

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **1997-02-18**
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SUBJECT COMPANY

LOUIS DREYFUS NATURAL GAS CORP

CIK: **912264** | IRS No.: **731098614** | State of Incorporation: **OK** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-45331** | Film No.: **97537728**
SIC: **1311** Crude petroleum & natural gas

Mailing Address
*14000 QUAIL SPRINGS
PARKWAY
SUITE 600
OKLAHOMA CITY OK 73134*

Business Address
*14000 QUAIL SPRINGS PKWY
STE 600
OKLAHOMA CITY OK 73134
4057491300*

FILED BY

S A LOUIS DREYFUS ET CIE ET AL

CIK: **933543**
Type: **SC 13D/A**

Business Address
*87 AVENUE DE LA GRANDE
ARMEE 75782
PARIS IO 00000*

OMB APPROVAL

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 2) *

LOUIS DREYFUS NATURAL GAS CORP.

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

546011 10 7

(CUSIP Number)

ANDREW J. CONNELLY, ESQ., GENERAL COUNSEL, LOUIS DREYFUS HOLDING COMPANY INC.,
10 WESTPORT ROAD, WILTON, CT 06897-0810, (203) 761-8444

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

FEBRUARY 7, 1997

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b) (3) or (4), check the following

box / / .

Check the following box if a fee is being paid with the statement / / . (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

NOTE: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Exhibit Index on Page 19

SCHEDULE 13D

CUSIP NO. 546011 10 7

(1) Names of Reporting Person. S.S. or I.R.S. Identification No. of Above Person

S.A. Louis Dreyfus et Cie.

(2) Check the Appropriate Box if a Member (a) / /
of a Group* (b) / /

Not Applicable

(3) SEC Use Only

(4) Source of Funds*

(5) Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) / /

(6) Citizenship or Place of Organization

France

Number of Shares Beneficially Owned by Each Reporting Person With

(7) Sole Voting Power None

(8) Shared Voting Power 20,630,000

(9) Sole Dispositive Power None

(10) Shared Dispositive Power 20,630,000 shares

(11) Aggregate Amount Beneficially Owned by Each Reporting Person 20,630,000 shares

(12) Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares* Not Applicable / /

(13) Percent of Class Represented by Amount in Row (11) 74.2%

(14) Type of Reporting Person* CO

*SEE INSTRUCTION BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

SCHEDULE 13D

CUSIP NO. 546011 10 7

(1) Names of Reporting Person. S.S. or I.R.S. Identification No. of Above Person

(2) Check the Appropriate Box if a Member of a Group* (a) / /
(b) / /

Not Applicable

(3) SEC Use Only

(4) Source of Funds*

WC/AF

(5) Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) / /

(6) Citizenship or Place of Organization

Delaware

Number of Shares
Beneficially Owned
by Each Reporting
Person With

(7) Sole Voting Power
None

(8) Shared Voting Power
20,630,000 shares

(9) Sole Dispositive Power
None

(10) Shared Dispositive Power
20,630,000 shares

(11) Aggregate Amount Beneficially Owned by Each Reporting Person
20,630,000 shares

(12) Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*
Not Applicable / /

(13) Percent of Class Represented by Amount in Row (11)
74.2%

(14) Type of Reporting Person*
CO

*SEE INSTRUCTION BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

SCHEDULE 13D

CUSIP NO. 546011 10 7

(1) Names of Reporting Person. S.S. or I.R.S. Identification No. of Above PersonLouis Dreyfus Commercial Activities Inc.
-----(2) Check the Appropriate Box if a Member (a) / /
of a Group* (b) / /Not Applicable
-----(3) SEC Use Only

(4) Source of Funds*

WC/AF
-----(5) Check Box if Disclosure of Legal Proceedings is Required Pursuant
to Items 2(d) or 2(e) / /

(6) Citizenship or Place of Organization

Delaware
-----Number of Shares
Beneficially Owned
by Each Reporting
Person With(7) Sole Voting Power
None
-----(8) Shared Voting Power
20,630,000 shares
-----(9) Sole Dispositive Power
None
-----(10) Shared Dispositive Power
20,630,000 shares
-----(11) Aggregate Amount Beneficially Owned by Each Reporting Person
20,630,000 shares

(12) Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares* / /
Not Applicable

(13) Percent of Class Represented by Amount in Row (11)
74.2%

(14) Type of Reporting Person*
CO

*SEE INSTRUCTION BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

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SCHEDULE 13D

CUSIP NO. 546011 10 7

(1) Names of Reporting Person. S.S. or I.R.S. Identification No. of Above
Person

Louis Dreyfus Natural Gas Holdings Corp.

(2) Check the Appropriate Box if a Member (a) / /
of a Group* (b) / /

Not Applicable

(3) SEC Use Only

(4) Source of Funds*

WC/AF

(5) Check Box if Disclosure of Legal Proceedings is Required Pursuant / /
to Items 2(d) or 2(e)

(6) Citizenship or Place of Organization

Delaware

Number of Shares
Beneficially Owned

(7) Sole Voting Power
None

by Each Reporting
Person With

(8) Shared Voting Power
20,000,000 shares

(9) Sole Dispositive Power
None

(10) Shared Dispositive Power
20,000,000 shares

(11) Aggregate Amount Beneficially Owned by Each Reporting Person
20,000,000 shares

(12) Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*
Not Applicable / /

(13) Percent of Class Represented by Amount in Row (11)
71.9%

(14) Type of Reporting Person*
CO

*SEE INSTRUCTION BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

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This Amendment No. 2 to the Schedule 13D of the Louis Dreyfus Group (as defined below), dated December 6, 1994, as amended by Amendment No. 1 thereto dated February 22, 1995 (the "Schedule 13D"), in respect of shares of Common Stock, par value \$.01 per share, of Louis Dreyfus Natural Gas Corp., amends and restates the Schedule 13D to read in its entirety as set forth below.

ITEM 1. SECURITY AND ISSUER

This statement relates to the Common Stock, par value \$.01 per share (the "Common Stock"), of Louis Dreyfus Natural Gas Corp., an Oklahoma corporation (the "Issuer"), which has its principal executive offices at 14000 Quail Springs Parkway, Suite 600, Oklahoma City, Oklahoma 73134.

ITEM 2. IDENTITY AND BACKGROUND

This Statement is filed by S.A. Louis Dreyfus et Cie., a corporation organized under the laws of France ("SALD"), Louis Dreyfus Holding Company Inc., a Delaware corporation ("LDHC"), Louis Dreyfus Commercial Activities Inc. ("LDCA"), a Delaware corporation, and Louis Dreyfus Natural Gas Holdings Corp., a Delaware corporation ("NGHC"). (SALD, LDHC, LDCA and NGHC, collectively, are sometimes referred to herein as the "Louis Dreyfus Group".)

SALD is a privately-held corporation engaged in various businesses, including international merchandising and exporting of various commodities, ownership and management of ocean vessels, real estate ownership, development and management, manufacturing, and natural gas and petroleum product marketing. SALD's principal business and office address is 87 Avenue de la Grande Armee, 75782 Paris, France.

LDHC is a wholly-owned subsidiary of SALD and is itself a holding company of subsidiaries which engage principally in commodities trading and merchandising and real estate activities. The principal business and office address of LDHC is 10 Westport Road, Wilton, Connecticut 06897-0810.

LDCA is a wholly-owned subsidiary of LDHC and is a company which holds interests in various other corporations. The principal business and office address of LDCA is 10 Westport Road, Wilton, Connecticut 06897-0810.

NGHC is a wholly-owned subsidiary of LDCA and is engaged in the business of holding 20,000,000 of the shares of the Common Stock owned by the Louis Dreyfus Group. The principal

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business and office address of NGHC is 3411 Silverside Road, Baynard Building, Suite 210E, Wilmington, Delaware 19810.

Information with respect to the executive officers and directors of SALD, LDHC, LDCA and NGHC, including (a) name, (b) business address, (c) present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted and (d) citizenship, is listed on the Schedules attached hereto as Annexes A, B, C and D, respectively, which are incorporated herein by reference.

None of SALD, LDHC, LDCA or NGHC, nor, to the best of their knowledge, any executive officer or director of any of them, has during the last five years been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors) or been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The Issuer's predecessor was acquired by the Louis Dreyfus Group on July 18, 1990, for \$46.6 million provided from the Louis Dreyfus Group's general corporate funds. Subsequent to 1990, the Louis Dreyfus Group acquired or established other subsidiaries or affiliates to conduct various related oil and gas acquisition and marketing activities. In November 1993, through various intercompany mergers, the Issuer succeeded to certain of these businesses, with

NGHC owning 20,000,000 shares of the Common Stock, representing all of the issued and outstanding shares of such Stock. In November 1993, the Issuer completed an initial public offering of 7,800,000 shares of the Common Stock (the "IPO") at a price of \$18.00 per share. During the period from June 29, 1994 through November 21, 1994, NGHC purchased 590,500 additional shares of the Common Stock on the open market for an aggregate of \$8,344,725. The funds for these purchases were provided from the general corporate funds of the Louis Dreyfus Group.

On December 22, 1994, NGHC declared a dividend of 590,500 shares of the Common Stock to its immediate parent corporation, LDCA. On December 29, 1994, 5,000 of these shares were transferred from NGHC to LDCA, and on January 1, 1995, the remaining 585,500 such shares were transferred from NGHC to LDCA.

During the period from December 27, 1994 through February 23, 1995, LDCA purchased 39,500 additional shares of the Common Stock on the open market for an aggregate of \$462,875 bringing the total number of shares of the Common Stock owned by LDCA to 630,000.

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The funds for the above purchases were provided from the general corporate funds of the Louis Dreyfus Group.

ITEM 4. PURPOSE OF TRANSACTION

Until the IPO in November 1993, the Issuer was an indirect wholly-owned subsidiary of SALD, and the Louis Dreyfus Group had the ability to exercise control over the management and operations of the Issuer. The IPO reduced the Louis Dreyfus Group's ownership in the Issuer to approximately 71.9%. However, during the period from June 29, 1994 through February 23, 1995, through the purchase of 630,000 additional shares of the Common Stock on the open market, the Louis Dreyfus Group increased its ownership to approximately 74.2%. Six of the eight directors of the Issuer are present or former employees of SALD or its subsidiaries, and the Louis Dreyfus Group has maintained the ability to control the outcome of matters upon which stockholders of the Issuer vote.

In a press release dated February 7, 1997, the Issuer announced that it had filed a registration statement (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") relating to the offering by the Company of 2,750,000 shares of Common Stock. The Registration Statement also covers 2,750,000 shares to be sold by the Louis Dreyfus Group, plus an additional 825,000 shares which may be sold by the Louis Dreyfus Group pursuant to an underwriter's over-allotment option. The primary offering by the Issuer and the secondary offering by the Louis Dreyfus Group will further increase the number of shares and percentage of the Company owned by the public. The Louis Dreyfus Group anticipates that the offering will occur as soon as practicable after the Registration Statement has been declared effective by the SEC.

Subject to the arrangements described in Item 6 below, there is no agreement between any member of the Louis Dreyfus Group and any other party, including the Issuer, that would prevent the Louis Dreyfus Group from acquiring or disposing of shares of the Common Stock. Depending upon market conditions, financial considerations and other factors, the Louis Dreyfus Group may purchase or sell additional shares of Common Stock, if appropriate opportunities to do so are available, at such times as the Louis Dreyfus Group considers advisable.

Subject to the foregoing, none of SALD, LDHC, LDCA or NGHC has any present plans or proposals which relate to or would result in:

(a) The acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer;

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(b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries;

(c) A sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries;

(d) Any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;

(e) Any material change in the present capitalization or dividend policy of the Issuer;

(f) Any other material change in the Issuer's business or corporate structure;

(g) Changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person;

(h) Causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

(i) A class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or

(j) Any action similar to any of those enumerated above.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) As of the date hereof and subject to the arrangements described in Item 6 below, NGHC is the direct beneficial owner of 20,000,000 shares of the

Common Stock, representing approximately 71.9% of the issued and outstanding shares of the Common Stock. LDCA is the direct beneficial owner of 630,000 shares of the Common Stock and the indirect beneficial owner of the 20,000,000 shares held by NGHC, for a total of 20,630,000 shares of the Common Stock, representing approximately 74.2% of the issued and outstanding shares of Common Stock. SALD and LDHC are the indirect beneficial owners of the 20,630,000 shares of Common Stock beneficially owned by LDCA, representing approximately 74.2% of the issued and outstanding shares of the Common Stock.

Except as listed on the Schedule attached hereto as Annex E, which is incorporated herein by reference, to the best

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knowledge of SALD, LDHC, LDCA and NGHC, none of their respective executive officers or directors (i) beneficially owns any Common Stock (other than in his or her capacity as an executive officer or director of such corporations) or (ii) has the right to acquire any Common Stock.

(b) SALD, LDHC and LDCA share the power to vote or to direct the vote and the power to dispose or to direct the disposition of the 20,630,000 shares of the Common Stock which they beneficially own. In addition, NGHC shares with SALD, LDHC and LDCA power to vote or to direct the vote and power to dispose or to direct the disposition of 20,000,000 of such shares.

To the best knowledge of SALD, LDHC, LDCA and NGHC, none of their respective executive officers or directors has the power to vote or to direct the vote or to dispose or to direct the disposition of any shares of the Common Stock beneficially owned by such corporations (other than in his or her capacity as an executive officer or director of such corporations).

To the best knowledge of SALD, LDHC, LDCA and NGHC, each of their respective executive officers and directors have sole power to vote or to direct the vote or to dispose or to direct the disposition of any shares of the Common Stock beneficially owned by such executive officer or director.

(c) No purchases or sales of the Common Stock have been made by the Louis Dreyfus Group during the past 60 days.

To the best knowledge of SALD, LDHC, LDCA and NGHC, no executive officer or director of any of them has effected any transactions in shares of the Common Stock during the past 60 days.

(d) Subject to the arrangements described in Item 6 below, to the best knowledge of SALD, LDHC, LDCA and NGHC, no other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of the Common Stock beneficially owned by such corporations.

(e) Not Applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS
WITH RESPECT TO SECURITIES OF THE ISSUER

Except as described below and except for the Issuer's Stock Option Plan, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among any of SALD, LDHC, LDCA or NGHC or, to the best of their knowledge, any

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executive officer or director of any of them and any other person with respect to any securities of the Issuer, including any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities of the Issuer, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Twenty million of the shares of the Common Stock owned by NGHC have been pledged to a syndicate of French banks (the "Banks") to secure loans made by the Banks to a member of the Louis Dreyfus Group. A default by the borrower under the terms of the loans could result in the sale of all or a portion of the pledged shares and a change of control of the Issuer. Upon the Louis Dreyfus Group's participation in the public offering referred to in the second paragraph of item 4, up to 3,575,000 of such shares will be released from such pledge and sold.

Pursuant to a Registration Rights Agreement dated as of November 9, 1993 between the Issuer and NGHC, the Louis Dreyfus Group is entitled to certain rights to register 20,000,000 shares of the Common Stock. However, pursuant to the Assignment and Assumption Agreement dated as of December 20, 1994 among SALD and the Banks and the Subordinate Assignment and Assumption Agreement dated as of December 27, 1995 among SALD and certain of the Banks, the Banks, as pledgees, may become entitled to certain rights to register the pledged shares of the Common Stock under certain circumstances.

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ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

1. Written Agreement of SALD, LDHC, LDCA and NGHC relating to the filing of this Amendment as required by Rule 13d-1(f)
2. Pledge Agreement dated as of December 23, 1994 among SALD, Societe Generale, Banque Nationale de Paris, Credit Lyonnais, Caisse Centrale des Banques Populaires, Banque Francaise du Commerce Exterieur, Caisse Nationale de Credit Agricole, Credit Industriel et Commercial, Banque Indosuez and Credit National.*
3. Subordinate Pledge Agreement dated as of December 27, 1995 among

SALD, Societe Generale and Banque Nationale de Paris.

4. Registration Rights Agreement dated as of November 9, 1993 between the Issuer and NGHC.

5. Assignment and Assumption Agreement dated as of December 20, 1994 among SALD, Societe Generale, Banque Nationale de Paris, Credit Lyonnais, Caisse Centrale des Banques Populaires, Banque Francaise du Commerce Exterieur, Caisse Nationale de Credit Agricole, Credit Industriel et Commercial, Banque Indosuez and Credit National.

6. Subordinate Assignment and Assumption Agreement dated as of December 27, 1995 among SALD, Societe General and Banque Nationale de Paris.

* Filed as an exhibit to Amendment No. 1 to the Schedule 13D of the Louis Dreyfus Group dated January 1, 1995.

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SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, correct and complete.

S.A. Louis Dreyfus et Cie.

February 18, 1997

By: /s/ Gerard Louis-Dreyfus

Gerard Louis-Dreyfus
Chairman

Louis Dreyfus Holding Company Inc.

February 18, 1997

By: /s/ Thomas Scheuer

Thomas Scheuer

Vice President

Louis Dreyfus Commercial Activities Inc.

February 18, 1997

By: /s/ Peter B. Griffin

Peter B. Griffin
Vice President

Louis Dreyfus Natural Gas Holdings Corp.

February 18, 1997

By: /s/ Connie S. Linhart

Connie S. Linhart
President and Treasurer

ANNEX A

S.A. LOUIS DREYFUS ET CIE. ("SALD")

=====

Name and Business Address

(all business addresses are
S.A. Louis Dreyfus et Cie.

