

CLECO DISCLOSES RESULTS OF REVIEW OF TRADING TRANSACTIONS

Company Implements Tighter Regulatory Compliance Policy and Controls

Cleco to Exit Speculative Energy Trading Business

PINEVILLE, La., Nov. 14, 2002 - Cleco Corp. (NYSE, PCX: CNL) announced today it identified inappropriate trades during a review initiated by its board of directors of certain energy trading activities over the past three years. The company disclosed additional information today in its Form 10-Q filing with the Securities and Exchange Commission. The company also reported it is significantly reducing its energy trading operation.

Cleco is in the process of notifying the appropriate regulatory authorities of its findings, including the Federal Energy Regulatory Commission (FERC) and the Louisiana Public Service Commission (LPSC). Cleco has pledged to cooperate with these agencies and has taken steps to strengthen its internal controls.

The review identified round-trip trades, as well as transactions that may have violated affiliate regulations established by FERC and the LPSC. The affiliate transactions involved power sales from one Cleco affiliate to a third party and then back to another Cleco affiliate. The affiliates involved were Cleco Marketing & Trading LLC, Cleco Power LLC and Cleco Evangeline LLC.

The transactions accounted for less than 1 percent of corporate revenue during the three-year period, totaling \$4.4 million in revenues in 2000; \$13.1 million in 2001; and \$5.6 million in 2002.

The review was ordered by the board of directors in August 2002 after members received an anonymous complaint of certain improper trading activities within the company. Cleco's directors immediately formed a special committee to look into the claims and engaged outside counsel, working with senior management and internal auditors, to investigate the allegations. Cleco President and CEO David Eppler said, "Anything less than strict compliance with all rules and regulations is unacceptable at Cleco. Appropriate disciplinary action has been taken with individuals involved in this trading activity. Employees directly involved with the transactions have either been reassigned or have left the company.

"In light of this discovery, we have reviewed and strengthened our oversight and control for all operations and have increased the planned frequency of reviews of our business processes.

"In addition, we will be rolling out a new, ongoing education program for all employees to make sure everyone in the company maintains heightened awareness of regulatory requirements and compliance issues," Eppler said.

At the direction of the board and Eppler, Cleco has consolidated the responsibility for legal and compliance functions under one senior officer, Neal Chadwick, who as vice president and general counsel will report directly to the CEO. In addition, Michiele Shaw, a company vice president who has been appointed head of the ethics office, will work in concert with Chadwick to expand companywide ethics policies, training and compliance programs.

Eppler said, "We plan to present all of the findings of our review to the appropriate regulatory agencies, and we will work with them to resolve any issues they may have. While we can't predict the response of the regulatory agencies to these transactions, the company's third-quarter results included a reserve that reflected management's estimate of the potential regulatory impact.

"We were already in the process of exiting the speculative energy trading business based on

market conditions. Historically, trading was not a significant part of our business and was established primarily to optimize Cleco's wholesale generating assets and hedge fuel and power prices.

"We own three state-of-the-art wholesale power plants in our Midstream subsidiary and operate a healthy, competitive regulated utility, with a rich history of commitment to power reliability and customer service. Our core skills are the generation and distribution of power, and we will continue to build the value of these businesses," Eppler said.

"We will not tolerate anything less than full regulatory compliance," Eppler said. "We have an obligation to our customers, our shareholders and our fellow employees to follow to the letter all directives of our regulatory authorities. Cleco has deep roots in the communities we serve and dedicated, hard-working employees, whose efforts ensure a sound future for this company."

Cleco Corp. is a regional energy services company headquartered in Pineville, La. It operates a regulated electric utility company that serves more than 250,000 customers across Louisiana. Cleco also operates a nonregulated midstream energy business that has approximately 2,100 megawatts of generating capacity. For more information about Cleco, visit www.cleco.com.

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