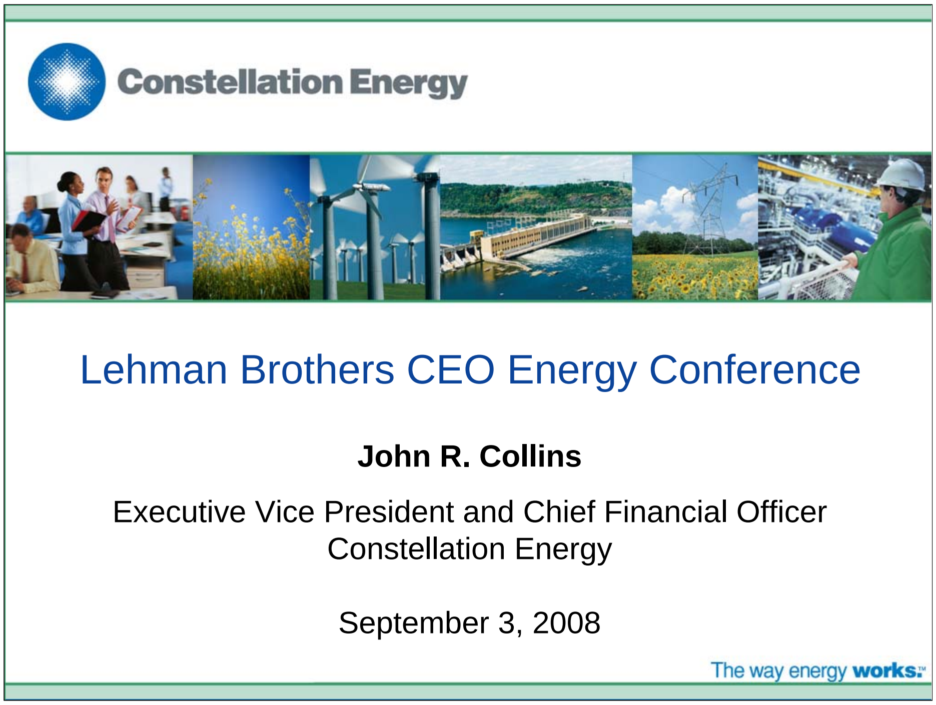
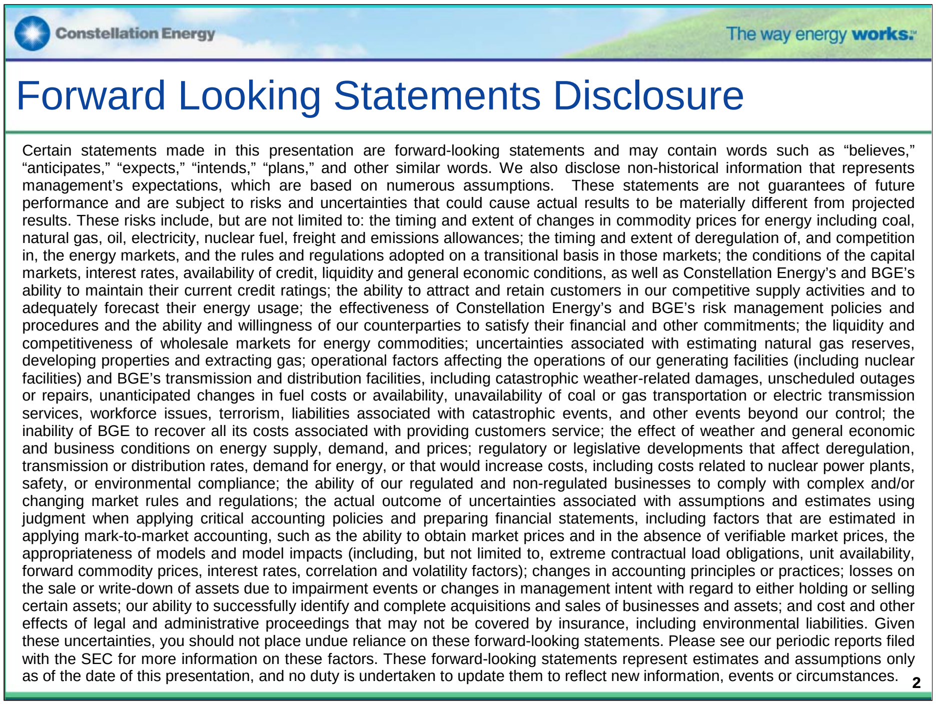


Good afternoon everyone. I am John Collins, Executive Vice President and Chief Financial Officer of Constellation Energy. Thank you for being with us at the Lehman Energy Conference here in New York this morning.