87 Avenue de la Grande Armee
75782 Paris, France

unless otherwise indicated)

Present Principal Occupation
or Employment (all with SALD

unless otherwise indicated)

Citizenship

=====

DIRECTORS

Bernard Baldensperger

Directeur General

France

Claude Boquin

Retired

France

Jean Louis-Dreyfus

Vice President Directeur General

France

Gerard Louis-Dreyfus

Chairman

U.S.A.

Louis Dreyfus Corporation

405 Lexington Avenue

New York, New York 10174

Pierre Louis-Dreyfus

Vice President Directeur General

France

Jean-Hubert Pietra	Retired	France
Jean Pinchon	Retired	France
Philippe Pourier D'Orsay	Managing Director of Louis Dreyfus Armateurs	France
Ernest F. Steiner Louis Dreyfus Holding Company Inc. 10 Westport Road Wilton, CT 06897	President and Chief Financial Officer of Louis Dreyfus Holding Company Inc.	U.S.A.

EXECUTIVE OFFICERS
(who are not Directors)

None

LOUIS DREYFUS HOLDING COMPANY INC. ("LDHC")

Name and Business Address (all business addresses are Louis Dreyfus Holding Company Inc. 10 Westport Road P.O. Box 810 Wilton, Connecticut 06897 unless otherwise indicated)	Present Principal Occupation or Employment (all with LDHC unless otherwise indicated)	Citizenship
---	---	-------------

DIRECTORS

Daniel R. Finn, Jr.	Executive Vice President	U.S.A.
Gerard Louis-Dreyfus*		
Thomas Scheuer	Vice President and Senior Counsel	U.S.A.
Ernest Steiner*		

EXECUTIVE OFFICERS
(who are not Directors)

Robert L. Aiken	Vice President	U.S.A.
Jerome F. Dubrowski	Treasurer	U.S.A.
Deborah J. Neff	Assistant Vice President	U.S.A.
R. Bruce Radley	Vice President	U.S.A.
James G. Wayne, Jr.	Executive Vice President	U.S.A.
Hal Wolkin	Vice President	U.S.A.

* See individual's business address, present principal occupation and citizenship as set forth above under SALD.

ANNEX C

LOUIS DREYFUS COMMERCIAL ACTIVITIES INC. ("LDCA")

Name and Business Address (all business addresses are Louis Dreyfus Commerical Activities Inc. 10 Westport Road P.O. Box 810 Wilton, Connecticut 06897 unless otherwise indicated)	Present Principal Occupation or Employment (all with LDCA unless otherwise indicated)	Citizenship
---	---	-------------

DIRECTORS

None--Louis Dreyfus Holding
Company Inc. acts as
Management

EXECUTIVE OFFICERS

Jeffrey R. Gilman	Vice President and Treasurer	U.S.A.
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Ernest Steiner*

Hal Wolkin**

* See individual's business address, present principal occupation and citizenship as set forth above under SALD.

**See individual's business address, present principal occupation and citizenship as set forth above under LDHC.

LOUIS DREYFUS NATURAL GAS HOLDINGS CORP. ("NGHC")

Name and Business Address

(all business addresses are

Louis Dreyfus Natural Gas Holdings Corp.

3411 Silverside Road

Baynard Building, Ste 210E

Wilmington, Delaware 19810

unless otherwise indicated)

Present Principal Occupation

or Employment (all with NGHC

unless otherwise indicated)

Citizenship

DIRECTORS

Robert L. Bryant

United Manufacturing

Company

24 Blevins Drive

New Castle, Delaware 19720

President of United Manufacturing

Company, an industrial

manufacturing company

U.S.A.

Fil E. Spizzirro

Business Consultant

U.S.A.

Gordon W. Stewart

Stewart and Associates

Attorney, President of Stewart &

Associates, a professional law

U.S.A.

1201 Market Street
Suite 1700
Chemical Bank Plaza
Wilmington, Delaware 19801

association

EXECUTIVE OFFICERS
(who are not Directors)

Connie Linhart President and Treasurer U.S.A.
=====

ANNEX E

OWNERSHIP OF COMMON STOCK

=====

Executive Officer or Director	Number of Shares Beneficially Owned
Daniel R. Finn, Jr.	13,000 shares*
Gerard Louis-Dreyfus	11,000 shares*
Ernest F. Steiner	2,500 shares

=====

* Includes 8,000 shares which the named individual has the right to acquire by exercise of currently exercisable stock options granted under the Issuer's Stock Option Plan.

EXHIBIT INDEX

EXHIBIT

NO.

DOCUMENT

- 1 Written Agreement of SALD, LDHC, LDCA and NGHC relating to the filing of this Amendment as required by Rule 13d-1(f).

- *2 Pledge Agreement dated as of December 23, 1994 among SALD, Societe Generale, Banque Nationale de Paris, Credit Lyonnais, Caisse Centrale des Banques Populaires, Banque Francaise du Commerce Exterieur, Caisse Nationale de Credit Agricole, Credit Industriel et Commercial, Banque Indosuez and Credit National.

- 3 Subordinate Pledge Agreement dated as of December 27 1995 among SALD, Societe Generale and Banque Nationale de Paris.

- 4 Registration Rights Agreement dated as of November 9, 1993 between the Issuer and NGHC.

- 5 Assignment and Assumption Agreement dated as of December 20, 1994 among SALD, Societe Generale, Banque Nationale de Paris, Credit Lyonnais, Caisse Centrale des Banques Populaires, Banque Francaise du Commerce Exterieur, Caisse Nationale de Credit Agricole, Credit Industriel et Commercial, Banque Indosuez and Credit National.

- 6 Subordinate Assignment and Assumption Agreement dated as of December 27, 1995 among SALD, Societe General and Banque Nationale de Paris.

* Filed as an exhibit to Amendment No. 1 to the Schedule 13D of the Louis Dreyfus Group dated January 1, 1995.

The undersigned agree that the foregoing Amendment to Schedule 13D dated February 18, 1997, is being filed with the Securities and Exchange Commission on behalf of each of S.A. Louis Dreyfus et Cie., a corporation organized under the laws of France, Louis Dreyfus Holding Company Inc., a Delaware corporation, Louis Dreyfus Commercial Activities Inc., a Delaware corporation, and Louis Dreyfus Natural Gas Holdings Corp., a Delaware corporation.

S.A. Louis Dreyfus et Cie.

February 18, 1997

By: /s/ Gerard Louis-Dreyfus

Gerard Louis-Dreyfus
Chairman

Louis Dreyfus Holding Company Inc.

February 18, 1997

By: /s/ Thomas Scheuer

Thomas Scheuer
Vice President

Louis Dreyfus Commercial Activities Inc.

February 18, 1997

By: /s/ Peter B. Griffin

Peter B. Griffin
Vice President

Louis Dreyfus Natural Gas Holdings Corp.

February 18, 1997

By: /s/ Connie S. Linhart

Connie S. Linhart
President and Treasurer

PLEDGE AGREEMENT

dated as of December 27, 1995

Among

S.A. LOUIS DREYFUS ET CIE

and

THE BANKS LISTED ON THE SIGNATURE PAGES HEREOF

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PLEDGE AGREEMENT

Dated as of December 27, 1995

In consideration of the execution and delivery of the Credit Agreement by the banks listed on the signature pages thereof and Societe Generale, as Agent, S.A. Louis Dreyfus et Cie, a French corporation, hereby agrees with Societe Generale and Banque Nationale de Paris as follows (with certain terms used herein being defined in Article 6):

ARTICLE 1

SECURITY INTEREST

Section 1.01. GRANT OF SECURITY INTEREST; SUBORDINATION. (a) To secure the payment, observance and performance of the Secured Obligations, the Pledgor hereby mortgages, pledges and assigns the Collateral to the Secured Parties, and grants to the Secured Parties a continuing security interest in, and a continuing lien upon, the Collateral. The Collateral shall secure the amount of the Secured Obligations owing to the Secured Parties PARI PASSU in accordance with the amount of such Secured Obligations owing to each Secured Party.

(b) Notwithstanding anything to the contrary in this Agreement and notwithstanding the date, manner or order of perfection of the Security Interest and the Senior Security Interest, the parties hereto agree that (i) the Security Interest in the Subordinate Collateral and all rights and remedies granted hereby to the Secured Parties with respect to the Subordinate Collateral shall be subordinate in right and second in priority to the Senior Security Interest and all other rights and remedies granted by the Pledgor to the Senior Secured Parties with respect to the Subordinate Collateral pursuant to the Senior Pledge Agreement, and (ii) the Secured Parties shall not sell, collect, foreclose or otherwise realize upon the Subordinate Collateral or exercise any of their other rights or remedies hereunder with respect to the Subordinate Collateral.

Section 1.02. VALIDITY AND PRIORITY OF SECURITY INTEREST. The Pledgor agrees that the Security Interest shall at all times be valid, perfected and enforceable against the Pledgor and all third parties, in accordance with the terms hereof, as security for the Secured Obligations, and that the Collateral shall not at any time be subject to any Lien, other than a Permitted Lien, that is prior to, on a parity with or junior to such Security Interest, except that, unless an Event of Default exists, this Section 1.02 (a) shall not require the continuation of the perfection of the Security Interest in Ordinary

Distributions that the Pledgor is entitled to, and does, receive and retain pursuant to Section 3.09(a), and (b) insofar as it requires the Security Interest to be perfected and enforceable against all third parties, shall not apply to Collateral having a book value on any date, in the aggregate from the Agreement Date to the date in question, of not in excess of \$250,000.

Section 1.03. MAINTENANCE OF STATUS OF SECURITY INTEREST, COLLATERAL AND RIGHTS. (a) REQUIRED ACTION. The Pledgor shall take all action, including the actions specified on SCHEDULE 1.03, that may be necessary or desirable, or that the Agent may request, so as at all times (i) to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 1.02, (ii) to protect and preserve the Collateral and (iii) to protect and preserve, and to enable the exercise or enforcement of, the rights of the Agent and the other Secured Parties therein and hereunder and under the other Loan Documents.

(b) AUTHORIZED ACTION. The Agent is hereby authorized to file one or more financing or continuation statements or amendments thereto without the signature of or in the name of the Pledgor. A carbon, photographic or other reproduction of this Agreement or of any financing statement filed in connection with this Agreement shall be sufficient as a financing statement.

Section 1.04. EVIDENCE OF STATUS OF SECURITY INTEREST. The Pledgor shall from time to time, upon the request of the Agent, deliver to the Agent such opinions of counsel relating to the Collateral, the attachment and perfection of the Security Interest and otherwise to this Agreement, as the Agent may designate.

Section 1.05. PLEDGOR REMAINS OBLIGATED; PRINCIPALS NOT OBLIGATED. The grant by the Pledgor to the Secured Parties of the Security Interest shall not (a) relieve the Pledgor of any Liability to any Person under or in respect of any of the Collateral or (b) impose on the Agent or the other Secured Parties any such Liability or any Liability for any act or omission on the part of the Pledgor relative thereto.

Section 1.06. AUTHORIZATION OF AGENT TO TAKE ACTION. (a) Each Secured Party agrees that Societe Generale, in its capacity as Agent, may, on behalf of such Secured Party, take such actions with respect to the Collateral as are required or permitted under the Credit Agreement or as the Agent

otherwise deems necessary or desirable, including but not limited to all action, deemed

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necessary or desirable by the Agent to release any Collateral pursuant to Article 6 of the Credit Agreement.

(b) In furtherance and not in limitation of the foregoing, each Secured Party agrees that Societe Generale, in its capacity as Agent, may, on behalf of such Secured Party (i) execute and file UCC-1 Financing Statements with respect to the Collateral in substantially the form attached hereto as SCHEDULE 1.03 in such locations as the Agent deems necessary or desirable, (ii) amend, continue or terminate such UCC-1 Financing Statements in such manner and at such times as the Agent deems necessary or desirable in connection with any action permitted or required under the Credit Agreement, including but not limited to in connection with any release of Collateral pursuant to Article 6 of the Credit Agreement, (iii) return to the Pledgor or its nominee or designee, in connection with any action permitted or required under the Credit Agreement, including but not limited to in connection with any release of Collateral pursuant to Article 6 of the Credit Agreement, any stock certificates, stock powers or other instruments or other documents constituting or relating to the Collateral in the possession of the Agent or its nominee or designee, (iv) execute and deliver such amendments to, or waivers or termination of, this Agreement and the Subordinate Assignment and Assumption Agreement as the Agent deems necessary or desirable in connection with any action permitted or required under the Credit Agreement, including but not limited to in connection with any release of Collateral pursuant to Article 6 of the Credit Agreement and (v) take any other action which is required or permitted to be taken by it hereunder (including but not limited to pursuant to the power of attorney granted to the Agent by the Pledgor in Section 5.08) or under the Credit Agreement, the Subordinate Assignment and Assumption Agreement or any other Loan Document.

ARTICLE 2

CERTAIN REPRESENTATIONS AND WARRANTIES

The Pledgor represents and warrants as follows:

Section 2.01. ORGANIZATION; POWER; QUALIFICATION. The Pledgor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, has the corporate power and authority to own its property and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and in good standing as a foreign corporation, and is authorized to do business, in all jurisdictions in which the character of its property or the nature of its business requires such qualification or

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authorization, except for qualifications and authorizations the lack of which, singly and in the aggregate, has not had and will not have a Materially Adverse Effect on the Pledgor or the Collateral.

Section 2.02. AUTHORIZATION; ENFORCEABILITY; REQUIRED CONSENTS; ABSENCE OF CONFLICTS; OWNERSHIP OF COLLATERAL. The Pledgor has the power, and has taken all necessary action (including any necessary stockholder action) to authorize it, to execute, deliver and perform in accordance with their respective terms the Collateral Documents. This Agreement has been duly executed and delivered by the Pledgor and is, and each of the other Collateral Documents when delivered to the Agent will be, the legal, valid and binding obligation of the Pledgor, enforceable in accordance with its terms. The execution, delivery and performance in accordance with their respective terms by the Pledgor of the Collateral Documents does not and (absent any change in any Applicable Law or applicable Contract) will not (a) require any Governmental Approval or any other consent (other a consent which has been obtained) or approval, including any consent or approval of any Subsidiary of the Pledgor or any consent or approval of the stockholders of the Pledgor or any of its Subsidiaries, or (b) violate or conflict with, result in a breach of, constitute a default under, or result in or require the creation of any Lien (other than the Security Interest) upon any assets of the Pledgor under, (i) any Contract to which the Pledgor or any of its Subsidiaries is a party or by which the Pledgor or any of its Subsidiaries or any of their respective properties may be bound or (ii) any Applicable Law. The Pledgor is the owner of the Collateral free from any right, title or interest of any third Person, other than the Senior Security Interest.

Section 2.03. CORPORATE AND TRADE NAMES. (a) The Pledgor does not do and has never done business under any name other than "S.A. Louis Dreyfus et Cie", which is the corporate name of the Pledgor as it appears in its certificate of incorporation.

(b) The Pledgor does not use and has never used any trade names or trade styles.

Section 2.04. IDENTITY AND CORPORATE STRUCTURE. The Pledgor has not changed its identity or corporate structure within the four calendar months immediately preceding the Agreement Date.

Section 2.05. LOCATION OF CHIEF EXECUTIVE OFFICE BOOKS AND RECORDS. The books and records of the Pledgor with respect to the Collateral, and the chief executive office and the principal place of business of the Pledgor,

are maintained at the address set forth as the Pledgor's address for notices in Section 5.10(a) (ii), and the address where the books and records of the Pledgor with respect to the Collateral and the chief executive office and the

principal place of business of the Pledgor are maintained has not changed within the four calendar months immediately preceding the Agreement Date.

ARTICLE 3

CERTAIN COVENANTS

A. GENERAL.

Section 3.01. FINANCING STATEMENTS. Except with respect to Permitted Liens, the Pledgor shall not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Agent or the other Secured Parties are not named as the only secured parties.

Section 3.02. PRESERVATION OF EXISTENCE AND FRANCHISES, SCOPE OF BUSINESS, COMPLIANCE WITH LAW, PRESERVATION OF ENFORCEABILITY. The Pledgor shall (a) preserve and maintain its corporate existence and all of its other franchises, licenses, rights and privileges, (b) comply with all Applicable Law and (c) take all action and obtain all consents and Government Approvals required so that its obligations under the Collateral Documents will at all times be legal, valid and binding and enforceable in accordance with their respective terms.

Section 3.03. OWNERSHIP AND DEFENSE OF COLLATERAL. The Pledgor shall at all times (a) be the owner of the Collateral free from any right, title or interest of any third Person (other than the Senior Security Interest) and (b) defend the Collateral against the claims and demands of all third Persons (other than claims and demands of the Senior Secured Parties with respect to their Senior Security Interest).

Section 3.04. TAXES; COMPLIANCE. The Pledgor shall (a) pay or cause to be paid when due all taxes, assessments and governmental charges levied or assessed or imposed upon or with respect to the Collateral or its sale or other disposition and (b) comply with all Applicable Law relating to the Collateral.

Section 3.05. NOTICE OF MATERIALLY ADVERSE EFFECT. The Pledgor shall give prompt notice to the Agent and each other Secured Party of any matter or event that has

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had, or may have, a Materially Adverse Effect upon the value of any of the Collateral.

Section 3.06. REQUESTED INFORMATION. In addition to such other Information as shall be specifically provided for herein, the Pledgor shall furnish to the Agent and each other Secured Party such other Information with respect to the Collateral as the Agent or any other Secured Party may request from time to time, in each case in form and substance and certified in a

manner satisfactory to the Person requesting such Information.

