
News Release

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For Immediate Release

Louis Dreyfus Natural Gas Announces Acquisition Agreement

Oklahoma City, Oklahoma -- Louis Dreyfus Natural Gas Corp. (NYSE: LD) today announced that it has entered into an agreement to acquire the oil and gas assets of Costilla Energy, Inc. (Costilla) for \$100 million.

The properties are primarily located in south Texas, including Lavaca County where the Company has already experienced considerable drilling success, and also in the Permian Basin of west Texas and southeast New Mexico, and will complement the Company's already sizeable holdings in these areas.

Costilla filed for reorganization in accordance with Chapter 11 of the United States Bankruptcy Code on September 3, 1999. The acquisition will be subject to normal and customary approval by the bankruptcy court and other governmental authorities.

Mark Monroe, President and Chief Executive Officer, commented "This purchase, which we will fund with borrowing from our credit facility, fulfills all our key acquisition criteria. It is predominantly natural gas, located in our core operating regions and provides us with future drilling opportunities."

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Louis Dreyfus Natural Gas is an independent energy company engaged in the acquisition, development, exploration, production and marketing of natural gas and crude oil. Internet address: <http://www.ldng.com>