Turning to slide 2…

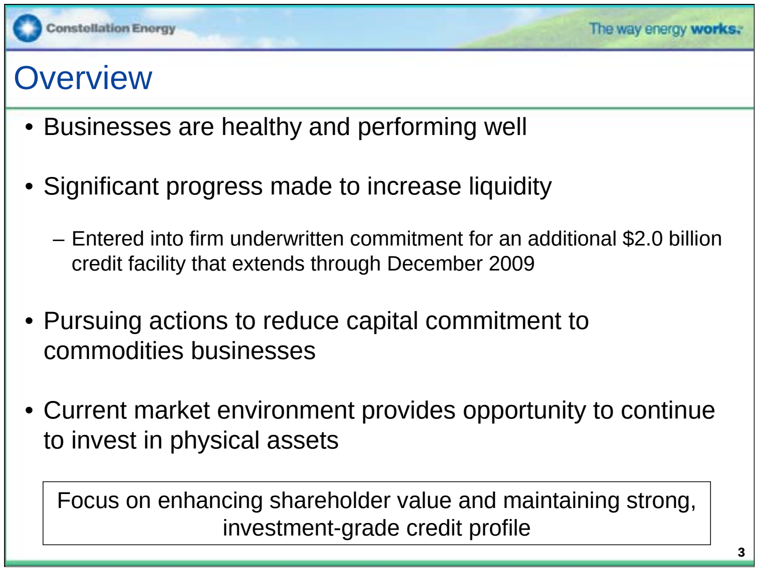


Before we begin our presentation, let me remind you that our comments today will include forward-looking statements, which are subject to certain risks and uncertainties.

For a complete discussion of these risks, we encourage you to read our documents on file with the SEC.

Our presentation today is being webcast, and the slides are available on our website, which you can access at www.constellation.com under Investor Relations.

Let's get started on slide 3.

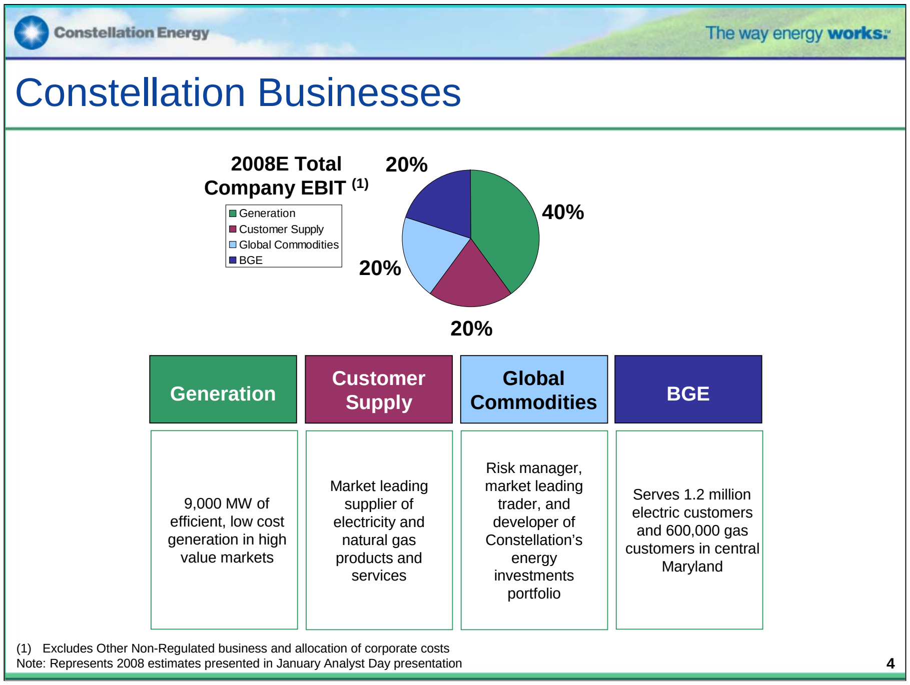


Constellation's businesses are healthy and performing well. Our performance in the second quarter produced our largest portfolio management and trading result for any quarter in the last seven years. Looking forward, as I outlined for you in our last earnings call, we expect roughly a third of the balance of the year earnings to occur in the third quarter, which equates to an implied guidance range of 83 to 99 cents per share based on a full-year range of $5.25 to $5.75 per share. With about a month left in the quarter, we are on track to achieve this guidance range.

