

IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

MAR 10 2006

Michael N. Milby, Clerk of Court

In re DYNEGY INC. SECURITIES
LITIGATION

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MASTER FILE NO. H-02-1571

CLASS ACTION

This Document Relates to:

ALL ACTIONS

ORDER

The Court has considered the Joint and Unopposed Motion to Amend Order and Final Judgment by all parties and is of the opinion that the Motion should be **GRANTED**.

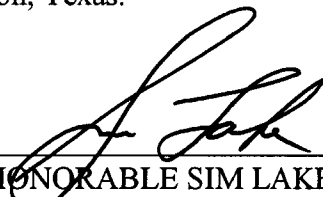
It is therefore ordered that the *Order and Final Judgment* entered in this case on July 7, 2005 under Docket Entry 688 is modified to incorporate and approve the changes to Section 20 of the *Stipulation and Agreement of Settlement*, executed by all the parties, which is modified as follows:

CORPORATE GOVERNANCE

20. Lead Plaintiff has provided a slate of five prospective directors that has been evaluated by an external search firm of national standing to compare skills, backgrounds and experience with that of Dynegy Inc.'s current directors to confirm fit and complement to Dynegy Inc.'s board of directors. The Dynegy Inc. Nominating Committee has proposed that one director nominee from the list of five proposed by the Lead Plaintiff, Victor Grijalva, be elected to Dynegy's Board of Directors at its next annual meeting at which directors are elected, and if such recommendation is acted on affirmatively at the Dynegy Board of Directors meeting on March 15-16, 2006, Dynegy Inc. management will include in Dynegy

Inc.'s proxy statement, as part of management's slate, and will recommend Mr. Grijalva for election to the Dynegy Inc. Board of Directors by its shareholders at its next annual meeting at which directors are elected. If the Dynegy Inc. Board of Directors does not act affirmatively on the recommendation of Mr. Grijalva, Lead Plaintiff shall provide an additional slate of five prospective directors. Lead Plaintiff shall continue to propose prospective directors in slates of five until such time as the Dynegy Inc. Board of Directors has confirmed the qualifications of one prospective director, and named him or her to the Dynegy Inc. Board of Directors. The qualifications for prospective directors and the specifics of the selection process are set forth in the Dynegy Inc. Corporate Governance Guidelines.

SIGNED THIS 9th day of MARCH, 2006, at Houston, Texas.



HONORABLE SIM LAKE
United States District Judge