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ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-POSSESSION
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.)	
)	
_____)	

DEBTORS' MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT
BETWEEN DEBTORS AND CERTAIN INSURERS PURSUANT TO
RULE 9019(a) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE

TO THE HONORABLE D. MICHAEL LYNN, UNITED STATES BANKRUPTCY JUDGE:

Mirant Corporation (“Mirant”), Mirant Zeeland, LLC (“Zeeland”) and their affiliated debtors (collectively, the “Debtors”), as debtors and debtors-in-possession, file this motion (the “Motion”) for authorization to enter into a settlement agreement (the “Settlement Agreement”) with Cox Power Services, Xchanging Claims Services Limited on behalf of Certain Underwriting Members of Lloyds and XL Europe Insurance (collectively, the “Insurers”)

pursuant to Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and respectfully represent as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

II. PROCEDURAL BACKGROUND

2. The Cases. Commencing on July 14, 2003, and concluding in the early morning hours of July 15, 2003 (the “Petition Date”), certain of the Debtors (collectively, the “Initial Debtors”) filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the “Bankruptcy Code”).¹ On August 18, 2003, Mirant EcoElectrica Investments I, Ltd. and Puerto Rico Power Investments, Ltd. (collectively, the “New Debtors”) commenced chapter 11 cases under the Bankruptcy Code. On October 3, 2003, the following additional Debtors filed voluntary petitions in this Court for relief under chapter 11: (i) Mirant Wrightsville Management, Inc.; (ii) Mirant Wrightsville Investments, Inc.; (iii) Wrightsville Power Facility, L.L.C.; and (iv) Wrightsville Development Funding, L.L.C. (collectively, the “Wrightsville Debtors”). On November 18, 2003, the following additional Debtors filed voluntary petitions in this Court for relief under chapter 11: (i) Mirant Americas Energy Capital, LP and (ii) Mirant Americas Energy Capital Assets, LLC

¹ Concurrently, Mirant caused two of its Canadian subsidiaries, Mirant Canada Energy Marketing, Ltd and Mirant Canada Energy Marketing Investments, Inc. (collectively, the “Canadian Debtors”) to commence plenary insolvency proceedings in the Court of Queen’s Bench of Alberta Judicial District of Calgary (the “Canadian Court”) pursuant to the *Companies’ Creditors Arrangement Act*. The Canadian Debtors are subject to the sole and exclusive jurisdiction of the Canadian Court.

(collectively, the “MAEC Debtors”). The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. The Cases are Jointly Administered. On July 15, 2003, this Court granted the motion for an order requesting that the bankruptcy estates of the Initial Debtors be jointly administered. On September 8, 2003, the Court entered an order approving joint administration of the cases of the New Debtors with those of the Initial Debtors. Also, on September 8, 2003, the Court granted the motion for an order directing that orders entered in the cases of the Initial Debtors be made applicable to those of the New Debtors. On October 21, 2003, the Court entered an order approving the joint administration of the cases of the Wrightsville Debtors with those of the Initial Debtors. On November 5, 2003, the Court entered an order directing that certain orders entered in the cases of the Initial Debtors be made applicable to the Wrightsville Debtors. On November 20, 2003, the Court entered an order approving the joint administration of the cases of the MAEC Debtors with those of the Initial Debtors.

4. The Committees. Three official committees have been appointed by the Office of the United States Trustee for the Northern District of Texas in these administratively consolidated cases. Specifically, an official unsecured creditors’ committee and an official committee of equity security holders have been appointed for Mirant Corporation and an official unsecured creditors’ committee has been appointed for Mirant Americas Generation, LLC (collectively, the “Committees”).

