

Chris Loehr
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To: Anne Yaeger
CC:
Subject: Raptor info

Anne.

Gordon continues to be my "Deep Throat" for Raptor reconaissance... Several important pieces of information followed (left Michael Kopper a brief overview on voicemail):

- 1) Enron is focused on a Raptor 1/2/3/4 merger. They are going to present a matrix of NPW vs. ENE stock price and the resulting credit capacity of the combined entity.
- 2) The LDC bids are not coming in as expected. The values so far are low, and in fact low enough to jeopardize the positive credit capacity in R2.
- 3) Enron Europe is trying to utilize R4 to hedge Sarlux, Trakya, and Nowa Sarzyna. They want to do a "back to back" swap with Margaux (similar to the one done with Merlin- scary). Apparently there are problems with the plants and as direct Margaux investors, we should be interested.
- 4) R1 will incur another \$30 million loss on the Merlin put. Total exposure under the put was \$96 million in exchange for the \$36 million premium. After this next loss, we will have suffered the entire \$96 million loss.

As I told Michael, some or all of these points may change some of our strategy in regards to negotiation with Enron. See how useful Gordon can be?

Chris

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