

ENRON RISK ASSESSMENT AND CONTROL DEAL APPROVAL SHEET

DEAL NAME: Nigeria Power Holding Ltd.
divestiture
Counterparty: The AES Corporation
Business Unit: APACHI
Business Unit Originator: Sean Long/Keith Sparks
 Public Private
 Merchant Strategic
 Conforming Nonconforming

Date DASH Completed: November 1, 2000
RAC Analyst/Underwriter: N/A / Michael Tribolet
Investment Type: Divestiture
Capital Funding Source(s):
Expected Closing Date: October 4, 2000
Expected Funding Date: October 4, 2000
Board Approval: Pending Received Denied N/A

RAC Recommendation: Proceed with Transaction Returns below Capital Price Do not Proceed

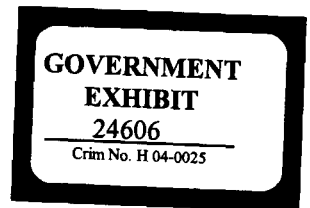
APPROVAL AMOUNT REQUESTED

Divestiture of projects up to \$127,230,000*

*Total cash

EXPOSURE SUMMARY

This transaction, cancel existing exposure	(\$ 142,160,000)
Existing exposure approved	<u>\$ 142,160,000</u>
Total	\$ 0



TRANSACTION SUMMARY

This DASH proposes approval of: 1) a staged sale of all of Enron APACHI's interests in Nigeria to AES and 2) a related guaranty (up to \$180 million) to the seller to secure our subsidiary's obligations under the Purchase and Sale Agreement.

The following APACHI assets will be sold contingent upon satisfaction of conditions precedent:

- 1) 95% Interest in Enron Nigeria Barge Ltd. which owns rights to a 270 MW barge mounted IPP project in the State of Lagos. This sale would occur in two stages. At closing, AES will own 30% of Nigeria Barge Ltd. AES will then have the option to purchase Enron's remaining 65% interest in this entity upon completion of their further due diligence and subject to certain conditions, Enron has the right to put the interest to AES.
- 2) Enron's 60% share in a 548 MW gas fired, simple cycle, combustion turbine Power Plant development project.
- 3) Enron's 70% share in an option to build a 240 km pipeline to supply the gas fired power plant, described above.

Event	Expected Date	Net Cash to Enron	Enron's Current Basis	Gain on Sale
Divestiture:				
Divestiture of 30% of Enron Nigeria Barge Ltd.	10/4/00	\$8,785,000	\$6,802,147	\$1,982,853
Contingent Divestitures:				
Sale of Remaining 65% of Enron Nigeria Barge Ltd.	Q4, 2000	\$81,013,566	\$64,069,823	\$16,943,743
Amended PPA Signing for 548 MW project	2001	\$7,500,000	\$2,000,000	\$5,500,000
Earlier of Financial Close and start of Construction of 548 MW project	2001	\$28,875,094	\$0	\$28,875,094
TOTALS FOR ALL SALES (including all Contingent Divestitures):		\$126,173,660	\$72,871,970	\$53,301,690

EC004403419

DEAL DESCRIPTION

Enron APACHI has entered into an amended and restated Barge Power Purchase Agreement ("Barge PPA") between Enron Nigeria Power Holding Ltd. ("Enron Nigeria"), Enron Nigeria Barge Ltd. and various Nigerian federal and state governments and the national power company (see Nigeria Barge II Dash). The capital committed by Enron for this Barge PPA, including a value of \$49.7 million for seven power barges and \$7.0 million for two gas fired combustion turbines currently owned by