B. SECURITIES.

Section 3.07. STATUS OF SECURITIES. The Pledgor represents and warrants that (i) so long as any Securities or any Collateral described in clauses (ii) or (iii) of the definition thereof are subject to the Security Interest, the Securities and any Collateral described in clauses (ii) and (iii) of the definition thereof shall be duly authorized, validly issued, fully paid and non-assessable and (ii) as of the Agreement Date, the Securities consist of 20,000,000 shares of common stock, par value \$0.01 per share, of the Issuer, representing 72% of the issued and outstanding shares of common stock of the Issuer.

Section 3.08. CERTAIN RIGHTS OF AGENT AND PLEDGOR. (a) After the occurrence and during the continuance of an Event of Default, the Agent may, and is hereby authorized to, transfer into or register in its name or the name of its nominee any or all of the Securities which are Priority Collateral and any Collateral described in clauses (ii) and (iii) of the definition thereof which is Priority Collateral. The Pledgor shall promptly give the Agent and each other Secured Party copies of all notices and other communications received by the Pledgor with respect to any Securities and any Collateral described in clauses (ii) and (iii) of the definition thereof registered in the name of the Pledgor.

(b) After the occurrence and during the continuance of an Event of Default, the Agent, after a notice to the Pledgor that it intends to exercise its rights under this Section 3.08(b), may, from time to time, by notice to the Pledgor, in its own or the Pledgor's name, exercise any and all rights, powers and privileges with respect to the Priority Collateral and with the same force and effect, as could the Pledgor.

(c) Except with respect to Priority Collateral with respect to which the Agent has exercised its rights under Section 3.08(b), the Pledgor may, with respect to any of the Securities and any Collateral described in clauses

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(ii) and (iii) of the definition thereof, if the Pledgor shall have given the Agent and each other Secured Party not less than five Business Days' written notice thereof, vote and give consents, ratification and waivers with respect thereto, except to the extent that any such would (A) be for a purpose that would constitute or result in a Default or (B) in the sole judgment of the Majority of the Banks, detract from the value thereof as Collateral. Each such request from the Pledgor shall constitute a Representation and Warranty by the Pledgor hereunder that no Default exists or would result therefrom.

Section 3.09. DISTRIBUTIONS. (a) The Agent, on behalf of itself and the other Secured Parties, shall be entitled to receive and retain all

Distributions on or with respect to Priority Collateral, except that the Pledgor may, unless an Event of Default is continuing, receive and retain all Ordinary Distributions. Unless an Event of Default is continuing, the Agent, on behalf of itself and the other Secured Parties, upon request, shall deliver to the Pledgor all Ordinary Distributions received by it. Each such request shall constitute a Representation and Warranty by the Pledgor that no Event of Default is continuing.

(b) The Pledgor shall (i) receive and hold in trust for the Agent, on behalf of the Agent and the other Secured Parties, (A) all Extraordinary Distributions on or with respect to Priority Collateral, (B) upon the occurrence and during the continuation of an Event of Default, all Ordinary Distributions on or with respect to Priority Collateral, and (C) all other Collateral described in clauses (ii) and (iii) of the definition thereof which is Priority Collateral, (ii) not commingle any Collateral described in clauses (ii) and (iii) of the definition thereof which is Priority Collateral and that it is required to hold in trust with any of its other funds or property and (iii) immediately deliver to the Agent, on behalf of the Agent and the other Secured Parties, all Collateral described in clauses (ii) and (iii) of the definition thereof which is Priority Collateral and that it is required to hold in trust in the identical form received with any necessary endorsements or with appropriate stock or bond powers duly executed in blank.

Section 3.10. NO AMENDMENTS ETC. OF SECURITIES. Subject to Section 3.08(c), the Pledgor shall not vote in favor of or consent to any modification of or amendment to the certificate or incorporation or by-laws of the Issuer that would affect the rights or obligations of holders of the Issuer's common stock.

ARTICLE 4

EVENT OF DEFAULT

During an Event of Default, and in each such case:

A. PROCEEDS

Section 4.01. APPLICATION OF PROCEEDS. (a) All cash proceeds received by the Agent upon any sale of, collection of, or other realization upon, all or any part of the Priority Collateral and all cash held by the Agent as Priority Collateral shall, subject to the Agents right to continue to hold the same as cash Priority Collateral, be applied as follows:

First: To the payment of all out-of-pocket costs and expenses incurred in connection with the sale of or other realization upon the Priority Collateral, including attorneys' fees and disbursements;

Second: To the payment of the Secured Obligations owing to the Agent

in its capacity as Agent (but not in its capacity as a Secured Party) pursuant to Section 5.11(b) in such order as the Agent may elect (with the Pledgor remaining liable for any deficiency);

Third: To the payment of the other Secured Obligations in such order as the Majority of the Banks may elect (with the Pledgor remaining liable for any deficiency); and

Fourth: To the extent of the balance (if any) of such proceeds, to the payment to the Pledgor, subject to Applicable Law and to any duty to pay such balance to the holder of any subordinate Lien in the Priority Collateral.

(b) All Subordinate Collateral held by the Agent, all Distributions on or with respect to Subordinate Collateral received by the Agent, and all proceeds, cash or otherwise, received by the Agent upon any sale of, collection of, or other realization upon, all or any part of the Subordinate Collateral shall be immediately paid or delivered, as the case may be, to the 1994 Agent for the payment of the Senior Secured Obligations owing to the Senior Secured Parties.

B. REMEDIES

Section 4.02. GENERAL. (a) POWER OF SALE. The Agent, on behalf of itself and the other Secured Parties (i) may sell the Priority Collateral in one or more public or

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private sales, at any of its offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as it may deem commercially reasonable, (ii) shall not be obligated to make any sale of Collateral regardless of notice of sale having been given, and (iii) may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) FORECLOSURE. The Agent, on behalf of itself and the other Secured Parties, instead of exercising the power of sale conferred upon it by Section 4.02(a) and Applicable Law, may proceed by a suit or suits at law or in equity to foreclose the Security interest in and solely with respect to the Priority Collateral and sell the Priority Collateral, or any portion thereof, under a judgment or a decree of a court or courts of competent jurisdiction.

Section 4.03. (a) AGENT'S RIGHTS WITH RESPECT TO PROCEEDS AND OTHER COLLATERAL. All payments and other deliveries received by or for the account of the Agent, on behalf of itself and the other Secured Parties, from time to time pursuant to Section 3.09, together with the proceeds of all other Priority Collateral from time to time held by or for the account of the Agent on behalf of itself and the other Secured Parties (whether as a result of the

exercise by the Agent of its rights under Section 4.02(a) or (b) or Section 4.04 or otherwise) may, at the election of the Agent, (i) be held by the Agent or any Person designated by the Agent to receive or hold the same, in either case on behalf of the Agent and the other Secured Parties, as Priority Collateral, (ii) be or continue to be applied as provided in Section 4.01(a) or (iii) be disposed of as provided in Section 4.02(a) and (b) and Section 4.04.

(b) ENFORCEMENT BY AGENT. The Agent, on behalf of itself and the other Secured Parties, may, without notice to the Pledgor and at such time or times as the Agent in its sole discretion may determine, exercise any or all of the Pledgor's rights in, to and under, or in any way connected with or related to, any or all of the Priority Collateral, including (i) demanding and enforcing payment and performance of, and exercising any or all of the Pledgor's rights and remedies with respect to the collection, enforcement or prosecution of, any or all of the Collateral Obligations which relate to any Priority Collateral, in each case by legal proceedings or otherwise, (ii) settling, adjusting, compromising, extending, renewing, discharging and releasing any or all of, and any legal proceedings brought to collect or enforce any or all of, the Collateral Obligations which relate to any Priority Collateral, and (iii) preparing, filing and signing the name of the Pledgor

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on (A) any proof of claim or similar document to be filed in any bankruptcy or similar proceeding involving any Collateral Obligation which relates to any Priority Collateral and (B) any notice of lien, assignment or satisfaction of lien, or similar document in connection with any Collateral Obligation which relates to any Priority Collateral.

(c) ADJUSTMENTS. The Agent, on behalf of itself and the other Secured Parties, may settle or adjust disputes and claims involving Collateral Obligations which relate to any Priority Collateral for amounts and on terms that the Agent considers advisable and in all such cases only the net amounts received by the Agent in payment of such amounts, after deduction of out-of-pocket costs and expenses of collection, including reasonable attorneys' fees, shall be subject to the other provisions of this Agreement.

Section 4.04. DISPOSITION OF SECURITIES. (d) REGISTRATION AND INDEMNIFICATION. If the Agent, on behalf of itself and the other Secured Parties, elects to sell or otherwise dispose of any Securities which are Priority Collateral, the Pledgor shall, if the Agent deems such registration to be desirable, (i) take all actions that the Agent may, request in order to permit it to exercise, on behalf of itself and the other Secured Parties, the rights assigned to the Secured Parties under the Subordinate Assignment and Assumption Agreement, including complying with the "blue sky" or securities laws of the several States and delivering to the Agent appropriate quantities of prospectuses, necessary or appropriate so as to permit the public sale or other

disposition thereof by the Agent, on behalf of itself and the other Secured Parties, in such jurisdictions as the Agent may select, and (ii) indemnify, in the form then customary, all Persons that are underwriters (whether statutory or otherwise) and all Affiliates of all such Persons, in connection with such sale or disposition, such indemnity, to the extent applicable to the Principals, to be in addition to and supplementary of (and not to be construed as being in derogation of) that afforded the Principals under Section 5.11 and any indemnity afforded the Principals under the Credit Agreement.

(e) RESTRICTED OFFERING DISPOSITIONS. Whether or not the Pledgor controls the Issuer or otherwise has the right to effect the registrations and compliances referred to in Section 4.04(a) and as an alternative to its rights thereunder, in connection with any sale of any of the Securities which are Priority Collateral, the Agent, on behalf of itself and the other Secured Parties, may at its election, comply with any limitation or restriction (including any restriction on the number of prospective bidders and purchasers or any requirement that they have

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certain qualifications or that they represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Securities) as it may be advised by counsel is necessary in order to avoid any violation of Applicable Law or to obtain any Governmental Approval, and such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall any Principal be liable nor accountable to the Pledgor for any discount allowed by reason of the fact that such Securities are sold in compliance with any such limitation or restriction.

ARTICLE 5

MISCELLANEOUS

Section 5.01. EXPENSES OF PLEDGOR'S AGREEMENTS AND DUTIES. The terms, conditions, covenants and agreements to be observed or performed by the Pledgor under the Collateral Documents shall be observed or performed by it at its sole cost and expense.

Section 5.02. AGENT'S RIGHT TO PERFORM ON PLEDGOR'S BEHALF. If the Pledgor shall fail to observe or perform any of the terms, conditions, covenants and agreements to be observed or performed by it under the Collateral Documents, the Agent, on behalf of itself and the other Secured Parties may (but shall not be obligated to), pursuant to Section 5.08, do the same or cause it to be done or performed or observed, either in its name, or in the name and on behalf of the Pledgor, and the Pledgor hereby authorizes the Agent so to do.

Section 5.03. AGENT'S RIGHT TO USE AGENTS AND TO ACT IN NAME OF PLEDGOR. The Agent may exercise its rights and remedies and the rights and remedies of the other Secured Parties under the Collateral Documents through an

agent or other designee and, in the exercise thereof, the Agent or any such other Person may act in its own name or in the name and on behalf of the Pledgor.

Section 5.04. NO INTERFERENCE; COMPENSATION OR EXPENSE. The Agent may exercise its rights and remedies and the rights and remedies of the other Secured Parties under any of the Collateral Documents (a) without resistance or interference by the Pledgor, (b) without payment of any kind to the Pledgor (except to the extent provided in clause "Fourth" of Section 4.01) and (c) for the account, and at the expense, of the Pledgor.

Section 5.05. LIMITATION OF OBLIGATIONS WITH RESPECT TO COLLATERAL.
(a) Neither the Agent nor any other

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Secured Party shall have any obligation to protect or preserve any Collateral or to preserve rights pertaining thereto other than the obligation to use reasonable care in the custody and preservation of any Collateral in their actual possession. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Agent accords its own property. The Agent shall be relieved of all responsibility for any Collateral in its possession upon surrendering it, or tendering surrender of it, to the Pledgor.

(b) Nothing contained in the Collateral Documents shall be construed as requiring or obligating the Agent or any other Secured Party, and neither the Agent nor any other Secured Party shall be required or obligated, to (i) make any demand, or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or notice or take any action, with respect to any Collateral Obligation or any other Collateral or the monies due or to become due thereunder or in connection therewith, (ii) ascertain or take action with respect to calls, conversions, exchanges, maturities, tenders, offers or other matters relating to any Collateral, whether or not the Agent or any other Secured Party has or is deemed to have knowledge or notice thereof, (iii) take any necessary steps to preserve rights against any prior parties with respect to any Collateral or (iv) notify the Pledgor of any decline in the value of any Collateral.

Section 5.06. RIGHTS OF AGENT UNDER UNIFORM COMMERCIAL CODE AND APPLICABLE LAW. The Agent, on behalf of itself and the other Secured Parties, shall, except as provided to the contrary herein, have, with respect to the Collateral, in addition to all of its rights and remedies under the Loan Documents, (a) the rights and remedies of a secured party under the Uniform Commercial Code, whether or not the Uniform Commercial Code would otherwise apply to the Collateral in question, and (b) the rights and remedies of a secured party under all other Applicable Law.

Section 5.07. WAIVERS OF RIGHTS INHIBITING ENFORCEMENT. The Pledgor

waives (a) any claim that, as to any part of the Collateral, a public sale, should the Agent elect so to proceed, is, in and of itself, not a commercially reasonable method of sale for such Collateral, (b) the right to assert in any action or proceeding among it and the Agent or any other Secured Party any offsets or counterclaims that it may have, (c) except as otherwise provided in any of the Collateral Documents, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE OR JUDICIAL HEARING IN CONNECTION WITH THE AGENT'S TAKING POSSESSION OR DISPOSITION

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OF ANY OF THE COLLATERAL INCLUDING ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT THAT THE PLEDGOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, AND ALL OTHER REQUIREMENTS AS TO THE TIME, PLACE AND TERMS OF SALE OR OTHER REQUIREMENTS WITH RESPECT TO THE ENFORCEMENT OF THE RIGHTS OF THE AGENT AND THE OTHER SECURED PARTIES HEREUNDER, (d) all rights of redemption, appraisement, valuation, stay and extension or moratorium and (e) all other rights the exercise of which would, directly or indirectly, prevent, delay or inhibit the enforcement of any of the rights or remedies under the Loan Documents or the absolute sale of the Collateral, now or hereafter in force under any Applicable Law, and the Pledgor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waive the benefit of all such laws and rights.

Section 5.08. POWER OF ATTORNEY. (a) In addition to the other powers granted the Agent or the other Secured Parties by the Pledgor under the Collateral Documents, the Pledgor hereby appoints the Agent, and any other Person that the Agent may designate, as the Pledgor's attorney-in-fact to act, in the name, place and stead of the Pledgor in any way in which the Pledgor itself could do, with respect to each of the following: (i) endorsing the Pledgor's name on (A) any checks, notes, acceptances, money orders, drafts or other forms of payment, (B) any documents, instruments, notices, or other documents or agreements relating to the Priority Collateral, (C) any schedules and assignments of Collateral Obligations which relate to Priority Collateral and (D) any notices of assignment, financing statements and other public records; (ii) taking any actions or exercising any rights, powers or privileges that the Pledgor is entitled to take or exercise and that, under the terms of any of the Collateral Documents, the Agent or any other Secured Party is authorized to take or exercise; (iii) doing or causing to be done any or all things necessary or, in the determination of the Agent, desirable to observe or perform the terms, conditions, covenants and agreements to be observed or performed by the Pledgor under the Collateral Documents and otherwise to carry out the provisions of the Collateral Documents; and (iv) during an Event of Default, notifying the post office authorities to change the address for delivery of the Pledgor's mail to an address designated by the Agent, and receiving, opening and disposing of all mail addressed to the Pledgor (with all mail not constituting, evidencing or relating to the Priority Collateral to be forwarded by the Agent to the Pledgor). The Pledgor hereby ratifies and approves all acts of the attorney.

(b) To induce any third Person to act under this Section 5.08, the Pledgor hereby agrees that any third Person receiving a duly executed copy or facsimile of this Agreement may act under this Section 5.08, and that the termination of this Section 5.08 shall be ineffective as to such third Person unless and until actual notice or knowledge of such termination shall have been received by such third Person, and the Pledgor, on behalf of itself and its successors and assigns, hereby agrees to indemnify and hold harmless any such third Person from and against any and all claims that may arise against such third Person by reason of such third Person having relied on the provisions of this Section 5.08.

Section 5.09. TERMINATION OF SECURITY INTEREST. The Security Interest and all of the Pledgor's obligations under Articles 1, 3 and 4 shall terminate upon (a) the occurrence of the Repayment Date and (b) (i) the execution and delivery to the Agent of a release, in form and substance satisfactory to it, of all Loan Document Related Claims that the Pledgor may have against the Indemnified Persons under the facts existing at such time, whether or not known or knowable, and (ii) the discharge, dismissal with prejudice, settlement, release or other termination of any other Loan Document Related Claims that may be pending or threatened against the Indemnified Persons.

Section 5.10. NOTICES AND DELIVERIES. (a) NOTICES AND MATERIALS OTHER THAN COLLATERAL. Except as provided in Section 5.10(b):

(i) MANNER OF DELIVERY. All notices, communications and materials (including all Information) to be given or delivered pursuant to the Collateral Documents shall be given or delivered in writing (which shall include telex or telecopy transmissions).

