

STONE ENERGY CORPORATION

Announces Apparent High Bid on Sixteen Gulf of Mexico Blocks

LAFAYETTE, LA. October 4, 2007

Stone Energy Corporation (NYSE: SGY) today announced the results of its participation in the Outer Continental Shelf Sale 205 held yesterday by the Minerals Management Service (“MMS”) in New Orleans covering available blocks in the central Gulf of Mexico. Stone submitted the apparent high bid (“AHB”) on sixteen offshore blocks. The AHBs are subject to a review process by the MMS before they can be awarded.

Stone’s share of the lease bonuses for the sixteen AHBs totaled approximately \$12.9 million. Stone would acquire a 100% working interest on ten of the blocks, a 33% working interest on five blocks (joint bid with Anadarko E&P), and a 50% working interest on one block (joint bid with Samson Offshore). Subject to the MMS’s review process, the lease acquisitions will add approximately 85,239 gross acres and 63,728 net acres to Stone’s inventory.

Richard L. Smith, Vice President of Exploration and Business Development stated, “We are pleased with the results of the lease sale. These new leases will complement the existing Stone portfolio of assets and provide a foundation for growth for our company.”

The AHB on each block is indicated below:

| Block | AHB | SGY WI% | SGY Share |
|-------------------------------------|-------------|----------------|---------------------|
| Garden Banks Block 77* | \$2,218,840 | 33% | \$739,612 |
| Garden Banks Block 78* | 984,960 | 33% | 328,320 |
| Lloyd Ridge Block 318* | 3,173,760 | 33% | 1,057,919 |
| Lloyd Ridge Block 361* | 261,450 | 33% | 87,150 |
| Lloyd Ridge Block 362* | 261,450 | 33% | 87,150 |
| Mississippi Canyon Block 64* | 355,555 | 100% | 355,555 |
| Mississippi Canyon Block 154* | 575,555 | 100% | 575,555 |
| Mississippi Canyon Block 364* | 2,255,555 | 100% | 2,255,555 |
| Mississippi Canyon Block 427* | 4,250,016 | 100% | 4,250,016 |
| South Pass Block 96 | 655,555 | 100% | 655,555 |
| Ship Shoal Block 285 | 350,750 | 100% | 350,750 |
| Ship Shoal Block 287 | 535,750 | 100% | 535,750 |
| Ship Shoal Block 304 | 350,750 | 100% | 350,750 |
| Vermilion Block 216 | 437,500 | 50% | 218,750 |
| Vermilion Block 248 | 350,750 | 100% | 350,750 |
| Viosca Knoll Block 818* | 729,750 | 100% | 729,750 |
| | | | <u>\$12,928,887</u> |

* Indicates deepwater block.

Stone Energy is an independent oil and natural gas company headquartered in Lafayette, Louisiana, and is engaged in the acquisition, exploration, exploitation, development and operation of oil and gas properties located primarily in the Gulf of Mexico. Stone is also engaged in an exploratory joint venture in Bohai Bay, China. For additional information, contact Kenneth H. Beer, Chief Financial Officer, at 337-237-0410-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.