

COMPANY NOTICE

**TO THE HOLDERS OF CENTERPOINT ENERGY, INC.
3.75% CONVERTIBLE SENIOR NOTES DUE 2023
CUSIP Numbers: 15189TAA5 and 15189TAC1*
3.75% CONVERTIBLE SENIOR NOTES, SERIES B DUE 2023
CUSIP Number: 15189TAM9***

Reference is hereby made to the Indenture dated as of May 19, 2003 (the "Original Indenture") by and between CenterPoint Energy, Inc. (the "Company") and The Bank of New York Trust Company, National Association (successor to JPMorgan Chase Bank), as Trustee (the "Trustee"), as amended and supplemented by Supplemental Indenture No. 1 dated as of May 19, 2003 ("Supplemental Indenture No. 1"), under which the 3.75% Convertible Senior Notes due 2023 (the "Old Notes") were issued, and Supplemental Indenture No. 6 dated as of August 23, 2005 ("Supplemental Indenture No. 6" and, together with the Original Indenture and Supplemental Indenture No. 1, the "Indenture"), under which the 3.75% Convertible Senior Notes, Series B due 2023 (the "New Notes" and, together with the Old Notes, the "Notes") were issued.

In accordance with the Indenture, at the option of each holder of the Notes, the Notes will be purchased by the Company for \$1,000 in cash per \$1,000 principal amount of the Notes plus accrued and unpaid interest to the Purchase Date, as defined below (the "Purchase Price"), subject to the terms and conditions of the Indenture, the Notes, this Company Notice and related offer materials, as amended and supplemented from time to time (the "Offer"). You may surrender all of your Notes, a portion of your Notes or none of your Notes for purchase. Notes surrendered for purchase will be accepted only in principal amounts equal to \$1,000 or integral multiples thereof. The amount of interest that will be payable with respect to the Notes on the Purchase Date is \$18.75 per \$1,000 principal amount of the Notes. Any Note purchased by the Company will be paid for in cash. Unless the Company defaults in making payment of the Purchase Price, interest on purchased Notes will cease to accrue on and after the Purchase Date. Holders may surrender their Notes at any time during the period beginning on Thursday, April 17, 2008 and expiring at 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. This Company Notice is being sent pursuant to the provisions of Section 701 of Supplemental Indenture No. 1 and Supplemental Indenture No. 6. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Indenture.

To accept the Offer to purchase the Notes and receive payment of the Purchase Price, you must validly surrender the Notes and the enclosed Purchase Notice (the "Purchase Notice") to the Paying Agent (and not have withdrawn such surrendered Notes and the Purchase Notice), before 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. Under the Indenture and the Notes, the purchase date with respect to the offer is Thursday, May 15, 2008 (the "Purchase Date"). A Purchase Notice may be withdrawn at any time before 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The Company will forward to the Paying Agent, before 10:00 a.m., New York City time, on Thursday, May 15, 2008, the appropriate amount of cash required to pay the total Purchase Price for the validly surrendered Notes, and the Paying Agent will promptly distribute the cash to the holders.

HOLDERS THAT SURRENDER THROUGH THE DEPOSITORY TRUST COMPANY ("DTC") NEED NOT SUBMIT A PHYSICAL PURCHASE NOTICE TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH THE TRANSMITTAL PROCEDURES OF DTC.

The Trustee serves as the Paying Agent and the Conversion Agent under the Indenture with respect to the Notes. The address of the Trustee is as follows:

Mail:

The Bank of New York Trust
Company, N.A.
Global Corporate Trust
P.O. Box 2320
Dallas, TX 75221-2320

Express Delivery:

The Bank of New York Trust
Company, N.A.
Global Corporate Trust
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Hand Delivery:

The Bank of New York
101 Barclay Street
4 New York Plaza – 1st Floor
New York, NY 10286

Dated: April 17, 2008

THE BANK OF NEW YORK TRUST
COMPANY, NATIONAL ASSOCIATION,
TRUSTEE, on behalf of CenterPoint Energy,
Inc.

NOTICE: Copies of this Company Notice may be obtained from the Paying Agent at its address set forth above.

* These CUSIP Numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the holders of the Notes. Neither the Company nor the Trustee shall be responsible for the selection or use of these CUSIP Numbers, nor is any representation made as to their correctness on the Notes or as indicated in this notice.

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No person has been authorized to give any information or to make any representations other than those contained in this Company Notice and the accompanying Purchase Notice and, if given or made, such information or representations must not be relied upon as having been authorized. This Company Notice and the accompanying Purchase Notice do not constitute an offer to buy or the solicitation of an offer to sell Notes in any circumstances or jurisdiction in which such offer or solicitation is unlawful. The delivery of this Company Notice shall not under any circumstances create any implication that the information contained herein is current as of any time subsequent to the date of such information. None of the Company or its board of directors or employees are making any representation or recommendation to any holder as to whether to surrender such holder’s Notes. You should consult your own financial and tax advisors and must make your own decision as to whether to surrender your Notes for purchase and, if so, the amount of Notes to surrender.

SUMMARY TERM SHEET

The following are answers to some of the questions that you may have about the Offer. To understand the Offer fully and for a more complete description of the terms of the Offer, we urge you to read carefully the remainder of this Company Notice and the accompanying Purchase Notice because the information in this summary is not complete and those documents contain additional important information.

- **Who is offering to purchase my Notes?**

CenterPoint Energy, Inc., a Texas corporation, is offering to purchase all outstanding 3.75% Convertible Senior Notes due 2023 and 3.75% Convertible Senior Notes, Series B due 2023 issued by it that are surrendered for purchase at the option of the holder thereof. As of April 15, 2008, \$390,851,000 aggregate principal amount of Notes are outstanding, comprised of \$652,000 aggregate principal amount of Old Notes and \$390,199,000 aggregate principal amount of New Notes.

