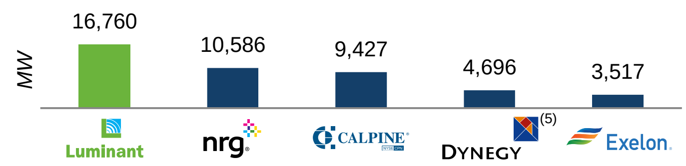


- Preferred brand with broad recognition across ERCOT
  - DFW, Houston, Corpus Christi, parts of South and West TX
- Market-leading sales and marketing, customer service, product development and customer analytics capabilities to acquire, serve and retain the most valuable customers

Luminant

- Largest merchant generation fleet in ERCOT
  - 8,017 MW[4] lignite and PRB coal
  - 3,455 MW[4] natural gas CTs/STs
  - 2,988 MW[4] natural gas CCGTs
  - 2,300 MW[4] nuclear

Top Five Competitive Generators in ERCOT[3]



- 10.1 billion cubic feet of gas storage under management
  - Primarily to fuel peaking generation fleet
- Commodity hedging and risk management

2016E EBITDA

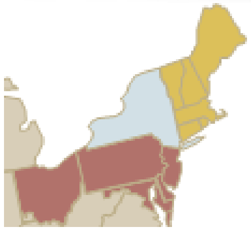
- TXU energy: $825 - $870 million
- Luminant: $725 - $745 million

Integrated business model creates incremental value when compared to pure play generators or retailers

(1) EFH 10-K 2015.
(2) TXU Energy market share reflects year end 2015 estimated market share. All other competitor brand market share information based on EIA 2015 data set.
(3) Figures exclude CPS Energy operating in the San Antonio area, which has opted out of the competitive market.
(4) Reflects name plate capacity.
(5) Pro forma for Engie acquisition.

Attractive ERCOT Retail Market Structure

- *ERCOT is the only 'fully-deregulated' electricity market in the United States*
- *Represents ~31% of competitively served US retail load*
- Consumption per residential customer *~30% higher* than US average
- Only 19 states allow for at least partial retail electric choice; other than TX, most are in the Northeast



Key Market Dynamics	ERCOT	Advantage	PJM / NE / NY
Competitive Residential Offerings[1]	~350	ercot	~140
Pricing Regulations	Fully Competitive	ercot	Default / Price-to-Compare
Regulatory Environment	Stable / Established	ercot	Challenged / Potential for Re-Regulation
Customer Relationship	Retailer has full ownership, excl. outages	ercot	LDC owns billing/svcs, REP is a line item on invoice
Ability to Offer Innovative Plans	High flexibility to innovate; e.g., TXUE free nights, cash rewards	ercot	Limited by LDC's ability to bill (little flexibility)
Market Growth & Outlook	~1% annual growth, leading US population growth	ercot	Limited
Dual Fuel / Competitive Natural Gas	Electric Only	pjm / ISO	Electric & Gas Choice

TXU Energy's established brand, innovative pricing plans, and legacy of serving customers in Texas drives continued opportunity in a mature and highly competitive ERCOT Market

(1) Based on number of offers available on PUC-sponsored electric choice websites in Oncor and PECO territories as of 10/10/16.

TXU Energy – Leading Retail Platform

Unique Position as the Top Retailer in Texas

Unmatched Brand and Capabilities

- ✓ Multi-channel marketing and sales strategy focused on balancing margin and customer counts
- ✓ Despite intense competition, customer attrition rate has declined to below 1% in 2015
- ✓ Market leading brand[1] supporting highest retained residential customers in incumbent territory / core market
- ✓ Innovative products that drive customer value[2]
- ✓ Value proposition through straightforward terms of service, total satisfaction guarantee and reliable, accurate bills, outstanding customer experience and ease of doing business
- ✓ Data driven approach to marketing, service, life-cycle management, and energy supply

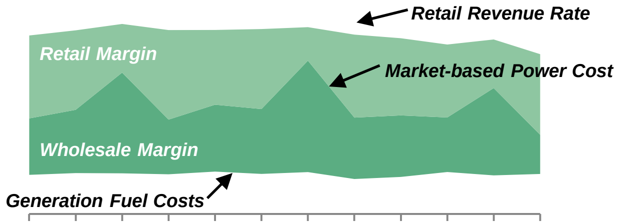
Complementary Generation

- ✓ Luminant's generation fleet largely present in the North Texas Region
- ✓ Non-integrated businesses can be exposed to power price volatility and incremental collateral costs

Stable Cash Flows

- ✓ TXU Energy provides stability in varying power price environments
- ✓ Historically stable cash flows

Integrated Retail / Wholesale Model[3] (Illustrative)



Advantages of Integrated Model

- ✓ Stable enterprise earnings
- ✓ Impact of market power price volatility minimized due to counter-cyclical nature of retail and wholesale businesses
- ✓ Credit / collateral efficient

TXU Energy is the #1 retail electric provider in Texas with 25%[4] residential market share and 1.7 million retail customers

(1) 2015 BAV Consulting Study.
(2) Includes Free Nights, Cash Back Rewards, and Solar Club.
(3) Company analysis. Time period is reflective of 2013 – 2015.
(4) Reflects year end 2015 estimated market share.

