

**MINUTES  
MEETING OF THE BOARD OF DIRECTORS  
ENRON CORP.  
AUGUST 7-8, 2000**

Minutes of a meeting of the Board of Directors of Enron Corp. ("Company") noticed to begin at 7:00 p.m., C.D.T., but actually begun at 7:25 p.m., C.D.T., on August 7, 2000 at the Four Seasons Hotel, Whitney Room, in Houston, Texas.

The following Directors were present, constituting a quorum:

Mr. Kenneth L. Lay, Chairman  
Mr. Robert A. Belfer  
Mr. Norman P. Blake, Jr.  
Mr. Ronnie C. Chan  
Mr. John H. Duncan  
Mr. Joe H. Foy  
Dr. Wendy L. Gramm  
Mr. Ken L. Harrison  
Dr. Robert K. Jaedicke  
Dr. Charles A. LeMaistre  
Ms. Rebecca P. Mark  
Mr. Jerome J. Meyer  
Dr. John Mendelsohn  
Mr. Paulo Ferraz Pereira  
Mr. Frank Savage  
Mr. Jeffrey K. Skilling  
Mr. John A. Urquhart  
Lord John Wakeham

Director Herbert S. Winokur was absent from the meeting. Messrs. Richard A. Causey, Andrew S. Fastow, Mark E. Koenig, and Joseph W. Sutton and Ms. Rebecca C. Carter, all of the Company, also attended the meeting.

The Chairman, Mr. Lay, presided at the meeting, and the Secretary, Ms. Carter, recorded the proceedings.

Mr. Lay called the meeting to order and called for a revised agenda to begin the meeting with the Financial and Earnings and Stock Performance reports. He called upon Mr. Causey to begin his presentation, a copy of which is filed with the records of the meeting.

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Mr. Causey discussed the second quarter and six months ended June 30, 2000 diluted earnings per share, net income, and earnings by business segment and compared them to the 2000 Operating Plan. He commented that net income in 2000 was more than 30% higher than the comparable period in 1999 primarily due to stronger performances by the Wholesale Energy Operations and Retail Energy Services business units. He discussed the Company's balance sheet debt and provided a roll-forward from yearend 1999 balances. He commented on the decrease in working capital and noted that it was driven by an increase in margin calls during the first six months of the year as natural gas volumes marketed and prices increased significantly.

Mr. Lay then called upon Mr. Koenig for an Investor Relations update, a copy of which is filed with the records of the meeting. Mr. Koenig reviewed the Company's total return to shareholders for year-to-date 2000, of 76.3%, and noted that it substantially exceeded the total return achieved by the Company's energy and broadband peer groups, the S&P 500, and the Dow Jones Industrial Average. He noted that the Company's energy peer group's return, of 44.6%, benefited from some of the companies' exposure to oil and gas prices. He presented the year-to-date stock price performance for the Company, the S&P 500, and the NASDAQ and he commented that the Company had significantly outperformed both of the indices. He reported on the Company's price-to-earnings valuation ("P/E") as of December 1999, April 2000, and August 2000 as compared to that of the S&P 500 and the Company's peer group and he stated that the Company's increase in stock price from April to August was due to an increase in earnings rather than an increase in the P/E multiple. He discussed the total return to shareholders since August 1997, when the Company took a significant write-off related to a gas contract in the North Sea, and noted that it was considerably higher than either the S&P 500 or the NASDAQ.

Mr. Koenig then reviewed the Company's shareholder composition and the investor style of its institutional investors, noting that 59% were growth-oriented investors. He commented on the Company's largest shareholders and discussed changes in ownership since April 2000. He discussed Motley Fool's "Now 50" Index, an index designed to include businesses exhibiting leadership in innovation, superior use of technology, global branding, and strategic vision, and noted that the Index replicated portfolios that hold the Company's stock. He stated that the Company's year-to-date total return to shareholders was the highest of any company in the Now 50 Index. He commented on how the Wall Street Analysts valued the Company and presented a segment valuation of the Company that portrayed each business segment's contribution to the Company's stock price. Mr. Skilling joined him for a discussion of the segment valuation, the impact of a recently announced transaction with Blockbuster Video on the valuation and stock price, and the marketing strategy for Enron Net Works.

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