

AGREEMENT

Mirant Energy Trading, LLC (“Mirant Energy Trading”), a Delaware corporation and wholly-owned subsidiary of Mirant Corporation (“Mirant”), by its undersigned officer, pursuant to authority granted by its Managing Members, the Fraud Section of the Criminal Division of the United States Department of Justice (“Fraud Section”), and the United States Attorney's Office for the Northern District of California (“USAO NDCA”) enter into this Agreement in order to resolve an ongoing criminal investigation into the knowing delivery of knowingly inaccurate reports concerning a commodities market (the “Investigation”) by certain former employees of Mirant Americas Energy Marketing, LP (“MAEM”), Mirant’s former energy trading subsidiary whose assets were transferred to Mirant Energy Trading.

1. Mirant Energy Trading accepts and acknowledges that if it commits a willful and knowing material breach of the terms and conditions of this Agreement prior to the expiration period, as defined in paragraph 10 of this Agreement, the Fraud Section or the USAO NDCA may file criminal charges in the appropriate United States District Court based on the criminal conduct described in the Statement of Facts, attached hereto as Annex A.

2. Mirant Energy Trading acknowledges that the Fraud Section and the USAO NDCA have developed information during the Investigation that certain former employees of MAEM submitted false information to natural gas industry publications as set forth in the Statement of Facts. By entering into this Agreement and by, among other things, the substantial remedial actions it has taken to date; its continuing commitment to full cooperation, as described below, with the Fraud Section, the USAO NDCA and any other federal law enforcement agency designated by the Fraud Section or the USAO NDCA; its agreement to have its parent, Mirant, pay a substantial monetary penalty; and the other undertakings it has made as set forth herein,

Mirant Energy Trading accepts and acknowledges responsibility for the conduct described in the Statement of Facts.

3. Mirant Energy Trading expressly agrees that it shall not, through its present or future attorneys, managing members, officers, or other management employees, make public statements contradicting the Statement of Facts. Should the Fraud Section or the USAO NDCA decide in their sole discretion that Mirant Energy Trading has breached this Agreement because a public statement by any such person contradicts the Statement of Facts and should be imputed to Mirant Energy Trading for the purpose of determining whether Mirant Energy Trading has breached this Agreement, they shall notify Mirant Energy Trading and: (a) provide Mirant Energy Trading with an opportunity to demonstrate that the statement should not be imputed to Mirant Energy Trading; (b) provide Mirant Energy Trading with an opportunity to demonstrate that no contradiction has occurred; and/or (c) provide Mirant Energy Trading with an opportunity to publicly correct such statement. Mirant Energy Trading shall avoid a breach of this Agreement by publicly correcting such statement within two business days after such notification. Mirant Energy Trading agrees that in the event that future criminal proceedings are brought in accordance with paragraphs 12 or 14 of this Agreement, Mirant Energy Trading will not contest the admissibility of the Statement of Facts in any such proceeding.

4. Consistent with Mirant Energy Trading's obligations as set forth above, Mirant Energy Trading, its parent company and affiliates, and its present and former officers, agents and employees shall be permitted to raise and support defenses and/or assert and support affirmative claims in civil and regulatory proceedings relating to the matters set forth in the Statement of Facts. Nothing stated in this Agreement is intended or shall operate as a waiver of Mirant Energy Trading's rights under Federal Rule of Evidence 408.

5. Mirant Energy Trading agrees to cooperate fully with the Fraud Section, the USAO NDCA, and with any other federal law enforcement agency designated by the Fraud Section or the USAO NDCA, regarding the Investigation and any related misconduct about which Mirant Energy Trading has knowledge. Mirant Energy Trading's agreement to cooperate shall extend until the completion of the Fraud Section and the USAO NDCA's investigation of any criminal activity relating to false reporting concerning natural gas commodities, including any investigations or prosecutions of others, even if the investigations or prosecutions extend beyond the expiration of this agreement.