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Luminant – Largest Generation Fleet In ERCOT

Comanche Peak (2,300 MW)

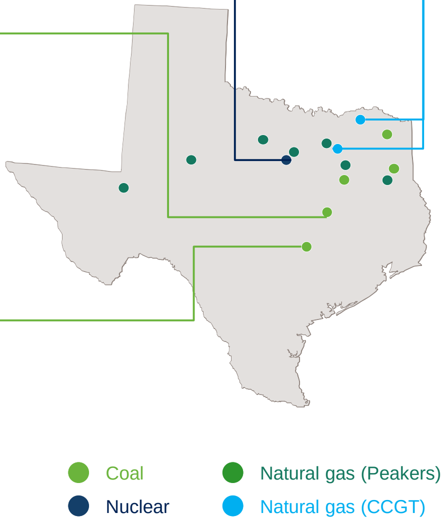
- Lowest cost nuclear plant in the U.S. at $26/MWh[1]
- Second newest[2] nuclear plant in North America with excellent safety record
- Consistently performs at high capacity factor, 99% in 2015
- Provides electricity to 1.5mm homes in Texas

Oak Grove (1,600 MW)

- One of the newest coal units in Texas (COD 2010/2011)
- Well positioned for environmental compliance with FGD, ACI, SCR and Baghouse[3]
- 3 year average capacity factor of ~85%

Sandow Unit 5 (580 MW)[4]

- One of the newest coal units in Texas (COD 2010)
- Well positioned for environmental compliance with FGD, ACI, SNCR and Baghouse[3]
- 3 year average capacity factor of ~80%



Forney (1,912 MW) and Lamar (1,076 MW)[5]

- Operate in the top decile of CCGTs in Texas with ~6.9 Btu / MWh heat rate[6]
- 3 year average capacity factor of ~54% and ~60% for Forney and Lamar, respectively
- Strategically located in the Dallas-Fort Worth load pocket
- Provide electricity 1.5mm homes under normal conditions

Seasonal Coal (5,280 MW) and Gas Peaking Units (3,455 MW)

- Coal assets optimized on a seasonal basis to capture peak economics and maximize margins
- Peaking units highly strategic assets, an integral part of the fleet

Scale, fuel diversity, and flexibility across the supply stack

(1) Benchmarking peer set defined as 18 month fuel cycle U.S. nuclear plants. Data per EUCG May 2016 release for Cost and Capability Factors.
(2) Comanche Peak and Seabrook both went into operation the same month of 1990 with Watts Bar being the only plant that has gone into operation since then as per SNL.
(3) Flue Gas Desulfurization ("FGD"), Activated Carbon Injection ("ACI"), Selective Catalytic Reduction for NOx ("SCR"), Selective Non-Catalytic Reduction for NOx ("SNCR"), and fabric filter systems ("Baghouse").
(4) In addition to Sandow Unit 5, Sandow Unit 4 (557 MW) is also located at this plant.
(5) Forney and Lamar were acquired from NextEra for ~$1.3bn in April 2016.
(6) Based on 2015 heat rates, data from SNL.

Source: Company Filings, EUCG

Integrated Business Model – A Key Advantage

	IPP Model – Competitive Pressures	Retail Model – Competitive Pressures	Vistra Energy – Integrated Advantage
Commodity Exposure Related	▪ Low price environment puts pressure on “long” commodity IPP model ▪ Lack of depth of wholesale market makes meaningful long term hedging challenging	▪ Low price environment encourages competitive entry ▪ Lack of market depth to hedge supply requirements presents risk management issue	▪ **Mitigates cash flow volatility from exposure to commodity prices** ▪ **Retail channel provides an internal offset to generation (and vice versa)** ▪ **Lower hedging transaction and collateral costs**
Impact of Technology	▪ Technology advancement in, and subsidization of, wind, solar, and storage ▪ Low load growth environment; trends toward distributed generation and efficiency	▪ Trend towards energy efficiency and “green” products	▪ **Opportunity to use customer channels to expand integrated model to new technology** ▪ **Creates new ways to engage customers and promotes long term relationships**
New Entrants	▪ Continued new build at questionable economics leads to high reserve margins & volatility in capacity prices	▪ Very aggressive / unsustainable pricing from new entrants / competitors	▪ **Retail and wholesale diversification provides earnings stability and capital efficiencies relative to pure-play new entrants**
Regulatory/ Political	▪ Regulatory and political attack on emissions ▪ Considerable oversight with numerous restrictions on market behavior ▪ Onerous rules regarding asset retirement	▪ ERCOT is only fully competitive retail market in North America (price-to-beat expired in 2007) ▪ Non ERCOT retail market faces structural challenges – *Default provider sets effective ceiling price* – *Utilities retain most customers and the customer interface, limiting opportunities to differentiate*	▪ **As largest retail provider in ERCOT, the only fully deregulated retail market, TXU Energy lowers risk profile of overall portfolio compared to competitors in other markets**

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Section 3

Financial Overview

Adjusted EBITDA and Free Cash Flow Guidance

($ in millions)

	2016 EFC[(1)(2)]	2016E[(1)]	2017 EFC[(2)]	2017E[(3)]
TXU Energy	$725 - $755	$825 - $870	$655 - $715	$760 - $820
Luminant	$770 - $800	$725 - $745	$590 - $680	$595 - $685
Corp Center	($5)	$1	($6)	($5)
Adjusted EBITDA	$1,490 - $1,550	$1,550 - $1,615	$1,240 - $1,390	$1,350 - $1,500
Adjusted Free Cash Flow	$545 - $605	$615 - $680	$670 - $850	$745 - $925