We have also made significant progress in bolstering our liquidity position since the discovery of our error in calculating the collateral required under credit rating downgrade scenarios. We have entered into a firm, underwritten commitment for an additional $2.0 billion credit facility that we expect to close next month. The facility expires in December 2009. With the addition of this facility, we believe our liquidity is more than sufficient to run our business.

In addition, we are pursuing actions to reduce our capital commitment to our commodities businesses and believe the current market environment provides the opportunity to continue to invest in physical assets. We will execute this strategic direction with an eye towards enhancing shareholder value and maintaining a strong investment-grade credit profile.

Turning to slide 4…



At the top of this slide, we provide a breakdown of Constellation's EBIT drivers by business. We also provide a brief description of each the four businesses that drive earnings: Generation, Customer Supply, Global Commodities, and BGE.

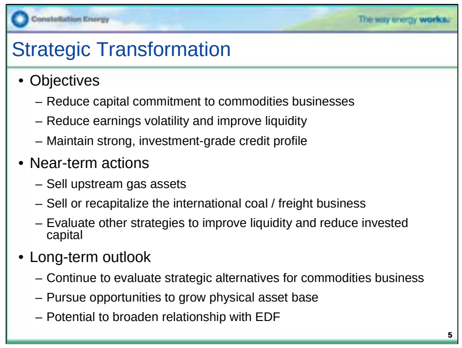
Our nuclear and fossil generation teams operate over 9,000 MW of mostly baseload capacity located in central New York and southeast PJM. Our generation teams' focus is on maximizing the contribution from our fleet and, increasingly, on developing opportunities for new investment.

Our Customer Supply Group is the market leader in providing electricity and natural gas products to wholesale and retail customers throughout North America.

Our Global Commodities Group is a risk manager, market-leading trader and developer of our structured products and energy investments portfolio.

Finally, our utility, BGE, serves 1.2 million electric customers and 600,000 gas customers in central Maryland.

Turning to slide 5, I'd like to walk you through the strategic transformation of these businesses that we disclosed last week at our Analyst Meeting.



Rising commodities prices and the growth in our businesses has precipitated the need to reduce the capital exposure to the commodities businesses. The recent concern about our liquidity has been addressed by the additional $2 billion credit facility that I described just a few moments ago. However, we are going to take some very distinct progressive actions with respect to reducing the collateral consumption of these businesses.

It is important to us, being in the business that we are, that we are a solid, strong, investment grade rated company. We have made that commitment to investors and the rating agencies for years, and we'll continue to do so.

Our near term actions to achieve these objectives include the sale of our upstream gas assets. In fact it has always been in our plan to harvest this portfolio as part of our Invest – Develop – Harvest strategy. I'll come back in just a moment to talk a little bit about the values of this business and the release of capital. With respect to the international coal business, we are pursuing several options for a successful transaction, including third party capital, a recapitalization, or an outright sale. Regardless, we believe that we will move fast on determining an outcome, particularly because a transaction has the potential to release over $1 billion of contingent capital collateral. Finally, there are other actions that we can take across the portfolio to be prudent about capital allocation and reduce collateral. We have teams associated with or dedicated to that task to make sure that we are moving in a very determined direction to reduce the usage of capital and collateral.

On a long term basis, we have been and are continuing to look at other strategic alternatives with respect to the overall commodities business. However, it is something that will take some time. The commodities business is healthy. The business is performing well and there are parts of that business that we're going to be in for a long time. Secondly, over the long term, opportunities continue to arise for us to have a more active involvement in growing the physical asset base, whether that be through development or acquisition. We will continue to focus on increasing the annuity-type of earnings that come from those kind of generation activities.

Finally, our existing relationship with EDF has created a very interesting, and we hope valuable, option as it relates to future new nuclear endeavors. Over the past year we have developed a strong relationship with EDF through our UniStar partnership, and we feel better about the EDF relationship now than we ever have. They are the largest nuclear operator in the world with 59 reactors, they have got a very strong balance sheet, they want to expand in the United States, and they value our relationship. We don't know exactly what the evolution is going to be in terms of how we get the appropriate level of participation in new nuclear while not exposing the company to more capital risk than we can afford, but we are with the right partner and we've got a good vehicle in Unistar. EDF owns 5% of Constellation and they've expressed their intent to purchase up to 9.9%. We have been in discussions in context of other strategic matters of releasing that 9.9% with them in terms of their ownership percentage.

