

Wholesale Operations 2000 Goals

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2000 Enron Strategic Goals Wholesale Operations

Goal: Execute more commodity intermediation business via EnronOnline than through traditional means.

Status: Complete

Over 450,000 North America transactions with a notional value greater than \$240 billion have been executed through November 2000.

Currently, EnronOnline is generating -

- 85% of total transactions for North America natural gas
- 50% of total transactions for North America electricity power
- 52% of total transactions for European commodities.

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2000 Enron Strategic Goals Enron Americas

Goal: Achieve a 20% growth in total energy volumes.

Status: Complete

- **Physical natural gas volumes have increased 74% September YTD 1999 to September YTD 2000.**
- **Physical power volumes have increased 42% September YTD 1999 to September YTD 2000.**
- **Maintained position as #1 merchant of power and gas in North America.**

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2000 Enron Strategic Goals Enron Americas

Goal: Complete 3 significant utility outsourcing transactions.

Status: In Progress

Closed 3 significant utility outsourcing transactions during 2000 -

- **Atlanta Gas Light \ Virginia Natural Gas - gas outsourcing**
 - 2 year term
 - 30 BCF per year sales

- **NSTAR (BECO) - power outsourcing**
 - 6 month term
 - Standard offer

- **PSEG - gas outsourcing**
 - MOU pending
 - 60 BCF per year sales

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2000 Enron Strategic Goals Enron Americas

Goal: Clearly establish recurring, profitable merchant business in South America as evidenced by \$25 million of earnings in 2000 with a goal of \$50 million in 2001.

Status: Complete

- Wholesale, Direct Sales and Argentina had \$25 million of earnings in 2000.
- 2001 plan has \$50 million earnings goal.

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2000 Enron Strategic Goals Enron Europe

Goal: Generate at least \$200 million of gross margin outside of the U.K.

Status: Complete

\$240 million of gross margin was generated in areas other than UK gas and power businesses.

Goal: Decrease Eastern exposure by \$250 million.

Status: Not Complete

- Working with TXU Europe Group PLC to obtain increased guarantees with additional covenants to cleanly hedge Enron's claim.
- Will be finalized in 1st quarter 2001.

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2000 Enron Strategic Goals

Enron Europe

Goal: Financially close and monetize three significant infrastructure projects.

Status: Complete

Financially closed and monetized four significant projects -

- Sutton Bridge - \$270 million
- National Power - \$760 million
- Poland, Turkey and Italy Powerstation Balance Sheet Restructure - \$125 million
- ETOL FAS 125 - \$100 million in cash and notes of \$105 million.

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2000 Enron Strategic Goals Enron Europe (APACHI)

Goal: Establish Japanese business as evidenced by aggregation of at least 5,000 megawatts of generation and an active merchant business with 500 mmcfe/day of energy transactions.

Status: Not Complete

- **Opened Enron Japan office and launched EnronOnline and coal trading in Japan.**
- **Pace of regulation changes impacted ability to aggregate generation and develop an active merchant business.**

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2000 Enron Strategic Goals Enron Global Markets (CALME)

Goal: Financially close and begin construction of the Venezuela LNG project.

Status: Not Complete

- **Minority rights agreement with PDVSA is substantially complete and other agreements were finalized in October 2000.**
- **Construction contract with Enron Engineering & Construction substantially complete.**
- **Secured Elba Island storage capacity to provide anchor market for Venezuela LNG and merchant trade.**
- **Optionality for additional markets in Puerto Rico and Dominican Republic.**

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2000 Enron Strategic Goals

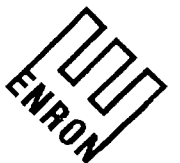
Enron Global Markets (CALME)

Goal: Financially close and begin construction of Dolphin. (Mideast effort)

Status: Not Complete

- **Executed detailed Project Development Agreement among UAE offsets group. TotalFinaElf and Enron to develop the project.**
- **Advanced the technical design of facilities/selected pipeline routes.**
- **Advanced negotiations with downstream buyers and with Qatar for supplies of 2 - 3 bcf/day.**
- **Upstream term sheet execution expected in January 2001.**
- **Key commercial agreements targeted for execution by mid-2001.**

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2000 Enron Strategic Goals

Enron Global Assets (South America)

Goal: Decrease capital exposure through a profitable sale of certain South American assets.

Status: Not complete

- Asset monetization strategy is in place.
- Significant sales anticipated in 1st quarter 2001.

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2000 Enron Strategic Goals

Enron Global Assets (India)

Goal: Financially close Metgas pipeline transaction and sell 2 Tcf (1.6 MT) of gas along the pipeline.

Status: Not Complete

- **Contracts signed to sell 1.2 MM tons of gas.**
- **Financial close was postponed until the 2nd quarter 2001 to allow additional gas sales.**
- **Currently evaluating degree of Enron equity participation.**

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2000 Enron Strategic Goals Enron Global Assets (APACHI)

Goal: Leverage value of SK/Enron 20% profitability growth in Korea beyond current venture.

Status: Complete

- **Achieved 100% profitability growth in Korea on SK-Enron joint venture.**
- **Increased SK-Enron's net income from \$23 million in 1999 to \$48 million in 2000.**

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2000 Enron Strategic Goals Enron Global Assets (APACHI)

Goal: Resolve Hainan Island, Vietnam and Mozambique issues.

Status: Complete

- **Concluded sale of Hainan PPC Termination Agreement for \$152 million. Receipt of \$78 million cash in 2000 with \$74 million to be received in 1st quarter 2001.**
- **Successfully completed the sell-down of the Mozambique Project to SASOL for \$30 million.**
- **Settlement of Miga Claim on East Java, Indonesia - \$15 million.**
- **Vietnam issues resolved with minimum impact to bottom line.**

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2000 Enron Strategic Goals

Enron Net Works

Goal: Be the largest and leading e-commerce player. Execute e-business plan, which includes starting 5 new businesses and attempting to monetize 3 of them.

Status: Complete

- **EnronOnline has executed over 450,000 transactions with a notional value greater than \$240 billion through November 2000.**
- **Several new businesses have been created -**
 - DealBench
 - Clickpaper.com
 - Commodity Logic
 - e-Market Services
- **Acquired MG Metals in July 2000.**

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2000 Enron Strategic Goals

Enron Net Works

Goal: Create \$100 million of value for business units that is not in the 2000 Plan.

Status: Complete

- Significant value added by EnronOnline.
- Created a partnership with outside parties to focus on the pulp & paper and steel industries which generated \$75 million of earnings in 2000.

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