- **Why is the Company making the offer?**

The Company is required to make the offer under the terms of the Indenture and the Notes.

- **How much is the Company offering to pay?**

Under the terms of the Indenture, the Company will pay, in cash, a Purchase Price of \$1,000 per \$1,000 principal amount of the Notes plus accrued and unpaid interest to the Purchase Date with respect to any and all Notes validly surrendered for purchase and not withdrawn. The amount of interest that will be payable with respect to the Notes on the Purchase Date is \$18.75 per \$1,000 principal amount of the Notes.

- **What is the form of payment?**

The Company is required to pay the Purchase Price in cash under the terms of the Indenture and the Notes.

- **Are the Notes convertible into stock?**

Yes. As a holder of Notes, you may surrender Notes for conversion at any time prior to maturity, unless they have been previously purchased or redeemed, in the following circumstances:

- during any calendar quarter if the last reported sale price of the Company's common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous calendar quarter, is greater than or equal to 120% of the conversion price per share of the Company's common stock on such last trading day;
- if the Notes have been called for redemption;
- upon the occurrence of specified corporate transactions described in the Indenture; or
- during any period in which the credit ratings assigned to the Notes by both Moody's Investors Service, Inc. and Standard & Poor's Ratings Services are lower than Ba2 and BB, respectively, or the Notes are no longer rated by at least one of these rating services or their successors.

Based on the trading price of the Company's common stock during the first calendar quarter of 2008, and as a result of the Company's call for redemption on April 16, 2008, each Note is currently convertible at any time at the option of the holder.

The current conversion rate of the Notes is 89.4381 shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), per \$1,000 principal amount of the Notes. With respect to the Old Notes, the Company will satisfy its conversion obligation by delivering a number of shares of Common Stock per \$1,000

principal amount of Old Notes being converted equal to the conversion rate in effect on the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, the Company will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes converted and the Company's conversion obligation with respect to such New Notes, and by delivering shares of Common Stock to the extent that the conversion obligation exceeds the aggregate principal amount of New Notes being converted (the "Excess Value"). The Company's conversion obligation with respect to the New Notes will equal the product of:

- (x) the aggregate principal amount of New Notes to be converted by a holder divided by 1,000 multiplied by (y) the conversion rate in effect on the later of (i) the date on which the Ten-Day Average Price (as defined below) can be determined or (ii) the date on which the holder satisfies the conversion requirements of the Indenture (including the delivery of a conversion notice to the DTC); and
- the average of the last reported sale prices of Common Stock for the ten-trading-day period commencing on the second trading day following the date the holder submits the Notes for conversion (the "Ten-Day Average Price").

With respect to the New Notes, the number of shares of Common Stock to be delivered, if any, will be equal to the Excess Value divided by the Ten-Day Average Price. With respect to the Notes, the Company will deliver cash in lieu of any fractional shares.

- **How can I determine the market value of the Notes?**

There is no established reporting system or market for trading in the Notes. To the extent that the Notes are traded, prices of the Notes may fluctuate widely depending on trading volume, the balance between buy and sell orders, prevailing interest rates, the Company's operating results and the market for similar securities. To the extent available, holders are urged to obtain current market quotations for the Notes before making any decision with respect to the Offer.

- **What does the Company's board of directors think of the Offer?**

The board has not made any recommendation as to whether you should surrender your Notes for purchase. You must make your own decision whether to surrender your Notes for purchase and, if so, the principal amount of Notes to surrender.

- **When does the Offer expire?**

The Offer expires at 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The Company does not plan to extend the period you have to accept the Offer unless required to do so by Federal securities laws.

- **What are the conditions to the Company's purchase of the Notes?**

Provided that the Company's purchase of validly surrendered Notes is not unlawful and no event of default under the Indenture has occurred and is continuing (other than an event of default that is cured by the payment of the Purchase Price), the purchase will not be subject to any conditions.

- **How do I surrender my Notes?**

To surrender your Notes for purchase pursuant to the Offer, you must deliver the required documents to The Bank of New York Trust Company, National Association, as Paying Agent, no later than 12:00 Midnight, New York City time, on Wednesday, May 14, 2008.

HOLDERS THAT SURRENDER THROUGH DTC NEED NOT SUBMIT A PHYSICAL PURCHASE NOTICE TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH THE TRANSMITTAL PROCEDURES OF DTC.

- A holder whose Notes are held in certificated form must properly complete and execute the Purchase Notice, and deliver the notice to the Paying Agent, with any other required documents and the certificates representing the Notes to be surrendered for purchase.
 - A holder whose Notes are held by a broker, dealer, commercial bank, trust company or other nominee must contact that nominee if that holder desires to surrender its Notes and instruct that nominee to surrender the Notes on the holder's behalf.
 - A holder who is a DTC participant should surrender its Notes electronically through DTC's Automated Tenders over the Participant Terminal System ("PTS"), subject to the terms and procedures of that system.
- **If I surrender, when will I receive payment for my Notes?**

The Company will accept for payment all validly surrendered Notes immediately upon expiration of the Offer. The Company will forward to the Paying Agent, before 10:00 a.m., New York City time, on Thursday, May 15, 2008, the appropriate amount of cash required to pay the total Purchase Price for the validly surrendered Notes, and the Paying Agent will promptly distribute the cash to the holders.

- **Until what time can I withdraw previously surrendered Notes?**

You can withdraw previously surrendered Notes at any time before 12:00 Midnight, New York City time, on Wednesday, May 14, 2008.