With that, let's turn to slide 6 for a more detailed look at the upstream gas and coal and freight assets.

Constellation Energy — The way energy works.

Upstream Gas and Coal / Freight Assets

Natural Gas Production | **International Coal / Freight**

Natural Gas Production Investment Summary

(In millions)

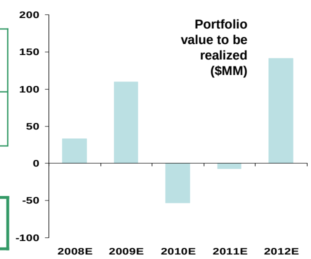
Book Basis [1]	$850
Current Market Value [2] [3]	$900 - $1,000
Estimated Book Gain	$50 - $150

Freight Asset Investment Summary

(In millions)

Book Basis	$50
Current Market Value [2]	$125
Estimated Book Gain	$75

International Coal / Freight Backlog



- Upstream gas and international coal / freight businesses remain healthy
- Near-term strategic actions could result in recognition of a significant embedded book gain
- Could impact timing of future earnings and cash flow realization

(1) Includes investment in Constellation Energy Partners (NYSE Arca: CEP), which is an oil and gas LLC (limited liability company)
(2) Internal estimates based on market comparables;
(3) Includes 28% ownership interest in CEP
Note: Based on market prices as of end of July 2008

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The chart on the left of our upstream gas assets shows a positive embedded value based on our estimates of the value of these portfolios. The natural gas business has a book basis of $850 million with an estimated book gain between $50 million and $150 million. While this is not a huge collateral business, if it were to be sold, meaningful capital would be coming back to us.

On the coal side depending on what we do, the main ambition will be to release the collateral obligations of that business, which is approximately $1 billion. Even in the event of an outright sale of that business you can see that the cumulative backlog, as described here in the bar chart on the right, is over $225 million. The embedded gain associated with the positions that we have in that business are also positive.

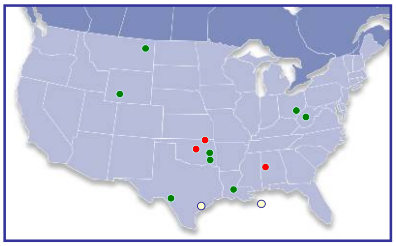
In short, these are healthy businesses, and the sale of our upstream gas assets and the sale or joint venture of our international coal and freight business will produce significant capital and meaningfully lower the collateral requirements associated with these businesses.

Turning to slide 7…

Constellation Energy

The way energy works.

Upstream Gas Assets



as of 6/30/08	Estimated Net Proven Reserves	Average Net Daily Production
CEG (excludes CEP ownership)	266 Bcfe	55.4 MMcfe
CEP (CEG % ownership)	96 Bcfe	13.6 MMcfe

Current Portfolio of Investments (1)

- Black Warrior Basin CBM (AL)
- Cherokee Basin CBM (OK/KS) (3)
- Woodford shale (OK)

- Woodford shale (OK)
- Gulf Coast CBM (LA)
- South Texas tight sands
- Wyoming tight sands
- Ohio shale
- Oklahoma dewatering
- West Virginia CBM
- Williston Basin shale (MT)

- Shallow GOM (AL)
- South East Texas carbonates

(1) Includes 28% ownership of Constellation Energy Partners (NYSE Arca: CEP), which is an oil and gas LLC (limited liability company

Note: Approximate value of CEG ownership in CEP $85 million assuming CEP unit price of $13.88 at 8/31/08

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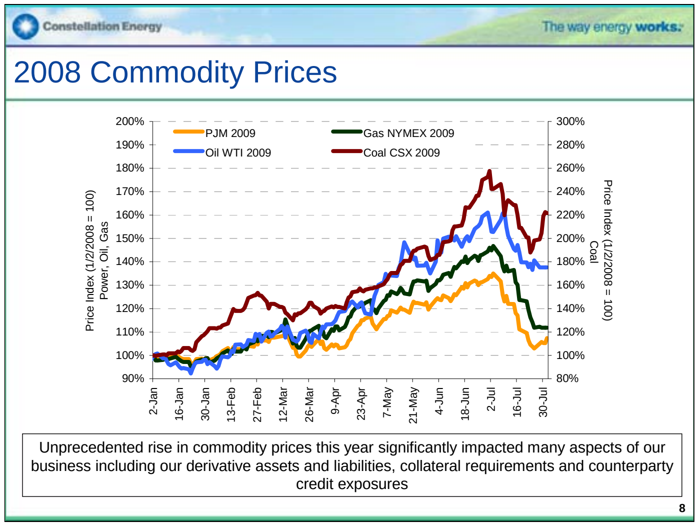
Taking a closer look at our upstream gas assets, we are developing E&P projects in various locations with a majority of unconventional production, including coalbed methane, tight sands and shale. We currently own eight producing assets totaling 266 Bcfe of proved reserves, generating production of approximately 55 MMcfe per day. The CEP production and reserve estimates also shown on this page are representative of Constellation's 28% ownership interest in CEP.

