

U.S. BANKRUPTCY COURT
 NORTHERN DISTRICT OF TEXAS
 AWANA 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)11
)	Jointly Administered
Debtors.)	
)	
)	

**ORDER GRANTING DEBTORS' MOTION PURSUANT TO FEDERAL RULE OF
 BANKRUPTCY PROCEDURE 9019 APPROVING (I) SETTLEMENT AGREEMENT
 AMONG (A) MIRANT CORPORATION, MIRANT AMERICAS ENERGY
 MARKETING INVESTMENTS, INC., MIRANT AMERICAS ENERGY MARKETING,
 LP AND MIRANT SERVICES, LLC (B) MIRANT CANADA ENERGY MARKETING
 INVESTMENTS, INC. AND MIRANT CANADA ENERGY MARKETING, LTD. AND
 (C) VARIOUS THIRD PARTIES; AND (II) GLOBAL SETTLEMENT OF MIRANT
CANADA CLAIMS AND ISSUES**

Upon the motion (the "Motion")¹ filed by Mirant Corporation and its above-captioned affiliated debtors (collectively, the "Debtors"), as debtors and debtors-in-possession, pursuant to rule 9019 of the Federal Rules of Bankruptcy Procedure requesting an order allowing Debtors Mirant Corporation ("Mirant Corp."), Mirant Americas Energy Marketing Investments, Inc. ("MAEMII"), Mirant Americas Energy Marketing, LP ("MAEM"), and Mirant Services, LLC ("Mirant Services") (collectively, the "Mirant Debtors") to consummate a "Settlement Agreement" (the "Agreement") with Mirant Canada Energy Marketing Investments, Inc. and Mirant Canada Energy Marketing Ltd. (collectively, "Mirant Canada"), Enron Canada Corp. ("Enron Canada"), Paramount Resources Ltd. ("Paramount") and TransCanada PipeLines Limited, TransCanada Gas Services, Inc. and TransCanada Energy Ltd. (collectively,

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

“TransCanada”), a copy of said Agreement having been attached to the Motion as Exhibit A; and the Debtors further requesting in the Motion approval from this Court to consummate their obligations under the Agreement, and approval and authorization to resolve various claims and debts arising out of Mirant Canada’s proceeding currently pending in Canada (Action No. 0301-11094) under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 as amended; and it appearing based upon the argument of counsel at the hearing on the Motion and the affidavit of Tim Delay filed in support of the Motion, that the settlement set forth in the Agreement and described in the Motion is “fair and equitable and in the best interest of the estate” and satisfies the requirements for approval of settlements set forth *In re Cajun Electric Power Cooperative, Inc.*, 119 F.3d 349, 355 (5th Cir. 1997); and it appearing that this 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 GRANTED; it is further

ORDERED, that the Agreement is approved and the Mirant Debtors are authorized to perform thereunder and take any and all actions necessary to consummate the Plan of Arrangement in the Canadian Proceeding described in the Motion; it is further

ORDERED, that with respect to, and in aid of, paragraph 5 of the Agreement (and so long as the conditions precedent to effectiveness of the Agreement have been satisfied, including approval of a Plan of Arrangement in the Canadian Proceeding which is consistent with the Agreement, and the distributions under the Plan of Arrangement are made), Enron Canada is hereby granted an allowed, unsecured, prepetition claim against Mirant Corp. in the amount of \$4.42 million (USD) on account of the guaranty executed by Mirant Corp. in favor of Enron

to the extent specified in this paragraph *Oliver*
Canada; this Order shall constitute a stipulation within the meaning of paragraph 5 of the
Agreement;

ORDERED, that so long as the “Make-whole Payment” in the amount of \$2.1 million is made by Mirant Canada to MAEM within a reasonable time after approval of the Plan of Arrangement in the Canadian Proceeding, MAEM is authorized to reduce its claim against Enron N.A. by \$6.0 million;

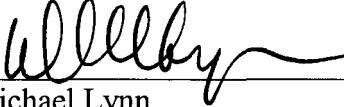
ORDERED, that MAEM is authorized to pay the FX Payment in the amount of \$2,540,653 to Mirant Canada in connection with the Mirant Canada Swaps in the manner and as set forth in the Motion; provided, however the rights of all parties are reserved as to whether such FX Payment is (or is not) authorized under the “*Final Order Authorizing The Debtors To (I) Comply With Terms Of Pre-Petition Trading Contracts, (II) Enter Into Post-Petition Trading Contracts In The Ordinary Course Of Business, (II) Provide Credit Support Relating To Both Pre- And Post-Petition Trading Contracts, And (IV) Authorizing Assumption Of Pre-Petition Trading Contracts*” entered by this Court on August 27, 2003;

ORDERED, that any party in interest reserves its right to seek an appropriate, fair, and equitable allocation and/or distribution of the proceeds held by (or derived from) Mirant Canada (the “Mirant Canada Proceeds”) in connection with the Plan of Arrangement in the Canadian Proceeding, considering the nature, scope, and amount of the Mirant U.S. Claims and equity interests of MAEMII; it is further

ORDERED, that notwithstanding anything to the contrary in this Order or the Agreement, this Order shall not be determined to be a ruling upon any of the following matters: (a) the liability of one Debtor (or affiliated entity) to any other Debtor (or affiliated entity) with respect to intercompany claims arising from, or related to, the Mirant Canada Proceeds, any Plan of Arrangement in the Canadian Proceeding, and the Agreement; and (b) whether multiple

Debtors (or affiliated entities) should be substantively consolidated. All parties' positions, arguments, objections, claims, disputes, rights and defenses with respect to the foregoing clauses (a) and (b) of this paragraph are fully and expressly preserved.

Dated: April 21, 2004



D. Michael Lynn,
United States Bankruptcy Judge