Key 2017 Guidance Assumptions

- Two planned nuclear refueling outages
- No coal plant retirements
- Full run rate of support cost savings
- Forward price curves as of September 30, 2016
- Flexible operation of certain coal units
- Full year operation of CCGT units

Key 2017 Hedge Positions[(4)]

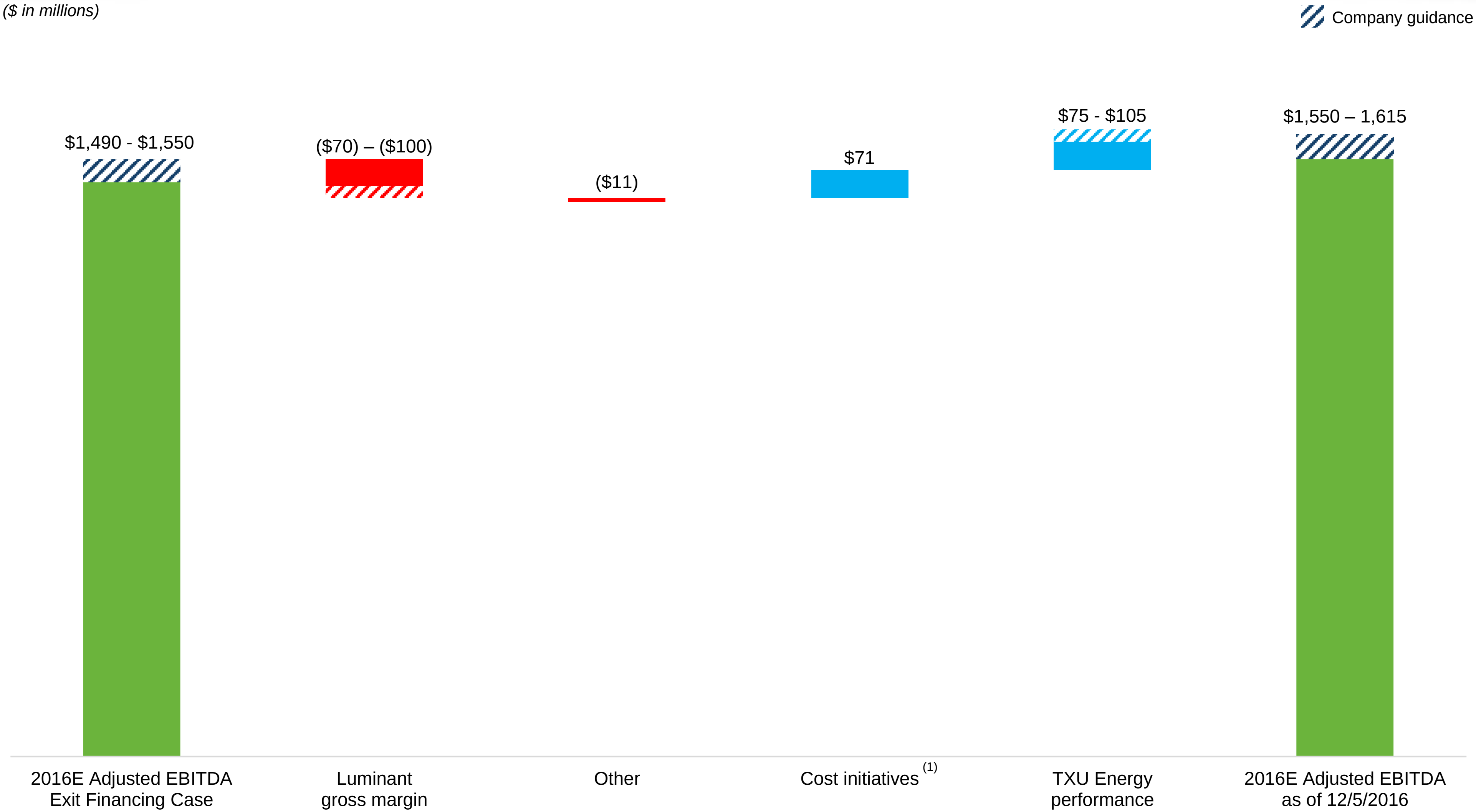
- Natural Gas ~80%
- Heat Rate ~73%

Vistra Energy 2017 Adjusted EBITDA is significantly higher than projected at the time of its predecessor's exit financing driven by TXU Energy performance and support cost savings

(1) 2016 Free Cash Flow is adjusted to reflect 2017E interest payments (based on capital structure as of November 30, 2016) as a proxy for 2016 interest payments and excludes cash for the Forney and Lamar acquisition, bankruptcy related professional fees, and exit transactions. 2016 estimated results are based on the results for Texas Competitive Electric Holdings Company LLC ("TCEH"), our predecessor company, for the first nine months of 2016, and the projected results for Vistra Energy for the last three months of 2016.
(2) EFC refers to projections by Vistra Energy's predecessor, TCEH, presented in connection with its bankruptcy plan of reorganization and related exit financing.
(3) 2017E interest expense is based on capital structure as of November 30, 2016.
(4) As of September 30, 2016.

