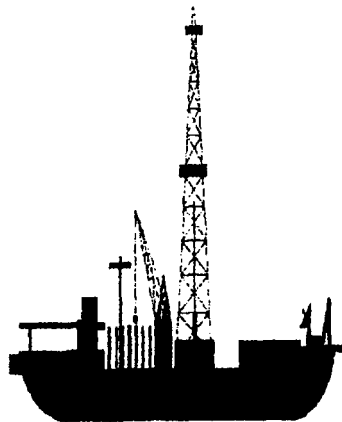


risk assessment & control

RAC

**ENRON NORTH AMERICA
ENRON GLOBAL MARKETS
ENRON INDUSTRIAL MARKETS
PORTFOLIO WATCH LIST
UPDATE AS OF 10/31/2000**



Distribution:

**Baxter, Cliff
Buy, Rick
Delainey, Dave
Donahue, Jeff
Frevert, Mark
Haedicke, Mark (via cc:Mail)
Lydecker, Richard (via cc:Mail)
McConnell, Mike
McMahon, Jeff
Skilling, Jeff**

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**GOVERNMENT
EXHIBIT**

24593

Crim No. H 04-0025

**RISK ASSESSMENT & CONTROL
 PORTFOLIO WATCH LIST-UPDATE AS OF 10/31/2000
 VALUES ARE GROSS / NET TO ENRON AS INDICATED**

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

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Cost & Carry Values as of 9-30-2000. Market Values from Merchant Portfolio Report Dated 10-31-2000.

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RESTRUCTURED ASSET ACTIVITY

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C-Gas	Costilla Energy
Crown Energy	Eugene Offshore Holdings, LLC
Enserco Offshore	Forcenergy
Gasco Distribution	Ice Drilling
Hogan Exploration	Inland Resources
Hughes Rawls LLC	Lycos Energy
Industrial Holdings	Repar Resources
Kafus Industries / Canfibre	TriPoint, Inc.
NSM - Thailand *	Qualitech Steel

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Queen Sand Resources *	
Basic Energy (Sierra Well Service)	
Transcoastal Marine *	

WATCH

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

Bonne Terre Exploration (Limited Liability Company) JEDI II & Balance Sheet (Net #'s)

Two exploration agreements are being finalized to promote in Manti Resources and Tri-C Resources to develop the Cameron Parish project area on what ENA views as favorable terms. In addition, ENA will close on a sale of the Black Bayou Dome Field with RIMCO in late October. A one-time transferable seismic license to the Black Bayou 3D survey has also recently been acquired. Dissolution of the LLC continues to progress and ENA's outside counsel has prepared and distributed the first draft of the Windup Agreement. The insurance company has denied a \$750K oil spill claim related to an incident that occurred in March at the Black Bayou field in Louisiana. Further pursuit and discussion of the claim involving the insurance broker and the underwriters, with an outcome unlikely for at least 2 months. ENA, on behalf of Bonne Terre Exploration Company & Nexus, has negotiated an Extension Agreement (the properties are located on a wildlife refuge and activity is restricted during the Oct-Mar. period) with Tenaco and issued a \$1.25MM Irrevocable Standby Letter of Credit. This enables ENA and its partners to defer the obligatory operation for the year 2000 until 2001. Absent this extension, ENA would likely have lost its rights to develop the diverse set of prospects identified in the Tenaco acreage block. ENA has engaged Resource Solutions, a Geological / Geophysical shop in Denver, to provide technical assistance in prospect generation and marketing in the project area.

City Forest Corporation (Senior / Sub Loans, with IP's) Balance Sheet & BNA CLO Trust #1 (Net #'s)

- The Company recently presented its year 2001 Plan to the ENA Restructuring Group. Full year 2001 EBITDA is forecasted at \$10 MM, with cash flow after debt service projected in the \$2 MM range. Margins are tight however, and running a 5% downside adjustment to commodity prices results in year 2001 EBITDA of zero. The commodity portion cannot be practically hedged due to the high-end, value added color tissue that is produced as well as the specificity of customer requests. Similarly, a production level that would come in at 6 tons / day less than plan (with 142 tons / day expected), would result in year 2001 EBITDA being reduced to zero. Operational / commissioning issues at the plant have been mostly resolved and problems are now confined to the routine variety. Milestones to track production and efficiency gains were included as part of the year 2001 Plan.