- **How do I withdraw previously surrendered Notes?**

To withdraw previously surrendered Notes, you must deliver an executed written notice of withdrawal substantially in the form attached prior to 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The notice of withdrawal must state:

- the principal amount of the withdrawn Notes;
- if certificated Notes have been issued, the certificate numbers of the withdrawn Notes; and
- the principal amount, if any, that remains subject to the original Purchase Notice.

HOLDERS THAT WITHDRAW THROUGH DTC NEED NOT SUBMIT A PHYSICAL NOTICE OF WITHDRAWAL TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH THE WITHDRAWAL PROCEDURES OF DTC.

- **Do I need to do anything if I do not wish to surrender my Notes for purchase?**

No. If you do not deliver a properly completed and duly executed Purchase Notice to the Paying Agent or surrender your Notes electronically through DTC's Automated Tenders over the PTS before the expiration of the Offer, the Company will not purchase your Notes pursuant to the Offer and your Notes will remain outstanding subject to their existing terms.

- **If I choose to surrender my Notes for purchase, do I have to surrender all of my Notes?**

No. You may surrender all of your Notes, a portion of your Notes or none of your Notes for purchase. If you wish to surrender a portion of your Notes for purchase, however, you must surrender your Notes in a principal amount of \$1,000 or an integral multiple of \$1,000.

- **If I do not surrender my Notes for purchase, will I continue to be able to exercise my conversion rights?**

If you do not surrender your Notes for purchase, your conversion rights will not be affected. You will continue to have the right to convert your Notes in accordance with their terms.

- **If I am a U.S. resident for U.S. federal income tax purposes, will I have to pay taxes if I surrender my Notes for purchase in the Offer?**

The receipt of cash in exchange for Notes pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. You should consult with your own tax advisor regarding the actual tax consequences to you.

- **Who is the Paying Agent?**

The Bank of New York Trust Company, National Association, the trustee for the Notes, is serving as Paying Agent in connection with the Offer. Its address and telephone number are set forth on the front cover page of this Company Notice.

- **Who can I talk to if I have questions about the Offer?**

Questions and requests for assistance in connection with the surrender of Notes for purchase pursuant to the Offer may be directed to Kathryn Maxwell at The Bank of New York Trust Company, National Association at (713) 483-6817.

IMPORTANT INFORMATION CONCERNING THE OFFER

1. Information Concerning the Company.

CenterPoint Energy, Inc., a Texas corporation, is offering to purchase its 3.75% Convertible Senior Notes due 2023 and its 3.75% Convertible Senior Notes, Series B due 2023. The Old Notes are convertible into shares of Common Stock and the New Notes are convertible into cash or, at the Company's option, a combination of cash and shares of Common Stock, subject to the terms, conditions and adjustments specified in the Indenture and the Notes.

The Company is a public utility holding company. As of the date of this Company Notice, the Company's indirect wholly owned subsidiaries include:

- CenterPoint Energy Houston Electric, LLC, which engages in the electric transmission and distribution business in a 5,000-square mile area of the Texas Gulf Coast that includes Houston; and
- CenterPoint Energy Resources Corp. ("CERC Corp."), which owns and operates natural gas distribution systems in six states. Subsidiaries of CERC Corp. own interstate natural gas pipelines and gas gathering systems and provide various ancillary services. A wholly owned subsidiary of CERC Corp. offers variable and fixed-price physical natural gas supplies primarily to commercial and industrial customers and electric and gas utilities.

The Company's principal executive offices are located at 1111 Louisiana, Houston, Texas 77002 (telephone number: (713) 207-1111). The Common Stock is listed on the New York Stock Exchange under the symbol "CNP."

2. Information Concerning the Notes.

The Company issued the Notes under an Indenture dated as of May 19, 2003 by and between the Company and The Bank of New York Trust Company, National Association (successor to JPMorgan Chase Bank), as Trustee, as amended and supplemented by Supplemental Indenture No. 1 dated as of May 19, 2003, under which the Old Notes were issued, and Supplemental Indenture No. 6 dated as of August 23, 2005, under which the New Notes were issued. The description of the Old Notes and the Indenture set forth under the caption "Description of the Notes" in the Company's prospectus dated December 4, 2003 and the description of the New Notes and the Indenture set forth under the caption "Description of the New Notes" in the Company's prospectus dated July 19, 2005 are incorporated herein by reference. As of April 15, 2008, \$390,851,000 aggregate principal amount of the Notes are outstanding, comprised of \$652,000 aggregate principal amount of Old Notes and \$390,199,000 aggregate principal amount of New Notes.

2.1. The Company's Obligation to Purchase the Notes.

This Offer will expire at 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The Company does not plan to extend the period holders of Notes have to accept the Offer unless required to do so by federal securities law. If holders do not validly surrender their Notes before the expiration of the Offer, their Notes will remain outstanding subject to the existing terms of the Indenture and the Notes.

Under the Indenture, the Company is obligated to purchase on Thursday, May 15, 2008 all Notes validly surrendered for purchase and not withdrawn, at the holder's option, prior to the expiration of the Offer. The purchase by the Company of validly surrendered Notes is not subject to any conditions other than (i) the absence of a continuing event of default under the Indenture (other than an event of default that is cured by the payment of the Purchase Price) and (ii) the purchase being lawful.

2.2. Purchase Price.

Under the Indenture and the Notes, the Purchase Price that will be paid for the Notes is \$1,000 per \$1,000 principal amount of the Notes plus accrued and unpaid interest to the Purchase Date. The amount of interest that will be payable with respect to the Notes on the Purchase Date is \$18.75 per \$1,000 principal amount of the Notes. The Purchase Price will be paid in cash with respect to any and all Notes validly surrendered for purchase and not withdrawn prior to the expiration of

the Offer. Notes surrendered for purchase will be accepted only in principal amounts equal to \$1,000 or integral multiples thereof.