III. FACTUAL BACKGROUND

A. The Debtors’ Business Operations.

5. Mirant and its direct and indirect subsidiaries comprise one of the world’s largest generators and marketers of electricity. Through its direct and indirect subsidiaries,

Mirant produces, sells and delivers reliable energy products and services to utilities, municipal systems, aggregators, electric-cooperative utilities, producers, generators, marketers and large industrial customers in North America, the Philippines and the Caribbean. Mirant's core business centers on the production and sale of electricity and electrical capacity (essentially the ability to produce electricity on demand). Mirant currently owns or controls more than 21,800 megawatts of electric generating capacity around the world, of which more than 18,000 megawatts is located in the United States. In 2002, Mirant produced 73 million megawatt-hours of electricity, sold 312 million megawatt-hours of electricity and sold or marketed an aggregate average of 21 billion cubic feet per day of natural gas.

6. As of July 31, 2003, Mirant employs about 6,700 employees worldwide. Approximately 1,000 employees are based at Mirant's corporate headquarters in Atlanta, and approximately 5,700 employees are based at operating facilities. Approximately 1,000 employees are subject to collective bargaining agreements. In 2002, Mirant recorded a \$542 million loss in earnings before interest, taxes and depreciation on a consolidated basis. Its 2002 operating revenues were approximately \$6.4 billion.

B. Facts Relevant to the Motion.

7. Prior to the Petition Date, the Debtors engaged in the construction of an electrical power generating facility located at 425 Fairview Road, Zeeland, Michigan (the "Zeeland Plant"). Understanding the risks associated with the construction of the Zeeland Plant, the Debtors procured insurance to protect the Debtors against what is known as "builder's risk," or rather the risk that certain materials or equipment will be damaged during construction. Accordingly, on July 1, 2000, the Insurers issued to the Debtors an insurance policy (the "Policy") to cover any losses associated with the construction of the Zeeland Plant.

8. As part of the construction process, Zeeland contracted with General Electric (“GE”) for the installation of an EX2000 exciter cabinet (the “Equipment”). On May 21, 2002, an electrical fault in the Equipment caused a fire which rendered the Equipment completely unusable. Although the exact cause of the fire was never determined, GE agreed to replace the equipment at a discounted price of \$733,333 (the “Loss Amount”).

9. Upon notification of the damage to the Equipment and the Loss Amount, the Insurers agreed to compensate the Debtors for the Loss Amount less the \$250,000 deductible set forth in the Policy (the “Deductible”), thereby reimbursing the Debtors the amount of \$483,333 in exchange for a waiver of any additional claims relating to the damage to the Equipment. To effectuate the agreement between the Debtors and the Insurers, on or around January 23, 2004, the Debtors and Insurers entered into the Settlement Agreement (which is subject to Court approval), a copy of which is attached hereto as Exhibit “A.” The following summarizes the pertinent terms of the Settlement Agreement:²:

- Payment of the Settlement Amount. The Insurers will promptly pay to Mirant Zeeland, LLC an aggregate amount equal to \$483,333 as payment in full of its obligations relating to Loss under the policy (the “Settlement Amount”). The application of the Deductible to the Loss Amount will satisfy any and all claims by the Insurers against the Debtors for any damages and costs arising from the Loss.
- Release in Favor of the Mirant Parties. The Insurers will release the Debtors of any and all claims, demands, actions, or causes of action which the Insurers had, or may now, or may in the future have, own, or hold for relief, compensation, damages, losses, or remedy of any kind or character, relating to or arising from the Loss.

² This summary is qualified in its entirety by reference to the provisions of the Settlement Agreement, which is controlling. Capitalized terms not otherwise defined in this paragraph 10 shall have the same meanings ascribed to them in the Settlement Agreement.

- Release in Favor of the Insurers. The Debtors will release the Insurers of any and all claims, demands, actions, or causes of action which the Debtors had, or may now, or may in the future have, own, or hold for relief, compensation, damages, losses, or remedy of any kind or character, relating to or arising from the Loss.

IV. RELIEF REQUESTED

10. By this Motion, the Debtors, pursuant to Bankruptcy Rule 9019(a), hereby request authority to enter into the Settlement Agreement.

V. BASIS FOR RELIEF

A. The Court Should Authorize the Debtors to Enter Into the Settlement Agreement Under Bankruptcy Rule 9019(a).

11. Bankruptcy Rule 9019(a) provides, in part, that “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Fed. R. Bankr. P. 9019(a).