(ii) ADDRESSES. All notices, communications and materials to be given or delivered pursuant to the Collateral Documents shall be given or delivered at the following respective addresses and telex, telecopier and telephone numbers and to the attention of the following individuals or departments:

(A) IF to the Pledgor, to it at:

87 Avenue de la Grande Armee
75782 Paris
Cedex 16
France
Telex No.: 645188 SESOS
Telecopier No.: 011-33-1-4501-7028

Telephone No.: 011-33-1-4066-1111

Attention: Bernard Laferriere

- (B) if to the Agent or any other Secured Party, to it at the notice address for the Agent or such other Secured Party in the Credit Agreement; or at such other address or telex, telecopier or telephone number or to the attention of such other individual or department as the party to which such information pertains may hereafter specify for the purpose in a notice specifically captioned "Notice of Change of Address" given to (x) if the party to which such information pertains is the Pledgor, the Agent and each other Secured Party, (y) if the party to which such information pertains is a Secured Party other than the Agent, the Pledgor and the Agent and (2) if the party to which such information pertains is the Agent, the Pledgor and each Secured Party other than the Agent.

(iii) EFFECTIVENESS. Each notice, communication and any material to be given or delivered pursuant to the Collateral Documents shall be deemed given or delivered (A) if sent by registered or certified mail, postage prepaid, return receipt requested, on the third Business Day after such notice, communication or material, addressed as above provided, is delivered to a United States post office and a receipt therefore is issued thereby, (B) if sent by any other means of physical delivery, when such notice, communication or material is delivered to the appropriate address as above provided, (C) if sent by telex, when such notice, communication or material is transmitted to the appropriate number determined as above provided in this Section 5.10(a) and the appropriate answer-back is received and (D) if sent by telecopier, when such notice, communication or material is transmitted to the appropriate telecopier number as above provided and is received at such number, except that (x) notices of a change of address, telex, telecopier or telephone number or individual or department to whose attention notices, communications and materials are to be given or delivered shall not be deemed given until received and (y) notices, communications and materials to be given or delivered to the Agent pursuant to the Collateral Documents shall not be deemed given or delivered until received by the officers of the Agent responsible, at the time, for the administration of the Collateral Documents.

(iv) REASONABLE NOTICE. Any requirement under Applicable Law of reasonable notice by the Agent or the other Secured Parties to the Pledgor of any event in connection with, or in any way related to, the Loan Documents or the exercise by the Agent or the other Secured Parties of any of their rights thereunder shall be met if notice of such event is given to

the Pledgor in the manner prescribed above at least 10 days before (A) the date of such event or (B) the date after which such event will occur.

(b) COLLATERAL. Until the Agent shall otherwise specify, all Priority Collateral to be delivered to the Agent or to the Collateral Agent pursuant to the Collateral Documents consisting of securities shall be delivered by hand delivery at (x), in the case of the Agent, the Agent's Office, and (y), in the case of the Collateral Agent, the office set forth in the Notice to Collateral Agent in the form of Exhibit 1 to SCHEDULE 1.03 hereto. All other Priority Collateral to be delivered to the Agent or to Collateral Agent pursuant to the Collateral Documents shall be delivered to the Agent or to the Collateral Agent, as the case may be, at such addresses, by such means and in such manner as the Agent may designate.

Section 5.11. EXPENSES; INDEMNIFICATION. Whether or not any Loans are made under the Credit Agreement, the Pledgor shall:

(a) pay or reimburse each Secured Party for all transfer, documentary, stamp and similar taxes, and all recording and filing fees and taxes, payable in connection with, arising out of, or in any way related to, the execution, delivery and performance of the Collateral Documents;

(b) pay or reimburse the Agent for all reasonable out-of-pocket costs and expenses (including fees and disbursements of legal counsel, appraisers, accountants and other experts employed or retained by the Agent) incurred by the Agent in connection with, arising out of, or in any way related to (i) the negotiation, preparation, execution and delivery of (A) the Collateral Documents and (B) whether or not executed, any waiver, amendment or consent thereunder or thereto, (ii) the administration of and any operations under the Collateral Documents, (iii) consulting with respect to any matter in any way arising out of, related to, or connected with, the Collateral Documents, including (A) the protection or preservation of the Collateral, (B) the protection, preservation, exercise or enforcement of any of the rights of the Secured Parties in, under or related to the Collateral or the Collateral Documents or (C) the performance of any of the obligations of the Secured Parties

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under or related to the Collateral Documents, (iv) protecting or preserving the Collateral or (v) protecting, preserving, exercising or enforcing any of the rights of the Secured Parties in, under or related to the Collateral or the Collateral Documents, including defending the Security Interest as a valid, perfected security interest in the Collateral subject only to Permitted Liens;

(c) pay or reimburse each Secured Party (other than Societe Generale in its capacity as Agent) for all reasonable out-of-pocket costs and expenses (including fees and disbursements of legal counsel and other experts employed or retained by such Secured Party (other than Societe Generale in its capacity as Agent)) incurred by such Secured Party (other than Societe Generale in its

capacity as Agent) in connection with, arising out of, or in any way related to (i) consulting with respect to (A) the protection, preservation, exercise or enforcement of any of its rights in, under or related to the Collateral or the Collateral Documents or (B) the performance of any of its obligations under or related to the Collateral Documents or (ii) protecting, preserving, exercising or enforcing any of its rights in, under or related to the Collateral or the Collateral Documents; and

(d) indemnify and hold each Principal harmless from and against all losses (including judgments, penalties and fines) suffered, and pay or reimburse each Principal for all reasonable out-of-pocket costs and expenses (including fees and disbursements of legal counsel and other experts employed or retained by such Principal) incurred, by such Principal in connection with, arising out of, or in any way related to (i) any Collateral Document Related Claim (whether asserted by such Principal or the Pledgor or any other Person), including the prosecution or defense thereof and any litigation or proceeding with respect thereto (whether or not, in the case of any such litigation or proceeding, such Principal is a party thereto), or (ii) any investigation, governmental or otherwise, arising out of, related to, or in any way connected with, the Collateral Documents or the relationship established thereunder which would not have arisen if the Collateral Documents had not been entered into, except that the foregoing indemnity shall not be applicable to any loss suffered by any Principal to the extent such loss is determined by a judgment of a court that is binding on the Pledgor and such Principal, as applicable, final and not subject to review on appeal, to be the result of acts or omissions on the part of such Principal constituting (x) willful misconduct, (y) knowing violations of law or (z) in the case of claims by the Pledgor against such Principal, such Person's failure to observe any other standard applicable to it under any of the

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other provisions of the Collateral Documents or, but only to the extent not waivable thereunder, Applicable Law.

Section 5.12. AMOUNTS PAYABLE DUE UPON REQUEST FOR PAYMENT. All amounts payable by the Pledgor under Section 5.11 and under the other provisions of the Collateral Documents shall be immediately due upon request for the payment thereof.

Section 5.13. INTEREST. All amounts due and payable under the Collateral Documents shall, to the maximum extent permitted by Applicable Law, bear interest at a rate per annum equal to the rate specified in the Credit Agreement with respect to the Loans thereunder. Notwithstanding the foregoing, nothing contained in the Collateral Documents shall require the Pledgor at any time to pay interest at a rate exceeding the Maximum Permissible Rate. If interest payable by the Pledgor on any date would exceed the maximum amount permitted by the Maximum Permissible Rate, such interest payment shall automatically be reduced to such maximum permitted amount, and interest for any subsequent period, to the extent less than the maximum amount permitted for such period by the Maximum Permissible Rate, shall be increased by the unpaid amount

of such reduction. Interest shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed. Interest for any period shall be calculated from and including the first day thereof to but excluding the last day thereof.

Section 5.14. PAYMENTS BY THE PLEDGOR. (a) TIME, PLACE AND MANNER. All payments due to the Agent under the Collateral Documents shall be made to the Agent, or to such other Person as the Agent may designate, at the Agent's Office or such other address as the Agent may designate. All payments due to any other Principal under the Collateral Documents shall be made to such Principal, or to such other Person as such Principal may designate, at such address as such Principal may designate. A payment shall not be deemed to have been made on any day unless such payment has been received by the required Person, at the required place of payment, in Dollars in funds immediately available to such Person, no later than 12:00 noon (New York time) on such day.

(b) NO REDUCTIONS. All payments due to any Principal under the Collateral Documents, and all other terms, conditions, covenants and agreements to be observed and performed by the Pledgor thereunder, shall be made, observed or performed by the Pledgor without any reduction or deduction whatsoever, including any reduction or deduction for any set-off, recoupment, counterclaim (whether, in any case, in respect of an obligation owed by

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such Principal to the Pledgor, the Borrower or any guarantor and, in the case of a counterclaim, whether sounding in tort, contract or otherwise) or Tax, except for any withholding or deduction for Taxes required to be withheld or deducted under Applicable Law.

(c) TAXES. (i) If any Tax is required to be withheld or deducted from, or is otherwise payable by the Pledgor in connection with, any payment to any Principal under the Collateral Documents, the Pledgor (A) shall, if required, withhold or deduct the amount of such Tax from such payment and, in any case, pay such Tax to the appropriate taxing authority in accordance with Applicable Law and (B) shall pay to such Principal such additional amounts as may be necessary so that the net amount received by such Principal with respect to such payment, after withholding or deducting all Taxes required to be withheld or deducted, is equal to the full amount payable under the Collateral Documents. If any Tax is withheld or deducted from, or is otherwise payable by the Pledgor in connection with, any payment payable to any Principal under the Collateral Documents, the Pledgor shall, as soon as possible after the date of such payment, furnish to such Principal the original or a certified copy of a receipt for such Tax from the applicable taxing authority. If any payment due to any Principal under the Collateral Documents is or is expected to be made without withholding or deducting therefrom, or otherwise paying in connection therewith, any Tax payable to any taxing authority, the Pledgor shall, within 30 days after any request from any Principal, furnish to such Principal a certificate from such taxing authority, or an opinion of counsel acceptable to such Principal, in either case stating that no Tax payable to such taxing

authority was or is, as the case may be, required to be withheld or deducted from, or otherwise paid by the Pledgor in connection with, such payment.

(ii) The Pledgor shall, promptly upon request by any Principal for the payment thereof, pay to such Principal (A) all Taxes (other than Bank Taxes) payable by such Principal with respect to any payment due to such Principal under the Collateral Documents and (B) all Taxes (including Bank Taxes) payable by such Principal as a result of payments made by the Pledgor (whether made to a taxing authority or to such Principal but, in either case, without duplication) pursuant to Section 5.14(c) (i) or (ii).

(iii) (A) Each Secured Party that is not a "United States person" (as such term is defined in Section 7701(a) (30) of the Code) shall submit to the Pledgor (1) on or before the first date that interest or fees are payable to it under the Collateral Documents, (2) two duly completed and signed copies of Internal Revenue Service Form 1001 or

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4224 or any successor form, in each case entitling such Secured Party to a complete exemption from withholding of any United States federal income taxes on all amounts to be received by such Secured Party under the Collateral Documents, and (bb) a duly completed and signed copy of Internal Revenue Service Form W-8 or W-9 or any successor form, in each case entitling such Secured Party to a complete exemption from United States backup withholding tax on all amounts to be received by such Secured Party under the Collateral Documents, and (2) from time to time thereafter, prior to the expiration or obsolescence of any previously delivered form or upon any previously delivered form becoming inaccurate or inapplicable, such further duly completed and signed copies of such form or such other forms or certificates, in each case entitling such Secured Party to exemption from withholding of United States federal income taxes and from United States backup withholding tax to the maximum extent to which such Secured Party is then entitled under Applicable Law. Each Secured Party shall promptly notify the Pledgor if (1) it is required to withdraw or cancel any form or certificate previously submitted by it or any such form or certificate has otherwise become ineffective or inaccurate or (2) payments to it are or will be subject to withholding of United States federal income taxes or United States backup withholding tax to a greater extent than the extent to which payments to it were previously subject. Upon the request of the Pledgor or the Agent, each Secured Party that is a United States person (as defined above) shall from time to time submit to the Pledgor and the Agent a certificate to the effect that it is such a United States person.

(B) Notwithstanding anything to the contrary contained herein, the Pledgor shall not be required to pay any additional amount in respect of withholding of United States income taxes or United States backup withholding tax pursuant to Section 5.14(c) (i) or (ii) to any Principal (1) except to the extent United States federal income taxes or United States backup withholding tax, as the case may be, is required to be withheld as a result of a Regulatory

Change or (2) to the extent such withholding is required because such Principal has failed to submit any form or certificate that it is entitled to so submit under Applicable Law.

(d) AUTHORIZATION TO CHARGE BANK ACCOUNTS. The Pledgor hereby authorizes each Secured Party, if and to the extent any amount payable by the Pledgor under the Collateral Documents (whether payable to such Secured Party or to any other Secured Party) is not otherwise paid when due, to charge such amount against any or all of the Bank Accounts of the Pledgor with such Secured Party or any of its Affiliates, with the Pledgor remaining liable for any deficiency.

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(e) EXTENSION OF PAYMENT DATES. Whenever any payment to any Principal under the Collateral Documents would otherwise be due (except by reason of acceleration) on a day that is not a Business Day, such payment shall instead be due on the next succeeding Business Day. If the date any payment under the Collateral Documents is due is extended (whether by operation of any Collateral Document, Applicable Law or otherwise), such payment shall bear interest for such extended time at the rate of interest applicable hereunder.

Section 5.15. REMEDIES OF THE ESSENCE. The various rights and remedies of the Secured Parties under the Collateral Documents are of the essence of those agreements, and the Secured Parties shall be entitled to obtain a decree requiring specific performance of each such right and remedy.

Section 5.16 RIGHTS CUMULATIVE. Each of the rights and remedies of the Secured Parties under the Loan Documents shall be in addition to all of their other rights and remedies under the Loan Documents and Applicable Law, and nothing in the Loan Documents shall be construed as limiting any such rights or remedies.

Section 5.17 AMENDMENTS; WAIVERS. Any term, covenant, agreement or condition of the Collateral Documents may be amended, and any right under the Collateral Documents may be waived, if, but only if, such amendment or waiver is in writing and is signed by the Agent and, in the case of an amendment, by the Pledgor. No consent of any other Secured Party is necessary in connection with any such amendment or waiver made pursuant to the provisions of the Credit Agreement in connection with an event or circumstance contemplated by the Credit Agreement. Unless otherwise specified in such waiver, a waiver of any right under the Collateral Documents shall be effective only in the specific instance and for the specific purpose for which given. No election not to exercise, failure to exercise or delay in exercising any right, nor any course of dealing or performance, shall operate as a waiver of any right of the Secured Parties under the Collateral Documents or Applicable Law, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right of the Secured Parties under the Collateral Documents or Applicable Law.

Section 5.18 ASSIGNMENTS AND PARTICIPATIONS. (a) ASSIGNMENTS. (i) The Pledgor may not assign any of its rights or obligations under the Collateral Documents without the prior written consent of the Majority of the Banks, and no assignment of any such obligation shall release the Pledgor therefrom unless the Majority of the Banks shall have consented to such release in a writing specifically

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referring to the obligation from which the Pledgor is to be released.

(ii) Each Secured Party may, in connection with any assignment permitted under the Credit Agreement to any Person of any or all of the Secured Obligations owing to it, assign to such Person any or all of its rights and obligations under the Collateral Documents and with respect to the Collateral without any consent of the Pledgor, the Agent or any other Secured Party, other than one required by any of the other Loan Documents. Upon such assignment, such Person shall be deemed to be a Secured Party with the same rights and obligations as if it had been a party to this Agreement. Any such assignment of any such obligation shall release such Secured Party from any obligations that arise after such assignment.

(b) PARTICIPATIONS. Each Secured Party may, in connection with any grant to any Person pursuant to the Credit Agreement of a participation in any or all of the Secured Obligations owing to it, grant to such Person a participation in any or all of its rights and obligations under the Collateral Documents and with respect to the Collateral without any consent of the Pledgor, the Agent or any other Secured Party, other than one required by any of the other Loan Documents. Promptly after the grant of any such participation, the Secured Party granting such participation shall notify the Pledgor and the Agent of the name and address of the participant.

(c) RIGHTS OF ASSIGNEES AND PARTICIPANTS. Each assignee of, and each holder of a participation in, the rights of a Secured Party under the Collateral Documents and with respect to the Collateral, if and to the extent the applicable assignment or participation agreement so provides, (i) shall, with respect to its assignment or participation, be entitled to all of the rights of a Secured Party (as fully, in the case of a holder of a participation, as though it were a Secured Party), subject to any conditions imposed on a Secured Party hereunder with respect thereto, including delivery of the forms and certificates required under Section 5.14(c)(iii), and (ii) may exercise any and all rights of set-off or banker's lien with respect thereto (as fully, in the case of a holder of a participation, as though the Pledgor were directly indebted to such holder for amounts payable under the Collateral Documents to which such holder is entitled under the applicable participation agreement); PROVIDED, HOWEVER, that no assignee or holder of a participation shall be entitled to any amounts that would otherwise be payable to it with respect to its assignment or participation under Section 5.14(b) or (c) unless (x) such amounts are payable in respect of Regulatory Changes that are enacted, adopted or

issued after the date the applicable assignment or participation agreement was executed or (y) such amounts would have been payable to the Secured Party that made such assignment or granted such participation if such assignment had not been made or such participation granted.

Section 5.19 RELATIONSHIP AMONG BANKS AND WITH AGENT.

Notwithstanding anything to the contrary contained in this Agreement, the relationship of the Banks among each other and with respect to the Agent shall be governed by Article 9 of the Credit Agreement.

Section 5.20. GOVERNING LAW. The Collateral Documents (other than the Credit Agreement) shall be construed in accordance with and governed by the laws of the State of New York (without giving effect to its choice of law principles).

