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News Release

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ENRON, SIERRA PACIFIC TERMINATE AGREEMENT TO SELL PORTLAND GENERAL ELECTRIC

FOR IMMEDIATE RELEASE: Thursday, April 26, 2001

HOUSTON -- Enron Corp. and Sierra Pacific Resources announced today they have mutually agreed to terminate their purchase and sale agreement for Enron's wholly owned electric utility subsidiary, Portland General Electric.

"As we have discussed in the past few weeks, the energy markets in California and Nevada have led to a regulatory and legislative environment that has made this transaction increasingly difficult to complete," said Jeffrey K. Skilling, Enron president and CEO.

"Consequently, Enron and Sierra Pacific have entered into a termination agreement.

"Portland General remains a solid performing utility in one of the fastest growing service territories in the country," Skilling said. "Portland General's sound financial condition will continue to benefit Enron's strong credit position."

Enron is one of the world's leading electricity, natural gas and communications companies. The company, with revenues of \$101 billion in 2000, markets electricity and natural gas, delivers physical commodities and financial and risk management services to customers around the world, and has developed an intelligent network platform to facilitate online business. *Fortune* magazine has named Enron "America's Most Innovative Company" for six consecutive years. Enron's Internet address is www.enron.com. The stock is traded under the ticker symbol "ENE."

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