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News Release

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ENRON TO ACQUIRE DAISHOWA PAPER MILL IN CANADA, ADD PRODUCTS TO EXISTING PULP AND PAPER BUSINESS

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HOUSTON -- Enron Industrial Markets announced today that it has signed a definitive agreement with Daishowa North America Corporation to purchase Daishowa Forest Products Ltd., a holding company for its Quebec City, Canada newsprint mill and related assets. Financial terms of the transaction were not disclosed.

In July 2000, Enron purchased Garden State Paper, a recycled newsprint mill located in Garfield, N.J.

"This strategically located mill complements Enron's existing production at Garden State Paper and gives us additional physical capability, thus expanding the menu of products available to our pulp and paper customers," said Jeff McMahon, chairman and CEO of Enron Industrial Markets.

Enron began offering various financial hedges for the pulp and paper industry in 1997 and today provides physical products and risk management services to both buyers and sellers of pulp, paper and wood products. In September 2000, Enron launched Clickpaper.com, an Internet-based transaction system dedicated to the forest products industry.

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 five consecutive years, the top company for "Quality of Management" and the second best company for "Employee Talent." Enron's Internet address is www.enron.com. The stock is traded under the ticker symbol "ENE."

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