Section 5.21. JUDICIAL PROCEEDINGS; WAIVER OF JURY TRIAL. Any judicial proceeding brought against the Pledgor, the Agent or any other Secured Party with respect to any Collateral Document Related Claim may be brought in any court of competent jurisdiction in the City of New York, and, by execution and delivery of this Agreement, the Pledgor, the Agent and each other Secured Party (a) accept, generally and unconditionally, the nonexclusive jurisdiction of such courts and any related appellate court and irrevocably agree to be bound by any judgment rendered thereby in connection with any Collateral Document Related Claim and (b) irrevocably waive any objection they may now or hereafter have as to the venue of any such proceeding brought in such a court or that such a court is an inconvenient forum. The Pledgor, the Agent and each other Secured Party hereby waive personal service of process and consent that service of process upon any such Person may be made by certified or registered mail, return receipt requested, at the address for such Person specified or determined in accordance with the provisions of Section 5.10(a)(ii), and service so made shall be deemed completed on the third Business Day after such service is deposited in the mail. Nothing herein shall affect the right of the Pledgor, the Agent or any other Secured Party to serve process in any other manner permitted by law or shall limit the right of the Pledgor, the Agent or any other Secured Party to bring proceedings against the Pledgor, the Agent or any other Secured Party in the courts of any other jurisdiction. THE PLEDGOR, THE AGENT AND EACH OTHER SECURED PARTY HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY COLLATERAL DOCUMENT RELATED CLAIM.

Section 5.22. LIMITATION OF LIABILITY. NONE OF THE AGENT, ANY OTHER SECURED PARTY OR ANY OTHER PRINCIPAL

SHALL HAVE ANY LIABILITY WITH RESPECT TO, AND THE PLEDGOR HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE FOR:

(a) ANY LOSS OR DAMAGE SUSTAINED BY THE PLEDGOR, OR ANY LOSS, DAMAGE, DEPRECIATION OR OTHER DIMINUTION IN THE VALUE OF ANY COLLATERAL, THAT MAY OCCUR AS A RESULT OF, IN CONNECTION WITH, OR THAT IS IN ANY WAY RELATED TO, ANY EXERCISE OF ANY RIGHT OR REMEDY UNDER THE COLLATERAL DOCUMENTS, EXCEPT FOR ANY SUCH LOSS, DAMAGE, DEPRECIATION OR DIMINUTION TO THE EXTENT THAT THE SAME IS DETERMINED BY A JUDGMENT OF A COURT THAT IS BINDING ON THE PLEDGOR AND SUCH PRINCIPAL, FINAL AND NOT SUBJECT TO REVIEW ON APPEAL, TO BE THE RESULT OF ACTS OR OMISSIONS ON THE PART OF SUCH PRINCIPAL CONSTITUTING (x) WILLFUL MISCONDUCT, (y) KNOWING VIOLATIONS OF LAW OR (z) SUCH PERSON'S FAILURE TO OBSERVE ANY OTHER STANDARD APPLICABLE TO IT UNDER ANY OF THE OTHER PROVISIONS OF THE COLLATERAL DOCUMENTS OR, BUT ONLY TO THE EXTENT NOT WAIVABLE THEREUNDER, APPLICABLE LAW; OR

(b) ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES SUFFERED BY THE PLEDGOR IN CONNECTION WITH ANY COLLATERAL DOCUMENT RELATED CLAIM.

Section 5.23. SEVERABILITY OF PROVISIONS. Any provision of the Collateral Documents that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. To the extent permitted by Applicable Law, the Pledgor hereby waives any provision of Applicable Law that renders any provision of the Collateral Documents prohibited or unenforceable in any respect.

Section 5.24. COUNTERPARTS. Each Collateral Document may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument.

Section 5.25 SURVIVAL OF OBLIGATIONS. Except as otherwise expressly provided therein, the rights and obligations of the Pledgor, the Agent, the other Secured Parties and the other Indemnified Persons under the Loan Documents shall survive the Repayment Date and the termination of the Security Interest.

Section 5.26 ENTIRE AGREEMENT. This Agreement embodies the entire agreement among the Pledgor, the Agent and the other Secured Parties relating to the subject matter hereof and supersedes all prior agreements, representations and understandings, if any, relating to the subject matter hereof.

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Section 5.27 SUCCESSORS AND ASSIGNS. All of the provisions of each Collateral Document shall be binding on and inure to the benefit of the Pledgor, the Agent and the other Secured Parties and their respective successors and assigns.

Section 5.28. REASONABLENESS. Whenever the Pledgor, the Agent or any other Secured Party has the right under this Agreement to request, approve, be satisfied or exercise its judgment, it will (unless, in the case of the Agent or the other Secured Parties, an Event of Default has occurred and is continuing) do so reasonably in light of the purpose for which such right is granted.

Section 5.29. INCONSISTENCY. In the event that there should be any inconsistency among the terms of this Agreement and the terms of the Credit Agreement, the terms of the Credit Agreement shall be controlling.

ARTICLE 6

INTERPRETATION

Section 6.01. DEFINITIONAL PROVISIONS. (a) CERTAIN TERMS DEFINED BY REFERENCE. (i) Except where the context clearly indicates a different meaning, all terms defined in Article 1, 8 or 9 of the Uniform Commercial Code, as in effect on the date of this Agreement, are used herein with the meanings therein ascribed to them. In addition, the terms "collateral" and "security interest", when capitalized, have the meanings specified in subsection (b) below and the term "deposit account" includes an account evidenced by a certificate of deposit.

(ii) Except for terms specifically defined in this Agreement, terms defined in the Credit Agreement are used herein with the meanings therein ascribed to them.

(b) OTHER DEFINED TERMS. For purposes of this Agreement:

"AFFILIATE" means, with respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person; unless otherwise specified, "Affiliate" means an Affiliate of the Borrower.

"AGENT" means Societe Generale, as agent for and representative (within the meaning of Section 9-105(m) of the Uniform Commercial Code) of the Banks under the Loan Documents, and any successor Agent appointed pursuant to the Credit Agreement.

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"1994 AGENT" means the Agent as such term is defined the Senior Pledge Agreement.

"AGENT'S OFFICE" means the address of the Agent specified in or determined in accordance with the provisions of Section 5.10(a) (ii).

"AGREEMENT" means this Agreement, including all schedules, annexes and exhibits hereto.

"AGREEMENT DATE" means the date set forth as such on the last signature page hereof.

"APPLICABLE LAW" means, anything herein or in the Credit Agreement to the contrary notwithstanding, (i) all applicable common law and principles of

equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

"BANK" means (i) any bank listed on the signature pages of the Credit Agreement, in its capacity as a lender thereunder, (ii) any Person that becomes a bank party to the Credit Agreement, and (iii) any Person that has been assigned any or all of the rights or obligations of a Bank pursuant to the Credit Agreement.

"BANK ACCOUNT" means (i), a deposit, custody, or other account (whether, in any case, time or demand or interest or noninterest bearing and whether maintained at a branch or office located within or without the United States) of the Pledgor with the Agent, any other Secured Party or any Affiliate of the Agent or any other Secured Party, (ii) all amounts from time to time credited to such account, (iii) all cash, securities, instruments, documents, chattel paper, general intangibles, accounts and other property from time to time credited to such account or representing investments and reinvestment of amounts from time to time credited to such account and (iv) all interest, principal payments, dividends and other distributions payable on or with respect to, and all proceeds of, (A) all property so credited or representing such investments and reinvestment and (B) such account.

"BANK TAX" means any income or franchise tax imposed upon any Bank by any jurisdiction (or political subdivision thereof) in which such Bank (or any of its branches or offices designated by such Bank from time to time as the branch or office at which its Loans are to be made or maintained) is located.

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"BORROWER" means S.A. Louis Dreyfus et Cie, a French corporation.

"BUSINESS DAY" means any day other than a Saturday, Sunday or other day on which banks in New York City and Paris are authorized to close.

"CODE" means the Internal Revenue Code of 1986.

"COLLATERAL" means the Pledgor's interest (WHATEVER IT MAY BE) in each of the following, IN EACH CASE WHETHER NOW OR HEREAFTER EXISTING OR NOW OWNED OR HEREAFTER ACQUIRED BY THE PLEDGOR AND WHETHER OR NOT THE SAME IS NOW CONTEMPLATED, ANTICIPATED OR FORESEEABLE, is subject to Article 8 or 9 of the Uniform Commercial Code or constitutes Collateral by reason of one or more than one of the following clauses:

(i) the Securities and the certificates, if any, representing them;

(ii) all dividends and other Distributions in respect of the Securities, any instruments, securities or other property issued in

substitution therefor or replacement thereof or with respect thereto and any Distributions with respect thereto;

(iii) all other instruments, securities and other property issued with respect to or in exchange for the Securities or any instruments, securities or other property issued in substitution therefor or replacement thereof or with respect thereto (whether, in either case, upon conversion of convertible securities included therein or through stock split, spin-off, reclassification, merger, consolidation, sale of assets, combination of shares or otherwise);

(iv) all rights (contractual and otherwise and whether constituting accounts, contract rights or general intangibles) arising under, connected with or in any way related to the Securities or any Collateral described in clauses (ii) or (iii) of this definition;

(v) all books, records, ledgers, cards, files, correspondence, computer programs, tapes, disks and related data processing software (owned by the Debtor or in which it has an interest) that at any time evidence or contain information relating to any Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon;

(vi) all claims (including the right to sue or otherwise recover on such claims) (A) to items

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referred to in the definition of Collateral and (B) against third parties that in any way arise under or out of or are related to or connected with any or all of the Collateral; and

(vii) all products and proceeds of Collateral in whatever form. The inclusion of "proceeds" of Collateral in the definition of "Collateral" shall not be deemed a consent by the Secured Parties to any sale or other disposition of any Collateral not otherwise specifically permitted by the terms hereof.

"COLLATERAL AGENT" means Citibank, N.A., as the holder of Collateral on behalf of (i) the Senior Secured Parties pursuant to the Senior Pledge Agreement and (ii) the Secured Parties pursuant to this Agreement and to the Notice to Collateral Agent substantially in the form of Exhibit 1 to SCHEDULE 1.03 hereto and executed by the parties thereto on the Agreement Date.

"COLLATERAL DOCUMENT RELATED CLAIM" means any claim (whether civil, criminal or administrative and whether arising under any Applicable Law, or sounding in tort, contract or otherwise) in any way arising out of, related to, or connected with, (i) the Collateral Documents, (ii) the relationships established thereunder, (iii) the exercise of any right or remedy available thereunder or under Applicable Law or (iv) the Collateral, whether such claim arises or is asserted before or after the Agreement Date or before or after the

release of the Security Interest.

"COLLATERAL DOCUMENTS" means (i) this Agreement and (ii) all other agreements, documents and instruments related to, arising out of, or in any way connected with, (A) this Agreement, (B) any other agreement, document or instrument referred to in this clause (ii), or (C) any of the transactions contemplated by this Agreement or any such other agreement, document or instrument, in each case whether now or hereafter executed.

"COLLATERAL OBLIGATION" means a Liability constituting part of the Collateral and includes any such constituting or arising under any Securities or any other Collateral.

"COMMITMENT" of any Bank means (i) the amount set forth opposite the name of such Bank in Article 1.1 of the Credit Agreement as the maximum amount to be lent by such Bank under the Credit Agreement or, in the case of a Bank that becomes a Bank pursuant to an assignment permitted by the Credit Agreement, the amount of the assignor's Commitment assigned to such Bank, in either case as the same may be reduced from time to time pursuant to the Credit

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Agreement or increased or reduced from time to time pursuant to assignments in accordance with the Credit Agreement, or (ii) as the context may require, the obligation of such Bank to make Loans in an aggregate unpaid principal amount not exceeding such amount.

"CONTRACT" means (i) any agreement (whether bi-lateral or unilateral or executory or non-executory and whether a Person entitled to rights thereunder is so entitled directly or as a third-party beneficiary), including an indenture, lease or license, (ii) any deed or other instrument of conveyance, (iii) any certificate of incorporation or charter and (iv) any bylaw.

"CREDIT AGREEMENT" means the Convention de Pret en Devises, dated December 27, 1995, among S.A. Louis Dreyfus et Cie, Societe Generale, as Agent, and the banks listed on the signature pages thereof, as the same may be amended from time to time.

"1994 CREDIT AGREEMENT" means the Convention de Pret en Devises, dated December 23, 1994, among S.A. Louis Dreyfus et Cie, Societe Generale, as Agent, and the banks listed on the signature pages thereof, as the same may be amended from time to time.

"DEFAULT" means any condition or event that constitutes an Event of Default or that with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"DISTRIBUTIONS" means Ordinary Distributions and Extraordinary Distributions; "ORDINARY DISTRIBUTIONS" means cash dividends to the extent paid out of retained earnings, and interest paid in cash, in each case with

respect to the Securities or the Collateral described in clauses (ii) or (iii) of the definition thereof, except to the extent that any such dividend is made in connection with partial or total liquidation or a reduction of capital, or any such interest is penalty interest, or, in each case, to the extent the same is not in the ordinary course; and "EXTRAORDINARY DISTRIBUTIONS" means (in each case whether or not in cash) all dividends, interest, principal payments and other distributions (including cash and securities payable in connection with calls, conversions, redemptions and the like) on or in respect of, and all proceeds (including cash and securities receivable in connection with tender or other offers) of, the Securities or the Collateral described in clauses (ii) or (iii) of the definition thereof, other than Ordinary Distributions.

"DOLLARS" and the sign "\$" mean lawful money of the United States of America.

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"EVENT OF DEFAULT" means any of the events specified in the Credit Agreement as an Event of Default, including but not limited to any of the events, circumstances or situations set forth in Article 8 of the Credit Agreement.

"GOVERNMENTAL APPROVAL" means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any governmental unit.

"INDEMNIFIED PERSON" means any Person that is, or at any time was, the Agent, a Bank, an Affiliate of the Agent or a Bank or a director, officer, employee or agent of any such Person.

"INFORMATION" means data, certificates, reports, statements (including financial statements), opinions of counsel, documents and other information.

"ISSUER" means Louis Dreyfus Natural Gas Corp., an Oklahoma corporation.

"LIABILITY" of any Person means (in each case, whether with full or limited recourse) any indebtedness, liability, obligation, covenant or duty of or binding upon, or any term or condition to be observed by or binding upon, such Person or any of its assets, of any kind, nature or description, direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, whether arising under Contract, Applicable Law, or otherwise, whether now existing or hereafter arising, and whether for the payment of money or the performance or non-performance of any act.

"LIEN" means, with respect to any property or asset (or any income or profits therefrom) of any Person (in each case whether the same is consensual or nonconsensual or arises by Contract, operation of law, legal process or otherwise) (i) any mortgage, lien, pledge, attachment, levy or other security interest of any kind thereupon or in respect thereof or (ii) any other arrangement, express or implied, under which the same is subordinated, transferred, sequestered or otherwise identified so as to subject the same to, or make the same available for, the payment or performance of any Liability in priority to the payment of the ordinary, unsecured Liabilities of such Person. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

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"LOAN" means any amount advanced by a Bank pursuant to the Credit Agreement.

"LOAN DOCUMENT RELATED CLAIM" means any claim or dispute (whether arising under Applicable Law, under Contract or otherwise and, in the case of any proceeding relating to any such claim or dispute, whether civil, criminal, administrative or otherwise) in any way arising out of, related to, or connected with, the Loan Documents, the relationships established thereunder or any actions or conduct thereunder or with respect thereto, whether such claim or dispute arises or is asserted before or after the Agreement Date or before or after the Repayment Date.

"LOAN DOCUMENTS" means (i) the Credit Agreement and this Agreement and (ii) all other agreements, documents and instruments relating to, arising out of, or in any way connected with (A) any agreement, document or instrument referred to in clause (i), (B) any other agreement, document or instrument referred to in this clause (ii) or (C) any of the transactions contemplated by any agreement, document or instrument referred to in clause (i) or in this clause (ii), in each case whether now or hereafter executed.

"MAJORITY OF THE BANKS" means, at any time, Banks holding more than 50% of the aggregate principal amount of the Loans outstanding under the Credit Agreement at that time.

"MATERIALLY ADVERSE EFFECT" means, (i) with respect to any Person, any materially adverse effect on such Person's business, assets, Liabilities, financial condition, results of operations or business prospects, (ii) with respect to a group of Persons "taken as a whole", any materially adverse effect on such Persons' business, assets, Liabilities, financial conditions, results of operations or business prospects taken as a whole on, where appropriate, a consolidated basis in accordance with generally accepted

accounting principles, (iii) with respect to any Loan Document, any adverse effect, WHETHER OR NOT MATERIAL, on the binding nature, validity or enforceability thereof as an obligation of the Borrower and (iv) with respect to any Collateral, or any category of Collateral, pledged by the Borrower, a materially adverse effect on its value as Collateral or its utility in the Borrower's business or an adverse effect, WHETHER OR NOT MATERIAL, on the validity, perfection, priority or enforceability of the Security Interest therein.

"MAXIMUM PERMISSIBLE RATE" means, with respect to interest payable on any amount, the rate of interest on such amount that, if exceeded, could, under Applicable Law, result in (i) civil or criminal penalties being imposed on

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the payee or (ii) the payee's being unable to enforce payment of (or, if collected, to retain) all or any part of such amount or the interest payable thereon.

