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PSEG GLOBAL CLOSES SALE OF SAESA GROUP TO MORGAN STANLEY INFRASTRUCTURE AND ONTARIO TEACHERS' PENSION PLAN

(Newark, NJ – July 24, 2008) PSEG Global today announced that it has closed the sale of the SAESA Group of Companies (SAESA Group) in southern Chile to a consortium formed by Morgan Stanley Infrastructure and the Ontario Teachers' Pension Plan. The transaction had a final equity sale value of approximately \$887 million plus the assumption of more than \$400 million of consolidated debt of the SAESA Group. PSEG's after tax proceeds are approximately \$600 million. The sale generated an after-tax gain for PSEG of approximately \$180 million during 2008, which will be reported in Discontinued Operations. The sale was originally announced on June 17, 2008. Credit Suisse acted as exclusive financial advisor to PSEG in connection with the transaction.

PSEG Global is a subsidiary of PSEG Energy Holdings and an indirect subsidiary of PSEG (NYSE: PEG). PSEG Global's primary investments currently include 100 percent ownership in two 1,000-mw electric generation plants in Texas, and partial ownership of a number of smaller generating plants in California, Hawaii and New Hampshire. PSEG Global's remaining international assets consist of small investments in electric generation plants in Italy, India and Venezuela.

PSEG is a diversified energy company based in Newark, New Jersey. Its other main subsidiaries include PSEG Power, a merchant generation company and PSE&G, an electric and gas distribution company in New Jersey.

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FORWARD-LOOKING STATEMENT

Readers are cautioned that statements contained in this press release about our and our subsidiaries' future performance, including future revenues, earnings, strategies, prospects and all other statements that are not purely historical, are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance they will be achieved. The results or events predicted in these statements may differ materially from actual results or events. Factors which could cause results or events to differ from current expectations include, but are not limited to:

- Adverse Changes in energy industry, policies and regulation, including market rules that may adversely affect our operating results.
- Any inability of our energy transmission and distribution businesses to obtain adequate and timely rate relief and/or regulatory approvals from federal and/or state regulators.
- Changes in federal and/or state environmental regulations that could increase our costs or limit operations of our generating units.
- Changes in nuclear regulation and/or developments in the nuclear power industry generally, that could limit operations of our nuclear generating units.
- Actions or activities at one of our nuclear units that might adversely affect our ability to continue to operate that unit or other units at the same site.

- Any inability to balance our energy obligations, available supply and trading risks.
- Any deterioration in our credit quality.
- Any inability to realize anticipated tax benefits or retain tax credits.
- Increases in the cost of or interruption in the supply of fuel and other commodities necessary to the operation of our generating units.
- Delays or cost escalations in our construction and development activities.
- Adverse capital market performance of our decommissioning and defined benefit plan trust funds.
- Changes in technology and/or increased customer conservation.

For further information, please refer to our Annual Report on Form 10-K, including item 1A. Risk Factors, and subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission. These documents address in further detail our business, industry issues and other factors that could cause actual results to differ materially from those indicated in this release. In addition, any forward-looking statements included herein represent our estimates only as of today and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even if our estimates change, unless otherwise required by applicable securities laws.