12. Bankruptcy Rule 9019(a) empowers a bankruptcy court to approve compromises and settlements if they are “fair and equitable and in the best interest of the estate.” In re Cajun Electric Power Cooperative, Inc., 119 F.3d 349, 355 (5th Cir. 1997); See also In re Zale Corp., 62 F.3d 746, 754 (5th Cir. 1995) (stating that “the ‘fair and equitable’ determination does not give the bankruptcy court jurisdiction over settlement conditions that do not bear on the court's duties to preserve the estate and protect creditors.”). A decision to accept or reject a compromise or settlement is within the sound discretion of the Court. See 9 Collier on Bankruptcy ¶ 9019.02 (15th ed. Rev. 2001). “Compromises are favored in bankruptcy” because they minimize the costs of litigation and further the parties’ interest in expediting administration of a bankruptcy estate. In re Martin, 91 F.3d 389, 393 (3d Cir. 1996) (citing 9 Collier on Bankruptcy ¶ 9019.03[1] (15th ed. Rev. 2001)). The settlement need not result in the best

possible outcome for the debtor, but must not “fall beneath the lowest point in the range of reasonableness.” In re Drexel Burnham Lambert Group, Inc., 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991). Basic to the process of evaluating proposed settlements, is “the need to compare the terms of the compromise with the likely rewards of litigation.” Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 425 (1968).

13. In order to determine whether a settlement is fair and equitable, this Court should consider and evaluate the following factors:

- (a) the probability of success in the litigation, with due consideration for the uncertainty in fact and law;
- (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and
- (c) all other factors bearing on the wisdom of the compromise.

See Cajun Electric, 119 F.3d at 356 (citations omitted).

14. The Settlement Agreement satisfies the Bankruptcy Rule 9019(a) factors for determining whether a settlement is fair and equitable. First, although the Debtors would likely succeed in the litigation of this matter, such success would likely be limited to the Settlement Amount. By entering into the Settlement Agreement, the Debtors would receive the Settlement Amount without the necessity of litigation. Second, litigating this matter would only serve to injure the Debtors because: (i) litigating the matter would cause unnecessary delay in the Debtors’ receipt of the \$483,333 due to the Debtors under the Policy, and (ii) litigating the matter would cause unnecessary expense to the Debtors as the Debtors believe the Settlement Amount equals the full amount the Debtors would be entitled should they prevail in any litigation.

15. The Debtors, accordingly, believe that the Settlement Agreement is beneficial to their estates. Pursuant to the Settlement Agreement, the Insurers will compensate the Debtors the full amount due to the Debtors under the Policy. The Debtors, in their business judgment, have determined that the Settlement Agreement is a good one and should be approved.

The foregoing is reasonable and justified under the circumstances. This Motion should be granted.

VII. CONCLUSION

WHEREFORE, based upon the foregoing, the Debtors request that the Court grant the relief requested herein, and any other relief that is necessary and proper.

Dated: Fort Worth, Texas
February 2, 2004

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(214) 651-5000

By: /s/ Ian Peck
Robin Phelan
State Bar No. 15903000
Judith Elkin
State Bar No. 06522200
Ian Peck
State Bar No. 24013306

-and-

Thomas E Lauria
State Bar No. 11998025
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(305) 371-2700

ATTORNEYS FOR THE DEBTORS
AND DEBTORS-IN-POSSESSION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he has authorized BSI as service agent to cause to serve a true and correct copy of the foregoing document upon all persons listed below via overnight courier and on the Limited Service List via U.S. First Class Mail, on the 2nd day of February, 2004 in accordance with the Federal Rules of Bankruptcy Procedure:

Cox Power Services
c/o Claims Management Group Ltd.
Malcolm MacLeod
Ibex House
42-47 Minories
London EC3N 1HN

Xchanging Claims Services
Hugh Spencer
One Lime Street
London EC3M 7HA

XL Europe Insurance
Vincent McHugh
La Touche House
International Financial Services Centre
Dublin 1 Ireland

/s/ Ian Peck

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into this ___th day of _____, 200_ between and among Cox Syndicate Management Limited (the "Lead Insurer"), Xchanging Claims Services Limited ("Xchanging") each on behalf of Certain Underwriting Members of Lloyds, XL Europe Insurance (collectively, the "Insurers") and Mirant Corporation and Mirant Zeeland, LLC (collectively, the "Mirant Parties" and with the Insurers, the "Parties").