"PERMITTED LIENS" means (i) (A) a Lien consented to in writing by the Agent and (B) a Lien for Taxes not yet due, but only, in the case of a Lien referred to in either clause (A) or (B), if the Agent shall not have requested the discharge thereof, (ii) a Lien created in favor of the Agent and the other Secured Parties under the Collateral Documents and (iii) the Senior Security Interest in the Collateral.

"PERSON" means any individual, sole proprietorship, corporation, partnership, trust, unincorporated organization, mutual company, joint stock company, estate, union, employee organization, government or any agency or political subdivision thereof.

"PLEDGOR means S.A. Louis Dreyfus et Cie, a French corporation.

"PRINCIPALS" means all Persons that are, or at any time were, the Agent, a Bank or any other Indemnified Person.

"PRIORITY COLLATERAL" means (i) Collateral that has been released from the Senior Security Interest either (A) pursuant to the provisions of the Senior Pledge Agreement in connection with actions by the 1994 Agent pursuant to Section 6 of the 1994 Credit Agreement or (B) upon the termination of Senior Security Interest as provided in the Senior Pledge Agreement, and (ii), to the extent not covered by clause (i) above, Collateral and any products or proceeds thereof realized upon the exercise by the 1994 Agent or the Senior Secured Parties of any of its or their rights and remedies (whether upon the occurrence of an Event of Default under the Senior Pledge Agreement or otherwise) with respect to the Collateral pursuant to the Senior Pledge Agreement (the "Realized Collateral") to the extent of the excess, if any, of (A) the value of such Realized Collateral over (B) the sum of all Senior Secured Obligations owing or payable to the Senior Secured Parties under the Senior Pledge Agreement.

"REGULATORY CHANGE" means any Applicable Law, interpretation, directive, request or guideline (whether or not having the force of law), or any change therein or in the administration or enforcement thereof, that becomes effective or is implemented or first required or expected to be complied with after the Agreement Date, whether the same is (i) the result of an enactment by a government or any agency or political subdivision thereof, a determination of a court or regulatory authority, or otherwise or (ii)

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enacted, adopted, issued or proposed before or after the Agreement Date, including any such that imposes, increases or modifies any Tax, reserve requirement, insurance charge, special deposit requirement, assessment or capital adequacy requirement, but excluding any such that imposes, increases or modifies any Bank Tax.

"REPAYMENT DATE" means the later of (i) the final maturity date of the Loans under the Credit Agreement as such date may be amended from time to time, and (ii) the date on which all Loans and all other amounts payable or accrued hereunder are paid in full and no further Loans may be made hereunder.

"REPRESENTATION AND WARRANTY" means each representation or warranty made pursuant to or under (i) Article 2, Article 3 or any other provision of this Agreement, (ii) any of the other Loan Documents or (iii) any amendment to, or waiver of rights under, this Agreement or under any of the other Loan Documents, WHETHER OR NOT, IN THE CASE OF ANY REPRESENTATION OR WARRANTY REFERRED TO IN CLAUSE (i), (ii) OR (iii) OF THIS DEFINITION (EXCEPT, IN EACH CASE, TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED), THE INFORMATION THAT IS THE SUBJECT MATTER THEREOF IS WITHIN THE KNOWLEDGE OF THE PLEDGOR.

"SECURED OBLIGATIONS" means all Liabilities of the Pledgor owing to, or in favor or for the benefit of, or purporting to be owing to, or in favor or for the benefit of, the Principals under the Loan Documents to which the Pledgor is a party, in each case (i) WHETHER NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, and (ii) whether owing to, or in favor or for the benefit of, or purporting to be owing to, or in favor or for the benefit of, Persons that are Principals as of the Agreement Date or that become Principals by reasons of any succession or assignment at any time thereafter.

"SECURED PARTY" means each of Societe Generale, in its capacity as the Agent and in its capacity as a Bank, Banque Nationale de Paris in its capacity as a Bank, and any other Bank, and their respective successors and assigns.

"SECURITIES" means 20,000,000 shares of common stock, par value \$0.01 per share, of the Issuer.

"SECURITY INTEREST" means the mortgages, pledges and assignments to the Secured Parties of, the continuing security interest of the Secured Parties in, and the continuing lien of the Secured Parties upon, the Collateral intended to be effected by the terms of this Agreement or any of the other Loan Documents.

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"SENIOR PLEDGE AGREEMENT" means the Pledge Agreement dated as of December 23, 1994, among the Pledgor and the banks listed on the signature pages thereof.

"SENIOR SECURED OBLIGATIONS" means the Secured Obligations as such term is defined in the Senior Pledge Agreement.

"SENIOR SECURED PARTIES" means the Secured Parties as such term is defined in the Senior Pledge Agreement.

"SENIOR SECURITY INTEREST" means the Security Interest as defined in and provided for by the Senior Pledge Agreement.

"SUBORDINATE ASSIGNMENT AND ASSUMPTION AGREEMENT" means the Subordinate Assignment and Assumption Agreement, dated as of December 27, 1995, among the Borrower and the Secured Parties, consented and agreed to by Louis Dreyfus Natural Gas Corp.

"SUBORDINATE COLLATERAL" means any and all Collateral that is not Priority Collateral.

"SUBSIDIARY" means, with respect to any Person, any other Person (i) securities of which having ordinary voting power to elect a majority of the board of directors (or other persons having similar functions) or (ii) other ownership interests of which ordinarily constituting a majority voting interest, are at the time, directly or indirectly, owned or controlled by such first Person, or by one or more of its Subsidiaries, or by such first Person and one or more of its Subsidiaries; unless otherwise specified, "Subsidiary" means a Subsidiary of the Borrower.

"TAX" means any Federal, State or foreign tax, assessment or other governmental charge or levy (including any withholding tax) upon a Person or upon its assets, revenues, income or profits.

"UNIFORM COMMERCIAL CODE" means the Uniform Commercial Code as in effect from time to time in the State of New York.

Section 6.02. OTHER INTERPRETATIVE PROVISIONS. (a) Except as otherwise specified herein, all references herein (i) to any Person shall be deemed to include such Person's successors and assigns, (ii) to any Applicable

Law defined or referred to herein shall be deemed references to such Applicable Law as the same may have been or may be amended or supplemented from time to time and (iii) to any Loan Document or Contract defined or referred to herein shall be deemed references to such Loan Document or Contract

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(and, in the case of any instrument, any other instrument issued in substitution therefor) as the terms thereof may have been or may be amended, supplemented, waived or otherwise modified from time to time.

(b) When used in this Agreement, the words "herein", "hereof" and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any provision of this Agreement, and the words "Article", "Section", "Schedule" and "Exhibit" shall refer to Articles of, Sections of, and Schedules and Exhibits to, this Agreement unless otherwise specified.

(c) Whenever the context so requires, the neuter gender includes the masculine or feminine, the masculine gender includes the feminine, and the singular number includes the plural, and vice versa.

(d) Any item or list of items set forth following the word "including", "include" or "includes" is set forth only for the purpose of indicating that, regardless of whatever other items are in the category in which such item or items are included", such item or items are in such category, and shall not be construed as indicating that the items in the category in which such item or items are included" are limited to such items or to items similar to such items.

(e) Each power of attorney, license and other authorization in favor of the Agent, the other Secured Parties or any other Person granted by or pursuant to this Agreement shall be deemed to be irrevocable and coupled with an interest.

(f) Except as otherwise indicated, any reference herein to the "Collateral", the "Priority Collateral", the "Subordinate Collateral", the "Secured Obligations", the "Senior Secured Obligations", the "Secured Parties", the "Senior Secured Parties", the "Loan Documents", the "Collateral Documents", the "Principals" or any other collective or plural term shall be deemed a reference to each and every item included within the category described by such collective or plural term, so that (i) a reference to the "Collateral", the "Priority Collateral", the "Subordinate Collateral", the "Secured Obligations", the "Senior Secured Obligations", the "Secured Parties", the "Senior Secured Parties" or the "Principals" shall be deemed a reference to any or all of the Collateral, the Priority Collateral, the Subordinate Collateral, the Secured Obligations, the Senior Secured Obligations, the Secured Parties, the Senior Secured Parties or the Principals, as the case may be, and (ii) a reference to the "obligations" of the Pledgor under the "Loan Documents" or the "Collateral

Documents" shall be deemed a reference to each and every obligation under each and every Loan Document or Collateral Document, as the case may be, whether any such obligation is incurred under one, some or all of the Loan Documents or the Collateral Documents, as the case may be.

(g) Except as otherwise specified therein, all terms defined in this Agreement shall have the meanings herein ascribed to them when used in the other Collateral Documents or any certificate, opinion or other document delivered pursuant hereto or thereto.

Section 6.03. REPRESENTATIONS AND WARRANTIES. All Representations and Warranties shall be deemed made (a) in the case of any Representation and Warranty contained in this Agreement at the time of its initial execution and delivery, at and as of the Agreement Date, (b) in the case of any Representation and Warranty contained in this Agreement or any other document at the time any Loan is made, at and as of such time and (c) in the case of any particular Representation and Warranty, wherever contained, at such other time or times as such Representation and Warranty is made or deemed made in accordance with the provisions of this Agreement or the document pursuant to, under or in connection with which such Representation and Warranty is made or deemed made.

Section 6.04. CAPTIONS. Captions to Articles, Sections and subsections of, and Annexes, Schedules and Exhibits to, the Collateral Documents are included for convenience of reference only and shall not constitute a part of the Collateral Documents for any other purpose or in any way affect the meaning or construction of any provision of the Collateral Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers all as of the Agreement Date.

S.A. LOUIS DREYFUS ET CIE

By /s/ J.H. Pietra

Name: J.H. Pietra

Title: Directeur General

SOCIETE GENERALE

as Agent and as a Bank

By /s/ J. Naime

Name: J. Naime
Title: Adjoint Au Directeur de la Divison
Negoce Inernational

BANQUE NATIONALE DE PARIS
as a Bank

By /s/ Robert Abraham

Name: Robert Abraham
Title: Chance de Mission

Agreement Date: December 27, 1995

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SCHEDULE 1.03

SCHEDULE OF REQUIRED ACTION

Pursuant to, and without thereby limiting, its obligations under Section 1.03, the Pledgor hereby agrees that it will:

(a) file UCC-1 financing statements in the form of SCHEDULE 1.03(A);

(b) (i) on the Agreement Date, execute and deliver to the Collateral Agent and the other parties thereto for their execution a Notice to Collateral Agent in substantially the form of Exhibit 1 hereto, and thereafter, within five Business Days (or, during an Event of Default such shorter period as the Agent may specify) after receipt by the Pledgor or any of its agents, deliver or cause to be delivered to the Agent or to the Collateral Agent all certificated securities (other than the Securities) evidencing or forming a part of the Collateral (which after the occurrence and during the continuation of an Event of Default, shall be endorsed or accompanied by such instruments of assignment as the Agent may specify) and all dividends and other Distributions on or with respect to the Priority Collateral; PROVIDED that the Pledgor shall be required to deliver Ordinary Distributions with respect to the Priority Collateral to the Agent only if an Event of Default shall have occurred and be continuing;

(ii) hold all money, checks, notes, drafts and other payments received by the Pledgor or any of its agents that constitute Priority Collateral, in trust for the Secured Parties, not commingle the same with any other property of the Pledgor and, within five Business Days (or, during an Event of Default, such shorter period as the Agent may specify) after

receipt, cause the same to be delivered to the Agent or to the Collateral Agent; PROVIDED that the Pledgor shall be required to deliver Ordinary Distributions on or with respect to the Priority Collateral to the Agent only if an Event of Default shall have occurred and be continuing.

EXHIBIT 1 TO
SCHEDULE 1.03

NOTICE TO COLLATERAL AGENT

December 27, 1995

Citibank, N.A.
International Custody Department
111 Wall Street, 14th Floor
Zone 22
New York, New York 10043
Attention: Pearline Bloomfield

Ladies and Gentlemen:

Reference is made to (i) the Pledge Agreement dated as of December 27, 1995 (the "Subordinate Pledge Agreement"), among S.A. Louis Dreyfus et cie ("SALD"), Societe Generale, as agent (the "Agent"), and the banks listed on the signature pages thereof, and (ii) the Pledge Agreement dated as of December 23, 1994 (the "Senior Pledge Agreement"), among SALD, Societe Generale, as agent (the "1994 Agent"), and the banks listed on the signature pages thereof.

The undersigned hereby give you (acting in your role described herein, the "Collateral Agent") notice that the Collateral (as defined below) which is now or in the future held by you on behalf of the 1994 Agent and the other secured parties under the Senior Pledge Agreement (the "Senior Secured Parties"), and which is currently subject to the senior security interest of the Senior Secured Parties pursuant to the Senior Pledge Agreement, is also subject to the security interest of the Agent and the other secured parties pursuant to the Subordinate Pledge Agreement (the "Secured Parties"). The undersigned, with the acknowledgement, agreement and consent of the 1994 Agent as evidenced below, hereby instruct you to hold the Collateral for the additional benefit of the Secured Parties pursuant to the Subordinate Pledge Agreement.

The undersigned, with the acknowledgement, agreement and consent of the 1994 Agent as evidenced below, hereby further instruct you (i) not to, and you hereby agree that you will not, release any Priority Collateral (as defined below) or any proceeds or products thereof to any Person except upon the sole instructions of the Agent and (ii) to keep all Priority Collateral separately identified from all other Collateral held by you.

For the purposes of this Notice to Collateral Agent (this "Notice"), (i) "Collateral" shall consist of the 20

million shares of Louis Dreyfus Natural Gas Corp. currently held by you, and all other property of whatever type received by you from the 1994 Agent and designated as "Collateral which you are to hold, pursuant to the Custodial services Agreement between Societe Generale and Citibank, H.A. dated as of November 24, 1982 (the "Custody Agreement"), which property is currently (or will become) subject to the senior security interest of the Senior Secured Parties pursuant to the Senior Pledge Agreement, and (ii) Priority Collateral" shall consist solely of Collateral which you shall have been instructed to hold for the sole benefit of the Secured Parties under the Subordinate Pledge Agreement in a notice from the 1994 Agent to the Collateral Agent pursuant to the terms of the Consent Letter dated as of December 27, 1995 among the 1994 Agent, the banks party thereto, SALD and the Agent (the "Consent Letter").

It is understood and agreed that (i) you as Collateral Agent shall not be charged with knowledge of the Subordinate Pledge Agreement, the Senior Pledge Agreement, the Consent Letter (other than receipt of notices of the 1994 Agent pursuant thereto but solely as specified herein) or any other document other than the Custody Agreement, (ii) your duties as Collateral Agent shall consist solely of (A) receiving notices from the 1994 Agent pursuant to the Consent Letter as referred to above, (B) keeping all Priority Collateral separately identified from all other Collateral held by you, (C) releasing Collateral that is not Priority Collateral upon the sole instructions or the 1994 Agent, (D) releasing Priority Collateral upon the sole instructions of the Agent, and (E) receiving property from the 1994 Agent to be held as collateral, (iii) you shall be fully entitled to rely on notices of the 1994 Agent in recharacterizing amounts held as Collateral to amounts held as Priority Collateral and holding such amounts accordingly and in holding as Collateral property received from the 1994 Agent and designated as such, (iv) you shall be fully indemnified and held harmless for any and all costs and expenses (including reasonable attorney fees)-- incurred in carrying out instructions in accordance with this Notice, and (v), except as otherwise provided herein, the Collateral and the Priority Collateral shall be held by you as Collateral Agent in accordance with the terms and conditions of the Custody Agreement and, except for the duties enumerated herein, nothing herein shall modify your duties or obligations under the Custody Agreement.

This Notice may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same Notice.

Please indicate your acknowledgment of and agreement and consent to

the terms of this Notice by signing below where provided and returning this Notice to the undersigned.

S.A. LOUIS DREYFUS ET CIE

By: _____
Name:
Title:

SOCIETE GENERALE, as Agent
under the Subordinate Pledge
Agreement

By: _____
Name:
Title:

ACKNOWLEDGED, AGREED AND
CONSENTED TO:

CITIBANK, N. A .,
as Collateral Agent

By: _____
Name:
Title:

SOCIETE GENERALE, as Agent
under the Senior Pledge Agreement

By: _____
Name:
Title:

STANDARD FORM UCC-1

FINANCING STATEMENT

1. Debtor: S.A. Louis Dreyfus et Cie
87 Avenue de la Grande Armee
75782 Paris
Cedex 16
France
2. Secured Party: Societe Generale, as Agent (as defined in Annex A hereto)
Tour Societe Generale 17, Cours Valmy Paris, La Defense 7
Valmy France
3. "Collateral" as defined in Annex A hereto, whether now or hereafter existing or now owned or hereafter acquired, including the securities referred to in clause (a) of Annex A hereto, and all payments and distributions on or with respect thereto (whether constituting principal, interest or dividends) and all proceeds of the foregoing.