The Purchase Price is based solely on the requirements of the Indenture and the Notes and bears no relationship to the market price of the Notes or of the Common Stock. Accordingly, the Purchase Price may be significantly higher or lower than the current market price of the Notes. Holders of Notes are urged to obtain the best available information as to the potential current market prices of the Notes, to the extent available, and the Common Stock before making a decision whether to surrender their Notes for purchase.

None of the Company or its board of directors or employees is making any recommendation to holders as to whether to surrender or refrain from surrendering Notes for purchase pursuant to this Company Notice. Each holder must make its own decision whether to surrender its Notes for purchase and, if so, the principal amount of Notes to surrender based on that holder's assessment of the current market value of the Notes and the Common Stock and other relevant factors.

2.3. Conversion Rights of Notes.

The current conversion rate of the Notes is 89.4381 shares of Common Stock per \$1,000 principal amount of the Notes, subject to the terms, conditions and adjustments specified in the Indenture and in the Notes, which is equivalent to a conversion price of \$11.18 per share of Common Stock. A holder may convert fewer than all of such holder's Notes so long as the Notes converted equal \$1,000 principal amount or an integral multiple thereof. The Trustee, whose address appears on the cover of this Purchase Notice, is currently acting as Conversion Agent for the Notes. Holders that do not surrender their Notes for purchase pursuant to the Offer will maintain the right to convert their Notes, subject to the terms, conditions and adjustments specified in the Indenture and in the Notes.

Holders may surrender Notes for conversion prior to stated maturity only in the following circumstances:

- during any calendar quarter if the last reported sale price of the Common Stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous calendar quarter, is greater than or equal to 120% of the conversion price per share of Common Stock on such last trading day;
- if the Notes have been called for redemption;
- upon the occurrence of specified corporate transactions described in the Indenture; or
- during any period in which the credit ratings assigned to the Notes by both Moody's Investors Service, Inc. and Standard & Poor's Ratings Services are lower than Ba2 and BB, respectively, or the Notes are no longer rated by at least one of these rating services or their successors.

Based on the trading price of the Common Stock during the first calendar quarter of 2008, and as a result of the Company's call for redemption of all the outstanding Notes, as described in Section 2.5 below, the Notes are convertible. With respect to the Old Notes, the Company will satisfy its conversion obligation by delivering a number of shares of Common Stock per \$1,000 principal amount of Old Notes being converted equal to the conversion rate in effect on the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, the Company will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes being converted and the Company's conversion obligation with respect to such New Notes, and by delivering shares of Common Stock to the extent that such conversion obligation exceeds the aggregate principal amount of New Notes being converted. The Company's conversion obligation with respect to the New Notes will equal the product of:

- (x) the aggregate principal amount of New Notes to be converted by a holder divided by 1,000 multiplied by (y) the conversion rate in effect on the later of (i) the date on which the Ten-Day Average Price can be determined or (ii) the date on which the holder satisfies the conversion requirements of the Indenture (including the delivery of a conversion notice to the DTC); and
- the Ten-Day Average Price.

With respect to the New Notes, the number of shares of Common Stock to be delivered, if any, will be equal to the Excess Value divided by the Ten-Day

Average Price. With respect to the Notes, the Company will deliver cash in lieu of any fractional shares.

With respect to the Old Notes, if a holder submits all or a portion of its Notes for conversion and complies with the requirements of the Indenture, the Company will settle its conversion obligation through the Trustee on or prior to the fifth Business Day following the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, if a holder submits all or a portion of its Notes for conversion and complies with the requirements of the Indenture, the Company will settle its conversion obligation through the Trustee on or prior to the fifth Business Day following the later of (i) the date on which the Ten-Day Average Price can be determined or (ii) the date on which the holder satisfies the conversion requirements of the Indenture.

A holder wishing to exercise its conversion right must:

- complete the irrevocable conversion notice, which is available from the Conversion Agent, and deliver such notice to the Conversion Agent;
- surrender the Notes to the Conversion Agent;
- furnish appropriate endorsements and transfer documents, if required by the Conversion Agent or the Company; and
- pay any transfer or similar tax, if required.

If a holder has already delivered a Purchase Notice with respect to a Note, the holder may not surrender that Note for conversion until the holder has validly withdrawn the Purchase Notice before the expiration of the Offer in accordance with the Indenture and as described in Section 4 below.

HOLDERS THAT SUBMIT NOTES FOR CONVERSION THROUGH DTC NEED NOT SUBMIT A CONVERSION NOTICE TO THE CONVERSION AGENT IF SUCH HOLDERS COMPLY WITH DTC'S CONVERSION PROCEDURES.

2.4. Market for the Notes and the Company's Common Stock.

There is no established reporting system or trading market for trading in the Notes. To the extent that the Notes are traded, prices of the Notes may fluctuate widely depending on trading volume, the balance between buy and sell orders, prevailing interest rates, the Company's operating results and the market for similar securities. The Notes are held through DTC, and Cede & Co., as nominee of DTC, is the sole record holder of the Notes.

In certain circumstances described in Section 2.3 above, each Note is convertible, at the option of the holder, at a conversion rate of 89.4381 shares of Common Stock per \$1,000 principal amount, which is equivalent to a conversion price of \$11.18 per share of Common Stock. This conversion rate is subject to adjustment in certain events. With respect to the Old Notes, the Company will satisfy its conversion obligation by delivering a number of shares of Common Stock per \$1,000 principal amount of Old Notes being converted equal to the conversion rate in effect on the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, the Company will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes being converted and the Company's conversion obligation with respect to such New Notes, and by delivering shares of Common Stock to the extent that such conversion obligation exceeds the aggregate principal amount of New Notes being converted. The Common Stock is listed on the New York Stock Exchange ("NYSE") under the symbol "CNP." The following table sets forth the high and low closing prices of the Common Stock on the NYSE composite tape during the period indicated, as reported by Bloomberg, since January 1, 2006.

