

From Enron's Code of Ethics

To: All employees

From: Ken Lay Department: Office of the chairman

Subject: Code of Ethics

Date: July 1, 2000

As officers and employees of Enron Corp, its subsidiaries, and its affiliated companies ("Enron" or collectively the "Company"), we are responsible for conducting the business affairs of the Company in accordance with all applicable laws and in a moral and honest manner.

To make certain that we understand what is expected of us, Enron has adopted certain policies, with the approval of the board of directors, all of which are set forth in the enclosed booklet, revised July 2000. Please note that Enron has added the principles of human rights; provided further description of our business ethics policy with respect to our legal contracts, the selection of outside counsel, and the making of disparaging remarks, oral or written, about Enron by employees; provided further clarification of Enron's policy with respect to confidential information and trade secrets; decreased the number of days passwords are valid under Enron's communication services and equipment policy; provided additional information with respect to the criminal penalties and civil fines assessed by the US government under the Foreign Corrupt Practices Act; and clarified Enron's policy with respect to conflicts of interests, investments and outside business interests of employees.

The Code of Ethics contains commonsense rules of conduct with which the great majority of Enron employees routinely conform. However, I ask that you read them carefully and completely and that, as you do, you reflect on your past actions to make certain that you have complied with the policies. It is absolutely essential that you fully comply with these policies in the future. If you have any questions, talk them over with your supervisor, manager or Enron legal counsel.

VALUES

Respect We treat others as we would like to be treated ourselves. We do not tolerate abusive or disrespectful treatment. Ruthlessness, callousness and arrogance don't belong here.

Integrity We work with customers and prospects openly, honestly, and sincerely. When we say we will do something, we will do it; when we say we cannot or will not do something, then we won't do it.

Communication We have an obligation to communicate. Here, we take the time to talk with one another and to listen. We believe that information is meant to move and that information moves people.

Excellence We are satisfied with nothing less than the very best in everything we do. We will continue to raise the bar for everyone. The great fun here will be for all of us to discover just how good we can really be.

Enron stands on the foundation of its vision and values. Every employee is educated about the Company's vision and values and is expected to conduct business with other employees, partners, contractors, suppliers, vendors, and customers keeping in mind respect, integrity, communication, and excellence. Everything we do evolves from Enron's vision and values statements.

At Enron, we treat others as we expect to be treated ourselves. We believe in respect for the rights of all individuals and are committed to promoting an environment characterised by dignity and mutual respect for employees, customers, contractors, suppliers, partners, community members, and representatives of all levels of government.

We are dedicated to conducting business according to all applicable local and international laws and regulations, including, but not limited to, the US Foreign Corrupt Practices Act, and with the highest professional and ethical standards.

Agreements, whether contractual or verbal, will be honored. No bribes, bonuses, kickbacks, lavish entertainment or gifts will be given or received in exchange for special position, price or privilege.

Relations with the Company's many publics — customers, stockholders, governments, employees, suppliers, press and bankers — will be conducted in honesty, candor, and fairness.

Laws and regulations affecting the Company will be obeyed. Even though the laws and business practices of foreign nations may differ from those in effect in the United States, the applicability of both foreign and US laws to the Company's operations will be strictly observed. Illegal behavior on the part of any employee in the performance of Company duties will neither be condoned nor tolerated.

Enron's 64-page Code of Ethics can be found at
<http://www.thesmokinggun.com/archive/0130061enron1.html>