Signature Lines:

Debtor: S.A. Louis Dreyfus et Cie

Secured Party: Societe Generale, as Agent

ANNEX A TO UCC-1 FINANCING STATEMENT

DEBTOR: S.A. Louis Dreyfus et Cie

SECURED PARTY: Societe Generale, as Agent for Societe Generale and Banque Nationale de Paris

COLLATERAL DESCRIPTION

"Collateral" means the Debtor's interest (whatever it may be) in each of the following, in each case whether now or hereafter existing or now owned or hereafter acquired by the Debtor and whether or not the same is now contemplated, anticipated or foreseeable, or constitutes Collateral by reason of one or more than one of the following clauses, and wherever the same may be located:

(a) 20,000,000 shares of common stock, par value \$0.01 per share, of Louis Dreyfus Natural Gas Corp., an Oklahoma corporation, and the certificates representing such shares;

(b) all dividends and other distributions in respect of the securities referred to in clause (a) hereof, any instruments, securities or other property issued in substitution therefor or replacement thereof or with respect thereto and any distributions with respect thereto;

(c) all other instruments, securities and other property issued with respect to or in exchange for the securities referred to in clause (a) hereof or any instruments, securities or other property issued in substitution therefor or replacement thereof or with respect thereto (whether, in either case, upon conversion of convertible securities included therein or through stock split, spin-off, reclassification, merger, consolidation, sale of assets, combination of shares or otherwise);

(d) all books, records, ledgercards, files, correspondence, computer programs, tapes, disks and related data processing software (owned by the Debtor or in which it has an interest) that at any time evidence or contain information relating to any Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon;

(e) all rights (contractual and otherwise and whether constituting accounts, contract rights or general intangibles) arising under, connected with or in any way related to the Securities or any Collateral described in clauses (ii) or (iii) of this definition;

(f) all claims (including the right to sue or otherwise recover on such claims) (i) to items referred to in the definition of Collateral and (ii) against third parties that in any way arise under or out of or are related to or connected with any or all of the Collateral; and

(g) all products and proceeds of Collateral in whatever form.

ADDITIONAL DEFINITION

For purposes of this Annex A:

"Agent" means Societe Generale, as agent for and representative (within the meaning of Section 9-105(m) of the Uniform Commercial Code) of Societe Generale and Banque Nationale de Paris (the "Banks"), listed on the signature pages of the Convention de Pret en Devises, dated December 27, 1995, among S.A. Louis Dreyfus, the Banks and Societe Generale, as Agent, as amended (the "Credit Agreement") and the respective successors and assigns of such Banks, and any successor Agent appointed pursuant to the provisions of the Credit Agreement.

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement") dated as of November 9, 1993 but effective as set forth in Section 1 below, is entered into by and between LOUIS DREYFUS NATURAL GAS CORP., an Oklahoma corporation (the "Company"), and the undersigned stockholder (the "Holder").

W I T N E S S E T H:

WHEREAS, the Holder owns a substantial number of shares of Common Stock, par value \$.01 per share, of the Company; and

WHEREAS, following the initial public offering referred to below, the Company Stock will be registered under Section 12 of the Securities and Exchange Act of 1934 (the "Exchange Act"); and

WHEREAS, under the provisions of the Securities Act of 1933 (the "Securities Act") and the General Rules and Regulations promulgated by the Securities and Exchange Commission (the "SEC") thereunder, the Holder is or may be limited in the manner of selling the shares of Common Stock owned by the Holder, absent registration under the Securities Act of the sale of such Common Stock or the availability of another exemption from the registration requirements of the Securities Act; and

WHEREAS, the Company and the Holder desire to establish certain registration rights with respect to shares of Common Stock owned by the Holder;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereby agree as follows:

1. EFFECTIVENESS OF AGREEMENT. This Agreement shall become effective commencing on the effective date of the registration statement relating to the initial public offering of Common Stock by the Company ("IPO").

2. DEMAND REGISTRATION.

(A) REQUEST FOR REGISTRATION. As used in this Agreement, "Restricted Stock" shall mean all shares of Common Stock owned by the Holder on the effective date of this Agreement (excluding any shares which are sold by the Holder in the IPO), together with any securities issued or issuable with respect to any such Common Stock by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Restricted

Stock, once issued such securities shall ceased to be Restricted Stock when (a) a registration statement with respect to the sale of such securities

shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (b) such securities shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (c) such securities shall have been otherwise transferred, new certificates representing such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of such securities shall not require registration or qualification of such securities under the Securities Act or any similar state law then in force, (d) such securities shall have ceased to be outstanding or (e) the Holder or Holders thereof shall agree in writing that such Restricted Stock shall no longer be subject to this agreement. The Holder and any permitted assignee of the Holder's rights and duties hereunder as provided in Section 10 are referred to herein as the "Holders." Subject to the conditions and limitations set forth in Section 5 of this Agreement, at any time following the date one year after the effective date of this Agreement set forth in Section 1, the Holder or Holders of Restricted Stock holding in the aggregate 5% in Restricted Stock then outstanding may make a written request for registration under the Securities Act of all or part of its or their Restricted Stock pursuant to this Section 2 ("Demand Registration"), provided that the Restricted Stock proposed to be sold (a) shall be at least 5% of the aggregate number of shares of Restricted Stock then outstanding, but in no event less than 500,000 shares of Restricted Stock (subject to appropriate adjustment for any stock dividend, stock split, combination, recapitalization, merger, consolidation, reorganization or other occurrence affecting the number of shares of Restricted Stock then outstanding) and (b) shall have an aggregate Market Value of at least \$5,000,000 on the date immediately preceding the date of the Holder's written request for registration under this Section 2. For purposes of this Section 2, "Market Value" shall be determined by using the last reported sales price on the New York Stock Exchange, or such other national securities exchange on which the Common Stock is listed. On the day on which such value is to be determined, or if the Common Stock is not then listed on a national securities exchange, the last sales prices reported in the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ"), or if the Common Stock is not included in the National Market System, then the average of the closing bid and asked prices in the over-the-counter market as reported by the NASDAQ or other national quotation service. If at any time the Common Stock is not listed on a national exchange or traded in the over-the-counter market, the Market Value shall be the value determined by the Board of Directors of the

Company, taking into consideration those factors affecting value which they deem appropriate. The Holder's written request will specify the aggregate number of shares of Restricted Stock proposed to be sold and will also specify the intended method of disposition thereof. Within ten days after

receipt of such request, the Company will give written notice of such registration request to all other Holders of Restricted Stock and include in such registration all Restricted Stock with respect to which the Company has received written requests for inclusion therein within fifteen business days after the receipt by the applicable Holder of the Company's notice. Each such request will also specify the aggregate number of shares of Restricted Stock to be registered and the intended method of disposition thereof. No other party, including the Company (but excluding another Holder of Restricted Stock), shall be permitted to offer securities under any such Demand registration unless the Holder or Holders requesting the Demand Registration shall consent in writing.

(B) PRIORITY ON DEMAND REGISTRATIONS. If the Holders of a majority in number of shares of the Restricted Stock to be registered in a Demand Registration so elect, the offering of such Restricted Stock pursuant to such Demand Registration shall be in the form of an underwritten offering. In such event, if the managing underwriter or underwriters of such offering advise the Company and the Holders in writing that in their opinion the aggregate amount of Restricted Stock requested to be included in such offering is so large that it will materially and adversely affect the success of such offering, the Company will include in such registration the aggregate number of shares of Restricted Stock which in the opinion of such managing underwriter or underwriters can be sold without any such material adverse effect, and such number of shares shall be allocated pro rata among the Holders of Restricted Stock on the basis of the number of shares of Restricted Stock requested to be included in such registration by their Holders. To the extent Restricted Stock so requested to be registered is excluded from the offering, then the Holders of such Restricted Stock shall have the right to one additional Demand Registration under this Section with respect to such Restricted Stock, PROVIDED that the failure of such Restricted Stock to be registered is through no fault of such Holder.

(C) SELECTION OF UNDERWRITERS AND COUNSEL. If any Demand Registration is in the form of an underwritten offering, the Holders of a majority in number of shares of Restricted Stock to be registered will select and obtain the services of the investment banker or investment bankers and manager or managers that will administer the offering and the counsel to such investment bankers and managers; PROVIDED that such investment bankers, managers and counsel must be approved

by the Company, which approval shall not be unreasonably withheld.

3. PIGGYBACK REGISTRATION. If the Company proposes to file a registration statement under the Securities Act with respect to an offering for its own account of any class of its equity securities (other than a registration statement on Form S-8 (or any successor form) or any other registration

statement relating solely to employee benefit plans or filed in connection with an exchange offer, a transaction to which Rule 145 under the Securities Act applies or an offering of securities solely to the Company's existing stockholders), then the Company shall in each case give written notice of such proposed filing to the Holders of Restricted Stock as soon as practicable (but no later than five business days) before the anticipated filing date, and such notice shall offer such Holders the opportunity to register such number of shares of Restricted Stock as each such Holder may request. Each Holder of Restricted Stock desiring to have such Holder's Restricted Stock included in such registration statement shall so advise the Company in writing within five business days after the date of Company's notice, setting forth the amount of such Holder's Restricted Stock for which registration is requested. If the Company's offering is to be an underwritten offering, the Company shall, subject to the further provisions of this Agreement, use its reasonable efforts to cause the managing underwriter or underwriters of a proposed underwritten offering to permit the Holders of the Restricted Stock, requested to be included in the registration for such offering, to include such securities in such offering on the same terms and conditions as any similar securities of the Company included therein. Moreover, if the registration of which the Company gives notice does involve an underwriting, the right of each Holder to registration pursuant to this Section 3 shall, unless the Company otherwise assents, be conditioned upon such Holder's participation as a seller in such underwriting and its execution of an underwriting agreement with the managing underwriter or underwriters selected by the Company. Notwithstanding the foregoing, if the managing underwriter or underwriters of such offering deliver a written opinion to the Holders of Restricted Stock that either because of (A) the kind of securities which the Holders, the Company and any other person or entities intend to include in such offering or (B) the size of the offering which the Holders, the Company and other persons intend to make, the success of the offering would be materially and adversely affected by inclusion of the Restricted Stock requested to be included, then (i) in the event that the size of the offering is the basis of such managing underwriter's opinion, the number of shares to be offered for the accounts of Holders of Restricted Stock shall be reduced pro rata to the extent necessary to reduce the total amount of securities to be included in such offering to

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the amount recommended by such managing underwriter or underwriters; PROVIDED that if securities are being offered for the account of other persons or entities as well as the Company, such reduction shall not represent a greater fraction of the number or kind of securities intended to be offered by Holders of Restricted Stock than the fraction of similar reductions imposed on such other persons or entities over the amount of securities of such kind they intended to offer; and (ii) in the event that the combination of securities to be offered is the basis of such managing underwriter's opinion, (x) the Restricted Stock to be included in such offering shall be reduced as described in clause (i) above (subject to the proviso in clause (i)) or, (y)

if the actions described in clause (x) would, in the judgment of the managing underwriter, be insufficient to substantially eliminate the adverse effect that inclusion of the Restricted Stock requested to be included would have on such offering, such Restricted Stock will be excluded from such offering. Any Restricted Stock excluded from an underwriting shall be withdrawn from registration and shall not, without the consent of the Company and the manager of the underwriting, be transferred in a public distribution prior to the earlier of 90 days (or such other shorter period of time as the Company and the manager of the underwriting may require) after the effective date of the registration statement or 150 days after the date the Holders of such Restricted Stock are notified of such exclusion.

4. REGISTRATION PROCEDURES. Whenever, pursuant to Section 2 or 3, the Holders of Restricted Stock have requested that any Restricted Stock be registered, the Company will, subject to the provisions of Section 5, use all reasonable efforts to effect the registration and the sale of such Restricted Stock in accordance with the intended method of disposition thereof as promptly as practicable, and in connection with any such request, the Company will:

(A) In connection with a request pursuant to Section 2, prepare and file with the SEC, not later than 60 days after receipt of such request to file a registration statement with respect to Restricted Stock, a registration statement on any form for which the Company then qualifies and which counsel for the Company shall deem appropriate and which form shall be available for the sale of such Restricted Stock in accordance with the intended method of distribution thereof, and use its reasonable efforts to cause such registration statement to become effective; PROVIDED that if the Company shall furnish to the Holders making such a request a certificate signed by either the chief financial officer or the chief accounting officer of the Company stating that in his good faith judgment it would be significantly disadvantageous to the Company for such a registration statement to be filed on or before the date filing would be required, the Company shall have an additional period of not

more than 90 days within which to file such registration statement; and provided further (i) that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to one counsel selected by the Holders of a majority in number of shares of the Restricted Stock covered by such registration statement copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel, and (ii) that after the filing of the registration statement, the Company will promptly notify each selling Holder of Restricted Stock of any stop order issued or, to the knowledge of the Company, threatened by the SEC and take all reasonable actions to prevent the entry of such stop order or to remove it if entered;

(B) in connection with a registration pursuant to Section 2, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than 270 days or such shorter period as shall terminate when all Restricted Stock covered by such registration statement have been sold (but not before the expiration of the 90-day period referred to in Section 4(3), of the Securities Act and Rule 174 thereunder, if applicable), and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the selling Holders thereof set forth in such registration statement;

(C) as soon as reasonably practicable, furnish to each selling Holder, prior to filing a registration statement, copies of such registration statement as proposed to be filed, and thereafter furnish to such selling Holder such number of copies of such registration statement, each amendment and supplement thereto (in each case, if specified by such Holder, including all exhibits thereto), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such selling Holder may reasonably request in order to facilitate the disposition of the Restricted Stock owned by such selling Holder;

(D) with reasonable promptness, use its reasonable efforts to register or qualify such Restricted Stock under such other securities or blue sky laws of such jurisdictions within the United States as any selling Holder reasonably (in light of such selling Holder's intended plan of distribution) requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such selling Holder to consummate the disposition in such jurisdictions of the Restricted Stock owned by such

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selling Holder; PROVIDED, that the Company will not be required to (i) qualify generally or do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection (D), (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction;

(E) with reasonable promptness, use reasonable efforts to cause the Restricted Stock covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the selling Holder or Holders thereof to consummate the disposition of such Restricted Stock;

(F) promptly notify each selling Holder of such Restricted Stock, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, or the occurrence of any event known to the

Company requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Restricted Stock, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and promptly make available to each selling Holder any such supplement or amendment;

(G) in connection with a request pursuant to Section 2, enter into an underwriting agreement in customary form, the form and substance of such underwriting agreement being subject to the reasonable satisfaction of the Company;

(H) with reasonable promptness make available for inspection by any selling Holder, any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant or other agent retained by any such selling Holder or underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers and employees to supply all information reasonably requested for such purpose by any such Inspector in connection with such registration statement; PROVIDED, HOWEVER, that the selection of any Inspector other than a selling Holder shall be subject to the consent of the Company, which shall not be unreasonably withheld. Each inspector that actually reviews Records supplied by the Company that include information that the Company determines, in good faith, to be confidential ("Confidential Information") shall be required, prior to any such review, to execute an agreement with the Company

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providing that such Inspector shall not disclose any Confidential Information unless such disclosure is required by applicable law or legal process. Each selling Holder of Restricted Stock agrees that Confidential Information obtained by it as a result of such inspections shall not be used by it as the basis for any transactions in securities of the Company unless and until such information is made generally available to the public. Each selling Holder of Restricted Stock further agrees that it will, upon learning that disclosure of Confidential Information is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Confidential Information. Each selling Holder also agrees that the due diligence investigation made by the Inspectors shall be conducted in a manner which shall not unreasonably disrupt the operations of the Company or the work performed by the Company's officers and employees;

(I) in the event such sale is pursuant to an underwritten offering, use its reasonable efforts to obtain a comfort letter or letters from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by comfort letters as the managing

underwriter reasonably requests;

(J) otherwise use its reasonable efforts to comply with all applicable rules and regulations of the GEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of twelve months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act; and

(K) with reasonable promptness, use its reasonable efforts to cause all such Restricted Stock to be listed on each securities exchange on which the Common Stock of the Company is then listed, PROVIDED that the applicable listing requirements are satisfied.

Each selling Holder of Restricted Stock agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in subsection (F) hereof, such selling Holder will forthwith discontinue disposition of Restricted Stock pursuant to the registration statement covering such Restricted Stock until such selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subsection (F) hereof, and, if so directed by the Company, such selling Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such selling Holder's possession, of the prospectus covering such Restricted Stock

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current at the time of receipt of such notice. In the event the Company shall give any such notice, the Company shall extend the period during which such registration statement shall be maintained effective pursuant to this Agreement (including the period referred to in subsection (D)) by the number of days during the period from and including the date of the giving of such notice pursuant to subsection (F) hereof to and including the date when each selling Holder of Restricted Stock covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by subsection (F) hereof. Each selling Holder also agrees to notify the Company if any event relating to such selling Holder occurs which would require the preparation of a supplement or amendment to the prospectus so that such prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

5. CONDITIONS AND LIMITATIONS.

(A) The Company's obligations under Section 2 shall be subject to the following limitations:

(i) the Company need not file a registration statement either (x) during the period starting with the date 60 days prior to the Company's estimated date of filing of, and ending 90 days after the

effective date of, any registration statement pertaining to securities of the Company (other than a registration of securities in a Rule 145 transaction or exchange offer or with respect to an employee benefit plan or dividend reinvestment plan), provided that if such Company registration statement is not filed within 90 days after the first date on which the Company notifies the Holder of Restricted Stock that it will delay a Demand Registration pursuant to this clause (x), the Company may not further postpone such Demand Registration pursuant to this clause; or (y) during the period specified in the first proviso of subparagraph (A) of Section 4;

(ii) the Company shall not be required to furnish any audited financial statements other than those audited statements customarily prepared at the end of its fiscal year, or to furnish any unaudited financial information with respect to any period other than its regularly reported interim quarterly periods unless in the absence of such other unaudited financial information the registration statement would contain an untrue statement of material fact or omit to state a

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material fact required to be stated therein or necessary to make the statements therein not misleading;

(iii) except as provided in Section 2(B), the Company shall not be required to file more than four Demand Registrations. A registration statement will not count as a Demand Registration until it has become effective; and

(iv) the Company shall have received the information and documents specified in Section 6 and each selling Holder shall have observed or performed its other covenants and conditions contained in such section and Section 8.