	<u>Price</u>	
	<u>High</u>	<u>Low</u>
2006		
First Quarter	\$ 13.28	\$ 11.92
Second Quarter	12.50	11.73
Third Quarter	14.55	12.55
Fourth Quarter	16.80	14.22
2007		
First Quarter	18.37	16.51
Second Quarter	20.02	16.90
Third Quarter	17.88	15.15
Fourth Quarter	18.51	15.97
2008		
First Quarter	16.98	13.84
Second Quarter (through April 15, 2008).....	15.26	14.66

On April 15, 2008, the last reported sales price of the Common Stock on the NYSE was \$15.26 per share. As of March 31, 2008, there were 328,265,076 shares of Common Stock outstanding. We urge you to obtain current market information for the Notes, to the extent available, and the Common Stock before making any decision to surrender your Notes pursuant to the Offer.

2.5. Redemption.

On April 16, 2008, the Company announced that it had called for redemption all of the outstanding Notes on May 30, 2008 (the "Redemption Date"). The redemption price will be \$1,000 in cash plus accrued and unpaid interest, including contingent interest, if any, to the Redemption Date. The amount of regular interest that will be payable with respect to the Notes on the Redemption Date is \$1.56 per \$1,000 principal amount of Notes. Pursuant to the Indenture and the Notes, the amount of contingent interest that will be payable with respect to the Notes on the Redemption Date, if any, will be determined by reference to the average trading price of the Notes for the five business days ending on May 13, 2008.

As described in Section 2.3 above, each Note is currently convertible at any time at the option of the holder. On the Redemption Date, the Notes will be redeemed unless (i) the holder of such Notes surrenders its Notes for purchase in accordance with this Company Notice and such Notes are not withdrawn or (ii) such Notes are converted prior to 5:00 p.m., New York City time, on the Redemption Date.

Holders of Notes at 5:00 p.m., New York City time, on May 1, 2008, the regular record date for the May 15, 2008 interest payment on the Notes, will receive interest in the amount of \$18.75 per \$1,000 principal amount of Notes payable on May 15, 2008. Notes surrendered for conversion by holders during the period from 5:00 p.m., New York City time, on May 1, 2008 to 9:00 a.m., New York City time, on May 15, 2008 must be accompanied by a payment of \$18.75 per \$1,000 principal amount of Notes surrendered for conversion, which amount equals the regular interest payment that the holder is to receive on the Notes. Holders that submit Notes for conversion after 9:00 a.m., New York City time, on May 15, 2008, need not submit any interest payment in connection with the conversion.

Holders of the Notes will separately receive a Notice of Redemption that will provide more detailed information about the call for redemption.

2.6. Fundamental Change.

If a Fundamental Change (as defined in the Indenture) occurs at any time prior to May 15, 2008, holders may require the Company to purchase their Notes for cash at a purchase price equal to the principal amount plus accrued and unpaid interest to the purchase date.

2.7. Ranking.

The Notes are unsecured and unsubordinated obligations of the Company. The Notes rank equal in right of payment with all of the Company's existing and future unsecured and unsubordinated indebtedness. The Notes are effectively subordinated to all existing and future indebtedness and other liabilities of the Company's subsidiaries.

3. Procedures to be Followed by Holders Electing to Surrender Notes for Purchase.

Holders will not be entitled to receive the Purchase Price for their Notes unless they validly surrender and do not withdraw their Notes before the expiration of the Offer. Only registered holders are authorized to surrender their Notes for purchase. Holders may surrender some or all of their Notes; however, any Notes surrendered must equal \$1,000 principal amount or an integral multiple thereof. If holders do not validly surrender their Notes before the expiration of the Offer, their Notes will remain outstanding subject to the terms of the Notes.

3.1. Method of Delivery.

The method of delivery of Notes, the related Purchase Notice and all other required documents, including delivery through DTC and acceptance through PTS, is at the election and risk of the person surrendering such Notes and delivering such Purchase Notice and, except as expressly otherwise provided in the Purchase Notice, delivery will be deemed made only when actually received by the Paying Agent. The date of any postmark or other indication of when a Note or the Purchase Notice was sent will not be taken into account in determining whether such materials were timely received. If delivery is by mail, it is suggested that holders use properly insured, registered mail with return receipt requested, and that holders mail the required documents sufficiently in advance of Wednesday, May 14, 2008 to permit delivery to the Paying Agent before the expiration of the Offer.

3.2. Purchase Notice.

The Indenture requires that the Purchase Notice contain:

- if certificated Notes have been issued, the certificate numbers of the Notes;
- the portion of the principal amount of Notes to be purchased, in integral multiples of \$1,000; and
- that the Notes are to be purchased by the Company pursuant to the applicable provisions of the Notes and the Indenture.

A form of Purchase Notice is enclosed.

3.3. Delivery of Notes.

Notes in Certificated Form. To receive the Purchase Price, holders of Notes in certificated form must deliver to the Paying Agent the Notes to be surrendered for purchase and the accompanying Purchase Notice, or a copy thereof, before the expiration of the Offer.

Notes Held Through a Custodian. A holder whose Notes are held by a broker, dealer, commercial bank, trust company or other nominee must contact such nominee if such holder desires to surrender its Notes and instruct such nominee to surrender the Notes for purchase on the holder's behalf.

Notes in Global Form. A holder who is a DTC participant may elect to surrender to the Company its beneficial interest in its Notes by:

- delivering to the Paying Agent's account at DTC through DTC's book-entry system its beneficial interest in the Notes before the expiration of the Offer; and

- electronically transmitting its acceptance through DTC's PTS, subject to the terms and procedures of that system.