6. Mirant Energy Trading agrees that its cooperation, pursuant to this Agreement, shall include, but is not limited to, the following:

(a) Completely and truthfully disclosing all information as may be requested by the Fraud Section or the USAO NDCA with respect to the activities of Mirant Energy Trading, any parent company or affiliates, and its present and former officers, agents, and employees, concerning all matters inquired into by the Fraud Section or the USAO NDCA in connection with the Investigation or related misconduct;

(b) Assembling, organizing, and providing on request from the Fraud Section or the USAO NDCA, all documents, records, or other tangible evidence in Mirant Energy Trading's possession, custody, or control, in connection with the Investigation or related misconduct;

(c) Using its best efforts to make available its current and former officers, directors and employees to provide information or testimony concerning the Investigation or related misconduct as requested by the Fraud Section or the USAO NDCA, including sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law

enforcement authorities. Cooperation under this paragraph will include identification of witnesses who, to Mirant Energy Trading's knowledge, may have material information regarding the matters under investigation;

(d) Providing testimony and other information deemed necessary by the Fraud Section, the USAO NDCA or a court to identify or establish the original location, authenticity, or other evidentiary foundation necessary to admit into evidence documents in any criminal or other proceeding concerning the Investigation or related misconduct; and

(e) The above-described obligation of truthful disclosure includes the following:

i. The Fraud Section and the USAO NDCA specifically reserve the right to request that Mirant Energy Trading provide the Department with access to information, documents, records, facilities and/or employees that may be subject to a claim of attorney-client privilege and/or the attorney work-product doctrine.

ii. Upon written notice to the Fraud Section and the USAO NDCA, Mirant Energy Trading specifically reserves the right to withhold access to information, documents, records, facilities and/or employees based upon an assertion of a valid claim of attorney-client privilege or application of the attorney work-product doctrine. Such notice shall include a general description of the nature of the information, documents, records, facilities and/or employees that are being withheld, as well as the basis for the claim.

iii. In the event that Mirant Energy Trading withholds access to the information, documents, records, facilities and/or employees, the Fraud Section and the USAO NDCA may consider this fact in determining whether Mirant Energy Trading has complied with the terms of this Agreement.

iv. Except as provided in this paragraph, Mirant Energy Trading shall not withhold from the Fraud Section and the USAO NDCA, any information, documents, records, facilities and/or employees on the basis of an attorney-client privilege or work product claim.

7. Mirant Energy Trading shall continue to comply with all other written agreements currently in force between Mirant Energy Trading and any other federal agency as long as any such agreements shall remain in effect.

8. Mirant Energy Trading agrees to cause its parent, Mirant, to pay \$11,000,000 to the United States Treasury as a monetary penalty. Mirant Energy Trading shall cause such payment to be made by Mirant within thirty (30) days of the execution of the Agreement by all parties.

9. In light of Mirant Energy Trading's and its parent's and affiliates' remedial actions to date and its willingness to: (i) acknowledge responsibility for the conduct of former employees; (ii) continue its cooperation with the Fraud Section, the USAO NDCA and other federal law enforcement agencies; (iii) demonstrate its future good conduct and full compliance with the commodities trading laws, generally accepted accounting principles and this Agreement; and (iv) consent to payment of the monetary penalty set forth in paragraph 8 above, the Fraud Section and the USAO NDCA shall defer prosecution of Mirant Energy Trading arising out of the conduct described in the Statement of Facts.

10. The Fraud Section and the USAO NDCA agree that if Mirant Energy Trading has not committed a willful and knowing material breach of this Agreement prior to the expiration of fifteen (15) months from the date it is executed by all parties, the Agreement shall expire and no criminal prosecution of Mirant Energy Trading or its current or former affiliates for matters discussed in this Agreement will be commenced by the Fraud Section or the USAO NDCA. If

Mirant Energy Trading breaches this Agreement prior to its expiration, the Fraud Section and the USAO NDCA shall provide Mirant Energy Trading notice of such determination pursuant to Paragraph 12. Mirant Energy Trading shall, in the sole discretion of the Fraud Section or the USAO NDCA, thereafter be subject to prosecution for any federal crimes of which the Fraud Section or the USAO NDCA have knowledge.

11. Except in the event of a breach of this Agreement prior to its expiration, all investigations relating to the matters set forth in the Statement of Facts and the investigations that have been, or could have been, conducted by the Fraud Section or the USAO NDCA prior to the date of this Agreement shall not be pursued further as to Mirant Energy Trading, its parent company, or its current or former affiliates. The Fraud Section and the USAO NDCA represent that they are aware of no other investigations relating to the submission of false, inaccurate, or altered trade data by Mirant Energy Trading, its parent company, or its current or former affiliates as described in the Statement of Facts, or to any criminal activities arising from such false, inaccurate, or altered reporting as of the signing of this Agreement. Specifically, the Fraud Section and the USAO NDCA represent that they have checked with the United States Attorney's Offices for the Southern District of Ohio, the Southern District of Texas, and the Northern District of Georgia in connection with this representation.

