ENRON OIL & GAS CLOSES SHARE EXCHANGE WITH ENRON CREATING INDEPENDENT COMPANY, ANNOUNCES NEW CORPORATE NAME OF EOG RESOURCES, INC., NAMES PAPA CHAIRMAN AND CEO

FOR IMMEDIATE RELEASE: Monday, August 16, 1999

HOUSTON - Enron Oil & Gas Company (EOG) announced today that it has closed the share exchange to establish EOG as an independent entity. Under the share exchange agreement announced July 20, 1999, Enron exchanged 62.27 million of its 82.27 million shares of EOG common stock for EOG's China and India operations. In connection with the exchange, EOG contributed $600 million in cash to one of EOG's India subsidiaries that has been transferred to Enron under the transaction. In an equity offering also closed today, EOG issued 27 million shares at $22.25 per share and received net proceeds of $578.3 million. As a result of 8.5 million additional EOG shares sold by Enron in the equity offering and upon completion of the pending offering of Enron debentures automatically convertible into 10 million shares of EOG common stock, Enron's remaining interest in the company will be under three percent.

EOG will soon adopt a new name, EOG Resources, Inc. The company will continue to be listed on the New York Stock Exchange, under the ticker symbol "EOG."

Forrest E. Hoglund, EOG Chairman, who announced his planned retirement in September 1998, retired effective August 15, 1999. Mark G. Papa, formerly President and Chief Executive Officer, was elected Chairman and Chief Executive Officer. Edmund P. Segner III, formerly Vice Chairman and Chief of Staff, was elected President and Chief of Staff. Segner also was elected to the EOG Resources, Inc. Board of Directors, replacing Hoglund.

"Forrest Hoglund is a man of vision and leadership whose legacy is the creation of an independent, dynamic EOG that is well positioned to meet the future," said EOG Chairman and CEO Mark Papa. "Shareholders and employees alike are indebted to Forrest for the enormous personal contribution he has made to this company and also to the industry in his 12 years as chairman of EOG. During Forrest's tenure, EOG production increased from 397 MMcfe/d in 1989 to 1,142 MMcfe/d in 1998 and proved reserves tripled."

Members of the Board of Directors of EOG are Mark G. Papa; Edmund P. Segner, III; Fred C. Ackman, the former Chairman, President and CEO of Superior Oil Company; Edward Randall, III, investor and board member of PaineWebber and KN Energy; and Frank G. Wisner, Vice Chairman of AIG, Inc., and former U.S. Ambassador to India, Philippines, Egypt and Zambia. All Enron officers and directors serving as EOG directors have resigned their positions.

In other management appointments, Patricia L. Edwards, Vice President of Human Resources and Administration, was named Vice President of Human Resources, Administration and Corporate Secretary. David R. Looney, formerly Assistant Treasurer-Finance was promoted to Vice President of Finance, and Ann D. Janssen, formerly Assistant Treasurer-Planning, was named Treasurer.

EOG Resources, Inc., formerly Enron Oil & Gas Company, is among the largest independent (non-integrated) oil and gas companies in the United States, with operations and substantial reserves in the U.S., Canada and offshore Trinidad. The company is listed on the New York Stock Exchange and is traded under the ticker symbol "EOG."