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HPDEC Announces Agreement to Purchase Odessa Natural Gas Plant from Constellation Energy

LUBBOCK, Texas (*December 30, 2010*) – High Plains Diversified Energy Corporation (HPDEC) today announced that it has signed an agreement with a subsidiary of Constellation Energy (NYSE:CEG) to purchase the Quail Run Energy Center, a nominal 550-megawatt natural gas combined-cycle generation facility located near Odessa, for \$185.3 million.

The acquisition, which will be financed through the sale of municipal bonds, is the first for the newly created HPDEC and will enhance the utility's position as a low-cost, diversified energy service provider in the West Texas electric power market. The transaction is expected to close during the first quarter of 2011.

“With the acquisition of this facility, we have taken the first concrete step to develop a broad portfolio of generation that will help our partner cities directly meet their future energy needs,” said HPDEC Chairman Scott Collier. “We look forward to working with Quail Run employees to deliver reliable, low-cost electric service to our new customers.”

HPDEC is a municipal utility based in Lubbock. Formed in 2008, HPDEC was created by the West Texas Municipal Power Agency (WTMPA) as part of a unique public-private partnership with Republic Power Partners, LP (RPP) to provide the WTMPA member cities of Brownfield, Floydada, Lubbock and Tulia, Texas with a reliable, low-cost portfolio of wind, natural gas, solar and biomass electric generation.

HPDEC intends to develop new transmission capabilities to deliver firm natural gas fired power to customers. Through investments in infrastructure development, HPDEC will help bring jobs and economic growth to the region.

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About High Plains Diversified Energy Corp.

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