

## Magnum Hunter Announces Strategic Alliance With GE Capital Structured Finance Group

- Forms \$23 Million Limited Partnership

IRVING, TEXAS, MAY 24, 2000 -- Magnum Hunter Resources, Inc. ("Magnum Hunter") announced today that it entered into a strategic alliance with the Oil and Gas unit of GE Capital Structured Finance Group (SFG). Magnum Hunter and an SFG affiliate have formed a new partnership, Mallard Hunter LP, to acquire oil and gas reserves from two of Magnum Hunter's subsidiaries. The SFG affiliate is the limited partner of Mallard Hunter LP and Magnum Hunter is the general partner. Magnum Hunter's wholly-owned subsidiary, Gruy Petroleum Management Co., will remain operator of the previously operated properties sold to the new partnership.

Magnum Hunter assigned approximately 20 billion cubic feet equivalent of proved producing reserves to the limited partnership, effective June 1, 2000, for a cash payment of approximately \$23 million with a 35% reversionary interest upon predetermined partnership pay-out. Additionally, Gruy Petroleum will receive copas income and management fees earned from the limited partnership of the life of the partnership. The reserves assigned to the partnership are approximately 60% oil and 40% natural gas. Magnum Hunter used the net proceeds received from the limited partnership to reduce commercial bank indebtedness on its two existing credit lines.

Mr. Gary C. Evans, President and CEO of Magnum Hunter commented, "Since forming the predecessor company to Magnum Hunter in 1985, we have primarily been an acquirer rather than a seller of oil and gas properties. We believe the timing of this divestiture takes advantage of favorable current market conditions. By deleveraging our balance sheet, we will be in a better position to fund our substantial proved undeveloped opportunities, both onshore and offshore, that will ultimately provide our shareholders with the highest return on their investment."

Magnum Hunter Resources, Inc. is one of the nation's fastest growing independent exploration and development companies engaged in three principal activities: the acquisition, production and sale of crude oil, condensate and natural gas; the gathering, transmission and marketing of natural gas; and the managing and operating of producing oil and natural gas properties for interest owners.

GE Capital Structured Finance Group's Oil and Gas unit is an active investor in conventional and Section 29 reserves. SFG is a leading equity investor and provider of innovative, financial solutions for clients in the global energy, telecommunications, commercial and industrial, and transportation sectors. In the past five years, SFG has financed more than 200 transactions aggregating some US \$8 billion, and has assets of \$11 billion. [www.sfg.ge.com](http://www.sfg.ge.com) GE Capital, with assets of over US\$345 billion, is a global financial services company with 28 specialized businesses. It is a wholly owned subsidiary of General Electric Company, a diversified manufacturing, technology, and services company with operations worldwide.

