

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

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

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

**INTERIM ORDER (A) AUTHORIZING DEBTORS AND DEBTORS IN POSSESSION TO RETAIN AND EMPLOY THE BLACKSTONE GROUP L.P. AS FINANCIAL ADVISORS AND (B) APPROVING PROPOSED FEE STRUCTURE**

Upon consideration of the application, dated July 17, 2003 (the "Application"), of Mirant Corporation and its affiliated debtors (collectively, the "Debtors"), as debtors-in-possession, for an order pursuant to section 327(a) of title 11, the United States Code (11 U.S.C. §§ 101 et seq.) (the "Bankruptcy Code") authorizing the employment of The Blackstone Group, L.P. ("Blackstone") as their financial advisors and authorizing the proposed fee structure (the "Fee Structure") pursuant to section 328(a) of the Bankruptcy Code; and upon consideration of the affidavit dated July 11, 2003 of Tim Coleman, a Senior Managing Director of Blackstone (the "Coleman Affidavit"), a copy of which is annexed as an exhibit to the Application; and upon consideration of the Affidavit of John W. Ragan in support of First Day Motions and Applications sworn to on the 14<sup>th</sup> day of July, 2003; and the court accepting Debtors' representation that notice of the Application has been given in accordance with the Application and no other or further notice being necessary; and after due deliberation and sufficient cause appearing therefor, it is

PROVISIONALLY FOUND THAT

- a. Blackstone and each of its officers and employees represent no interest adverse to the Debtors' estates such that would disqualify Blackstone from representation of the Debtors in these chapter 11 cases;
- b. Blackstone and each of its officers and employees is a "disinterested person" as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and as required by section 327(a) of the Bankruptcy Code;
- c. The retention of Blackstone as the Debtors' financial advisors is in the best interests of the Debtors and their estates, creditors, and interest holders; and
- d. The Fee Structure (as defined in the Application), to the extent of monthly payments, constitutes "reasonable terms and conditions of employment" pursuant to section 328(a) of the Bankruptcy Code.

IT IS THEREFORE ORDERED THAT,

1. In accordance with section 327(a) of the Bankruptcy Code, the Debtors, as debtors-in-possession, are authorized to employ and retain Blackstone on an interim basis as financial advisors effective as of the commencement of these cases on the terms and conditions set forth in the Application and the Blackstone Agreement, provided however, that the Indemnification Provisions and the Success Bonus (as defined in

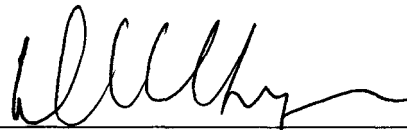
the Application) shall not become effective until Debtors make a sufficient showing that:

- a. Blackstone requires terms substantially similar to the Indemnification Provisions and Success Bonus in connection with its employment by clients other than the Debtors; and
  - b. Debtors, after a diligent investigation, were unable to find a person or entity with capabilities comparable to Blackstone who was willing to be employed on terms less onerous than those set forth in the Indemnification Provisions.
2. Blackstone is authorized to provide any and all financial advisory services to the Debtors that are necessary or appropriate in connection with these Chapter 11 cases.
3. The monthly Fee Structure is approved, pursuant to section 328(a) of the Bankruptcy Code.
4. Notwithstanding the approval of the Fee Structure, Blackstone shall be compensated in accordance with the applicable provisions of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure, Local Rules, and such procedures as may be fixed by order of this Court; provided however, that the approval of Blackstone's fees and expenses in these cases will be subject to the standards contained in section 328(a) of the Bankruptcy Code and, provided further, that

Blackstone shall not be required to maintain time records for services rendered, and shall not be required to provide or conform to any schedule of hourly rates.

5. To the extent this Order is inconsistent with the Letter Agreement, this Order shall govern.
6. Within three (3) business days of the entry of this Interim Order, counsel for the Debtors shall serve the Interim Order upon all parties entitled to receive notice of the Application.
7. This Interim Order shall be effective from July 14, 2003 through and including the date of final hearing on the Application.
8. To the extent of any conflict between the terms and conditions of the Application and the Interim Order, the terms and conditions of this Interim Order shall govern.
9. This Interim Order shall become a Final Order only after a final hearing on the Application.
10. Employment of Blackstone shall be subject to review for continuation at the court's discretion.

Dated: August 13, 2003



UNITED STATES BANKRUPTCY JUDGE