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News Release

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ENRON RESPONDS TO ANDERSEN TESTIMONY

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HOUSTON – Enron Corp. (NYSE: ENE) said today that the comments made by an Andersen executive at a Congressional hearing were generally supportive of Enron’s good faith and propriety in the preparation of its financial statements.

“Enron engaged in real time audit procedures with its auditors on every significant structured finance vehicle,” said Kenneth L. Lay, Enron chairman and CEO. “It has always been Enron’s policy to be open with its accountant, Andersen.”

As to one special purpose entity, Andersen said it had been unaware of an arrangement relevant to that entity’s off-balance sheet treatment. Enron noted, however, that it was the company’s management, not Anderson, that discovered the arrangement and its relevance and reported it to Andersen within 24 hours.

In addition, Enron referred the matter to the previously formed Special Investigative Committee of the Board, which hired separate counsel that, in turn, hired separate accountants. That Special Committee is continuing its work to determine the facts and the proper remedial actions. Enron is determined to get to the bottom of these issues and began work on that effort before Andersen’s advice.

Separately, Lay sent a letter on Dec. 11 to Rep. Michael Oxley, chairman of the House Committee on Financial Services, explaining why he was not able to attend today’s hearings due to the conflict with the organizational meeting of creditors, also scheduled for today (the letter can be viewed at www.enron.com/pressroom/oxleyletter.pdf).

Enron markets electricity and natural gas, delivers energy and other physical commodities, and provides financial and risk management services to customers around the world. Enron's Internet address is www.enron.com. The stock is traded under the ticker symbol "ENE."

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