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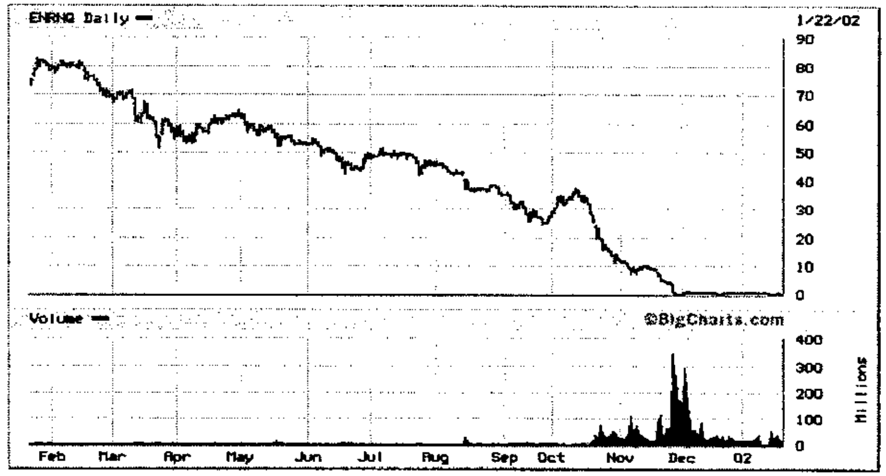
Enron Chronology

What Happened??...



1/25/2001

- Enron Stock closes at $82.00, 2001 peak
- Stock erodes over course of year

10/16/2001

- In an investor conference call, Enron's management reveals, for the first time, that they were taking a $1billion after-tax loss from failed investments.
- Management also reveals that they are reducing equity on their balance sheet by $1.2billion.
- Bond spreads widen (drop in price). Average price approximately $75.00
- Stock closes at $33.84

11/09/2001

- Dynegy announces it's intention to purchase Enron.
- The Ratings Agencies affirm Enron at Baa3/BBB- (investment grade)
- Bond spreads tighten; average price up to $81.50
- Stock closes at $8.63

11/19/2001

- Enron releases it's 10-Q (quarterly report)
- It is then revealed that Enron had materially less cash and materially greater debt than what was reported to Dynegy on 11/10/2001
- Bond prices closed at $83.25, then closed at $77.00 on the next day
- Stock closes at $8.50

11/28/2001

- Standard and Poor's downgrades Enron six notches to B-.
- Within minutes, bond prices fall to low 20s.
- Moody's and Fitch also downgrade Enron.
- Dynegy pulls out of the deal
- Recovery values are thought to be approximately $30 per bond
- Stock closes at $0.61

11/29/2001

- Enron delisted from S&P 500
- Enron files for Chapte 11 Protection Bankruptcy on 12/2/0

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ASSEMBLY NATURAL RES., AGRICULTURE & MINING
DATE: 4/2/03 ROOM: 3161 EXHIBIT F 1-3
SUBMITTED BY: Sheila Leslie

BUSINESS

Higher gold prices help state's mines in '02

Production down: Fewer ounces were mined, but value per ounce was higher by 9 percent.

By Ryan Randazzo
RENO GAZETTE-JOURNAL

Surging gold prices buoyed the $2.4 billion Nevada gold mining industry last year even as production declined 5 percent, officials said Friday.

The value of the 7.7 million ounces extracted from operations in the state was 9 percent higher than the 8.1 million ounces taken last year, said Alan Coyner, administrator of the Nevada Division of Minerals.

The average gold price for the year was $310 per ounce compared with $271 per ounce in 2001. New York Mercantile gold closed at $331.50 per troy ounce Friday.

INSIDE
Newmont earnings: Company reports increased net income. **3D**
Short strike: Workers at Carlin's Newmont mine say more work stoppages are possible. **3D**

A variety of reasons are behind the decrease in yield.

Of the 24 major mines reporting to the division, 13 showed yearly decreases, Coyner said.

In addition, three mines were discontinued. They are:

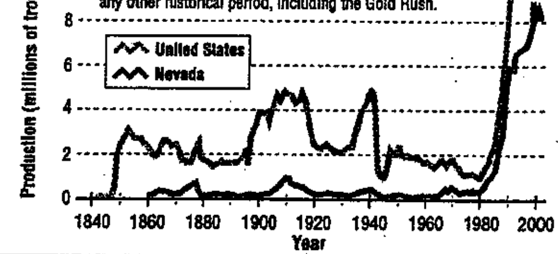
- Barrick Gold Corp.'s Pinson Mine near Winnemucca.
- Glamis Gold Ltd.'s Dee Mine near Elko.
- Glamis' Daisy Mine near Beatty.

"As a mine closes, it goes down to a few thousand ounces as they close out the heap leaches and so on," Coyner said.

See **GOLD** on **3D**

Gold production

Nevada produces the majority of gold in the United States. More gold has been produced in the last ten years than any other historical period, including the Gold Rush.



Source: Nevada Bureau of Mines and Geology

J. Karowski/Reno Gazette-Journal

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Employees at Newmont's Carlin mine hold work stoppage

By Ryan Randazzo
RENO GAZETTE-JOURNAL

More work stoppages at Newmont Mining Corp.'s Carlin mines are likely if the company does not offer employees a better contract, officials said.

The workers have not had a contract since Sept. 30 and are rejecting the company's latest offer, citing the threat of arsenic exposure and prescription co-payments as sticking points.

More than 500 employees stopped working for 50 hours Thursday and Friday, said officials from the Operating Engineers Local Union No. 3, which represents 960 employees at the mines, 550 of which are union members.