In surrendering through PTS, the electronic instructions sent to DTC by the holder, and transmitted by DTC to the Paying Agent, will acknowledge, on behalf of DTC and the holder, receipt by the holder of and agreement to be bound by the Purchase Notice.

Notes and the Purchase Notice must be delivered to the Paying Agent to collect payment. Delivery of documents to DTC or the Company does not constitute delivery to the Paying Agent.

HOLDERS THAT SURRENDER THROUGH DTC NEED NOT SUBMIT A PHYSICAL PURCHASE NOTICE TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH DTC'S TRANSMITTAL PROCEDURES.

4. Right of Withdrawal.

Notes surrendered for purchase may be withdrawn at any time before the expiration of the Offer. In order to withdraw previously surrendered Notes, holders must either comply with DTC's withdrawal procedures or deliver to the Paying Agent an executed written notice of withdrawal substantially in the form attached prior to 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The notice of withdrawal must state:

- the principal amount of the withdrawn Notes;
- if certificated Notes have been issued, the certificate numbers of the withdrawn Notes; and
- the principal amount, if any, which remains subject to the original Purchase Notice.

The signature on the notice of withdrawal must be guaranteed by an eligible guarantor institution (as defined in Rule 17Ad-15(a)(2) under the Securities Exchange Act of 1934, as amended) (an "Eligible Guarantor Institution"), unless such Notes have been surrendered for purchase for the account of an Eligible Guarantor Institution. Any properly withdrawn Notes will be deemed not validly surrendered for purposes of the Offer. Notes withdrawn from the Offer may be resubmitted by following the surrender procedures described above.

HOLDERS THAT WITHDRAW THROUGH DTC NEED NOT SUBMIT A PHYSICAL NOTICE OF WITHDRAWAL TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH DTC'S WITHDRAWAL PROCEDURES.

5. Payment for Surrendered Notes.

The Company will forward to the Paying Agent, before 10:00 a.m., New York City time, on Thursday, May 15, 2008, the appropriate amount of cash required to pay the total Purchase Price for the Notes validly surrendered for purchase and not withdrawn, and the Paying Agent will promptly distribute the cash to the holders. Unless the Company defaults in making payment of the Purchase Price, interest on purchased Notes will cease to accrue on and after the Purchase Date. Each holder of a beneficial interest in the Notes that has properly delivered such beneficial interest for purchase by the Company through DTC and not validly withdrawn such delivery before the expiration of the Offer will receive the Purchase Price promptly after such distribution.

The total amount of funds required by the Company to purchase all of the Notes outstanding as of April 15, 2008 is approximately \$398.2 million (assuming all of the Notes are validly surrendered for purchase and accepted for payment). In the event any Notes are surrendered and accepted for payment, the Company intends to borrow under its \$1.2 billion senior unsecured revolving credit facility.

Citibank, N.A. acts as syndication agent, Barclays Bank PLC, Bank of America, National Association and Credit Suisse, Cayman Islands Branch act as co-documentation agents and JPMorgan Chase Bank, N.A. acts as administrative agent with respect to the Company's revolving credit facility. The facility, which matures on June 29, 2012, has a first drawn cost of London Interbank Offered Rate (LIBOR) plus 55 basis points based on the Company's current credit ratings. As of April

15, 2008, the annual interest rate on borrowings under the facility is 3.3%. The facility contains covenants, including a debt (excluding transition bonds) to earnings before interest, taxes, depreciation and amortization covenant. Under the credit facility, an additional utilization fee of 5 basis points applies to borrowings any time more than 50% of the facility is utilized, and the spread to LIBOR fluctuates based on the Company's credit rating. Borrowings under the facility are subject to customary terms and conditions. However, there is no requirement that the Company make representations prior to borrowings as to the absence of material adverse changes or litigation that could be expected to have a material adverse effect. Borrowings under the credit facility are subject to acceleration upon the occurrence of events of default that the Company considers customary.

6. Notes Acquired.

Any Notes that are purchased by the Company pursuant to the Offer will be cancelled by the Trustee, pursuant to the terms of the Indenture.

7. Plans or Proposals of the Company.

Except as described in this document, there presently are no plans or proposals that relate to or would result in:

- (1) any extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries;
- (2) any repurchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries;
- (3) any material change in the present dividend rate or policy, or indebtedness or capitalization of the Company;
- (4) any change in the present board of directors or management of the Company, including, but not limited to, any plans or proposals to change the number or the term of directors (see discussion in (10) below regarding the classified Board structure) or to fill any existing vacancies on the board or to change any material term of the employment contract of any executive officer; however, routinely throughout the year, the Governance Committee of the Company's board of directors considers nominating individuals for election to the Company's board of directors, whether at the Company's annual meeting of shareholders, to fill vacancies that may occur or to serve as additions to the Company's board of directors;
- (5) any other material change in the Company's corporate structure or business;
- (6) any class of equity security of the Company to be delisted from a national securities exchange or cease to be authorized to be quoted in an automated quotation system operated by a national securities association;
- (7) any class of equity security of the Company becoming eligible for termination of registration under Section 12(g)(4) of the Exchange Act;
- (8) the suspension of the Company's obligation to file reports under Section 15(d) of the Exchange Act;
- (9) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; or
- (10) any changes in the Company's articles of incorporation, bylaws or other governing instruments or other actions that could impede the acquisition of control of the Company; however, the Company's Board of Directors has approved and submitted to its shareholders an amendment to the Company's Amended and Restated Articles of Incorporation that provides for the phase out of the classified structure of its Board of Directors so that, once the amendment is fully effective, all directors will be elected each year. If the amendment is adopted by the Company's shareholders, the Board of Directors will make conforming amendments to the Company's bylaws.