12. Should the Fraud Section or the USAO NDCA determine that Mirant Energy Trading has committed a willful and knowing material breach of this Agreement, the Fraud Section and the USAO NDCA shall provide written notice to Mirant Energy Trading of the alleged breach, and provide Mirant Energy Trading with a two-week period in which to request to make a presentation to the Assistant Attorney General in charge of the Criminal Division to demonstrate that no breach has occurred, or, to the extent applicable, that the breach was not

willful, knowing, or material, or has been cured. The parties hereto expressly understand and agree that should Mirant Energy Trading fail to request a meeting with the Assistant Attorney General in charge of the Criminal Division within a two-week period of receiving notice of the potential breach, it shall be conclusively presumed that Mirant Energy Trading is in breach of this Agreement. The parties further understand and agree that the Assistant Attorney General's exercise of discretion under this paragraph is not subject to review in any court or tribunal outside of the Department of Justice. In the event of a breach of this Agreement that results in a prosecution of Mirant Energy Trading, such prosecution may be premised upon any information provided by or on behalf of Mirant Energy Trading to the Fraud Section or the USAO NDCA or any other government agency at any time, unless otherwise agreed when the information was provided. The Fraud Section and the USAO NDCA agree, however, to recommend to the Court that the amount paid pursuant to this Agreement should be offset against whatever fine the Court shall impose as part of its judgment in the event of a subsequent prosecution.

13. Mirant Energy Trading expressly waives all rights to a speedy trial pursuant to the Sixth Amendment of the United States Constitution, Title 18, United States Code, Section 3161, Federal Rule of Criminal Procedure 48(b), and any applicable Local Rules of the United States District Courts for the Northern District of California and the District of Columbia for the period that this Agreement is in effect. Mirant Energy Trading retains all rights not expressly waived in this Agreement.

14. In case of the willful and knowing material breach of this Agreement prior to its expiration, any prosecution of Mirant Energy Trading relating to false reporting of trade data to industry publications or any crimes arising therefrom that is not time-barred by the applicable statute of limitations as of the date of this Agreement may be commenced against Mirant Energy

Trading notwithstanding the expiration of any applicable statute of limitations during the term of this agreement, as defined in paragraph 10, and up to the determination of any such breach.

Mirant Energy Trading's agreement to toll the statute of limitations is knowing and voluntary and in express reliance on the advice of counsel.

15. Mirant Energy Trading agrees that, if it sells or merges all or substantially all of its business operations as they exist as of the date of this Agreement to or into a single purchaser or group of affiliated purchasers during the term of this Agreement, it shall include in any contract for sale or merger a provision binding the purchaser/successor to the obligations described in this Agreement.

16. It is understood that this Agreement is binding on Mirant Energy Trading, the Fraud Section and the USAO NDCA, but specifically does not bind any other federal agencies, or any state or local law enforcement or licensing authorities, although the Fraud Section and the USAO NDCA will bring the cooperation of Mirant Energy Trading and its compliance with its other obligations under this Agreement to the attention of other federal agencies, state and local law enforcement, or licensing authorities, if requested by Mirant Energy Trading or its attorneys. It is understood that this Agreement also excludes any natural persons. It is the intent of the parties to this Agreement that the Agreement does not confer or provide any benefits, privileges or rights on any individuals or other entities other than the parties hereto, and that nothing in this Agreement shall be admissible in any proceeding other than a proceeding brought by the Fraud Section or the USAO NDCA under the terms of this Agreement.

17. Mirant Energy Trading, the Fraud Section and the USAO NDCA agree that this Agreement may be publicly disclosed.

18. This Agreement sets forth all the terms of the agreement between Mirant Energy

Trading, the Fraud Section and the USAO NDCA. No modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Fraud Section, the USAO NDCA, Mirant Energy Trading's attorneys, and a duly authorized representative of Mirant Energy Trading.

