

News Release

Contact Kevin R. White

Telephone: 405 749-1300

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For Immediate Release

Louis Dreyfus Natural Gas Announces Record Financial Results for the First Quarter of 2000

RECORD CASH FLOWS; STRONG EARNINGS

Oklahoma City, Oklahoma -- Louis Dreyfus Natural Gas Corp. (NYSE: LD) today announced record financial results for the quarter ended March 31, 2000. The Company reported net income of \$8.9 million, or \$.22 per share, on total revenue of \$80.5 million for the first quarter of 2000. This compares to a net loss of \$3.8 million, or \$.10 per share, on total revenue of \$57.1 million for the first quarter of 1999. Earnings results for the first quarter of 2000 were negatively impacted by an \$8.2 million non-cash loss related to SFAS 133 derivative accounting, \$5.1 million of which will reverse over the next two quarters as contract settlements occur. Net income excluding the non-cash impact of SFAS 133 derivative accounting was \$13.9 million, or \$.34 per share, for the first quarter of 2000.

Cash flows from operating activities (before working capital changes) for the first quarter of 2000 grew 92% to a record \$55.1 million compared to \$28.6 million for the first quarter of 1999. EBITDAX for the quarter ended March 31, 2000 improved 69% to \$65.4 million, also a record for the Company. This compares to EBITDAX of \$38.7 million for the prior year quarter. The increase in earnings, operating cash flows and EBITDAX for the current year quarter was primarily the result of higher oil and gas prices and production.

HIGHER PRODUCTION AND OIL AND GAS PRICES

Total average daily production for the first quarter of 2000 increased 5% to 349 MMcf compared to 332 MMcf for the prior year quarter. Natural gas production for the current year quarter increased to 303 MMcf per day, an increase of 7% compared to 283 MMcf per day for the first quarter of 1999. Natural gas production represented 87% of total production for the quarter. Daily oil production for the first quarter of 2000 was 7,682 barrels, a decrease of 7% compared to 8,247 barrels per day for the first quarter of 1999.

First quarter 2000 gas prices averaged \$2.58 per Mcf, an increase of 32% compared to \$1.96 per Mcf for the prior year first quarter. Oil prices for the Company's first quarter production averaged \$23.29 per barrel, a 110% increase compared to \$11.09 per barrel for the first quarter of 1999.

PROPERTY EXCHANGE

The Company completed a trade of property interests with Forest Oil Corporation on May 1, 2000. This agreement resulted in the Company receiving ownership interests in certain producing Wilcox properties in the Loma Vieja Field in Zapata County, Texas, certain onshore unproved acreage positions and \$10 million in cash, in exchange for its non-operated working interest in High Island 116 located offshore in the Gulf of Mexico. Additionally, the two companies exchanged interests in certain acreage at Galveston Island Blocks 148 and 149, resulting in the Company owning 75% and Forest Oil owning 25% of the prospect covering these blocks. The trade resulted in the receipt of property interests which are more closely aligned to the Company's exploration and development strategy in the Gulf Coast.

MANAGEMENT COMMENT

Mark Monroe, President and Chief Executive Officer, stated, "Each quarter of this year, we expect to report better financial results than last year due to anticipated higher gas prices and production growth. Our drilling activity has now increased to 14 operated rigs drilling in our core areas with recent discoveries as previously announced. Of particular note are two wells in Zapata County which are presently producing at a combined rate of 50 MMcf per day. Louis Dreyfus owns an approximate 40 percent working interest in these wells.

The property swap with Forest Oil provides us additional growth opportunities in the Wilcox trend where we have enjoyed considerable success. The exchange was one that we felt made strategic sense for both companies."

This press release includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including drilling of wells, reserve estimates, future production of oil and gas, future cash flows and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

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

Presented below are selected financial and operating results for the three-month periods ended March 31, 2000 and 1999 (in thousands, except per share data and as noted):

	Three Months Ended March 31,	
	<u>2000</u>	<u>1999</u>
	<i>(unaudited)</i>	
SELECTED FINANCIAL RESULTS:		
REVENUES		
Oil and gas sales	\$ 87,363	\$ 58,155
Change in derivative fair value	(8,163)	(2,975)
Other income	<u>1,254</u>	<u>1,943</u>
	<u>80,454</u>	<u>57,123</u>
EXPENSES		
Operating costs	17,154	15,593
General and administrative	6,092	5,815
Exploration costs	3,243	3,939
Depreciation, depletion and amortization	30,258	28,130
Interest	<u>9,426</u>	<u>10,014</u>
	<u>66,173</u>	<u>63,491</u>
Income (loss) before income taxes	14,281	(6,368)
Income taxes	<u>5,426</u>	<u>(2,547)</u>
Net income (loss)	<u>\$ 8,855</u>	<u>\$ (3,821)</u>
Net income (loss) per share - basic and fully diluted	<u>\$.22</u>	<u>\$ (.10)</u>
Weighted average number of common shares outstanding:		
Basic	40,235	40,110
Diluted	40,804	40,110
Cash flows from operating activities before working capital changes	<u>\$ 55,085</u>	<u>\$ 28,623</u>
SELECTED OPERATING RESULTS:		
TOTAL PRODUCTION		
Oil production (MBbls)	699	742
Natural gas production (MMcf)	27,588	25,468
Equivalent production (MMcfe)	31,782	29,922
AVERAGE DAILY PRODUCTION		
Oil production (Bbls)	7,682	8,247
Natural gas production (Mcf)	303,161	282,981
Equivalent production (Mcfe)	349,251	332,461
PRICES		
Average oil price (per Bbl)	\$ 23.29	\$ 11.09
Average gas price (per Mcf)	\$ 2.58	\$ 1.96
Average equivalent price (per Mcfe)	\$ 2.75	\$ 1.94
	<u>Mar. 31, 2000</u>	<u>Dec. 31, 1999</u>
	<i>(unaudited)</i>	
SELECTED BALANCE SHEET INFORMATION:		
Net working capital	\$ (25,028)	\$ 1,782
Oil and gas properties, net	1,135,480	1,104,804
Total assets	1,248,096	1,227,087
Long-term debt	561,520	555,222
Stockholders' equity	486,777	498,782