~~Line Item #11 - \$1.663 MM of Carry Value - \$1.663 MM~~

(Transfer to ENA CLO #1) \$29.610 MM

- \$1.663 MM of Carry Value is hedged through "Raptor"

Cypress Exploration (Working Interest) Balance Sheet (Net #'s)

- Drilling activity at the Bernard No. 1 well is continuing with \$1.3 MM spent to date and an AFE request of an additional \$250K being circulated this week. The Thornwell property is in the process of being sold for \$28 MM (all cash) to publicly traded Denbury Resources. The sale is expected to be completed by Nov-30-2000, subject to normal closing conditions. Denbury will use its existing credit facility to fund the purchase. An exploration agreement is also being worked on with Rozel Onshore Exploration, which will assist with prospect generation. The exit strategy, post the Thornwell

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disposition is to identify prospects under lease and then spend minimal exploration dollars that will create value, define potential and maximize sale proceeds.

~~Carry Value: \$61,804,000~~

WATCH - (Continued)

DPR Holding Company, LLC (Senior Debt & Private Equity) JEDI II & Balance Sheet (Net #'s)

- Discussions continue on the sale of the Panther mine to Cline. Under the transaction, EGM would retain the rights to market the Panther coal and Cline would pay \$2.9 MM for the EGM / JEDI II Panther IPC's and the EGM / JEDI II interest in DPR's Membership Units of Panther. Cline would also pay down the outstanding debt balance of \$19.3 MM to \$10 MM at closing. Panther would then execute a demand note for \$10 MM payable the earlier of the closing date of the Jupiter-Eagle joint venture or the one-year anniversary of the Panther closing. EGM/JEDI II have received equity distributions of \$ 3.3 MM YTD. Total equity distributions for the year are expected to be \$ 6.5 MM compared to \$ 8.2 MM of budgeted distributions. Marketing Fees received YTD total \$ 807 K. As of Aug-2000, YTD, DPR LLC reported tonnage of 2.6 MM, EBITDA of \$10.3 MM and net income before taxes of \$1.6 MM. These results are less than originally budgeted primarily due to problems experienced at the Dakota mine with roof control problems and the development of a longwall at Panther. The Remington mine continues to perform well. Actual production exceeded budget in September by 16% and on a YTD basis by 19.8%. The equity value of DPR has been written down by \$ 9.0 MM primarily due to a reduction in the calculation of the projected put value in the valuation model and revised production and cost estimates for the Dakota Mine. The contractual put value is now limited to the PV of future cash flows reduced by a liquidity discount. The revised projections reduced yearly production by 180K tons in 2000 and roughly 244K tons from 2001 to 2008. After adjustments for the hedge and cash received, the DPR equity is now valued at approximately \$26 MM.

~~Carry Value: \$20,000,000~~

(Transfer to ENA CLO #1)

\$23.054 MM

Juniper Exploration (Limited Partnership) JEDI II & Balance Sheet (Net #'s)