The growth strategy for Constellation Energy's upstream gas business has always been to invest, develop and harvest. The recent announcement of the sale of these assets represents a slightly faster execution of the harvest aspect of this strategy.

Turning to slide 8…



Before I address our liquidity position, I wanted to provide some context around how we got to where we are today.

This year we have seen a dramatic rise in all energy commodity prices. Higher commodity prices are good for our business, however in the short-term they do impact our operations.

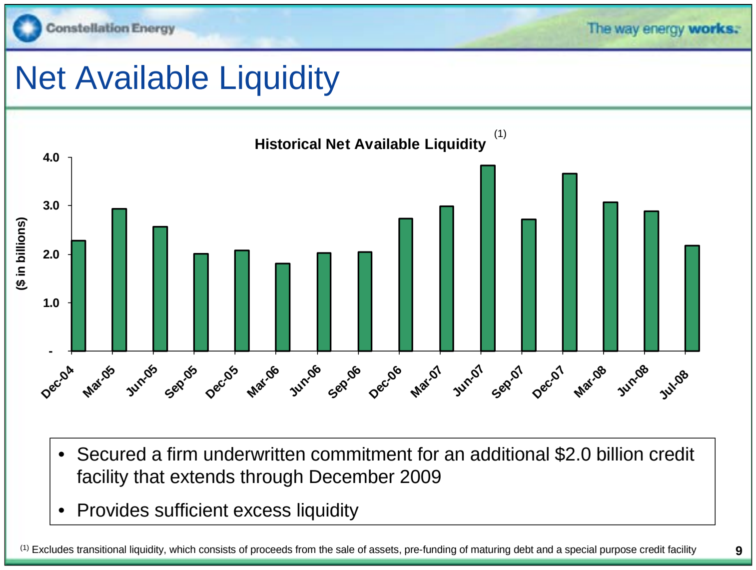
As highlighted in our second quarter 10-Q the these large price increases resulted in a large increase in our gross derivative assets and liabilities increased. I will point out that when you take into consideration netting our net derivative position was relatively unchanged.

These price increases also resulted in increased margin requirements, as our margined contracts went out-of-the-money and our un-margined assets went significantly in the money. Again our economic position improved, but our need for collateral support increased. This increase in collateral requirements led to a reduction in liquidity.

Finally, our counterparty credit exposures were also impacted primarily driven by much higher exposures to coal and freight counterparties which are predominantly non-investment grade.   Generally, the increase in market prices has been a boost to coal companies who benefit from stronger cash flow and overall financial performance.

In all, much of the activity the first half of the year is attributable to the dramatic increase in commodity prices.

Turning to slide 9…

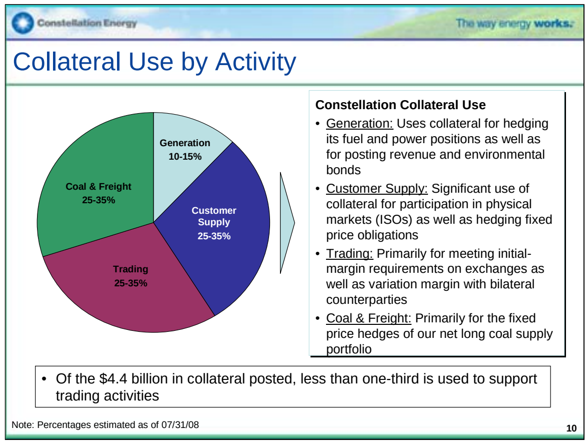


This is a slide that we discuss on our quarterly calls, which we have updated for our collateral position at the end of July. As you can see on the chart our estimated net available liquidity at the end of July was $2.1 billion compared to $2.9 billion at the end of June. Liquidity dropped by $750 million during the month of July as we returned more collateral to customers than we received. This phenomenon was driven in large measure by power prices falling at a faster rate than coal prices.