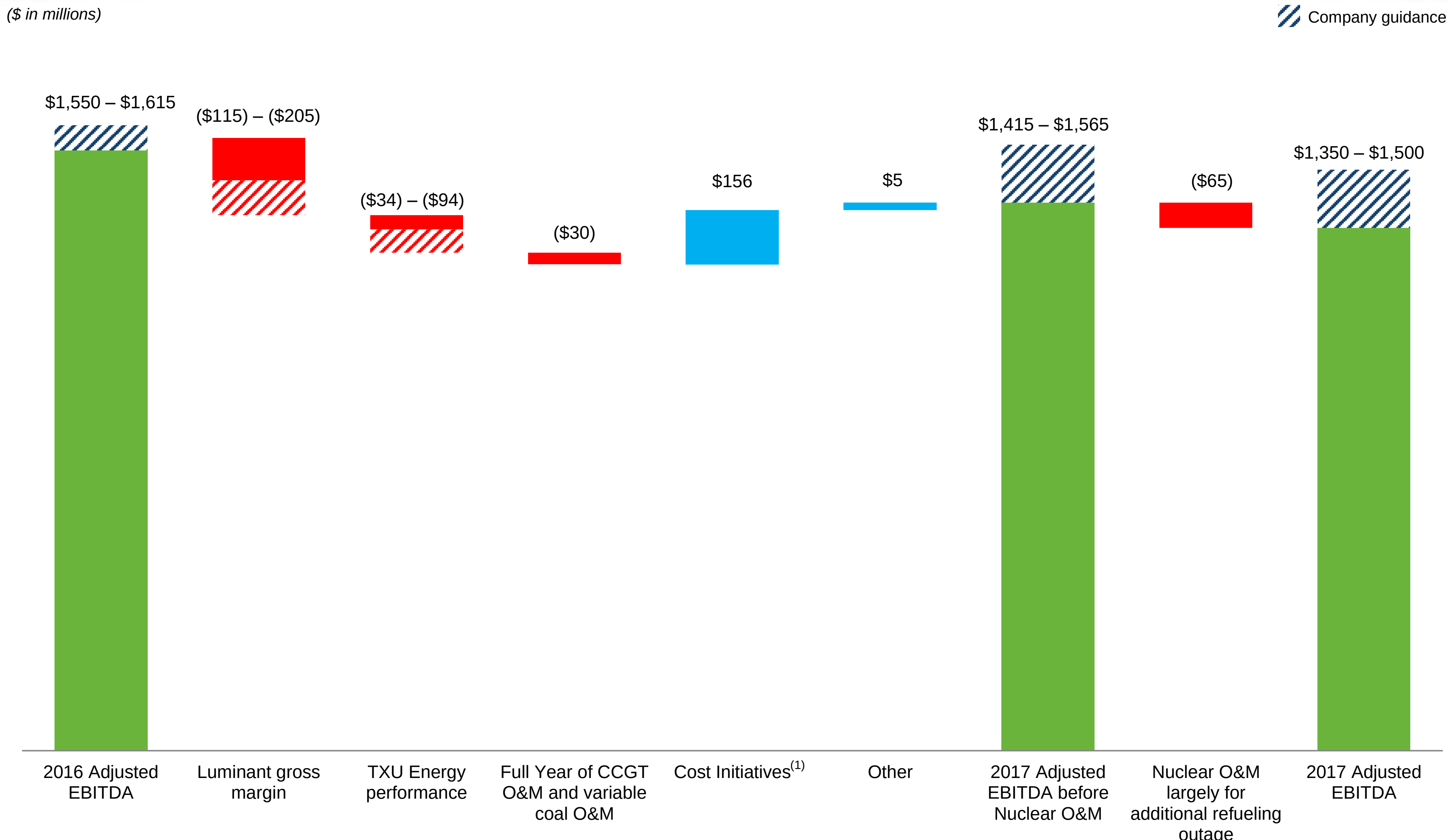
Updated 2016E Adjusted EBITDA Projections

($ in millions)



