

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

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
ENTERED

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

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

**ORDER GRANTING DEBTORS' MOTION FOR APPROVAL OF
(1) SETTLEMENT AGREEMENT UNDER FEDERAL RULE OF BANKRUPTCY
PROCEDURE 9019 AND (2) REJECTION OF TRANSPORTATION AGREEMENT
WITH TENNESSEE GAS PIPELINE COMPANY**

Upon the Motion,¹ dated January 12, 2004, filed by Mirant Corporation and its affiliated debtors (collectively, the "Debtors") for the entry of an order approving a settlement agreement, the key terms of which include (1) the release of certain claims of the Debtors against Tennessee Gas Pipeline Company ("TGP"), (2) the rejection of a transportation agreement dated November 1, 2000 with TGP with rejection damages to be satisfied through a draw on an existing letter of credit; 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; upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

It is hereby:

ORDERED, that the Motion is hereby GRANTED as set forth herein; it is further

¹ Unless otherwise defined herein, capitalized terms have the same meaning ascribed to them in the Motion.

ORDERED, that the Transportation Agreement (as amended from time to time) is rejected effective as of the date hereof; it is further

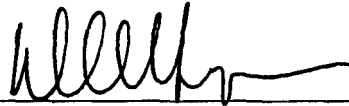
ORDERED, that the Settlement Agreement attached to the Motion is approved and MAEM is authorized to perform as required thereunder; it is further

ORDERED, that the releases set forth in the Settlement Agreement will be automatically effective as of the date hereof; it is further

ORDERED, that TGP is authorized to draw \$620,000 upon the letter of credit issued for its benefit by Wachovia Bank, N.A. (number SM421733W) (the "L/C Draw"); it is further

ORDERED, that the L/C Draw shall be in full and complete satisfaction of any and all claims by TGP against the Debtors.

Dated: February 4, 2004



D. Michael Lynn,
United States Bankruptcy Judge