Denbury
6th Annual Wyoming CO2 Conference
July 12, 2012
Casper, Wyoming
Rocky Mountain Region Activities Update
About Forward Looking Statements

The data contained in this presentation that are not historical facts are forward-looking statements that involve a number of risks and uncertainties. Such statements may relate to, among other things, forecasted capital expenditures, dates of pipeline construction commencement and completion, drilling activity, acquisition and dispositions plans, development activities, timing of CO₂ injections and initial production response in tertiary flooding projects, estimated costs, production rates and volumes or forecasts thereof, hydrocarbon reserve quantities and values, CO₂ reserves, helium reserves, potential reserves from tertiary operations, future hydrocarbon prices or assumptions, liquidity, cash flows, availability of capital, borrowing capacity, finding costs, rates of return, overall economics, net asset values, potential reserves and anticipated production growth rates in our CO₂ models, 2012 estimated production, 2012 and future production and expenditure estimates, availability and cost of equipment and services. These forward-looking statements are generally accompanied by words such as “estimated”, “projected”, “potential”, “anticipated”, “forecasted” or other words that convey the uncertainty of future events or outcomes. These statements are based on management’s current plans and assumptions and are subject to a number of risks and uncertainties as further outlined in our most recent Form 10-K and Form 10-Q filed with the SEC. Therefore, the actual results may differ materially from the expectations, estimates or assumptions expressed in or implied by any forward-looking statement made by or on behalf of the Company.

Cautionary Note to U.S. Investors – Current SEC rules regarding oil and gas reserve information allow oil and gas companies to disclose in filings with the SEC not only proved reserves, but also probable and possible reserves that meet the SEC’s definitions of such terms. We disclose only proved reserves in our filings with the SEC. Denbury’s proved reserves as of December 31, 2011 were estimated by DeGolyer & MacNaughton, an independent petroleum engineering firm. In this presentation, we make reference to probable and possible reserves, some of which have been prepared by our independent engineers and some of which have been prepared by Denbury’s internal staff of engineers. In this presentation, we also refer to estimates of resource “potential” or other descriptions of volumes potentially recoverable, which in addition to reserves generally classifiable as probable and possible (2P and 3P reserves), include estimates of reserves that do not rise to the standards for possible reserves, and which SEC guidelines strictly prohibit us from including in filings with the SEC. These estimates, as well as the estimates of probable and possible reserves, are by their nature more speculative than estimates of proved reserves and are subject to greater uncertainties, and accordingly the likelihood of recovering those reserves is subject to substantially greater risk.
Topic Outline

- Who is Denbury
- Transportation Infrastructure for EOR/CCUS
- Denbury CO\textsubscript{2} Sources & CO\textsubscript{2} Pipeline Development in the Rockies.
Denbury - A Different Kind of Oil Company

An EOR focused company

Scale
~$10 billion enterprise value
71,532 BOE/d production (1Q12E)

Performance
30% compound annual growth rate (CAGR) in EOR production last 12 years

Platform
Infrastructure in place, secure CO₂ supply, more than 1 billion barrels of potential oil reserves, strong financial position

Sustainable Growth
10 year sustainable EOR growth profile at 13-15% CAGR; Top ten Bakken acreage position

## Denbury at a Glance

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total 3P Reserves (12/31/11)</td>
<td>~1.3 BBOE</td>
</tr>
<tr>
<td>Proved Reserves % Oil (9/30/11)</td>
<td>78%</td>
</tr>
<tr>
<td>Market Cap (3/31/12)</td>
<td>~$7.3B</td>
</tr>
<tr>
<td>Total Daily Production (1Q12)</td>
<td>71,532 BOE/d</td>
</tr>
<tr>
<td>Proved PV-10 (12/31/11) at $96.19 Oil Price)</td>
<td>$10.6B</td>
</tr>
<tr>
<td>CO₂ 3P Reserves (12/31/11)</td>
<td>~16 Tcf</td>
</tr>
<tr>
<td>CO₂ Pipelines Controlled</td>
<td>~1000 miles</td>
</tr>
<tr>
<td>Credit Facility Availability (12/31/11)</td>
<td>$1.2B</td>
</tr>
</tbody>
</table>
What is CO₂ EOR & How Much Does It Recover?

Secure CO₂ Supply → Transport via Pipeline → Inject into Oilfield

EOR Delivers Almost as Much Production as Primary or Secondary Recovery\(^{(1)}\)

- Primary Recovery (waterfloods): \(~18\%\)
- Secondary Recovery (waterfloods): \(~18\%\)
- Tertiary Recovery (CO₂ EOR): \(~17\%\)
- Remaining Oil: \(~20\%\)

(1) Recovery of Original Oil in Place based on history at Little Creek Field.
CO₂-EOR Potential in the Gulf Coast and Rockies

Existing CO₂ Pipelines

- CO₂ Pipelines Under Development
  - Rocky Mountain Fields With CO₂ Potential
  - Existing Anthropogenic CO₂ Sources
  - Proposed Coal to Gas or Liquids
  - CO₂ Contract Executed

Estimated 1.3 to 3.2 Billion Barrels Recoverable with CO₂ EOR (1)

Estimated 3.4 to 7.5 Billion Barrels Recoverable with CO₂ EOR (1)

(1) DOE 2005 and 2006 reports.
Transportation of CO₂-EOR Potential

DOE/NETL Report:

