

U. S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

AWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

_____)	
In re)	Chapter 11 Case
MIRANT CORPORATION, <u>et al.</u> ,)	Case No. 03-46590 (DML)
)	Jointly Administered
Debtors.)	
_____)	

SECOND INTERIM ORDER PURSUANT TO SECTIONS 105(a) AND 363(b) OF THE BANKRUPTCY CODE (i) AUTHORIZING THE AMENDMENT OF A CERTAIN PREPETITION CREDIT FACILITY TO PERMIT THE EXTENSION OR REPLACEMENT OF OUTSTANDING LETTERS OF CREDIT, (ii) AUTHORIZING THE EXECUTION OF AN AGREEMENT RELATED TO THE FOREGOING AND (iii) CONFIRMING CERTAIN MATTERS RELATED TO THE FOREGOING

Upon consideration of the motion, dated September 9, 2003 (the "Motion"),¹ of Mirant Corporation and its affiliated debtors (collectively, the "Debtors"), as debtors-in-possession, for the entry of an order pursuant to sections 105(a) and 363(b) of the Bankruptcy Code: (i) authorizing Mirant to amend the Four Year Credit Agreement for the purposes of extending Existing Letters of Credit, (ii) authorizing Mirant to execute and perform its obligations under the Amendment Agreement, and (iii) confirming that (A) Mirant's reimbursement obligations in respect of any drawing under an Extended Letter of Credit shall constitute a prepetition unsecured claim against Mirant with respect to the Bankruptcy Cases (without waiver or prejudice to any objection by a party in interest to the "allowance" of such prepetition unsecured claims); and (B) the issuance of any Extended Letter of Credit pursuant to

¹ Capitalized terms not otherwise defined herein shall bear the same meanings ascribed to them in the Motion.

the terms of the Amendment Agreement will not be recharacterized or otherwise deemed to constitute a new extension of credit for the purposes of section 364 of the Bankruptcy Code or otherwise; and it appearing that the Court has jurisdiction over this matter and the relief requested in accordance with 28 U.S.C. sections 157 and 1334; and it appearing that sufficient notice has been provided under the exigent circumstances of the Motion as it pertains to the Amendment Agreement and those Existing Letters of Credit set forth on Exhibit "A" hereto ("Designated Letters of Credit") which are scheduled to expire or be drawn prior to the final hearing of the Motion (the "Final Hearing"); and a hearing having been held on September 17, 2003 to consider the Motion on an interim basis as it relates to the Amendment Agreement and the Designated Letters of Credit (the "Second Interim Hearing"); and upon the record of the Second Interim Hearing and all of the proceedings heard before the Court; and it further appearing that the relief requested in the Motion solely insofar as it pertains to the Amendment Agreement and the Designated Letters of Credit is in the best interests of the Debtors and their estates and creditors; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that, the Motion is granted on an interim basis to the extent set forth herein; and it is further

ORDERED that, Mirant be authorized to exercise its rights and perform its obligations under the Amendment Agreement with respect to the Designated Letters of Credit, and to execute such other agreements, documents or instruments as may be necessary in furtherance of the transactions contemplated thereby; and it is further

ORDERED that the reimbursement obligations with respect to any drawings under any Extended Letter of Credit extended pursuant to the Amendment Agreement (including, any Evergreen Letter of Credit renewed pursuant to its terms or otherwise) shall constitute prepetition unsecured claims against Mirant with respect to the Bankruptcy Cases (without waiver or prejudice to any objection by a party in interest to the "allowance" of such prepetition unsecured claims); and it is further

ORDERED that, the issuance of any Extended Letter of Credit pursuant to the terms of the Amendment Agreement (including the renewal of any Evergreen Letter of Credit pursuant to its terms or otherwise) will not be recharacterized or otherwise deemed to constitute a new extension of credit for the purposes of section 364 of the Bankruptcy Code or otherwise; and it is further

ORDERED that, to the extent applicable, the stay imposed by Bankruptcy Rule 6004(g) is hereby waived; and it is further

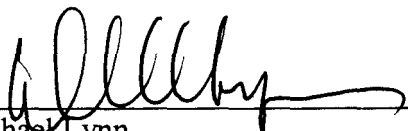
ORDERED that the Final Hearing on the Motion shall be held on Wednesday October 8, 2003 at 10:30 a.m. to consider whether to authorize the extension or amendment by the Debtors of any additional letters of credit on a final basis; and it is further

ORDERED that, response or objections, if any, to approval of the Motion on a final basis, shall be filed with the Court and served upon (a) the Office of the United States Trustee for the Northern District of Texas; (b) counsel to the Debtors; (c) counsel to the Committees; (d) counsel to the proposed lender of post-petition financing; and (e) counsel to the

Agent for the Prepetition Lenders; so as to be received not later than 5:00 p.m. on October 1, 2003; and it is further

ORDERED that the Court shall retain jurisdiction to hear and determine all matters relating to implementation and enforcement of this Order.

SIGNED THIS 17th DAY OF SEPTEMBER 2003



D. Michael Lynn
United States Bankruptcy Court

MIRANT CORP. FOUR YEAR FACILITY AGREEMENT

EXHIBIT A

LC NUMBER	EXPIRY DATE	BENEFICIARY	UNFUNDED LC BALANCE	PRINCIPAL AMOUNT ISSUED
LC870-131044	9/28/2003	Mitsubishi International Corporation	1,000,000.00	1,000,000.00
LC870-131045	9/28/2003	BNP, as Collateral Agent	6,118,750.00	6,118,750.00
LC870-131046	9/28/2003	BNP, as Collateral Agent	248,500.00	248,500.00
LC870-131047	9/28/2003	BNP, as Collateral Agent	696,890.00	696,890.00
LC870-131048	9/28/2003	BNP, as Collateral Agent	1,994,000.00	1,994,000.00
LC870-131049	9/28/2003	BNP, as Collateral Agent	5,142,936.00	5,142,936.00
LC870-132498	9/30/2003	Reliant Energy Services	15,000,000.00	15,000,000.00
LC870-133365	9/30/2003	Southern California Gas Company	3,140,000.00	3,140,000.00
SM200054W	9/30/2003	Devon Gas Services	888,400.00	1,000,000.00
SM200530W	9/30/2003	Distrigas of Mass	300,000.00	300,000.00
SM200780W	10/3/2003	Public Utility District No. 2	600,000.00	600,000.00
LC870-132495	10/28/2003	TXU Electric Company	27,500,000.00	27,500,000.00
LC870-124290	10/31/2003	Credit Suisse as Security Agent	19,100,000.00	19,100,000.00
LC870-132187	10/31/2003	Constellation Power Source	1,000,000.00	1,000,000.00
LC870-132450	10/31/2003	BP Corporation North America	30,000,000.00	30,000,000.00
LC870-134319	10/31/2003	Powerex Corporation	2,000,000.00	2,000,000.00
SM200590W	10/31/2003	Vermont Public Power	250,000.00	250,000.00
SM200319W	12/31/2003	State of Oregon	1,526,697.00	1,526,697.00