8. Interests of Directors, Executive Officers and Affiliates of the Company in the Notes.

- None of the Company or its subsidiaries or, to the knowledge of the Company after reasonable inquiry, its executive officers or directors has any beneficial interest in the Notes;
- the Company will not purchase any Notes from such persons; and
- during the 60 days preceding the Purchase Date, neither the Company nor any of its executive officers, directors or affiliates have engaged in any transactions in the Notes.

A list of the directors and executive officers of the Company is attached to this Company Notice as Annex A.

Neither the Company or its subsidiaries nor, to its knowledge, any of its affiliates, directors or executive officers is a party to any contract, arrangement, understanding or agreement with any other person relating, directly or indirectly, to the Offer or with respect to any of the securities of the Company including, but not limited to, any contract, arrangement, understanding or agreement concerning the transfer or the voting of the securities, joint ventures, loan or option arrangement, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

Certain directors and executive officers of the Company and its affiliates are parties to ordinary course stock option plans and arrangements involving the Common Stock, as disclosed by the Company before the date of this Company Notice.

9. Purchases of Notes by the Company and its Affiliates.

On April 16, 2008, the Company announced that it had called for redemption all of the outstanding Notes on May 30, 2008. The redemption price will be \$1,000 in cash plus accrued and unpaid interest, including contingent interest, if any, to the Redemption Date. See Section 2.5 above for more information.

10. Material United States Tax Consequences.

The following discussion is a summary of the material U.S. federal income tax considerations relating to the surrender of the Notes for purchase pursuant to the Offer. This discussion does not purport to be a complete analysis of all potential tax effects of the Offer. This summary is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change or differing interpretations at any time, possibly with retroactive effect. Moreover, this summary applies only to holders who hold Notes as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”), and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, tax exempt investors, dealers in securities and currencies, U.S. expatriates or former long-term residents, persons holding Notes as a position in a “straddle,” “hedge,” “conversion” or other integrated transaction for tax purposes, persons who own, directly or indirectly, 10% or more of our voting power, U.S. Holders (as defined below) whose functional currency is not the U.S. dollar, and partnerships. The tax treatment of a partnership that holds Notes will generally depend on the status of the partners and the activities of the partnership. Holders that are partnerships should consult their own tax advisors about the U.S. federal income tax consequences of surrendering Notes pursuant to the Offer. Further, this discussion does not address the consequences under U.S. federal estate or gift tax laws or the laws of any U.S. state or locality or any foreign jurisdiction.

For purposes of this discussion, a “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes: a citizen or resident of the United States; a corporation (or other entity that has elected to be treated as a corporation) created or organized in or under the laws of the United States or any political subdivision thereof; an estate the income of which is subject to U.S. federal income tax regardless of its source; a trust if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions; and certain electing trusts that were in existence and treated as U.S. trusts on August 20, 1996. As used herein, the term “non-U.S. Holder” means a beneficial owner of Notes, other than a partnership, that is not a U.S. Holder as defined above.

Classification of the Notes. Although the proper treatment is not entirely free from doubt, the Company has treated the Notes as indebtedness for United States federal income tax purposes and has taken the position that the Notes are subject

to the special regulations governing contingent payment debt instruments (the “CPDI regulations”). Pursuant to the terms of the Indenture, the Company and each holder of the Notes have agreed, for United States federal income tax purposes, to treat the Notes as debt instruments that are subject to the CPDI regulations, and the remainder of this discussion assumes that the Notes have been so treated. In addition, under the Indenture, each holder was deemed to have accrued interest with respect to the Notes as original issue discount for United States federal income tax purposes according to the “noncontingent bond method,” set forth in section 1.1275-4(b) of the CPDI regulations, using a comparable yield compounded semiannually and a projected payment schedule determined by us.

Sale of Notes Pursuant to the Offer. A U.S. Holder who receives cash in exchange for Notes pursuant to the Offer will recognize taxable gain or loss equal to the difference between (a) the amount of cash received and (b) the U.S. Holder’s adjusted tax basis in the Notes surrendered. A U.S. holder’s adjusted tax basis in a Note will generally be equal to the U.S. holder’s original purchase price for the Note, increased by any interest income previously accrued by the U.S. holder (determined without regard to any adjustments to interest accruals required under section 1.1275-4(b) of the CPDI regulations, other than adjustments to reflect a U.S. Holder’s purchase of the Notes at a discount or premium, if any, to the adjusted issue price), and decreased by the amount of any projected payments projected to have been made through such date in respect of the Notes to the U.S. holder (without regard to the actual amount paid). Gain recognized upon an exchange of Notes for cash pursuant to the Offer will generally be treated as ordinary interest income; any loss will be ordinary loss to the extent of interest previously included in income, and thereafter, capital loss (which will be long-term if the Note is held for more than one year). The deductibility of capital losses is subject to limitations. Payments for accrued interest not previously included in income will be treated as ordinary interest income.

A non-U.S. Holder who receives cash in exchange for Notes pursuant to the Offer generally will not be subject to U.S. federal income tax on the cash received, provided that:

- the gain is not effectively connected with the conduct by such non-U.S. Holder of a trade or business in the United States or, in the case of certain treaty residents, is not attributable to a permanent establishment or a fixed base in the United States,
- the non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the Common Stock,
- the non-U.S. Holder is not a controlled foreign corporation that is related to the Company within the meaning of the Code, and
- the U.S. payor does not have actual knowledge or reason to know that the holder is a “United States person” (as defined in section 7701(a)(30) of the Code) and either (1) the beneficial owner of the Notes certifies to the applicable payor or its agent, under penalties of perjury, that it is not a United States person and provides its name and address on Internal Revenue Service Form W-8BEN (or a suitable substitute form), or (2) a securities clearing organization, bank or other financial institution, that holds customers’ securities in the ordinary course of its trade or business (a “financial institution”) and holds the Notes, certifies under penalties of perjury that a Form W-8BEN (or a suitable substitute form) has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy of the form or the U.S. payor otherwise possesses documentation upon which it may rely to treat the payment as made to a person other than a United States person in accordance with U.S. Treasury regulations.