- “CO₂ enhanced oil recovery (CO₂-EOR) offers the potential for storing significant volumes of carbon dioxide emissions while increasing domestic oil production”

- Approximately 84.8 billion barrels of oil in existing US oilfields could be recovered using state-of-the-art CO₂-EOR (In a range of $50-$100/barrel, it is economically feasible to recover 39 to 48 billion barrels)

- Next generation technology offers potential for recovering more stranded oil and storing significantly more CO₂

- Infrastructure for CO₂-EOR can be used for large-scale carbon capture and sequestration (CCS) projects in underlying saline formations
CO₂ Pipelines: Transportation is Essential

- CO₂ Emitters Such as, Power Plants, Coal Gasification Facilities, Chemical Plants, etc. Require Nearly Continuous Run-time (24/7 Operations).
Current U.S. CO₂ Sources & Pipelines

- Great Plains Coal Gasification Plant
- LaBarge
- McElmo Dome
- Sheep Mountain
- Bravo Dome
- Ammonia Plant
- Jackson Dome
- Ridgeway CO₂ Discovery

CO₂ to Canada

Antrim Gas Plant

U.S. CO₂-EOR Production
Approximately 280,000 Bbls/d
1) Probable and possible reserve estimates as of 12/31/11, based on a variety of recovery factors.
2) Proved reserves as of 12/31/2011
Pipeline Construction
Greencore Pipeline – Rocky Mountains

- 232 miles 20” CO2 Pipeline from the Conoco Philips operated Lost Cabin Gas Plant in Fremont County, WY to a point in the Belle Creek Field in Power River County, MT.

- Construction Phases
  - 1st: Aug – Dec 2011 (completed 116 miles)
  - 2nd: Aug – Late 2012
  - Total Investment $275 to $325 million
  - Capacity 725 MMCFD

- Route follows existing pipeline corridors where possible to minimize the surface impact and traverses BLM approved utility corridors.

- Initial start up volumes of 50MMcf/d with potential of 775 MMcf/d.
Greencore Pipeline – Rocky Mountains

- Greencore Pipeline (Lost Cabin, WY to Bell Creek, MT)
  - 232-mile pipeline route, Estimated $275 to $325 Million
Greencore Pipeline – Rocky Mountains
Greencore Pipeline – Rocky Mountains
LaBarge Field
- Estimated Field Size: 750 Square Miles
- Estimated 100 TCF of CO₂ Recoverable

Riley Ridge – Denbury Operated
- 100% WI in 9,700 acre Riley Ridge Federal Unit
- ~33% WI in ~28,000 acre Miami Ditch and proposed Rands Butte Unit

1) Proved reserves as of 12/31/2011

Riley Ridge
415 BCF Nat Gas
12.0 BCF Helium
2.2 TCF CO₂
Rocky Mountain Region Growth

- Grieve Oil Field
  - JV with Elk Petroleum
  - 65% WI
  - Target 12 million barrels of oil from the Muddy Formation
  - Construction of 3 mile pipeline and infield facilities
- DKRW
  - Contract to purchase 100% of the CO2 captured from the DKRW Advanced Fuels LLC, Medicine Bow Fuel and Power coal to liquids project in Medicine Bow, WY,
  - Estimated initial volume of 100 MMcf/d of CO2, potential expansion to 200 MMcf/d
  - Construction of 187 mile pipeline and facilities
- Potential Interconnects with other P/L Operators to expand the CO2 pipeline network
1) Probable and possible reserve estimates.
Pipelines

- Approximately 730 miles of pipelines will need to be built by the end of 2016
- NEPA filing, EIS, will take three years for approval. Construction will start in 2015. ROW application has been submitted to the BLM commencing the EIS process
- Construction contractor availability will be monitored due to Keystone P/L schedule and industry resource demand
- Siting will be focused on existing utility corridors, power availability, constructability.
- Other agencies integral to the process include but are not limited to USFWS, COE, WYDEQ, SHPO
Pipeline Safety

- Pipeline safety is paramount to our success. We operate under the pipeline safety jurisdiction of PHSMA and DOT Part 195.
- Denbury’s Integrity Management Program is continually being enhanced and monitored.
- Denbury is an active participant in the state One Call Boards.
- Damage Prevention Program.
- Public Awareness Program for emergency responders, affected public, and governmental officials.
- Continual monitoring of the pipeline network.
Advancing U.S. Energy Production:
- CO$_2$-EOR can recover billions of barrels of identified oil from existing US oilfields, and offers immediate production without additional exploration and development lead times.
- The environmental impact of every barrel of recovered US oil from CO$_2$-EOR could be offset by carbon capture and storage (CCUS), versus no CO$_2$ reduction for imported oil.

Infrastructure for Future CCUS/EOR Solutions:
- CO$_2$ pipeline networks will enable large-scale CCUS during enhanced oil recovery and in post-production utilization of underlying saline formations.
- CO$_2$ pipeline networks provide the basic infrastructure needed for development of carbon solutions for environmentally-sensitive industrial developments including existing power plants, industrial sites, innovative gasification projects that can produce transportation fuels, power, substitute natural gas, fertilizer and chemicals from plentiful U.S. natural resources.
Bottom Line: CO$_2$-EOR is a viable, economical and technologically feasible way to encourage CCUS of CO$_2$ in a safe and secure manner under a known and proven regulatory system
Wyoming Development: Thank You