
News Release

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For Immediate Release

LOUIS DREYFUS NATURAL GAS AGREES TO TERMINATION OF GAS SALES CONTRACT FOR PAYMENT OF \$44 MILLION

Oklahoma City, Oklahoma -- Louis Dreyfus Natural Gas Corp. (NYSE: LD) today announced that it agreed to terminate a fixed-price natural gas contract for approximately \$44 million. The contract provided for the Company to sell 6 Bcf annually through the year 2007 to an independent power producer which delivered electrical power to Niagara Mohawk Power Corporation. Closing is expected later this month. The gas covered by this contract will be available for sale by the Company into other markets at prevailing market prices.

The termination amount is approximately equal to the carrying amount of the contract at September 30, 1999, and consequently there will be no material impact to earnings or stockholders' equity in the fourth quarter of 1999. The Company has followed hedge accounting for this contract, and accordingly, in future periods the termination payment will be amortized into natural gas revenues over the original contract term. Termination proceeds will be used to reduce outstanding debt.

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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>