

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

U. S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
ENTERED
TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

In re)
)
MIRANT CORPORATION, et al.,)
)
)
Debtors.)
_____)

Chapter 11 Case
Case No. 03-46590 (DML)
Jointly Administered

**ORDER GRANTING DEBTORS' MOTION FOR APPROVAL OF
"SETTLEMENT" UNDER FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019
TO ENTER INTO INTERCREDITOR AGREEMENT RELATING TO CLAIMS
AGAINST MOBILE ENERGY SERVICES COMPANY AND MOBILE ENERGY
SERVICES HOLDINGS, INC.**

Upon the motion, dated December 1, 2003 (the "Motion"), of Mirant Corporation ("Mirant") and its affiliated debtors, as debtors-in-possession (collectively, the "Debtors"), for an order authorizing Mirant Corporation and Mirant Services LLC ("Mirant Services") to consummate two settlement arrangements that were agreed to pre-petition with regard to certain claims that Mirant and Mirant Services have and had against two debtors in chapter 11 cases pending in the Southern District of Alabama: Mobile Energy Services Company, L.L.C. ("MESC") and Mobile Energy Services Holdings, Inc. ("MESH"), whereby (1) Mirant and Mirant Services will obtain confirmation of the validity and perfection of security interests in the assets of MESC that Mirant and Mirant Services received in the MESC case after MESC filed for chapter 11 protection by entering into an "Amended and Restated Intercreditor and Collateral Agency Agreement" (the "Intercreditor Agreement") as more specifically described in the Motion and the papers filed therewith; and (2) Mirant and Mirant Services would obtain the authority to offset approximately \$220,000 in amounts owed by Mirant Services to MESC under the "Development Agreement" described in the Motion against approximately \$260,000 owed by MESC to Mirant Services under the O&M Agreement described in the Motion to reimburse

Mirant Services for legal fees paid by Mirant Services on MESC matters for which MESC must reimburse Mirant Services.; 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;¹ it is further

ORDERED, that Mirant and Mirant Services are hereby authorized to execute and perform the Intercreditor Agreement in substantially the form as was filed concurrently with the Motion and served upon the three committees appointed in these jointly administered cases; it is further

ORDERED, that Mirant Services be and hereby is authorized to settle the offsetting claims it has against MESC by setting the sum of \$220,040.35 which it owes to MESC off against the sum of \$266,261.99 that MESC owes to Mirant Services; and it is further

ORDERED, that nothing in this Order shall be interpreted as a ruling that Mirant or Mirant Services either explicitly or implicitly (a) assumed any pre-petition agreement it has with The Southern Company or any of its affiliates, or (b) agreed that it is obligated to indemnify The Southern Company or any of its affiliates for any reason.

Dated: December 23, 2003



HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

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