- The Eugene Island 57 project is now producing along with Eugene Island 28 and the Bay Marchand Wells. The facility issues that had prevented maximum production at Eugene Island 57 have been resolved with the operator (Energy Development Corp) and flow rates have improved. The list of approved prospect AFE's for undrilled wells includes West Cameron 310, Vermillion 67, Eugene Island 148, Eugene Island 163, Eugene Island 60 and Eugene Island 80. Approval was also granted for the acquisition of High Island Block 72 at the August Minerals Management Service lease sale and Juniper made the high bid. A prospect swap agreement has been entered into with Samedan, which entitles Juniper to review and participate in a well on High Island Block 72 and obtain a farmout option on 16 "held by production" blocks. Currently, there is ongoing drilling activity at the Carpe Diem prospect well in the Bay Marchand project area, with Juniper having an 18% working interest. The Eugene Island 60 prospect will spud this month. Cash flow from the Bay Marchand Eugene Island 28 and Eugene Island 57 properties are currently covering general and administrative costs. Drilling results for the partnership remain disappointing, with a total of 15 wells drilled to date with 7 currently producing. Gross contributions to date total \$28.74 MM with distributions of \$123 K.

~~Carry Value: \$20,000,000~~

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VALUES ARE GROSS / NET TO ENRON AS INDICATED**

- Carry Value has been hedged through "Raptor".

WATCH - (Continued)

Linder Energy LLC: (66.7% Membership Interest) JEDI II & Balance Sheet (Net #'s)

ENA Engineering has finalized the Oct-1st partnership distribution interest re-determination and distributions will continue running 99% to JEDI II / ENA. A PV12 value of \$38 MM was assigned to the LLC based on the October 1st natural gas strip. The ENA Restructuring Group continues to examine methods to exit the investment. Linder is attempting to line up capital through reserve-based lenders who typically will loan between 50% - 60% of the PV8 value. Linder has made one offer to ENA to take us out at cost - that offer was refused. A negotiated settlement between NPV 0% and NPV 12% (the return on the original deal was capped at 12%) is the likely exit.

Mariner Energy (Private Equity & Debt) JEDI I & Balance Sheet (Gross #'s)

- Mariner Management believes that recent increases in commodity pricing has created a window of opportunity for projects that can be placed on stream quickly. The Company has identified three short cycle projects that can be initiated before year-end and which, if successful, would be forecasted to generate EBITDA in year 2001 of roughly \$22 MM (using price decks of \$24.00 for crude and \$3.75 for gas). Year 2000 cap-ex would increase \$12.1 MM as a result of these projects. Mariner Management believes there is adequate debt capacity to fund the cap-ex activity and to provide for future opportunities such as the Eastern Gulf of Mexico lease sale. The Company will also be receiving cash from the sale of its remaining 20% working interest in the Devils Tower field. Management is taking the approach that all projects must avoid the need for additional Enron funding through early 2003 and maintain year 2002 forecasted production at a level (8.5 MMBOE or greater) to retain the option of pursuing an IPO in mid-2001 at attractive pricing.

Masada (Private Equity - Membership Interests) Balance Sheet (Net #'s)

- **MOVED FROM "PERFORMING"** The commercial viability of Masada's main strategic focus, a manufacturing process converting garbage-to-ethanol, remains in serious question. Masada's proposed Middletown, New Jersey plant, which utilizes this type of technology, would be the first of its kind in the world. An EPC contractor has not been signed and Merrill Lynch has been unsuccessful to date in raising private equity that would help build the plant. The bond underwriting effort remains on hold as well. Original base case modeling projected EBITDA of \$7.6 MM in year 2000 and \$21.061 MM in year 2001. The ENA investment was to be repaid through separate transactions with U.S. Filter Operating Services, contingent upon closing of the New Jersey project and two additional projects. The upside to the transaction was to be the retained membership interests in Masada OxyNol, LLC (parent)

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and Pencor-Masada OxyNol LLC. ENA was also to act as Global Energy Manager for the parent Company.

~~Cost: \$ 5.000 MM Gross Value: \$ 5.000 MM Carry Value: \$ 5.000 MM~~

Oconto Falls (Sub-Debt / Equity & IPC's) Balance Sheet (Net #'s)

- A conceptual Agreement has been reached on a "buy-back" of the IPC's associated with Oconto Falls however, the details and timing of that arrangement remain to be worked out. The initial payment is currently expected to be received prior to November 30th. The ENA Commercial Group believes that once the first payment is made the future payments will come in on schedule. The \$5 MM of debt at the CLO / Merlin level will remain as the Company is precluded from paying that off, prior to repayment of their senior debt. ENA is not participating in the financing of the Re-Box Paper facility (a greenfield linerboard project), but will retain warrants to purchase 250 shares of Re-Box common stock. Permanent financing of the Re-Box facility has not been secured.

