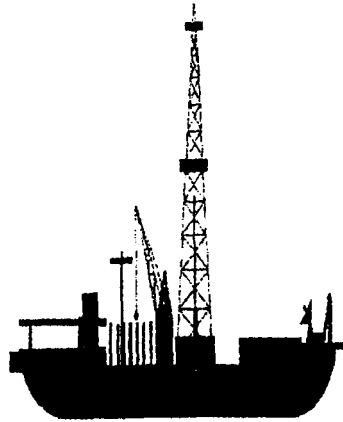


# RISK ASSESSMENT AND CONTROL

## ENRON NORTH AMERICA PORTFOLIO WATCH LIST UPDATE AS OF 4/7/2000



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**PLEASE NOTIFY RICK CARSON AT X3-3905  
WITH QUESTIONS OR COMMENTS**

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Cost & Carry Values as of 2-29-2000. Market Values from Merchant Portfolio Report Dated 3-31-2000.

**RISK ASSESSMENT & CONTROL  
 PORTFOLIO WATCH LIST – UPDATE AS OF 4/7/2000  
 VALUES INDICATED ARE FOR ENRON NORTH AMERICA**

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**RESTRUCTURED ASSET ACTIVITY**

<b>In Progress / Partially Completed *</b>	<b>Restructurings Completed</b>
Brigham Exploration	Carrizo Oil & Gas
C-Gas	Costilla Energy
Crown Energy	Forcenergy
Enserco Offshore	Ice Drilling
Eugene Offshore Holdings, LLC *	Inland Resources
Gasco Distribution	Repap Resources
Hogan Exploration	Transcoastal Marine
Hughes Rawls LLC	TriPoint, Inc.
Industrial Holdings	Qualitech Steel
Kafus Industries / Canfibre	
Lyc0 Energy *	
Nakornthai Strip Mill *	
Queen Sand Resources *	
Sierra Well Service	

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**RISK ASSESSMENT & CONTROL**  
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**VALUES INDICATED ARE FOR ENRON NORTH AMERICA**

**WATCH**

Assets displaying early warning signs of potential weakness that deserve close attention.

**Bonne Terre Exploration** (Limited Liability Company) JEDI II & Balance Sheet

- *Bonne Terre converted two seismic acreage options to leases this past week in the Cameron Parrish project which will require an outlay from JEDI II / Enron of approximately \$1 MM. An oil spill estimated at 1,000 barrels recently occurred in the Black Bayou Louisiana field, with approximately 3 acres effected. Clean up and re-mediation efforts are mostly complete and potential costs / fine and insurance issues are being examined. Maximum capital for the LLC of \$40 MM has now been drawn down and the promote period is over. Any dollars spent going forward will be un-promoted, meaning that Enron / JEDI II would be obligated for 62.5% of the costs, should the decision be made to invest. Bonne Terre is trying to sell down a certain group of prospects that have been identified and a couple of these will probably be drilled 100% Bonne Terre. ENA Engineering believes this process (which will better define the value of the LLC), will likely take most of this year to accomplish. The value of the properties to date on a PV10 basis is approximately \$1.5MM.*

~~Car. Val. \$1.5MM, Bank Value \$1.5MM, Cash Value \$1.5MM~~

**Cypress Exploration** (Working Interest) Balance Sheet

- *The New York based investment-banking firm of Allen & Co., has received capital commitments from investors of approximately \$53 MM that will be allocated to the LLC. In the due diligence process of Energy Investment Company ("ECI") of Lafayette Louisiana, the Managing Member, Allen & Co., identified certain "issues" that will require remedy. A possible remedy could include the buy-out of the overriding royalty interest held by a principal of ECI. Discussions between the parties regarding the due diligence findings are continuing.*

~~Car. Val. \$53MM, Bank Value \$53MM, Cash Value \$53MM~~

**DPR Holding Company, LLC** (Senior Debt & Private Equity) JEDI II & Balance Sheet

- *The slope work at the Eagle seam in the Panther mine continues to progress slower than expected, with the major issue being delays in obtaining permits. DPR has strong economic incentives to begin this work as soon as possible. Enron is entitled to 19% of the post income participation certificate ("IPC") distributions from the three mines that flow up to DPR and as a result of the Panther mine currently being cash flow negative, part of our post-IPC distribution must be used for principal and interest debt service. The Dakota Agreement is also in violation of its current ratio covenant test at Dec-31-99, with a current ratio of .81 vs. a requirement of 1.00. The borrowers are seeking approval to amend the DPR transaction to include certain non-cash items that are currently excluded.*

~~Car. Val. \$14.971MM, Bank Value \$14.971MM, Cash Value \$14.971MM~~

(Transfer to ENA CLO #1)

\$14.971 MM

**Ecogas Corporation** (Private Equity & Revolving Debt) Balance Sheet

- *An information memorandum will be delivered to the banks this week for a large warehouse finance facility for the Company. Specific asset third-party financing of approximately \$8.8 MM is also expected shortly, for the Nelson Covel project in San Antonio. ENA and Ecogas are working on a turnkey contract for the Fresh Kills (Staten Island), New York project, from Nepco (an Enron subsidiary). Negotiations continue with Montauk to purchase and sell certain entities to obtain 100% ownership. Randy Maffet (ENA) has begun negotiations with Frito Lay, related to the approximate \$400K in penalties owed to them.*

~~Car. Val. \$14.971MM, Bank Value \$14.971MM, Cash Value \$14.971MM~~

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