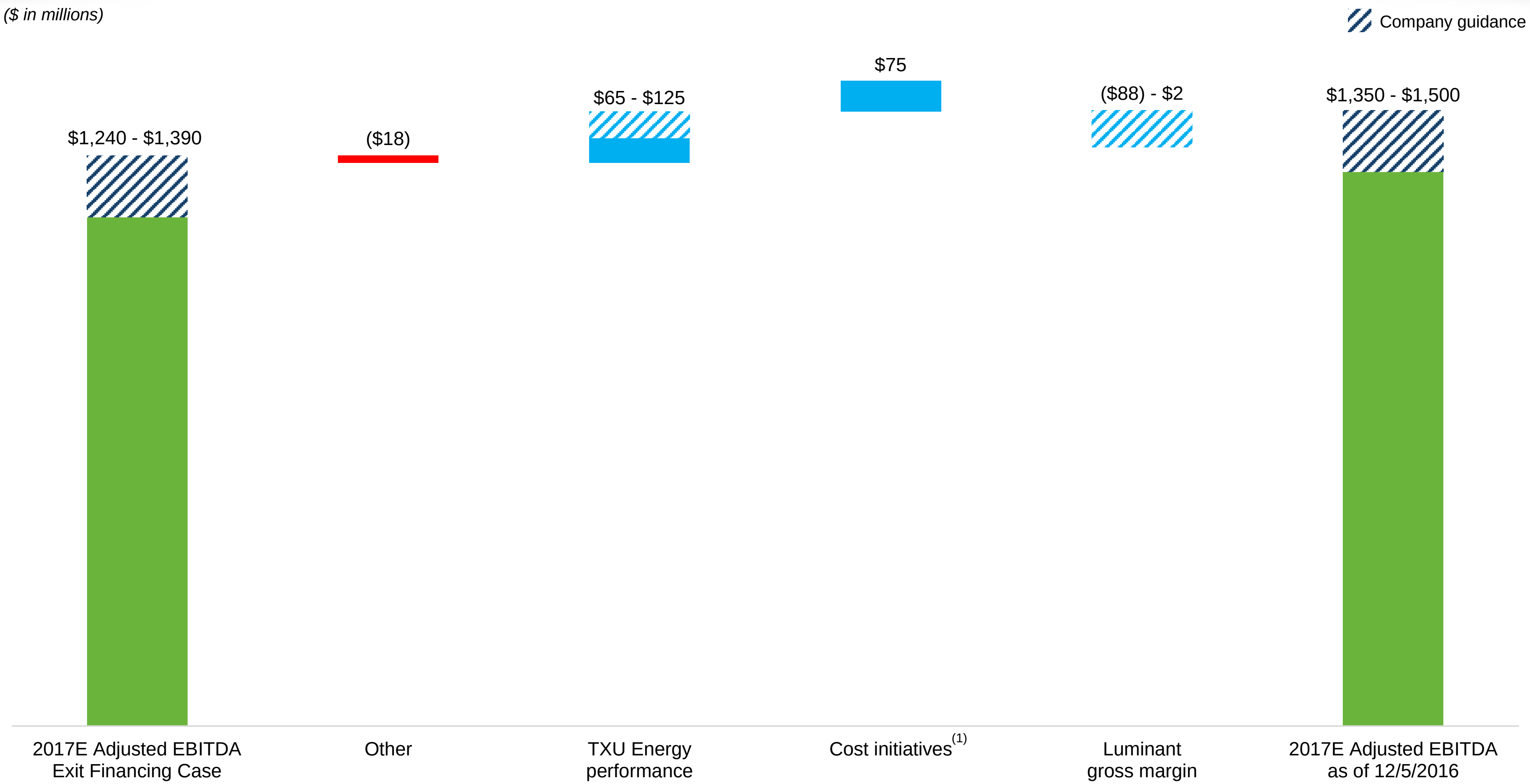
(1) Includes support cost savings of $57mm in SG&A and $14mm in O&M.

Vistra Energy 2016E to 2017E Adjusted EBITDA Bridge



(1) Includes support cost savings of $97mm in SG&A and $59mm in O&M.

Updated 2017E Adjusted EBITDA Projections



2017E EBITDA projected to be higher due to increased margins at TXUE and support cost improvements

(1) Includes support cost savings of $49mm in SG&A and $26mm in O&M.

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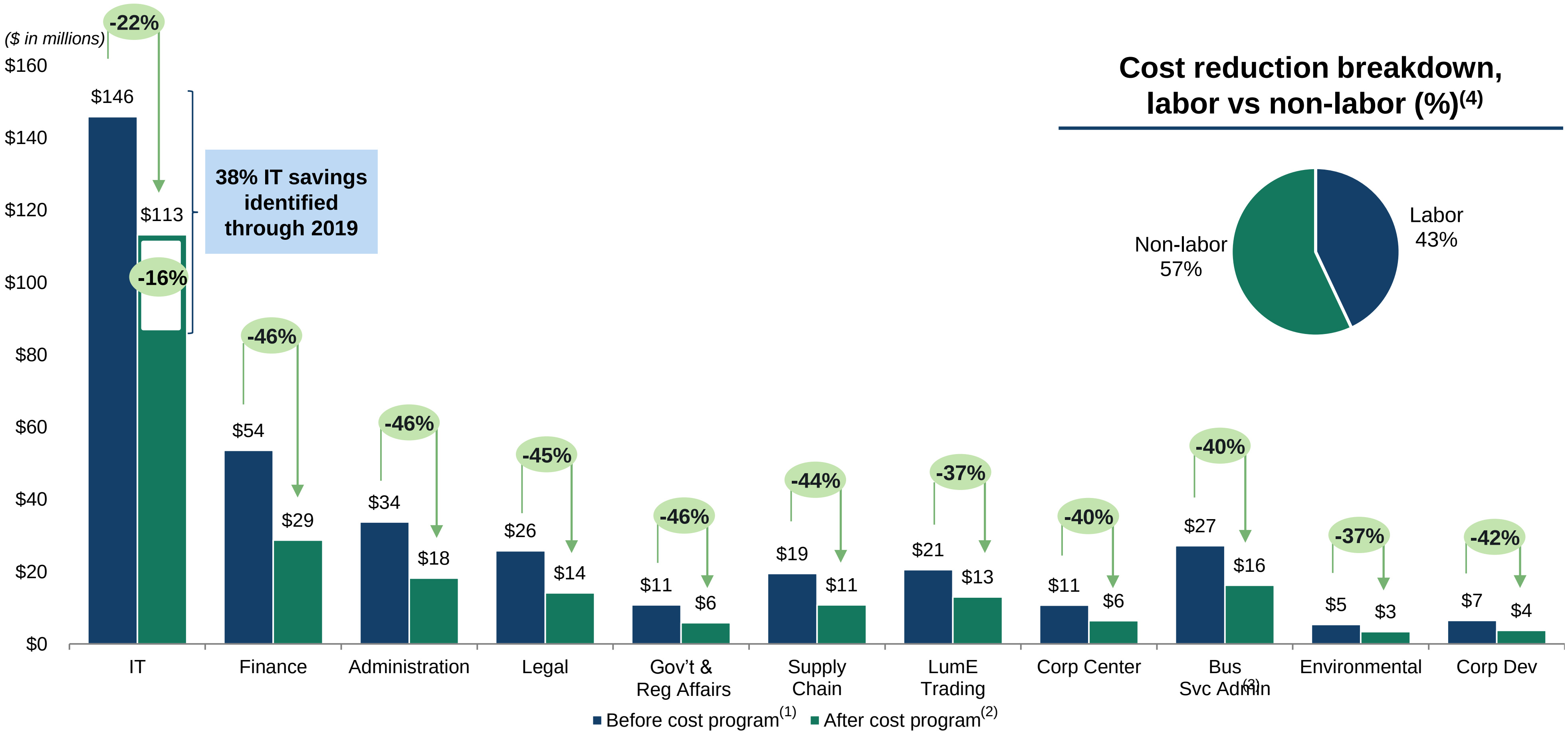
Support Functions Cost Reduced by ~40% on Average

