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ENRON REPORTS SECOND QUARTER EARNINGS OF $0.32 PER DILUTED SHARE

FOR IMMEDIATE RELEASE: Monday, July24, 2000

HOUSTON -- Enron Corp. announced today a 19 percent increase in earnings to $0.32 per diluted share for the second quarter of 2000. Net income increased xx percent to $xxx million during the quarter Enron also reported an xx percent increase in revenues to $xx.x billion for the second quarter.

"Enron's energy and broadband networks provide tremendous advantage in industries that are undergoing fundamental change worldwide, said Kenneth L. Lay, chairman and CEO of Enron. " Enron's wholesale volumes increased xx percent to xx.x bcf/d demonstrating Enron's ability to deliver products at any time at competitive prices using a strategic combination of assets and contracts. During the quarter Enron Energy Services continued to leverage Enron's scale and capabilities across customers' energy operations. Bandwidth intermediation is progressing extremely well and Enron Broadband Services has already exceeded its annual target for settled bandwidth volumes through successful execution of transactions across the states Contracts for content delivery signed during the quarter totaled $x.x billion."

PERFORMANCE SUMMARY

Enron's businesses are reported as Wholesale Energy Operations and Services, Retail Energy Services, Transportation and Distribution, and Broadband Services.

Wholesale Energy Operations and Services: Enron's wholesale group consists of two primary lines of business· Commodity Sales and Services (marketing energy commodities and services and managing the associated contract portfolios) and Assets and Investments (investing in, developing, constructing and operating energy-related and other assets)

The wholesale group increased income before interest, minority interests and taxes (IBIT) xx percent in the second quarter to $xxx million compared to $356 million in the same period last year.

Physical volumes rose to xx.x trillion British thermal unit equivalents per day (TBtue/d) in the second quarter from 33.7 TBtue/d in the second quarter of 1999. Physical deliveries of natural gas increased xx percent to xx.x TBtue/d compared to the same period last year, while power volumes grew xx percent to xxx million megawatt hours. [European vols?]

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Enron is experiencing a rapid increase in the utilization of the very successful electronic platform, EnronOnline. During the quarter 59% of wholesale transactions and 46% of volumes were conducted through EnronOnline, compared with 39% and 27% for the first quarter of 2000 respectively. More than 800 products are now offered online and since its launch in November 1999, transactions total over 180,000 representing over $85 billion in gross transaction value.

The overall strong quarterly results also reflect earnings from Enron's portfolio of energy assets and other investments. [Need analysis of earnings for ups and downs. ...sale of Sutton Bridge, sale of Haina in CALME]

Retail Energy Services: Enron Energy Services reported revenues of $xxx million and [redacted]

$26 million loss in the second quarter last year.
New energy contracts in the second quarter totaled $x.x billion and is more than double last year's strong quarterly results. Activity in the quarter includes extensions of existing contracts. In addition, Enron is successfully expanding existing relationships to their European operations and experiencing significant growth in the U K. mid market commodity business.

Transportation and Distribution: This group, which includes Enron's Gas Pipeline Group and Portland General Electric, reported second quarter IBIT of $xxx million. Reflecting Enron's drive for positioning as a dominant new economy company, the Gas Pipeline Group recently announced the extension of the EnronOnline platform to auction pipeline capacity. The sale of Portland General Electric remains on schedule to close in late 2000

Broadband Services: Enron is replicating its unique business model and skills to deploy a global network for the delivery of comprehensive bandwidth solutions and high bandwidth applications

This press release includes forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of
the Securities Exchange Act of 1934 Although Enron believes that its expectations are based on reasonable assumptions, it can give no
assurance that its goals will be achieved Important factors that could cause actual results to differ materially from those in the forward looking statements herein include the timing and extent of changes in prices for crude oil, natural gas, electricity and interest rates, the timing and success of Enron's efforts to develop international power, pipeline and other infrastructure projects, political developments in
foreign countries, the ability to penetrate new retail natural gas and electricity markets, including the energy outsource market, in the United States and Europe, further development of Enron's broadband services network and customer contracting activity, and conditions of
the capital markets and equity markets during the periods covered by the forward looking statements

Please see attached tables for additional financial information.

Enron's continues to leverage the scale and capabilities of its energy networks across the world,"