WHEREAS, on July 1, 2000, the Insurers issued policy number 507/L955510 which insured the Mirant Parties against loss by builders risk at the property located at 425 Fairview Road, Zeeland, Michigan 49464 (the "Policy"); and

WHEREAS, on May 21, 2002, an exciter cabinet fault loss (the "Loss") occurred at the above mentioned location, and the cause and origin of that loss were an electrical fault that occurred in an EX2000 exciter cabinet damaging the equipment; and

WHEREAS, at the time of the Loss, the building that contained the damaged equipment was used by the Mirant Parties as an electrical power plant; and

WHEREAS, at the time of the loss, Mirant Zeeland, LLC owned the damaged property; and

WHEREAS, the whole loss and damage of the property was determined to be \$733,333.00 (the "Loss Amount"), and the deductible pursuant to the Policy is \$250,000.00 (the "Deductible"); and

WHEREAS, on July 14, 2003 (the "Petition Date") and continuing into the morning of July 15, 2003, certain of the Mirant Parties filed voluntary petitions in the United States Bankruptcy Court for the Northern District of Texas for relief under chapter 11 of title 11 of the United States Code, Case No. 03-46590 (DML) (the "Proceeding"); and

WHEREAS, the Parties desire to settle any claims that the Mirant Parties would have as a result of damaged property under the Policy; and

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is herewith acknowledged, the Parties hereby agree as follows:

1. Payment of Settlement Amount: Promptly upon bankruptcy court approval of this Agreement, the Insurers shall pay to Mirant Zeeland, LLC an aggregate amount equal to \$483,333.00 as payment in full of its obligations relating to the Loss under the Policy. The application of the Deductible to the Loss Amount will satisfy any and all claims by the Insurers against the Mirant Parties for any damages and costs arising from the Loss.

2. Bankruptcy Court Approval: The Parties will each use their best efforts to obtain approval of this Agreement by the bankruptcy court in the Proceeding.

3. Condition Precedent: The receipt of bankruptcy court approval of this Agreement is a condition precedent to the effectiveness of this Agreement. In the event the Parties are unable to obtain such approval, this Agreement will be deemed null and void without prejudice to the Parties' rights and obligations with respect to the Loss prior to entering into this Agreement. The receipt by the Mirant Parties of the Loss Amount, less the Deductible, is a condition precedent to the effectiveness of Section 5 of this Agreement.

4. Release in Favor of the Mirant Parties: The Insurers execute the following release in favor of the Mirant Parties, their respective agents, attorneys, insurers, assigns, predecessors, successors, parents, subsidiaries, affiliates, shareholders, officers, directors and employees (the "Mirant Releasees"):

a. This Release is made and executed by the Lead Insurer on behalf of the Insurers, as of the date set forth above. For and in consideration of the terms of this Agreement, the Insurers, each acting for itself, its predecessors, assigns, agents, attorneys, insurers, successors, subsidiaries, affiliates, shareholders, officers, directors and employees, do hereby compromise, settle, and fully release and forever discharge the Mirant Releasees, of and from any and all claims, demands, actions, or causes of action which the Insurers had, or may now, or may in the future have, own, or hold for relief, compensation, damages, losses, or remedy of any kind or character, relating to or arising from the Loss.

b. Each Insurer states and warrants that it is the sole owner of the claims, demands, actions, or causes of action which are the subject of this Release, that such claims have not been assigned, encumbered or transferred, and that the Lead Insurer has unqualified authority, by the signatory immediately below, to release the same.