~~Cost: \$ 5.000 MM Gross Value: \$ 5.000 MM Carry Value: \$ 5.000 MM~~

(Transfer to ENA CLO Trust #1) \$ 5.000 MM

*Carry Value is hedged through "Raptor."

WATCH - (Continued)

Sacramento Basin Exploration Venture (50% W.I. & a 40% N.R.I.) JEDI II & Balance Sheet (Net #'s)

- (Formerly known as the Amerada Hess Exploration Venture) On July-28th, a new agreement was reached between Calpine and ENA / JEDI II, wherein the original Prospect Wells were to be replaced with new wells to be proposed by Calpine. The maximum commitment was reduced from \$5 MM to \$4 MM (with the understanding that ENA has already funded \$1.879 MM), and the commitment period was extended to Dec-31-2001. Calpine has since submitted 4 wells, 3 in California and 1 in south Louisiana. ENA Engineering has reviewed the wells and has made recommendation for 2 of them. No cash calls have been made and are unlikely until 2001, based on the prospect area being located in a wet delta region that is only drilling accessible during the April - October period.

~~Cost: \$ 2.000 MM Gross Value: \$ 2.000 MM Carry Value: \$ 2.000 MM~~

* Asset values are hedged through "Raptor."

Venoco, Inc. (Private Equity - Cumulative Convertible Prefer. Stock) JEDI II & Balance Sheet (Net #'s)

- Company representatives were in Houston last week to meet with The Bank of Montreal and Toronto Dominion regarding the securing of a \$100 MM borrowing base facility. Both banks are prepared to underwrite the \$100 MM facility and take the existing bank group out at par. Venoco plans to use the new credit facility and the increase in borrowing base to fund activity at its offshore south Ellwood, California location. Permitting applications at that site have been filed, but are unlikely to be approved before early next year. Venoco has been recently fair-valued up in excess of \$36 MM during August and if the financing issues described above are favorably resolved, the asset will move back to the Performing category on the next report.

~~Cost: \$ 100.000 MM Gross Value: \$ 100.000 MM Carry Value: \$ 100.000 MM~~

* Asset values are hedged through "Raptor."

TROUBLED - Assets for which the returns are considerably less than originally projected.

Beau Canada (Common Stock & Warrants) JEDI & JEDI II (Gross #'s)

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- Murphy Oil Corp. (NYSE - "MUR") and Beau announced on Oct-4th, that they have entered into an agreement under which Murphy will make an offer of C\$2.15 / share in cash for all of the issued and outstanding common shares of Beau. The total value of the offer is approximately C\$381 MM, including the assumed indebtedness of Beau of approximately C\$183 MM at Sept-30-2000. The Offer represented a 27% premium over Beau's closing price of C\$1.69 on the Toronto Stock Exchange on Oct-4-2000. The Offer has the unanimous support of Beau's Board of Directors and they have advised that they will tender their Common Shares to the Murphy Offer. The agreement provides that Beau Canada will pay Murphy a termination fee of C\$10 MM in certain circumstances. In addition, Beau Canada has agreed to close its data room and not solicit further offers. The credit quality of the ENA CLO Trust #1 term equity note is enhanced as Murphy is rated "A-" by S&P. The term equity note will mature in December and likely will be paid off at par at that time, including accrued interest.

[REDACTED]

[REDACTED]

TROUBLED - continued

Brigham Exploration Co. (Sub-debt, Common Stock & Warrants) JEDI II & Balance Sheet (Net #'s)

- **FINAL REPORT** Brigham has agreed to the total "buy-out" number that was proposed by the ENA Restructuring Group for the repurchase of our sub-debt, common stock and warrants. Closing of the transaction occurred on October 31st, and funding was received November 2nd, in the amount of \$20 MM (gross). CIBC World Markets advised Brigham during the transaction process.