Percent cost reduction by function

Cost reduction breakdown, labor vs non-labor (%)[4]



(1) Program baseline: 2016E.
(2) 2017E.
(3) Reduction on Business Services Admin based on assumption that it will scale proportional to the labor spend savings (40%).
(4) Aggregate percentage across all functions.

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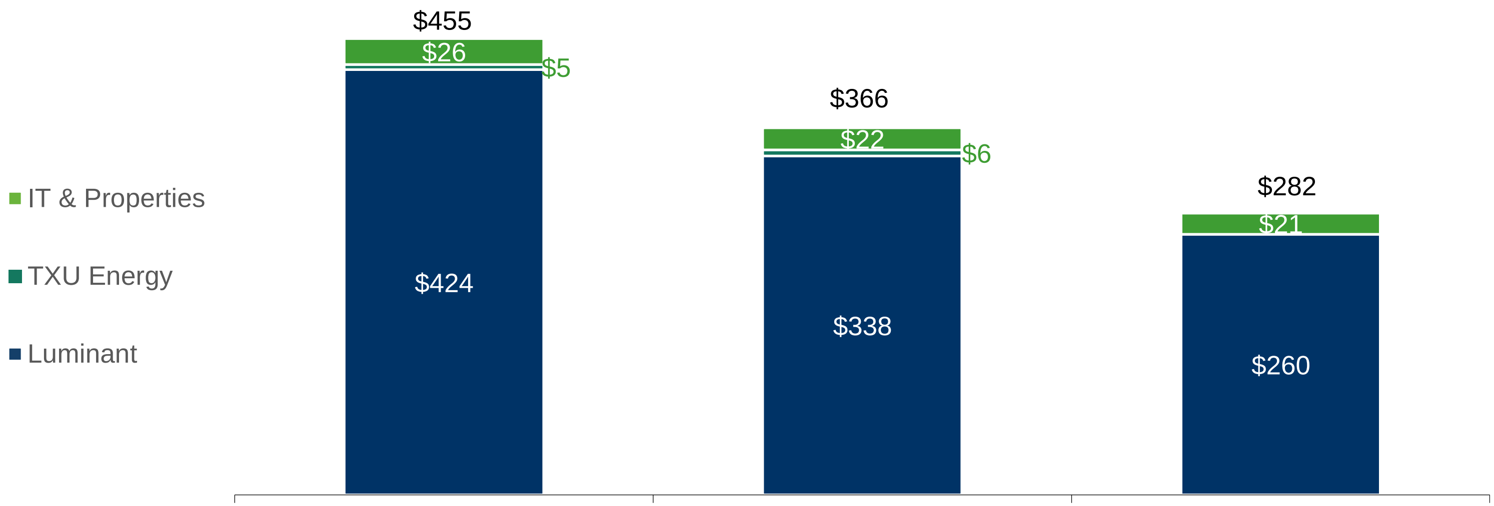
2017 Capital Expenditures Guidance

($ in millions)

Vistra Energy has greatly reduced its Capex since 2015 and is projecting a $28mm reduction in expected Capex from original forecast

Capital Expenditures 2015 – 2017



		2015A	2016 LE	2017E
1	Luminant	$424	$338	$260
2	TXU Energy	$5	$6	$0
3	IT and Properties[(1)(2)]	$26	$22	$21
4	Vistra Energy Adjusted Capex	$455	$366	$282

(1) Includes TXUE Capex transfer in 2017 Guidance.
(2) Excludes one-time capex of $25 million in 2017 to consolidate workforce into single HQ site.