c. The Insurers will hold harmless the Mirant Releasees, and any person, persons, or organizations in privity with the Mirant Releasees, of and from any and all claims, demands, actions, or causes of action relating to or arising from the Loss by any person or organization claiming an interest in the claims, demands, actions, or causes of action which the Insurers have or may have against the Mirant Releasees with respect to the matters that are the subject of this Release.

d. The Insurers state and warrant that the Lead Insurer's execution of this Release effects a full, complete and final settlement, satisfaction and extinguishment of all claims, demands, actions, or causes of action owned or asserted, or which could have been asserted by the Insurers against the Mirant Releasees relating to or arising from the Loss that occurred on or prior to the date of this Agreement.

e. In entering into and executing this Agreement, the Insurers have not relied upon any statement or representation pertaining to this matter made by any representative, agent or employee of the Mirant Releasees, or any person firm, organization or corporation hereby released, or by any person or persons representing them; but the Insurers have relied upon attorneys of its own independent choosing and have determined this Agreement is in its best interest.

f. The Insurers state and warrant that, except as provided in Section 2 of this Agreement, each has full power to execute, deliver and perform this Agreement; this Agreement has been duly authorized, executed and delivered by The Insurer and constitutes valid and binding obligations of The Insurer.

5. Release in Favor of the Insurers: The Mirant Parties execute the following release in favor of the Insurers, and their agents, attorneys, insurers, assigns, predecessors, successors, subsidiaries, affiliates, shareholders, officers, directors and employees (the "Insurer Releasees"):

a. This Release is made and executed by the Mirant Parties, as of the date set forth above. For and in consideration of the terms of this Agreement, each of the Mirant Parties, acting for themselves and each of their respective predecessors, assigns, agents, attorneys, insurers, predecessors, successors, shareholders, officers, directors and employees, does hereby compromise, settle and fully release and forever discharge the Insurer Releasees, of and from any and all claims, demands, actions, or causes of action which the Mirant Parties had, or may now, or may in the future have, own, or hold for relief, compensation, damages, losses, or remedy of any kind or character, relating to or arising from the Loss.

b. The Mirant Parties state and warrant that they are the sole owner of the claims, demands, actions, or causes of action which are the subject of this Release, that such claims have not been assigned, encumbered or transferred, and that the Mirant Parties have unqualified authority, by the signatories immediately below, to release the same.

c. The Mirant Parties will hold harmless the Insurer Releasees, and any person, persons, or organizations in privity with the Insurer Releasees, of and from any and all claims, demands, actions, or causes of action relating to or arising from the Loss by any person or organization claiming an interest in the claims, demands, actions, or causes of action which the Mirant Parties have or may have against the Insurer Releasees with respect to the matters that are the subject of this Release.

d. The Mirant Parties state and warrant that their execution of this Release effects a full, complete and final settlement, satisfaction and extinguishment of all claims, demands, actions, or causes of action owned or asserted, or which could have been asserted by the Mirant Parties against the Insurer Releasees relating to or arising from the Loss.

e. In entering into and executing this Agreement, the Mirant Parties have not relied upon any statement or representation pertaining to this matter made by any representative, agent or employee of the Insurer Releasees, or any person firm, organization or corporation hereby released, or by any person or persons representing them; but the Mirant Parties have relied upon attorneys of their own independent choosing and has determined this Agreement is in their best interest.

f. The Mirant Parties state and warrant that, except as provided in Section 2 of this Agreement, they have full power to execute, deliver and perform this Agreement; this Agreement has been duly authorized, executed and delivered by or on behalf of the Mirant Parties and constitutes the valid and binding obligation of the Mirant Parties.

6. Surviving Claims: Except as provided herein, nothing in this Agreement compromises, discharges or otherwise affects any other dispute between the Mirant Parties and the Insurers.