C-Gas (Private Equity) JEDI I (Gross #'s)

- Year 2000 operational results for the Company have been good. Through the first nine months of the year, C-Gas recorded actual EBITDA of \$6.945 MM, vs. plan of \$5.001 MM. Actual cash flow of \$5.513 MM for the same nine-month period compares to projected cash flow of \$3.553 MM, a 55% improvement. Production numbers have been slightly below forecast for the year, but EBITDA and cash flow have increased as a result of the strong commodity environment. Drilling results through the first nine months indicate 24 wells drilled, with a 71% success rate. The Company has recently been notified by Bank One that its new borrowing base, effective Nov-1st would be \$25 MM (current outstanding of roughly \$17.5 MM). C-Gas also received a favorable 50 basis point reduction in its borrowing costs, to Libor + 175, vs. the previous Libor + 225. Given the reasonably strong operational results YTD, no immediate sale of the Company is planned.

Ecogas Corporation (Private Equity & Revolving Debt) Balance Sheet (Net#'s)

- ENA will be providing no further capital to the Company. The piece meal liquidation of Ecogas is currently underway with the Austin and Bridgeton (St. Louis) facilities having been sold and liquidation of the remaining assets ongoing. The two sales made to date are estimated to have provided adequate cash to allow operations to continue through the end of October. If a couple of other sales materialize prior to the end of Oct., there should be sufficient cash to last until the end of November. Unsecured creditors are forecasted to come out at around \$0.75 cents on the dollar, based on the belief

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that asset sales will generate approximately \$4 MM, vs. the \$4.8 MM that is owed (some funds will be retained by ENA for liquidation purposes). The proposed settlement is viewed as having a good chance of appeasing the creditor group (some payables are over 2 + years, with most creditors currently assuming no recovery) and should mitigate previously implied litigation threats. The NY Ecogas entities are SPV - bankruptcy remote - and will be not be effected by any of the sale processes.

*Carry value is totally represented by the debt portion of the asset and it is hedged through "Raptor."

EnSerCo Offshore (formerly NorAm) (Senior Term Loan) EnSerCo (Net #'s)

- The purchase and sale agreement entered into with Kingdom Energy did not close. The Company was not able to provide \$10 MM in cash at scheduled closing. The ENA Restructuring Group continues in discussions with Kingdom, but has advised the Company that any subsequent purchase and sale contract would need to incorporate an escrow of cash feature prior to closing. ENA is also attempting to identify a buyer by working with Bassoe Offshore, a selling agent for about 80% of the rigs currently on the market. A deficiency judgment rendered in Galveston County against the former owner (guarantor) will survive any sale and will continue to be pursued.

TROUBLED - continued

Heartland Steel (Senior Debt, Common Stock & Warrants) Balance Sheet (Net #'s)

- ENA is reducing involvement with the Company including resigning its Board of Directors seat. The ENA Restructuring Groups' analysis indicates that the equity in the Company is worth zero. Current project needs to complete ramp-up at the Terre Haute plant are estimated at \$25 MM. The Heartland bank group (headed by PNC Deutsche Bank), has granted an extension of a previously signed forbearance agreement to Dec-15th, in return for a 5% non-cash fee. There are two principal payments due to the Senior Bank Group on or about Jan-1-2001, for \$5 MM and \$6.6 MM respectively. Absent a significant third party cash infusion, it is unlikely those payments will be made. EBITDA for year 2000, originally forecasted at positive \$15 MM, will likely come in at a negative \$35 MM. EBITDA for year 2001 is now projected to be in a range between \$15MM - \$25 MM, vs. a previously estimated \$85 MM. The Company has hired Rothschilds as a Restructuring Advisor.