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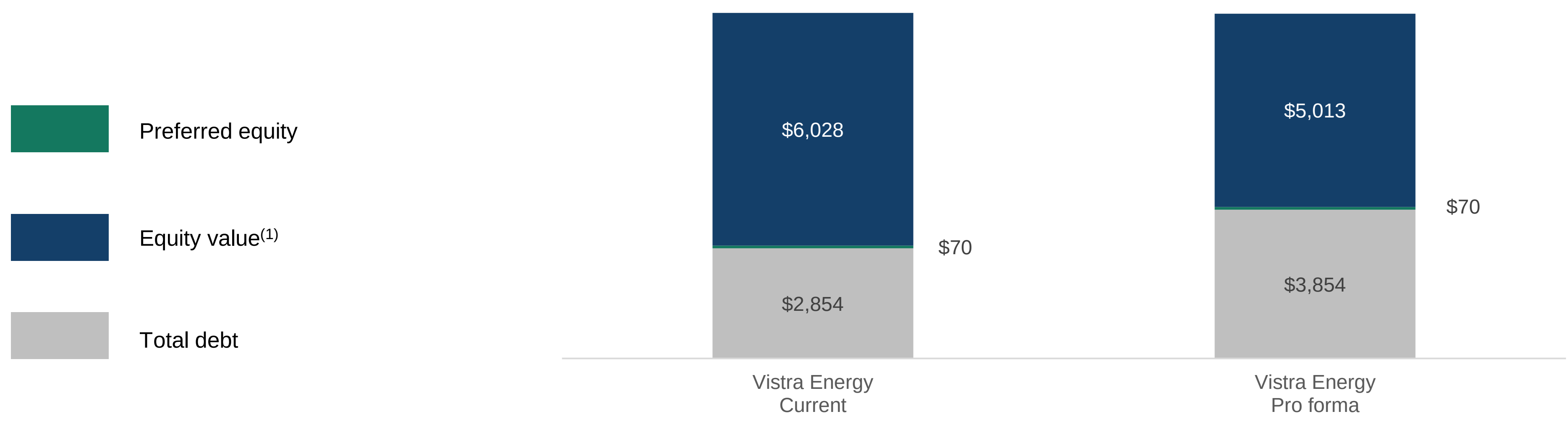
Significant Equity Cushion

($ in millions)



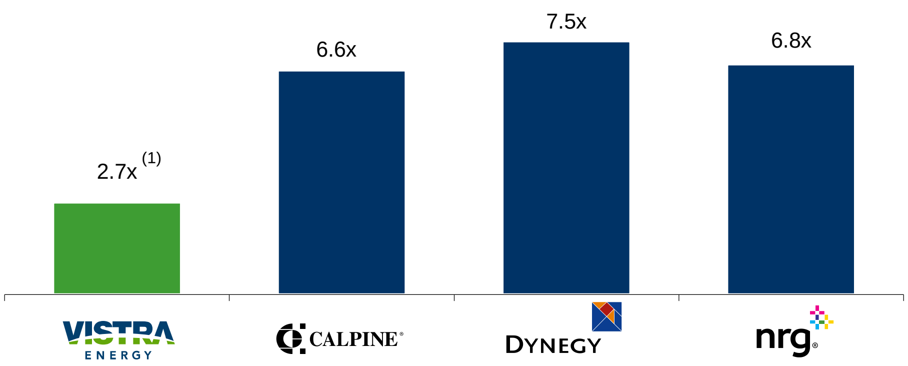
Total Debt (Net of TLC)	$2,854	$3,854
Equity (incl. preferred)	$6,098	$5,083
LTV (based on OTC equity value)	32%	43%
LTV (based on fully distributed equity value)[2]	26%	35%

LTV less than 50%, based on current OTC trading level

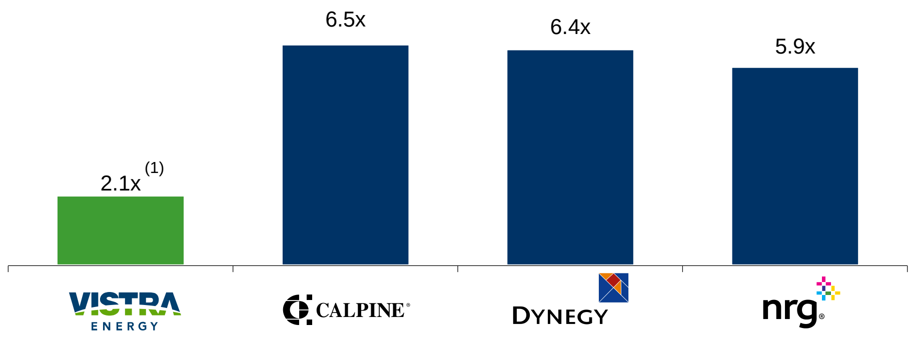
(1) Equity value calculated as market value based on share price of $14.10 and share count of 427.5mm.
(2) Assumes total capitalization of $11.1bn, based on current trading levels of IPPs (TEV / 2017E EBITDA).