Due to the seasonality of our business, the summer months are typically higher liquidity usage periods. This is driven by working capital required to support our business during the high power volume usage periods. As illustrated by this chart, the combination of this seasonal trend increased initial margin requirements required by certain exchanges, and continued market price volatility has resulted in increased liquidity requirements to support our business. Over the balance of the year, we expect this working capital trend to reverse.

We have seen a significant change in the environment in which we operate and we have taken steps to appropriately respond. Upon ascertaining an issue in the manner in which we calculate collateral requirements of the business in the event of a downgrade, we took immediate action. In the roughly three weeks since disclosing that issue, we have worked with RBS and UBS to execute a fully underwritten commitment for an incremental $2 billion credit facility. We expect to close this facility, which extends through December 2009, by October. We believe the tenor of this facility provides us adequate liquidity to operate our businesses as we execute the strategic alternatives that we've discussed. Under the terms of this agreement the commitment may be reduced by steps we take to improve our overall liquidity position.

Now let's take a closer look at liquidity by turning to slide 10…



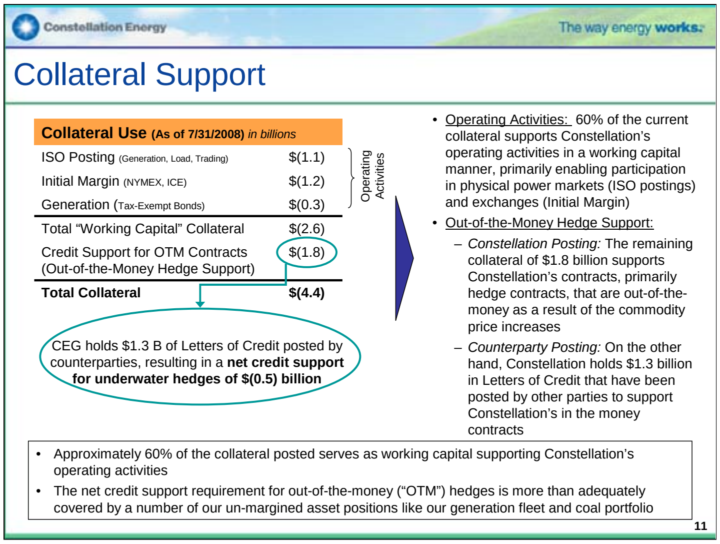
Let me first walk you through how we use collateral to support our primary businesses. As of July 31st, 2008 our collateral posting amounted to $4.4 billion. As you are aware, these collateral needs vary over time primarily as a function of commodity price movements and in some cases regulatory changes.

At a high level, we employ collateral mostly in four key business areas: Generation, Customer Supply, Coal and our Trading operations. The proportion of our total outstanding collateral employed in each area varies with market prices and activity levels, and the four business areas use collateral in somewhat distinct ways:

- Our Generation activities consume 10% to 15% of our total collateral employed, with over three fourths of Generation's collateral usage supporting tax-exempt bonds that were issued to finance portions of our power plants
- Our Customer Supply Group employs 25% to 35% of our outstanding collateral. As a provider of electricity and natural gas supply to utility and end-use customers nationwide, a little over 2/3 of Customer Supply's collateral usage is based on required, volume-driven, financial assurance postings that ISOs require of power suppliers.
- Our Trading activities also use 25% to 35% of total collateral employed, primarily for volume-driven initial margin requirements on exchanges like NYMEX and ICE, as well as postings to ISOs enabling us to participate in physical power markets
- Finally, our coal business uses another 25% to 35% of our collateral employed, a proportion that has increased in the last nine months with rising coal prices. The collateral used by our coal business principally supports coal sales that hedge our coal portfolio. This portfolio is net long coal and its value, after hedging, has increased quite significantly in the last year with rising prices.

Overall, about two thirds to three quarters of our outstanding collateral is used to support hedging activities and to provide the financial assurances we need to participate in physical power markets. Only a quarter to one third of our outstanding collateral is used to support Trading activities.

Turning to slide 11….