More than 1,500 people work at the Carlin mines, with most living in Elko and Carlin.

"The contract is open and the union is at odds over many issues," said Frank Herrera, union treasurer and negotiator based in Sacramento. "We are still far apart."

An estimated 250 to 300 employees picketed during the work stoppage, but mining continued.

Denver-based Newmont is the world's largest gold producer, and the underground and pit mines at Carlin are a large portion of its operations.

Company officials say the $17 million, 3-year package they have offered employees is fair. It includes a 3 percent pay increase the first year, a 2 percent raise the next two years, increasing the 401(k) matching funds from 5 percent to 6 percent and $1,000 for each hourly employee.

"We feel it is a very generous offer," company spokesman Doug Hock said from Denver. "We hope the union can vote to ratify it, but they have refused to present it to their members."

The union will not accept the contract because some issues important to workers are not addressed, Herrera said.

"We went from A to Z with the members on the company's proposal, and they are not ready to ratify it," he said. "Another work stoppage is a good possibility if they continue to commit unfair labor practices. We are ready to protest all their illegal activity."

Workers in underground mines are concerned that they are exposed to dangerous levels of naturally occurring arsenic during their 12-hour shifts, Herrera said.

"There is arsenic in the air and they feel they are unsafe when they eat," he said. "We would like them to provide them an arsenic-free place to eat their lunch."

The company employs an industrial hygienist charged with monitoring arsenic levels to ensure worker safety, Hock said.

"We are not endangering our employees," he said.

The company would gain more flexibility in moving employees among different job positions if it switches to a technical training system, which union members do not agree with, Hock said.

"They want to stick to a seniority-based (promotion) system," he said. "We want to provide on-the-job training that would provide employees with more opportunities to do different types of jobs."

In October, the amount of money employees must pay for prescription drugs under the company health plan was increased, Hock said, adding that it is not a part of the contract.

"It is a non-issue," he said.

The company's current offer expires Wednesday, Hock said.

Newmont net profit rises with gold prices

ASSOCIATED PRESS

DENVER — Newmont Mining Corp., the world's largest gold producer, said Friday its net income nearly quadrupled in the latest quarter, thanks to higher gold sales and prices.

Newmont also reiterated that it will restate financial results for some quarters of 2002 and 2001.

Newmont reported fourth-quarter net income of $75.1 million, or 19 cents a share, compared with $20.2 million, or 10 cents a share, in the prior fourth quarter.

Sales, including royalties and other income, surged 79 percent to $815.1 million from $454.7 million. The total included $777.3 million in sales of gold, up 73 percent from the previous fourth quarter; $8.7 million in sales of base metals; $12.8 million from royalties; and $16.3 million in other income, such as dividends and interest.

Average realized gold prices were 18 percent higher in the period, at $328 an ounce, compared with $279 an ounce a year earlier. Newmont sold 2.2 million ounces of gold in the period, up 57 percent from 1.4 million ounces in the fourth quarter of 2001.

During the quarter, Newmont incurred a non-cash, pre-tax loss on derivative instruments of $25.4 million, or 6 cents a share. Newmont attributed the loss primarily to gold hedge books acquired in the February 2002 acquisition of Normandy Mining Ltd. of Australia. The company also recorded a tax gain of $21.9 million in the quarter.

For the full year, Newmont reported net income of $158 million, or 41 cents a share, in contrast to a net loss of $46.6 million, or 28 cents a share, for 2001. Net sales and other income rose 64 percent to $2.75 billion from $1.67 billion.

Newmont beat Wall Street's fourth-quarter and 2002 mean earnings estimates by a penny a share each.

Shares of Denver-based Newmont closed Friday at $26.59, up $2.03, or 8.3 percent, on the New York Stock Exchange.

As for the restatements, they reflect a reaudit of Newmont's financial statements from 1999 to 2001 by PricewaterhouseCoopers LLP, hired last May to replace Arthur Andersen as the company's accountant.

Gold/2002 production called substantial

From 1D

The price of gold did not move up until late in the year, which kept operations from expanding, Coyner said, adding that a few major mining projects have been held up by lawsuits, which has also affected production.

"We are pleased to see the number of ounces," Nevada Mining Association President Russ Fields said. "While it did fall off some, it is still a very large number. It is very substantial production that keeps Nevada in the vanguard of gold producers in the world."

The state's gold yield is more than any nation except South Africa and Australia.

Nevada not only leads the nation in gold, but silver production as well. The 13.6 million ounces of silver produced in the state last year was 22 percent less than 2001, mostly because the largest silver producer, Newmont Mining Corp.'s McCoy-Cove Mine is closing, Fields said.

Newmont took over the closed mine in an acquisition of Franco-Nevada Mining Corp. and Normandy Mining last year, which made it the largest gold company in the world. It was primarily a gold mine.

The total value of silver production was $62 million, down from $76 million in 2001.

New projects are expected to keep state production high. The top four new gold projects in the state include:

- The expansion of Newmont's Gold Quarry and Leeville, both near Elko.
- Newmont's Phoenix mine near Battle Mountain.
- Glamis' Millenium Project near Battle Mountain.
- The Midway discovery near Tonopah operated by Newmont, which is a historic mine where various companies have operated. "They just hadn't drilled the holes in the right places or deep enough," Coyner said. "It is one of the biggest new discoveries in Nevada in quite a while."

Of all the state's gold, Newmont produced 36 percent, Barrick 33 percent and Placer dome 17 percent, Coyner said.

High gold prices will prompt more exploration, Fields said.

"Some mines that previously may not have been profitable are now profitable," he said.

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