Backup Withholding. Under the backup withholding provisions of the Code, a U.S. Holder who surrenders Notes for purchase will generally be subject to backup withholding at the rate of 28% of any gross payment if such holder fails to provide a certified Taxpayer Identification Number (Employer Identification Number or Social Security Number). A U.S. Holder who provides a certified Taxpayer Identification Number may nevertheless be subject to backup withholding on the portion of the payment representing accrued interest if the Company has been notified by the Internal Revenue Service that such U.S. Holder is currently subject to backup withholding as a result of a failure to report all interest or dividends or if such U.S. Holder fails to certify to the Company that such U.S. Holder has not been so notified. U.S. Holders electing to surrender Notes should complete a Substitute Form W-9 and attach it to the Notes being surrendered. If you are a U.S. Holder exempt

from backup withholding under the Code, please provide your Taxpayer Identification Number and so indicate on the Substitute Form W-9.

If a non-U.S. Holder holds Notes through the non-U.S. office of a non-U.S. related broker or financial institution, backup withholding and information reporting generally will not be required. Information reporting, and possibly backup withholding, may apply if the Notes are held by a non-U.S. Holder through a U.S. broker or financial institution or the U.S. office of a non-U.S. broker or financial institution and the non-U.S. Holder fails to provide appropriate information (on Internal Revenue Service Form W-8BEN or other applicable form). Non-U.S. Holders should consult their tax advisors with respect to the application of U.S. information reporting and backup withholding rules to the disposition of Notes pursuant to the Offer.

U.S. federal income tax considerations which are in addition to or different from those just described may apply to holders in special circumstances. The Company recommends that holders consult with their tax and financial advisors with respect to the tax consequences of surrendering Notes for purchase, including the applicability and effect of state, local and non-U.S. tax laws, before surrendering their Notes for purchase.

11. Additional Information.

The Company is subject to the reporting and other informational requirements of the Exchange Act and, in accordance therewith, files annual, quarterly and special reports, proxy statements and other information with the SEC. You can read and copy any materials that the Company files with the SEC at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. You can obtain information about the Company at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The Company has filed with the SEC a Tender Offer Statement on Schedule TO under Section 13(e)(4) of the Exchange Act and Rule 13e-4 of the SEC, furnishing certain information with respect to the Offer. The Tender Offer Statement on Schedule TO, together with any exhibits and any amendments thereto, may be examined and copies may be obtained at the same places and in the same manner as described above.

The documents listed below (as such documents may be amended from time to time) contain important information about the Company and its financial condition:

- The Company's Annual Report on Form 10-K for the year ended December 31, 2007;
- All other reports filed by the Company with the SEC under Sections 13, 14 and 15(d) of the Exchange Act since the end of the year covered by the Form 10-K mentioned above;
- The description of the Old Notes and the Indenture set forth under the caption "Description of the Notes" in the Company's prospectus dated December 4, 2003;
- The description of the New Notes and the Indenture set forth under the caption "Description of the New Notes" in the Company's prospectus dated July 19, 2005; and
- The description of the Common Stock contained in the Company's Current Report on Form 8-K filed September 6, 2002, as thereafter amended from time to time for the purpose of updating, changing or modifying such description.

In the event of conflicting information in these documents, the information in the latest filed documents should be considered correct.

12. No Solicitation.

There are no persons directly or indirectly employed, retained or to be compensated to make solicitations or recommendations in connection with the Offer. The Bank of New York Trust Company, National Association, however, is the trustee under the Indenture and will be communicating with and providing notices to holders of the Notes as required by the Indenture.

13. Definitions.

All capitalized terms used but not specifically defined herein shall have the meanings given to those terms in the Indenture and the Notes.

14. Conflicts.

In the event of any conflict between this Company Notice and the accompanying Purchase Notice, on the one hand, and the terms of the Indenture and the Notes or any applicable laws, on the other hand, the terms of the Indenture or the Notes or applicable laws, as the case may be, will control.

None of the Company or its board of directors or employees are making any recommendation to any holder as to whether to surrender or refrain from surrendering Notes for purchase pursuant to this Company Notice. Each holder must make his or her own decision whether to surrender his or her Notes for purchase and, if so, the principal amount of Notes to surrender based on their own assessment of current market value and other relevant factors.

CENTERPOINT ENERGY, INC.

April 17, 2008

ANNEX A
BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The following table presents the name and title of each of the Company's directors and executive officers as of April 17, 2008. The address of each such person is c/o CenterPoint Energy, Inc., 1111 Louisiana, Houston, Texas 77002 (telephone number: (713) 207-1111).

<u>Name</u>	<u>Title</u>
Milton Carroll.....	Chairman of the Board
Donald R. Campbell.....	Director
Derrill Cody.....	Director
O. Holcombe Crosswell	Director
Janiece M. Longoria.....	Director
Thomas F. Madison.....	Director
Robert T. O'Connell.....	Director
Michael E. Shannon	Director
Peter S. Wareing.....	Director
Sherman M. Wolff.....	Director
David M. McClanahan	President and Chief Executive Officer; Director
Scott E. Rozzell	Executive Vice President, General Counsel and Corporate Secretary
Gary L. Whitlock.....	Executive Vice President and Chief Financial Officer
Walter L. Fitzgerald	Senior Vice President and Chief Accounting Officer
Thomas R. Standish.....	Senior Vice President and Group President, Regulated Operations