7. Miscellaneous:

a. This Agreement may be amended, modified or supplemented only by written agreement executed by the Parties.

b. All disputes relating to or arising out of this Agreement will be governed by the laws of the State of Georgia, excluding its choice-of-law rules. The United States Bankruptcy Court for the Northern District of Texas will retain jurisdiction over the terms and application of this Agreement.

c. This Agreement will not confer any rights or remedies upon any person other than the parties and their respective successors and permitted assigns.

d. If any material term or provision of this Agreement is found by a final, non-appealable judicial order in any jurisdiction to be invalid or unenforceable, this entire Agreement will automatically terminate *nunc pro tunc* without prejudice to the Parties' rights and obligations with respect to the Loss prior to entering into this Agreement.

e. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the settlement and releases and related transactions contemplated herein. There are no restrictions, promises, representations, warranties, covenants or undertakings between the parties with respect to the transactions contemplated herein, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings, written or oral, between the parties with respect to such transactions.

f. The releases affected hereby will be limited to the claims expressly set forth herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized officers or representatives as of the date set forth above.

Cox Syndicate Management Limited

XL EUROPE INSURANCE

By *Malcolm Macleod*

By *Vincent McHugh*

Name: *MALCOLM MACLEOD*

Name: *Vincent McHugh*

Title: *CLAIMS ADJUSTER*

Title: *Claims Assistant*

Address: *LONDON. UK.*

Address: *La Touche House
IFSC
Dublin 1
Irl.*

XCHANGING CLAIMS SERVICES
on behalf of Lloyd's Syndicates (as
follows)

Syndicate 2020 / WEL
Syndicate 1003 / SJC
Syndicate 2003 / SJC
Syndicate 1173 / CML
Syndicate 1225 / AES
Syndicate 0588 / NJM
Syndicate 1209 / MEB
Syndicate 0861 / MDR
Syndicate 1209 / MEB
Syndicate 0190 / FRW
Syndicate 0079 / PJG
Syndicate 0033 / HIS
Syndicate 2488 / AGM

By H. Spencer

Name: H. SPENCER

Title: CLAIMS
ADJUSTER

Address: LONDON, ENGLAND

MIRANT CORPORATION

By J. William Holden III

Name: J WILLIAM HOLDEN III

Title: SENIOR VICE PRESIDENT & TREASURER

Address: 1155 PERIMETER CENTER WEST
ATLANTA, GA 30338

MIRANT ZEELAND, LLC

By J. William Holden III

Name: J WILLIAM HOLDEN III

Title: SENIOR VICE PRESIDENT & TREASURER

Address: 1155 PERIMETER CENTER WEST
ATLANTA, GA 30338

**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
Debtors.)	Jointly Administered
)	

ORDER APPROVING DEBTORS' MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT BETWEEN DEBTORS AND INSURERS PURSUANT TO RULE 9019(a) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE

Upon the Motion, dated February 2, 2004 (the "Motion"), of Mirant Corporation ("Mirant"), Mirant Zeeland, LLC ("Zeeland") and their affiliated debtors (collectively, the "Debtors"), as debtors-in-possession, for the entry of an order authorizing the Debtors to Enter into a settlement agreement (the "Settlement Agreement") with Cox Power Services, Xchanging Claims Services Limited on behalf of Certain Underwriting Members of Lloyds, XL Europe Insurance (collectively, the "Insurers"), and it appearing that the Court has jurisdiction over this matter; and it appearing that due notice of the Motion has been provided and that no other or further notice need be provided; and it further appearing that the relief requested in the Motion is in the best interests of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore, it is hereby

FOUND THAT:

- A. The Court has jurisdiction over these chapter 11 cases under 28 U.S.C. §§ 157(b) and 1334. Consideration of this Order constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). The statutory and

procedural predicates for the relief requested herein are 11 U.S.C. § 105(a) and Rule 9019(a) of the Federal Rules of Bankruptcy Procedure, respectively.

- B. Entering into the Settlement Agreement with the Insurers is supported by sound business justifications.

THEREFORE, IT IS ORDERED THAT:

1. The Motion is granted.
2. The Debtors are authorized to enter into the Settlement Agreement.
3. The Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Signed: _____

HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

PREPARED BY:

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