EXHIBIT
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Blumberg No. 5208

Investment Case

Summary & Conclusions

We believe there is an attractive risk/reward proposition for investors willing to own MIR common shares now, very soon after its exit from bankruptcy and before the market hears much from management about the company's assets, cash flows, and future.

We are setting a target price of $40. Using several valuation methods and our proprietary insights, we see a reasonable range of $35-45 per share. The low-end of this range still implies over 44% upside to the current share price.

Investors should be aware that many of our assumptions and projections could be significantly changed by management announcements at its meeting in mid-February. Prior projections by management are six months old.

We think the risk/reward favors MIR for these reasons:

- Experienced management (though CEO Muller has some reputation for aggressive growth from his days at Edison Mission Energy).
- Investors who took common for debt claims in the bankruptcy workout may still own a substantial number of shares and could continue to sell, even at relatively low valuations, benefiting value investors.
- Significant free cash flow, with potential to rise – estimated $800 mm of FCF after cap ex on average (11% yield). MIR's Mid-Atlantic baseload plants in the DC area, could have significant upside to 2007 margins and cash flow at current forward power prices as their 2006 hedges roll-off.
- At about 6.6X our '07E EBITDA, MIR appears to be one of the most attractively valued of the pure or hybrid deregulated gencos (regulated utilities w/ unregulated generation assets).
- While inherently more volatile (but also with potentially more upside) than hybrid gencos, MIR is emerging from bankruptcy with coverage of cash interest expense by EBITDA and free cash flow of about 4X. This, plus management's stated commitment to pay down debt in the near term, provides significant downside protection and some stability for investors, in our view.

Exhibit 1

Mirant – Sum of the Parts

Mid-Atlantic Baseload (Coal MW)		2,779	
Multiple ($/KW)		1,500	
Enterprise Value ($mm)		$4,169	
Canal Point (Oil/Gas MW)		1,109	
Multiple ($/KW)		600	
Enterprise Value ($mm)		$665	
Other Generation (Gas/Oil MW)		10,338	
Multiple ($/KW)	250	-	300
Enterprise Value ($mm)	$2,585	-	$3,101
US Enterprise Value ($mm)	$7,418	-	$7,935
Philippines ($mm)	$3,000	-	$3,740
***Low-end assumes $1,300/KW of 2,306 MW*			
***High-end assumes 10X EBITDA of $374 mm*			
Caribbean ($mm)	$1,701	-	$2,079
***9-11X EBITDA of $189 mm*			
Total Enterprise Value ($mm)	**$12,119**	-	**$13,754**
Tax NOLs (3% discount rate)		$1,826	
2006E Debt		(3,857)	
2006E Cash		1,891	
NPV of Release of Collateral		222	
Total Equity Value	$12,202	-	$13,671
Total Value per Share	**$38.72**	-	**$43.38**
Upside to Current Price	*59%*		*79%*
Current Price		**$24.30**	
Shares Out. (Fully Diluted)		*315.2*	

Source: Company data, Morgan Stanley Research

Company Description

Mirant is a pure-play unregulated generation company with 14,226 MW in the Americas and 3,345 MW in the Philippines and Caribbean.

Industry View: Cautious

Historical tendency of the electrics is to underperform in a rising interest rate environment, and the relative P/E is above the top of 15-year range.

GICS Sector: Utilities

Strategist's Recommended Weight: 3.4%
S&P 500 Weight: 3.4%

- Recent use of second lien collateral structures (like NRG/TGN did) and partial substitution of put options on power sales instead of fixed price contracts could further stabilize future cash flows and significantly add to MIR's capital.

- At current forward commodity prices, about $600 mm in collateral should flow back to MIR in 2006, strengthening its cash position even more.

Exhibit 2

MIR – P/E Multiple + Excess Cash Flow

	2007E EPS	Multiple	Value per Share
MIR EPS	$1.68	10x	$16.83
Tax NOL NPV			$5.79
Free Cash Flow NPV *$400-600mm/year in perpetuity discounted @ 10%*			$19.04
MIR Value/Share			**$41.66**

Low multiple used vs. avg. 14.5X utility multiple to compensate for higher earnings volatility and lack of regulatory support.

Upside Factor

Potential Sale of Gas/Oil Plants (which contribute little to EPS) @ DUK's recent sale multiple.
Does not assume any required paydown of debt.

	MW	$/KW	$ mm
	10,338	250	2,585
Sale Value/Share			$8.20
MIR Upside Case			**$49.86**
Shares Out. (Diluted)			315.2

Source: Company data, Morgan Stanley Research

Exhibit 3

MIR – Discounted Cash Flow Summary

See Details in Exhibit 12

	$/share
NPV of 2007-2010 Cash Flow	$11
Discount Rate	10.0%
Terminal EBITDA Multiple	7.5-8.0x
PV of Terminal Value	$20-21
Relevering/Cash Payout (1)	$8
Less: Net Debt	($6)
Value/Share Implied by DCF	**$32-34**

Source: Company data, Morgan Stanley Research

(1) Because MIR's net debt/net capital ratio in 2008 reaches a low 13%, we assume a relevering of the balance sheet and a special dividend is given to the equity holders for now.

Proprietary Insights: Philippines, Hidden Cash Value, and Commodity Outlook

New contributions to investors' insights from our proprietary work on the Philippines assets, potential cash producing sources, and the commodity outlook include:

Philippines Assets

- We believe that the little understood Philippines power plants 2,306 MW are likely worth $3-$4B. The Philippines assets have a tolling agreement with the government for most of its capacity. Although the company has not commented on its plans, a recent Reuters report suggested that the assets could be worth nearly $3 billion to a number of Asian buyers. The Asian market, according to our Asian utilities research team, could assign values of 10X EBITDA to IPPs with high-quality revenues in countries like the Philippines and Malaysia, which have upheld power contracts with stable margins. A 10X EBITDA multiple would imply almost $4B.

Exhibit 4

Mirant Philippines – Value Could Be Significant

($ mm)	2007
EBITDA	374
Multiple	10x
***10X multiple in line with other Asian IPPs w/ high-quality revenues (e.g. Malaysia)*	
Enterprise Value	3,740
Less: Debt	(713)
Equity Value	3,027
Value per Share	**$9.60**
Shares Out. (Diluted)	*315.2*

Source: Company data, Morgan Stanley Research

Strong Commodity Outlook for Mid-Atlantic Assets

- We have developed proprietary insights into commodity forward values of some of the most valuable assets in the US, 4 D.C.-area coal plants – because of their locations.

- Our detailed work that indicates that the 4 Potomac plants could produce roughly $500-650 mm annually in free cash flow. Working with our commodities traders, we have concluded that the positioning of these plants in eastern PJM makes their locations among the most valuable in the country. They are priced at a positive