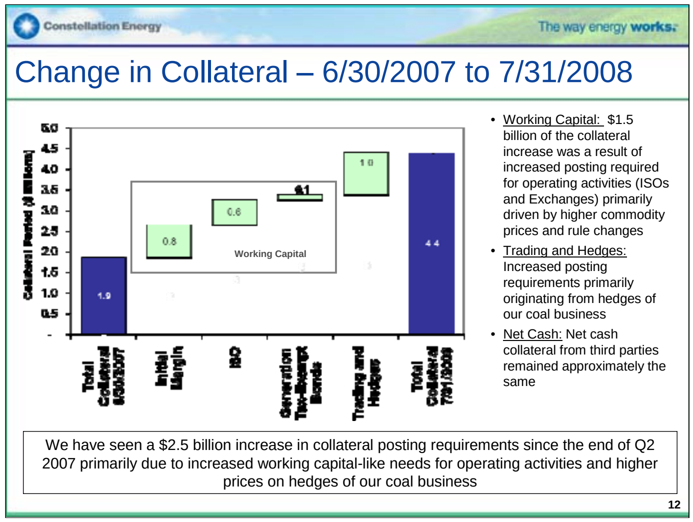


As I just mentioned, we have deployed $4.4 billion of collateral to support the activities of our business lines. If we look at what drives these collateral postings, we see that $2.6 billion, or 60%, of the collateral supports our operating activities in a working capital-like fashion. Specifically, we provide collateral in three ways. First, collateral is posted to various ISO's to allow us to serve load, manage our generation output, and purchase congestion and other products. Second, we also post to exchanges to meet initial margin requirements in order to transact. Finally, collateral is used to support tax exempt financing for our generation fleet. In short, if we were to cease these activities, a significant amount of this collateral would ultimately be returned to us.

The remaining $1.8 billion supports out-of-the-money contracts, primarily hedges. It is important to note that we have also received $1.3 billion of letters of credit from our counterparties, reflecting credit support for contracts in which we are in-the-money. Combined, these net to approximately half-a-billion dollars of credit support for out-of-the-money contracts across our entire business.

Economically offsetting this are un-margined asset positions, such as a portion of our generation fleet and our coal and freight portfolios. The international coal and freight portfolio assets alone have an expected nominal value of $1.3 to $1.8 billion. In sum, we believe these un-margined assets more than adequately cover our net credit support provided.

Turning to slide 12…



I want to provide you with a summary of what has driven the changes in our collateral requirements over the past year. As we discussed briefly we have been in a period of rising commodity process which has impacted the amount of collateral required to support our business activities.

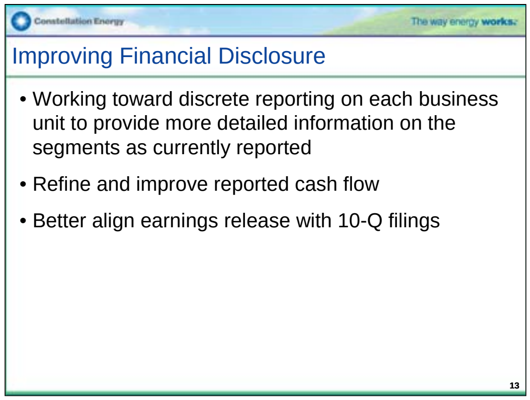
If we go back a year and look at our collateral requirements, we see that our business required less credit support then. Since then, we have seen increased posting to exchanges resulting from increased initial margin requirements due to both changes in rules and increased commodity price volatility and increased exchange activity. Consequently, as of July 31, 2008, we posted an incremental $795 million in initial margin.

The extraordinary increase in commodity prices, particularly in 2008 also drove our collateral requirements up. We now post an additional $610 million of collateral to the ISO's in markets we serve in a large part to higher commodity prices. The collateral requirements are different for each ISO, but generally calculated as a function of payables which increase as power prices increase.

Our trading and hedging activities also saw an increase of a billion dollars in the collateral required. More than 80% of this is due to postings for hedges of our international coal and freight assets. Coal prices in particular have risen dramatically this year. Due to the nature of the coal business we have asymmetric collateral requirements given that coal producers do not post collateral on their fixed price contracts while our hedge counterparties require collateral.

As a result, while our net portfolio is much more valuable, its collateral requirements have jumped significantly.

Turning to slide 13…



We continue to hear from our investors regarding the transparency of our business and our overall disclosure. I would like to spend a few minutes discussing these topics. We are committed to providing continuously improving transparency and better insight into our business results and plan to take certain steps over the next several months to continue to improve our disclosures. I will point out that certain of the strategic steps we are taking will have the result of simplifying the company and correspondingly improve transparency of our results.