(B) The Company's obligation under Section 3 shall be subject to the limitations and conditions specified in such section and in clauses (i), (ii), and (iv) of subsection (A) of this Section 5, and to the condition that the Company may at any time terminate its proposal to register its shares and discontinue its efforts to cause a registration statement to become or remain effective.

6. INFORMATION FROM AND CERTAIN COVENANTS OF HOLDERS OF RESTRICTED STOCK. Notices and requests delivered to the Company by Holders for whom Restricted Stock is to be registered pursuant to this Agreement shall contain such information regarding the Restricted Stock to be so registered, the Holder and the intended method of disposition of such Restricted Stock as shall reasonably be required in connection with the action to be taken. Any Holder whose Restricted Stock is included in a registration statement pursuant to this Agreement shall execute all consents, powers of attorney, registration statements and other documents reasonably required to be signed by it in order

to cause such registration statement to become effective. Each selling Holder covenants that, in disposing of such Holder's shares, such Holder will comply with Rules 10b-2, 10b-6 and 10b-7 of the SEC adopted pursuant to the Exchange Act.

7. REGISTRATION EXPENSES. All Registration Expenses (as defined herein) will be borne by the Company. Underwriting discounts and commissions applicable to the sale of Restricted Stock shall be borne by the Holder of the Restricted Stock to which such discount or commission relates, and each selling Holder shall be responsible for the fees and expenses of any legal counsel, accountants or other agents retained by such selling Holder and all other out-of-pocket expenses incurred by such selling Holder in connection with any registration under this Agreement.

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As used herein, the term Registration Expenses means all expenses incident to the Company's performance of or compliance with this Agreement (whether or not the registration in connection with such expenses are incurred ultimately becomes effective), including, without limitation, all registration and filing fees, fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Restricted Stock), rating agency fees, printing expenses, messenger and delivery expenses incurred by the Company, internal expenses incurred by the Company (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed, and fees and disbursements of counsel for the Company and its independent certified public accountants (including the expenses of any special audit or comfort letters required by or incident to such performance), securities acts liability insurance (if the Company elects to obtain such insurance), the reasonable fees and expenses of any special experts retained by the Company in connection with such registration and the fees and expenses of other persons retained by the Company.

8. INDEMNIFICATION AND CONTRIBUTION.

(A) INDEMNIFICATION BY THE COMPANY. The Company agrees to indemnify and hold harmless each selling Holder of Restricted Stock, its officers, directors and agents and each person, if any, who controls such selling Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Restricted Stock or in any amendment or supplement thereto or in any preliminary prospectus relating to the Restricted Stock, or arising out of or based upon any omission or alleged

omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses arise out of, or are based upon, any such untrue statement or omission or allegation thereof which is based upon information furnished in writing to the Company by such selling Holder or on such selling Holder's behalf expressly for use therein; and PROVIDED, FURTHER, that with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus, the indemnity agreement contained in this subsection shall not apply to the

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extent that any such loss, claim, damage, liability or expense results from the fact that a copy of the final prospectus was not sent or given to the person asserting any such losses, claims, damages, liabilities or expenses at or prior to the written confirmation of the sale of the Restricted Stock concerned to such person. The Company also agrees to include in any underwriting agreement with any underwriters of the Restricted Stock provisions indemnifying and providing for contribution to such underwriters, their officers and directors and each person who controls such underwriters on substantially the same basis as the provisions of this Section 8 indemnifying and providing for contribution to the selling Holders.

(B) INDEMNIFICATION BY HOLDERS OF RESTRICTED STOCK. Each selling Holder agrees to indemnify and hold harmless the Company, its officers, directors and agents and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) arising out of or based upon any untrue statement or alleged untrue statement or a material fact contained in any registration statement or prospectus relating to the Restricted Stock or in any amendment or supplement thereto or in any preliminary prospectus relating to the Restricted Stock, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, provided (i) that such losses, claims, damages, liabilities or expenses arise out of, or are based upon, any such untrue statement or omission or allegation thereof which is based upon information furnished in writing to the Company by such selling Holder or on such selling Holder's behalf expressly for use therein, (ii) that with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus, the indemnity agreement contained in this subsection shall not apply to the extent that any such loss, claim, damage, liability or expense results from the fact that a copy of the final prospectus was not sent or given to the person asserting any such losses, claims, damages, liabilities or expenses at or prior to the written confirmation of the sale of the Restricted Stock concerned to such person, and (iii) that no selling Holder shall be liable for any

indemnification under this Section 8 in an aggregate amount which exceeds the total net proceeds (before deducting expenses) received by such selling Holder from the offering. Each selling Holder also agrees to include in any underwriting agreement with underwriters of the Restricted Stock provisions indemnifying and providing for contribution to such underwriters, their officers and directors and each person who controls such underwriters on

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substantially the same basis as the provisions of this Section 8 indemnifying and providing for contribution to the Company.

(C) CONDUCT OF INDEMNIFICATION PROCEEDINGS. If any action or proceeding (including any governmental investigation) shall be brought or asserted against any indemnified party in respect of which indemnity may be sought from an indemnifying party, the indemnifying party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such indemnified party, and shall assume the payment of all expenses. Such indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party has agreed to pay such fees and expenses, or (ii) the indemnifying party shall have failed to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to such indemnified party or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both such indemnified party and such indemnifying party, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to such indemnified party which are different from or additional to those available to the indemnifying party (in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action or proceeding on behalf of such indemnified party, it being understood, however, that the indemnifying party shall not, in connection with any one such action or proceeding for separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (together with appropriate local counsel) at any time for such indemnified party, which firm shall be designated in writing by such indemnified party). The indemnifying party shall not be liable for any settlement of any such action or proceeding effected without its written consent, but if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding, the indemnifying party agrees to indemnify and hold harmless such indemnified party from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment.

(D) CONTRIBUTION. If the indemnification provided for in this Section 8 is unavailable to the Company or the selling Holders in respect of any losses, claims, damages, liabilities or judgments referred to therein, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or

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payable by such indemnified party as a result of such losses, claims, damages, liabilities and judgments, in such proportions as is appropriate to reflect the relative fault of each such party in connection with such statements or omissions, as well as any other relevant equitable considerations. The relative fault of each such party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 8(D) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or judgments referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigation or defending any such action or claim. Notwithstanding the provisions of this Section 8(D), no selling Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Restricted Stock of such selling Holder were offered to the public exceeds the amount of any damages which such selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

9. AMENDMENTS. This Agreement may be amended or modified upon the written consent thereto of the Company and the Holders of not less than 66 2/3% of the Restricted Stock.

10. PERMITTED ASSIGNMENTS. In the event any Holder or Holders transfer or assign Restricted Stock to any corporation or entity that is directly or indirectly at least 80% owned by S.A. Louis Dreyfus et Cie, the rights and obligations of such Holder or Holders under this Agreement with respect to such Restricted Stock may be assigned to such transferee or

assignee, without the consent of the Company. Except as provided in the preceding sentence, this Agreement and the rights and obligations of the Holder or Holders hereunder shall not be assignable except with the prior written consent of the Company, and any attempted assignment without such consent shall be null and void AB INITIO.

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Subject to this limitation, this Agreement shall inure to the benefit of and be binding upon and enforceable by the respective successors and assigns of the parties hereto.

11. ENTIRE AGREEMENT; GOVERNING LAW. This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof: all prior or contemporaneous written or oral agreements are merged herein; this agreement shall be governed by the laws of the State of Oklahoma.

12. NOTICES. Any notice, request, instruction, correspondence or other document to be given hereunder by either party to the other (herein collectively called "Notice") shall be in writing and delivered personally or mailed, postage prepaid, or by telegram or telecopier, as follows:

If to Holder:

Louis Dreyfus Natural Gas Holdings Corp.
Ten Westport Road
Wilton, Connecticut 06897

Attention: JEFFREY R. GILMAN

Telephone: (203) 761-2000
Facsimile: (203) 761-8257

If to the Company:

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, Oklahoma 73134

Attention: Mark E. Monroe

Telephone: (405) 749-1300
Facsimile: (405) 749-9385

Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram or telecopier shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt of not received

during the recipient's normal business hours. Any party may change any address to which Notice is to be given to it by giving Notice as provided above of such change of address.

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IN WITNESS WHEREOF, the Company and the Holder have caused this Agreement to be signed by their respective officers thereunto duly authorized.

LOUIS DREYFUS NATURAL GAS CORP.

By: /s/ Simon B. Rich, Jr.

Name: Simon B. Rich, Jr.

Title: President and CEO

LOUIS DREYFUS NATURAL GAS HOLDINGS
CORP.

By: /s/ Jeffrey R. Gilman

Name: Jeffrey R. Gilman

Title: Vice President

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ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "Agreement"), dated as of December 23, 1994, among S.A. Louis Dreyfus et Cie, a French corporation ("SALD") and Societe Generale, as Agent under a Convention de Pret en Devises (the "Credit Agreement"), dated December 23, 1994, among SALD, Societe Generale, Banque Nationale de Paris, Credit Lyonnais, Caisse Centrale des Banques Populaires, Banque Francaise du Commerce Exterieur, Caisse Nationale de Credit Agricole, Credit Industriel et Commercial, Banque Indosuez and Credit National (the "Banks") and Societe Generale, as Agent.

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, the Banks have agreed to make loans to SALD in an aggregate principal amount not to exceed \$250,000,000, on the terms and subject to the conditions set forth therein;

WHEREAS, in order to secure its obligations under the Credit Agreement and the other Secured Obligations (as such term is defined in the Pledge Agreement referred to below), SALD pledged all of its right, title and interest in and to the shares of Louis Dreyfus Natural Gas Corp., an Oklahoma corporation ("LDNG"), owned by it on December 23, 1994 to the Banks pursuant to a Pledge Agreement, dated as of December 23, 1994, between SALD, on the one hand, and the Agent and the Banks, on the other hand (the "Pledge Agreement") (terms used but not defined herein shall have the meanings ascribed thereto in the Pledge Agreement);

WHEREAS, Louis Dreyfus Natural Gas Holdings Corp. ("LDNGHC") has assigned to SALD all of its rights and obligations (insofar as they relate to the Securities) under the Registration Rights Agreement, dated as of November 9, 1993, between LDNGHC and LDNG, as amended by a letter agreement dated December 22, 1993 from LDNG to SALD and LDNGHC and by a letter agreement dated December 23, 1994 from LDNG to SALD and LDNGHC (the "Registration Rights Agreement");

WHEREAS, it is a condition precedent to the obligation of the Banks to make loans under the Credit Agreement that SALD shall have executed and delivered this Agreement;

NOW, THEREFORE, with intent to be legally bound hereby and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SALD hereby assigns and transfers as additional collateral to secure the loans under the Credit Agreement all of its

right, title and interest in and to the Registration Rights Agreement to the Secured Parties and their successors and assigns.

TO HAVE AND TO HOLD the same unto the Secured Parties and their successors and assigns.

SALD further agrees that upon the occurrence and during the continuance of an Event of Default the Agent, on behalf of itself and the other Secured Parties, may exercise all of the rights of SALD in and under the Registration Rights Agreement as fully as if it and the other Secured Parties were named therein as parties thereto and that SALD will take such further actions (including but not limited to executing and delivering such further instruments, documents and agreements) as may be necessary or desirable to evidence the assignment and assumption referred to herein or to enable the Agent, on behalf of itself and the other Secured Parties, to exercise its rights and the rights of the other Secured Parties under the Registration Rights Agreement.

This Agreement is binding on all parties who lawfully succeed to the rights or take the place of the Secured Parties or SALD.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers all as of the Agreement Date.

S.A. LOUIS DREYFUS ET CIE

By: /s/

Name:

Title:

SOCIETE GENERALE,
as Agent and as a Bank

By: /s/

Name:

Title:

BANQUE NATIONALE DE PARIS,
as a Bank

By: /s/

Name:
Title:

CREDIT LYONNAIS,
as a Bank

By: /s/

Name:
Title:

CAISSE CENTRALE DES BANQUES POPULAIRES,
as a Bank

By: /s/

Name:
Title:

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BANQUE FRANCAISE DU COMMERCE EXTERIEUR,
as a Bank

By: /s/

Name:
Title:

CAISSE NATIONALE DE CREDIT AGRICOLE,
as a Bank

By: /s/

Name:

Title:

CREDIT INDUSTRIEL ET COMMERCIAL,
as a Bank

By: /s/

Name:

Title:

BANQUE INDOSUEZ,
as a Bank

By: /s/

Name:

Title:

CREDIT NATIONAL,
as a Bank

By: /s/

Name:

Title:

SUBORDINATE ASSIGNMENT AND ASSUMPTION AGREEMENT

This Subordinate Assignment and Assumption Agreement (the "Agreement"), dated as of December 27, 1995, among S.A. Louis Dreyfus et Cie, a French corporation ("SALD") and Societe Generale, as Agent under a Convention de Pret en Devises dated December 27, 1995 (the "Credit Agreement"), among SALD, Societe Generale and Banque Nationale de Paris (the "Banks") and Societe Generale, as Agent.

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, the Banks have agreed to make loans to SALD in an aggregate principal amount not to exceed \$250,000,000, on the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to a Convention de Pret en Devises, dated December 23, 1994 (the "1994 Credit Agreement"), among SALD Societe Generale, Banque Nationale de Paris, Credit Lyonnais, Caisse Centrale des Banques Populaires, Banque Francaise du Commerce Exterieur, Caisse Nationale de Credit Agricole, Credit Industriel et Commercial, Banque Indosuez and Credit National (the "1994 Banks") and Societe Generale, as agent (the "1994 Agent"), the 1994 Banks have agreed to make loans to SALD in an aggregate principal amount not to exceed \$250,000,000, on the terms and subject to the conditions set forth therein;

WHEREAS, in order to secure its obligations under the 1994 Credit Agreement and the other Secured Obligations (as such term is defined in the 1994 Pledge Agreement referred to below), SALD has pledged on a senior basis all of its right, title and interest in and to the twenty million shares of Louis Dreyfus Natural Gas Corp., an Oklahoma corporation ("LDNG"), owned by it to the 1994 Banks pursuant to the Pledge Agreement, dated as of December 23, 1994, between SALD, on the one hand, and the 1994 Agent and the 1994 Banks, on the other hand (the "1994 Pledge Agreement");

WHEREAS, Louis Dreyfus Natural Gas Holdings Corp. ("LDNGHC") has assigned to SALD all of its rights and obligations (insofar as they relate to the Securities) under the Registration Rights Agreement dated as of November 9, 1993, between LDNGHC and LDNG, as amended by a letter agreement dated December 22, 1993 from LDNG to SALD and LDNGHC by a letter agreement dated December 20, 1994 from LDNG to SALD and LDNGHC and by a letter agreement dated December 27, 1995 from LDNG to SALD and LDNGHC (as amended, the "Registration Rights Agreement");

WHEREAS, pursuant to the Assignment and Assumption Agreement dated as of December 23, 1994 (the "Senior Assignment and Assumption Agreement"), SALD assigned and transferred to the Secured Parties (as defined in the 1994 Pledge Agreement, the "1994 Secured Parties") and their successors and

assigns all of its right, title and interest in and to the Registration Rights Agreement as additional collateral to secure the loans under the 1994 Credit Agreement;

WHEREAS, pursuant to the 1995 Credit Agreement, the Banks have agreed to make loans to SALD in an aggregate principal amount not to exceed \$75,000,000, on the terms and subject to the conditions set forth therein;

WHEREAS, in order to secure its obligations under the 1995 Credit Agreement and the other Secured Obligations (as such term is defined in the 1995 Pledge Agreement referred to below), SALD has pledged, subject to the terms and conditions thereof, all of its right, title and interest in and to the twenty million shares of LDNG, owned by it to the Banks pursuant to the Pledge Agreement, dated as of December 27, 1995, between SALD, on the one hand, and the Agent and the Banks, on the other hand (the "1995 Pledge Agreement") (terms used but not defined herein shall have the meanings ascribed thereto in the 1995 Pledge Agreement);

WHEREAS, it is a condition precedent to the obligation of the Banks to make loans under the 1995 Credit Agreement that SALD shall have executed and delivered this Agreement;

NOW, THEREFORE, with intent to be legally bound hereby and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SALD hereby assigns and transfers as additional collateral to secure the loans under the 1995 Credit Agreement all of its

right, title and interest in and to the Registration Rights Agreement to the Secured Parties and their successors and assigns, insofar as such right, title and interest relate to such of the securities as are or become priority collateral.

TO HAVE AND TO HOLD the same unto the Secured Parties and their successors and assigns.

SALD further agrees that upon the occurrence and during the continuance of an Event of Default the Agent, on behalf of itself and the other Secured Parties, may exercise all of the rights of SALD assigned and transferred hereby in and under the Registration Rights Agreement as fully as if it and the other Secured Parties were named therein as parties thereto and that SALD will take such further actions (including but not limited to executing and delivering such further instruments, documents and agreements) as may be necessary or desirable to evidence the assignment and assumption referred to herein or to enable the Agent, on behalf of itself and the other Secured Parties, to exercise its rights and the rights of the other Secured Parties under the Registration Rights Agreement; PROVIDED that the parties hereto acknowledge and agree that the rights of SALD assigned and transferred hereby may be exercised by the Agent, on behalf of itself and the other

secured Parties, only with respect to such of the Securities as are or become Priority Collateral.

This Agreement is binding on all parties who lawfully succeed to the rights or take the place of the Secured Parties or SALD.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers all as of the date first written above.

S.A. LOUIS DREYFUS ET CIE

By: /s/

Name:

Title:

SOCIETE GENERALE,
as Agent

By: /s/

Name:

Title:

Agreed and Acknowledged:

Societe Generale,
as 1994 Agent

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