(Transfer to Condor)	\$ 14.754 MM
(Transfer to ENA CLO #1)	\$ 15.000 MM

*Carry value has been hedged through "Raptor."

Hughes Rawls LLC (LLC Membership) JEDI I & Balance Sheet (Gross #'s)

- EPL has made an offer of \$1.5 MM for the Hughes Rawls properties. This was on the high end of a previously expected range that used Jun-2000 pricing. Discussion continues internally on whether the offer reflects fair value, given the current commodity environment. Values are higher than the \$1.5 MM offered, using flat SEC PV10 September pricing and it is also higher using current ENA price curves. However, both of those cases do not "risk" the behind pipe reserves. The ENA Restructuring Group also plans to negotiate the split on the proceeds if a sale is made, with the previous verbal agreement calling for a 50-50 division of the proceeds. ENA believes that the 50-50 split has been compromised

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by Hughs Rawls unilaterally participating in three wells, that subsequently experienced steeper than expected decline rates and thereby negatively impacted the value of the LLC.

~~Carry value has been hedged through "Raptor."~~

*Carry value has been hedged through "Raptor."

Ice Drilling (Term Loan with Warrants) EnSerCo

- RESTRUCTURING COMPLETED - No major updates since our last report. A reconciliation of the amounts owed indicates C\$1,057,836 (US\$719,616) outstanding on the original US\$11 MM (gross) loan after the sale of assets placed in receivership. A negotiated settlement on the deficiency with the guarantors was unsuccessful and legal action is now underway.

~~Carry value has been hedged through "Raptor."~~

Industrial Holdings "IHIP" (Term Loan) EnSerCo (Net #'s)

- Indications are that Company is doing better under their new management. Positive earnings were recorded for Q-2-2000 and guidance is that Q-3-2000 results will continue that trend. The senior debt of the Company matures at the end of Jan-2001 (bank group currently headed by Comerica and Heller) and that refinancing will involve a pay-down for the ENA debt position. Interest on the note continues to accrue at the 18% default rate. Recourse against Industrial Holdings has been limited based on the unsecured status of the ENA note.

~~Carry value has been hedged through "Raptor."~~

*Carry value has been hedged through "Raptor."

TROUBLED - continued

Inland Resources (Cumulative Convertible Preferred & Common Stock) JEDI II (Net #'s)

- RESTRUCTURING COMPLETED. Inland announced on Oct-10th that asset purchase negotiations with privately held Flying J Inc. (Salt Lake City, UT) have been discontinued. Inland was unable to resolve certain issues related to the purchase of such assets. Inland had signed a letter of intent in May to purchase Flying J's North Salt Lake City refinery, nine gasoline stations and its Uintah Basin oil and gas assets for \$50 MM, the assumption of \$5.8 MM of debt and the issuance of about 7.8 MM common shares. The sale and merger had previously been expected to close during October. A processing agreement between the parties will survive the breakdown of the negotiations. The exit strategy for the asset is to sell the convertible preferred note to an institutional buyer and monetize the common shares through retail channels.

~~Carry value has been hedged through "Raptor."~~

Kafus Industries, Ltd., Canfibre of Riverside, Inc. (Debt & IPC's) Balance Sheet (Net #'s)

- On Oct-24th, CanFibre's Group Ltd.'s wood recycling plant near Riverside filed for Chapter 11 bankruptcy protection in Delaware, listing debts of more than \$100 MM. The mill has averaged only about 55% of its production capacity since it opened. The plant will maintain a four-day a week operating schedule. Trading on CanFibre's stock in Canada was halted Tuesday, and the 86% of its stock that Kafus owned was assigned to BCT Merchant Investments Corp.