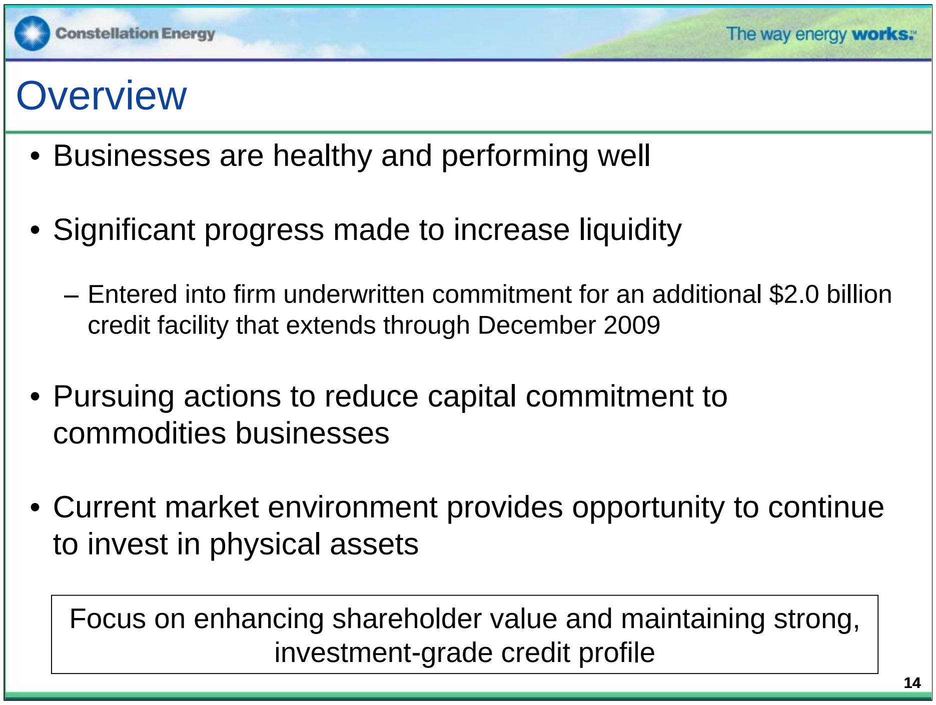
First, we will be working towards discrete reporting on each business unit to provide more detailed information on segments currently reported. As you are aware, in 2008, we refined our reporting to show gross margin by activity – generation, customer supply, and global commodities – within the merchant segment. Our reporting continues to evolve with the goal of ensuring appropriate transparency into our business results and financial condition. The ultimate goal would be to include full financials, capital allocation and returns for each business activity within the merchant segment.

Another step is to continue to refine and improve reporting around cash flow from the business. Consistent with our commitment to improve transparency, we will work to better align the balance sheet, income statement and statement of cash flows. This will include conforming our reporting format to be more consistent with the 10-Q and providing more appropriate reconciliations of the key drivers.

And finally, we plan to better align our earnings release presentation with our 10Q. We will incorporate certain relevant disclosures from our 10Q into our earnings release. For example, MTM results details, fair value disclosures, supplemental liquidity information, and risk disclosures. These disclosures would of course be preliminary as we will still be going through our disclosure controls and procedures in conjunction with our 10Q reporting process.

While this is a work in progress, we have heard your concerns and plan to take proactive steps to provide additional disclosures to enhance the transparency of our results.

Before I open the floor to questions, let me wrap up with a few key points.

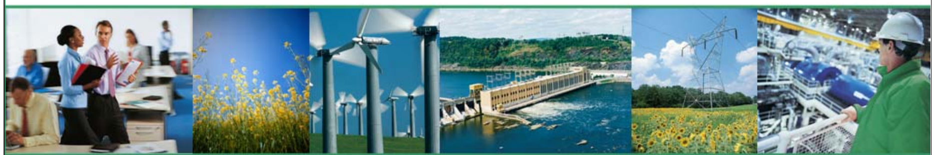


In review, I want to reiterate that the businesses are performing very well and are healthy. We've arranged for an additional $2 billion of liquidity in a tough bank environment, as you all know, but we've got good supporters in our banking relationships.

We believe when added to the action plan, we will transform this company. We look forward to providing an update in the third quarter, as well as having a more robust discussion about forward looking issues in January. Historically, we have been a management team that is focused on enhancing shareholder value, above all, while maintaining a very strong investment grade rating. That is the way the company continues to be managed.

With that, I'd be happy to take some of your questions.

Constellation Energy



Lehman Brothers CEO Energy Conference

John R. Collins

Executive Vice President and Chief Financial Officer
Constellation Energy

September 3, 2008

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