On Behalf of the Fraud Section, Criminal Division, United States Department of Justice:

STEVEN A. TYRRELL
Chief, Fraud Section
Criminal Division
United States Department of Justice



By: ROBERTSON T. PARK
Assistant Chief, Fraud Section

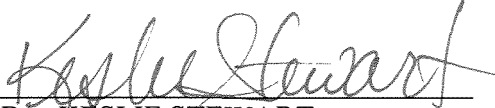
AMANDA L. RIEDEL
Trial Attorney, Fraud Section

Dated: _____

7/11/07

On Behalf of the United States Attorney for the Northern District of California:

SCOTT N. SCHOOLS
United States Attorney

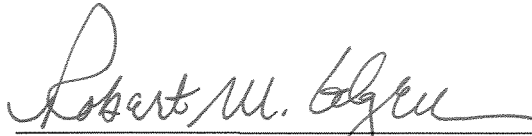


By: KESLIE STEWART
Assistant United States Attorney
Northern District of California

Dated: _____

7/10/07

On Behalf of Mirant Energy Trading:



Mirant Energy Trading, LLC

Dated: _____

7-6-07

ANNEX A

STATEMENT OF FACTS

Prior to January 31, 2006, Mirant Americas Energy Marketing LP (“MAEM”) was a wholly-owned subsidiary of Mirant Corporation, a Delaware corporation headquartered in Atlanta, Georgia. On January 31, 2006, Mirant Energy Trading LLC acquired the assets of MAEM pursuant to a plan of reorganization. MAEM and Mirant Energy Trading LLC are collectively referred to in this Statement of Facts as “Mirant.”

Between approximately January 1, 2000, and November 2002, Mirant engaged in the buying and selling of energy-linked commodities, including natural gas. Many of Mirant’s physical natural gas purchases and financial transactions settled against a published industry index such as the monthly *Inside FERC Gas Market Report* (“*IFERC*”) index.

Throughout this period, Mirant employed a number of natural gas traders who worked together in trading groups, referred to as desks. Some of these desks corresponded to geographic regions of the United States, including the West Desk. The natural gas traders had four primary goals: (1) to ensure the delivery of natural gas to customers; (2) to hedge against adverse price fluctuations in the market; (3) to take speculative positions that involved more risk but had the potential to generate high profits; and (4) to purchase fuel for Mirant Corporation’s gas-fired power plants.

To achieve these goals, the Mirant natural gas traders worked with several different natural gas products, including physical and financial natural gas trades. Physical trades call for the delivery of natural gas to specific locations. In contrast, financial trades generally are entered without either party to the transaction intending to take delivery of any natural gas. Financial

trades can be used both to speculate and to hedge against price risk in the physical markets.

Regardless of the type of transaction, the counter-parties can agree to any price, but often contract prices are tied to published index prices.

Inside FERC (“*IFERC*”) is a publication of PLATTS, a subsidiary of The McGraw-Hill Companies. For the time period between at least January 1, 2000, and November 2002, *IFERC* published a monthly index of prices for natural gas at various locations, or hubs, on the first business day of each month. To calculate the natural gas index prices, *IFERC* editors relied on trades submitted by industry participants, including Mirant. *IFERC* editors computed and published indices of the prices for natural gas at various hubs using primarily a volume-weighted average of the trading data submitted by the energy companies. *IFERC* editors instructed natural gas traders to report only physical, fixed-priced, baseload deals, which involved the actual flow of natural gas, that were negotiated during the last trading days of the month. Reporting of either false prices or false volumes at any location could alter *IFERC*’s published index price at that location.

Beginning on or about February 1, 2000, and ending in or about December 2000, Mirant natural gas traders (C.M. and P.A.) knowingly submitted knowingly inaccurate reports to *IFERC* concerning trades of natural gas entered into by Mirant. From approximately February 1, 2000, through approximately December 2000, Mirant gas traders (C.M. and P.A.) knowingly submitted trade data to *IFERC* that contained knowingly inaccurate data, including incorrect volume and/or prices, fictitious trades, false counter-parties or incomplete reports of actual trades.

Specifically, during July and September 2000, these traders conspired with another co-conspirator at a different energy trading company to submit false and fictitious trade data at several trading locations. The Mirant gas traders, in recorded telephone conversations with the co-conspirator, confirmed false and fictitious trading data, and agreed to serve as counter-parties to the false and fictitious trading data. This data was submitted for the purpose of skewing the published index prices in the direction that would result in a benefit to Mirant's and/or the other company's natural gas positions. These Mirant gas traders and the co-conspirator also conspired to conceal the falsity of these submissions by providing misleading or inaccurate information, or asking others to provide misleading or inaccurate information, to *IFERC* employees who contacted them to confirm reported trade information.

In approximately May 2003, Mirant's management discovered the above-described conduct and reported it to the Commodities Futures Trading Commission ("CFTC") and the Department of Justice.