Resilient Capital Structure and Cash Flow Profile

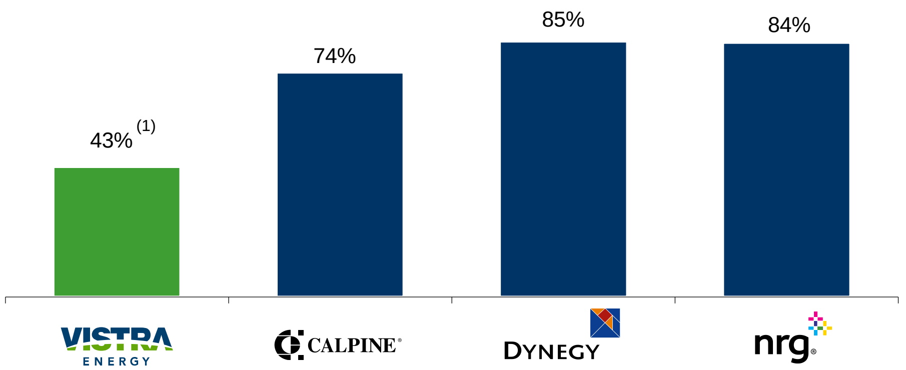
Total Debt / 2017E EBITDA



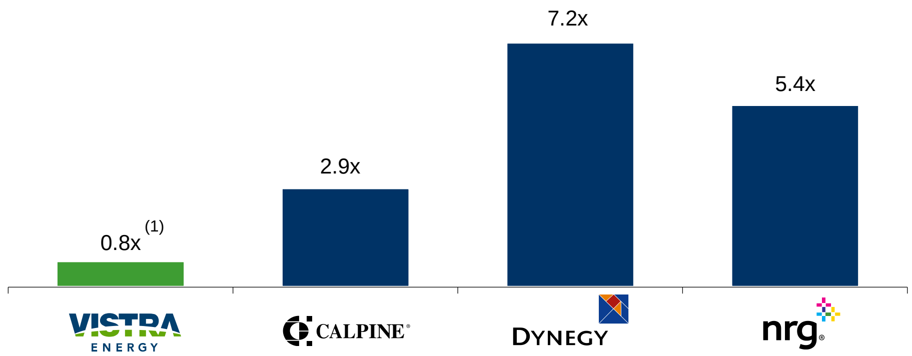
Net Debt / 2017E EBITDA



Total Debt / Total Market Capitalization



Total Debt / Market Value of Equity



Vistra Energy capital structure is right sized for current market conditions, and by far the most conservative among unregulated power companies

(1) Excludes $650mm Funded L/C facility.

Source: Company Filings

Section 4

Transaction Overview

Sources and Uses and Pro Forma Cap Table

Sources	
New Term Loan B-2	$1,000
Cash from balance sheet	15
Total Sources	**$1,015**

Uses	
Dividend payout to equity holders	$1,000
Issuance fees, expenses, and OID	15
Total Uses	**$1,015**

Capitalization	Current	x2017E EBITDA	% of total capitalization	Adjustments	Pro forma	x2017E EBITDA	Pro forma % of total capitalization
Cash and cash equivalents[1]	$905			($15)	$890		
Restricted cash[2]	650			-	650		
Funded L/C Facility	650			-	650		
Revolver ($860mm)	$--			-	$--		
Term Loan B	2,850			-	2,850		
New Term Loan B-2				1,000	1,000		
Capital leases and other	4			-	4		
Total Debt	**$2,854**	**2.0x**	**32%**		**$3,854**	**2.7x**	**43%**
Total Net Debt	$1,949	1.4x	22%		$2,964	2.1x	33%
Preferred equity	$70			-	$70		
Shareholders equity[3]	6,028			(1,015)	5,013		56%
Total Vistra Energy Capitalization	**$8,952**		**100%**		**$8,937**		**100%**
2017E EBITDA	**$1,425**				**$1,425**		

(1) Cash and cash equivalents balance as of November 30, 2016.
(2) Restricted cash includes L/C facility cash collateral of $650mm.
(3) Assumes share price of $14.10 and 427.5mm shares outstanding.

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Summary Term Sheet

Borrower:	Vistra Operations Company LLC (the "Company")
Guarantors:	Certain domestic subsidiaries of the Borrower and the Borrower's immediate parent company (same as existing)
Security:	Secured by a first priority security interest in all tangible and intangible assets, and equity of subsidiaries, of the respective Borrower and the Guarantors subject to the liens securing certain reclamation obligations in favor of Railroad Commission of Texas and other customary exceptions
Facility:	<table><tr><th><u>Tranche</u></th><th><u>Amount ($ millions)</u></th><th><u>Coupon (bps)</u></th><th><u>OID</u></th><th><u>LIBOR floor</u></th><th><u>Maturity</u></th></tr><tr><td>New Term Loan B-2</td><td>$1,000</td><td>TBD</td><td>TBD</td><td>TBD</td><td>7 years (December 2023)</td></tr></table>
Accordion:	Incremental 1st lien secured debt limited to the sum of (i) $1.0 billion, plus (ii) an unlimited amount subject to 3.0x 1st lien Net Secured Leverage, with 50bps of MFN for life (same as existing)(1)
Voluntary prepayments:	101 soft call for 6 months
Mandatory prepayments:	Same as existing
Amortization:	1.0% amortization, payable quarterly (same as existing)
Financial covenants:	None (same as existing)
Negative covenants:	Same as existing

(1) Includes the ability to raise up to $975 million of 1st lien TLC to cash collateralize LCs, solely to the extent required by the RCT in lieu of providing a lien or self bonding.

Timeline

December 2016						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Holiday

Week of	Key Financing Dates
5-Dec	▪ December 5: Announce new Term Loan ▪ December 6: Lender call
12-Dec	▪ December 12: Commitments due ▪ Finalize and execute legal documentation ▪ Close and fund transaction

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