~~Carry value has been hedged through "Raptor."~~

~~Carry value has been hedged through "Raptor."~~

(Transfer to ENA CLO Trust #1) \$ 60.000 MM

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VALUES ARE GROSS / NET TO ENRON AS INDICATED**

- LSI Electric Specialty Corp** (Sr. Term Loan, Preferred Stk. & Warrants) JEDI II & Bal Sheet (Net #'s)
- **MOVED FROM "WATCH"** The Company made their Sept-30th interest payment, but remain in default on the principle portion. LSI has had liquidity issues brought about by ramping up inventory (currently estimated in the \$4.6 MM range) in anticipation of sales that have not fully materialized. As a result of the default, a demand and acceleration notice was sent and LSI responded with a request for a standstill agreement. A standstill agreement was granted by ENA concerning the event of default, however, the acceleration feature continues to apply. The Company is currently in refinancing discussions with a number of banks, including Frost, Sterling and Bank United. ENA mandated that the Standstill Agreement, provides for securitization of principal and interest payments to the ENA CLO Trust through year-end. This would likely be accomplished through a factoring arrangement that would allow monetization of receivables. Milestones were incorporated in the standstill agreement and are being strictly enforced. Interest payments are also now required weekly rather than monthly.

(Transfer to ENA CLO Trust #1) \$5.200 MM

*Carry value has been hedged through "Raptor."

Queen Sand Resources, Inc. (Equity - Preferred & Common) JEDI (Gross #'s)

- **RESTRUCTURING PARTIALLY COMPLETED.** The Company filed a prospectus under its new name, DEVX Energy, on Oct-27th, offering 10 MM shares of its common stock at \$7.00 / share. The recent re-capitalization, also included paying off \$75 MM of senior high yield notes for \$52.5 MM, resulting in a decrease in annual interest expense by roughly \$10.8 MM. Upon completion of the offering, the indenture governing the currently outstanding 12 1/2% senior notes will be amended to allow an increase in the level of permitted borrowings under an existing credit facility to approximately \$49 MM. Following the re-capitalization, JEDI will own approximately 229,391 shares of common stock, representing a 2.04% ownership position in QSRI.

*Carry value has been hedged through "Raptor."

TROUBLED - continued

Basic Energy (Sierra Well Service) (Senior Sec. Notes w/ Warrants & Preferred Stock) JEDI II (net #'s)

- Jefferies continues to broker the private equity re-financing. First Reserve declined participation following their due diligence, however DLJ has stepped in on essentially the same terms. A deal approval sheet has been circulated internally providing for an offer of \$35 MM in cash and a \$5 MM cash flow participation certificate. The \$35 MM offer would take out the ENA CLO senior secured credit facility (approximately \$24.41 MM outstanding), at par. The ENA CLO senior subordinated credit facility (approximately \$28.1 MM outstanding), would be retired at around \$0.38 cents on the dollar. The cash flow participation certificate is for a five-year term and is capped at \$1 MM per year and \$5 MM in total. Closing is expected by mid-November.

(Transfer to ENA CLO Trust #1) \$ 53.611 MM

Transcoastal Marine Services ("TCMS") (Subordinated Debt with Warrants) JEDI II

- **RESTRUCTURING PARTIALLY COMPLETED.** The judge assigned to the TCMS bankruptcy case has entered an order approving the borrowing of funds from Morian Investments, Inc. in the amount of \$2 MM for a four-month period. The funds will be used to pay the expenses of the bankruptcy estate such as insurance, security, labor and other items used to maintain the collateral. The ENA Commercial group has been advised by outside legal counsel that "some" value for ENA and the CLO Trust should flow from the bankruptcy liquidation.

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Nakornthai Strip Mill (NSM) -Thailand (Subordinated Notes w/Warrants) Balance Sheet__

- **RESTRUCTURING PARTIALLY COMPLETED.** The Company has delayed submission of a reorganization plan on its \$32.5 billion baht (\$768 MM) defaulted debt, citing it needs more time to design a workout arrangement. The Thai Bankruptcy Court approved an extension until Nov-6*. Negotiations continue to obtain releases from the lawsuits that were filed against the original underwriting group that included ECT Securities.

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