

## News Release

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For Immediate Release

# **Louis Dreyfus Natural Gas Announces Year-End Proved Reserves And Provides Fourth Quarter Operations Update**

Louis Dreyfus Natural Gas Corp. (NYSE: LD) today announced December 31, 2000 proved reserves and provided an update on its operations for the fourth quarter of 2000. Total year-end proved reserves were 1.8 trillion cubic feet equivalent (Tcfe) an increase of 23 percent from the 1999 year-end reserves. As of December 31, 2000, the Company's proved reserves consisted of 1.6 Tcf of natural gas and 33 million barrels of crude oil. The year-end present value, discounted at 10 percent, of estimated future net revenues from proved reserves was \$3.7 billion, a \$2.7 billion increase over the prior year-end reserve value.

Drilling and acquisition activities added 479 billion cubic feet equivalent (Bcfe) or 350 percent of production. Proved reserve additions from drilling were 275 Bcfe, which replaced over 200 percent of production at an estimated finding cost of \$.87 per Mcfe, and proved reserve acquisitions added 204 Bcfe at a cost of \$.82 per Mcfe.

For the quarter ended December 31, 2000, the Company drilled 91 wells of which 90 wells were successful. This brings the total number of wells drilled in 2000 to 461, with an overall success rate of 93 percent. In its Texas Gulf Coast Region, the Company successfully drilled eight wells in the fourth quarter. Notable completions included the Freeman #1 in Lavaca County which had an initial rate of 9 MMcfd and the Vela #1 in Zapata County which had an initial rate of 7.5 MMcfd. Also notable, pay has been logged and casing set on wells at the Provident City and Cologne prospects. Production results for Lavaca County wells which were drilled in the third quarter and completed during the fourth quarter include the Migl-Mitchell #6 at 2.8 MMcfd, the Freeman #8 at 8 MMcfd, the Pilgreen #9 at 6.8 MMcfd and the Pilgreen #11 at 6.5 MMcfd. In the Permian Region, the Company drilled 70 wells in the fourth quarter, completing 69 as producers. In the Mid-Continent Region, the Company drilled 13 wells in the fourth quarter, all of which were successful. The Company currently has seven rigs active in the Gulf Coast, six rigs in the Permian Region and four rigs drilling in the Mid-Continent Region.

The Company also reported that 2000 fourth quarter production was approximately 36 Bcfe. Production was adversely impacted by third party pipeline and plant disruptions and abnormally cold weather conditions. The fourth quarter 2000 volume of 36 Bcfe represents an increase of 11 percent in relation to the fourth quarter of 1999.

Mark Monroe, President and CEO, stated, "We are very pleased with our drilling accomplishments for last year. The blend of low risk development and high impact exploration projects in our drilling program allowed us to achieve exceptional results again this year. The success of our drilling and acquisition efforts combined with higher natural gas prices were significant contributors to our record financial results for 2000."

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*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 made in this press release other than purely historical information are forward-looking statements. These statements reflect our current expectations and are based on our historical operating trends, proved reserve and fixed-price contract positions and other currently available information. Forward-looking statements include statements about our future drilling plans and objectives and related exploration and development budgets and number and location of planned wells and statements regarding the quality of our properties and potential reserve and production levels. These statements may be preceded by or followed by or otherwise include the words "believes", "expects", "anticipates", "intends", "plans", "estimates", "projects", or similar expressions or statements that certain events "will" or "may" occur. These statements assume that no significant changes will occur in the operating environment for our oil and gas properties and that there will be no material acquisitions or divestitures except as otherwise described. The forward-looking statements are subject to all the risks and uncertainties incident to the acquisition, exploration, development and marketing of oil and natural gas reserves, including the risks described in this release and in our Annual Report filed on Form 10-K for the year ended December 31, 1999. These risks include, but are not limited to, commodity price, counterparty, environmental, drilling, reserves, operations and production risks. We may also make material acquisitions or divestitures, modify our fixed-price contract positions or enter into financing transactions. None of these events can be predicted with certainty and are not taken into consideration in the forward-looking statements. Further, market prices for oil and gas and market interest rates are subject to significant volatility. For all of these reasons, our actual results may vary materially from the forward-looking statements and there is no assurance that the assumptions we have used are necessarily the most likely. We will not update any forward-looking statements to reflect events or circumstances occurring after the date the statement is made. 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>