

STONE ENERGY CORPORATION

Announces Receipt of Notice from Bondholders

LAFAYETTE, L.A. February 17, 2006

Stone Energy Corporation (NYSE:SGY) today announced that as of February 15, 2006, Stone has received notice of non-compliance from holders of over 25 percent of the outstanding principal amount of its 6.75% Senior Subordinated Notes Due 2014. The notice is for failure to file its SEC reports and financial statements; however, under the indenture, the delay in filing the reports does not automatically result in an event of default. Stone previously informed the trustee of the delay in filing its 2005 third quarter 10-Q and was not given notice by the trustee. Stone believes that it will be in a position to file its financials in mid-March 2006, which would resolve this issue, although no assurance can be given as to the actual filing date. Stone has 60 days from the receipt of this notice to cure a default, if a default has occurred.

There is an aggregate principal amount of \$200 million of 6.75% Senior Subordinated Notes Due 2014 outstanding. As previously stated, if there has been a default under these Notes, Stone has 60 days from the receipt of notice of such default to cure the default. If there is a default and the default is not cured during the 60 day cure period, the trustee, or the holders of at least 25 percent in aggregate principal amount of these Notes by notice to the trustee and the Company, may declare the principal amount of these Notes to be due and payable, and such principal would be due and payable immediately. If an acceleration of these Notes were to occur, Stone may be unable to meet its payment obligations with respect to these Notes. In addition, the acceleration of these Notes would result in a cross-default under Stone's indenture for its 8.25% Senior Subordinated Notes Due 2011 and its bank credit agreement. As of February 17, 2006, Stone had an aggregate principal amount of \$200 million of 8.25% Senior Subordinated Notes Due 2011 outstanding, and borrowings and letters of credit of \$186 million outstanding under its bank credit agreement.

Stone Energy is an independent oil and gas company headquartered in Lafayette, Louisiana, and is engaged in the acquisition and subsequent exploration, development, operation and production of oil and gas properties located in the conventional shelf of the Gulf of Mexico (GOM), deep shelf of the GOM, deep water of the GOM, Rocky Mountain Basins and the Wiliston Basin. For additional information, please contact Kenneth H. Beer, Senior Vice President and Chief Financial Officer, at 337-521-2210-phone, 337-237-0426-fax or via e-mail at CFO@StoneEnergy.com.

Certain statements in this press release are forward-looking and are based upon Stone's current belief as to the outcome and timing of future events. All statements, other than statements of historical facts, that address activities that Stone plans, expects, believes, projects, estimates or anticipates will, should or may occur in the future, including future production of oil and gas, future capital expenditures and drilling of wells and future financial or operating results are forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include the timing and extent of changes in commodity prices for oil and gas, operating risks and other risk factors as described in Stone's Annual Report on Form 10-K as filed with the Securities and Exchange Commission. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, Stone's actual results and plans could differ materially from those expressed in the forward-looking statements.