Denbury

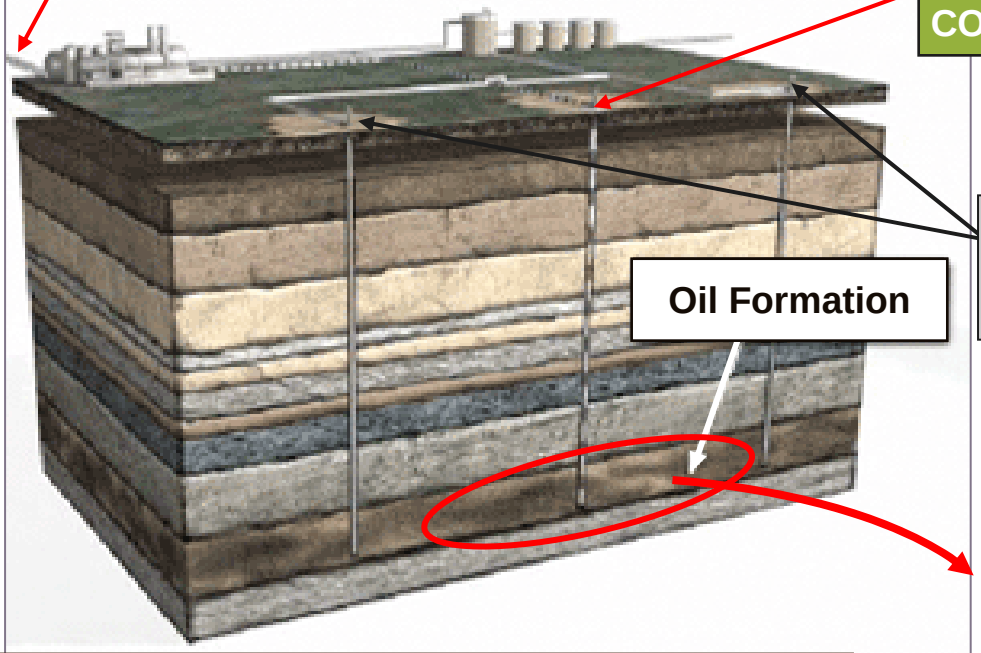
IPAA Mid-year
Production Optimization Panel

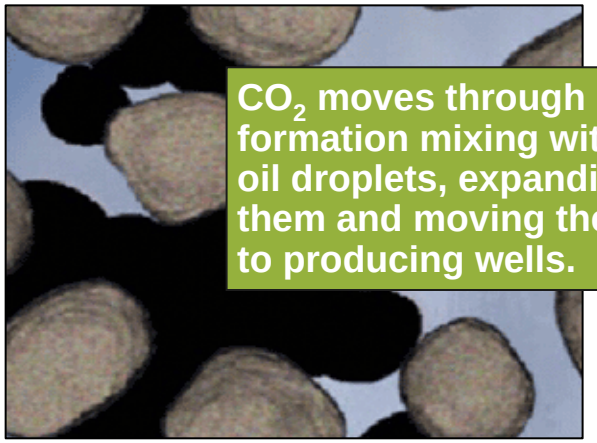
June 21, 2011

NYSE: DNR

CO_2EOR

CO_2 Operations: Oil Recovery Process

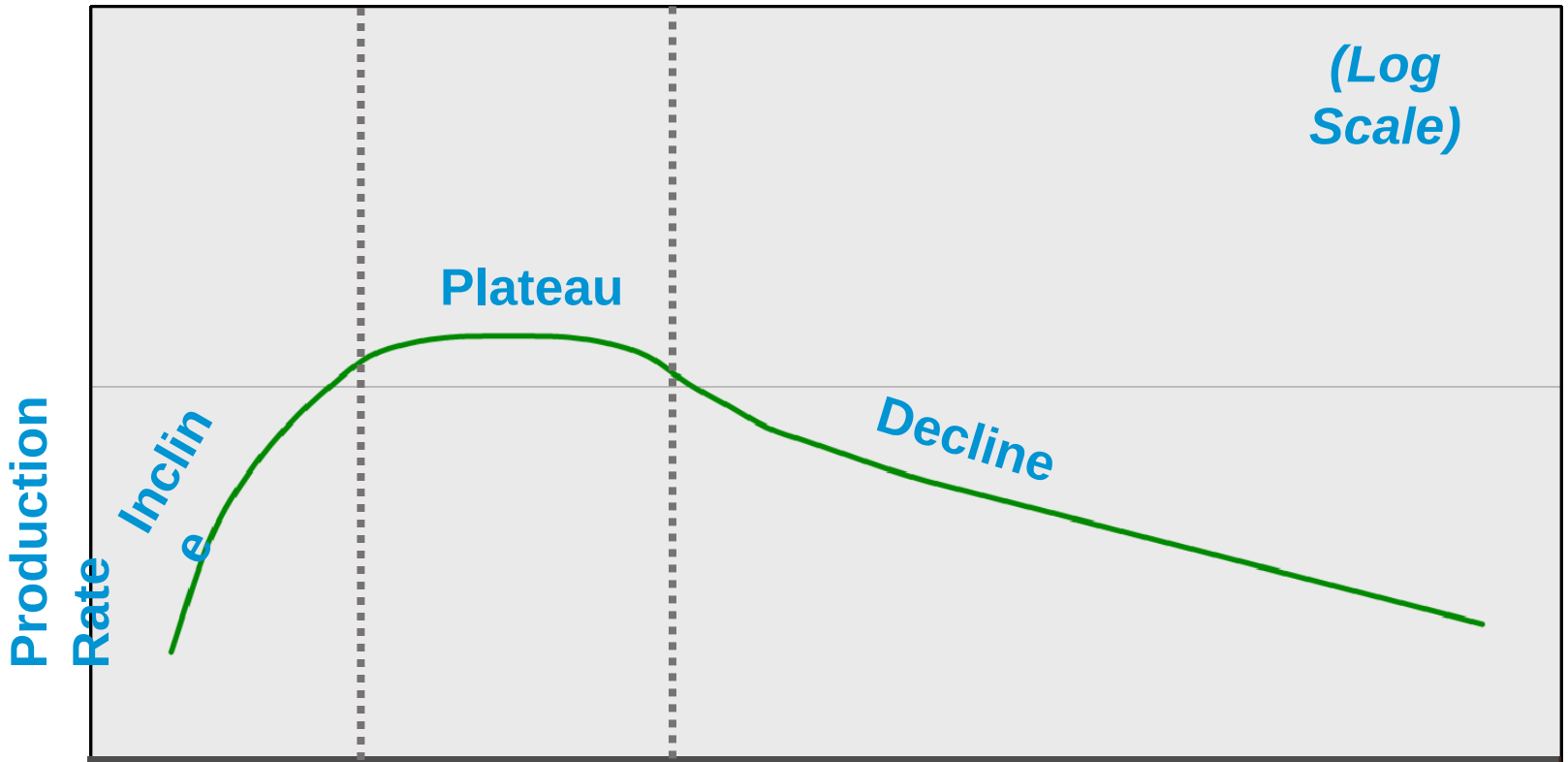




Model for Oil Recovery Using CO_2 is +/- 17% of Original Oil in Place (Based on Little Creek)

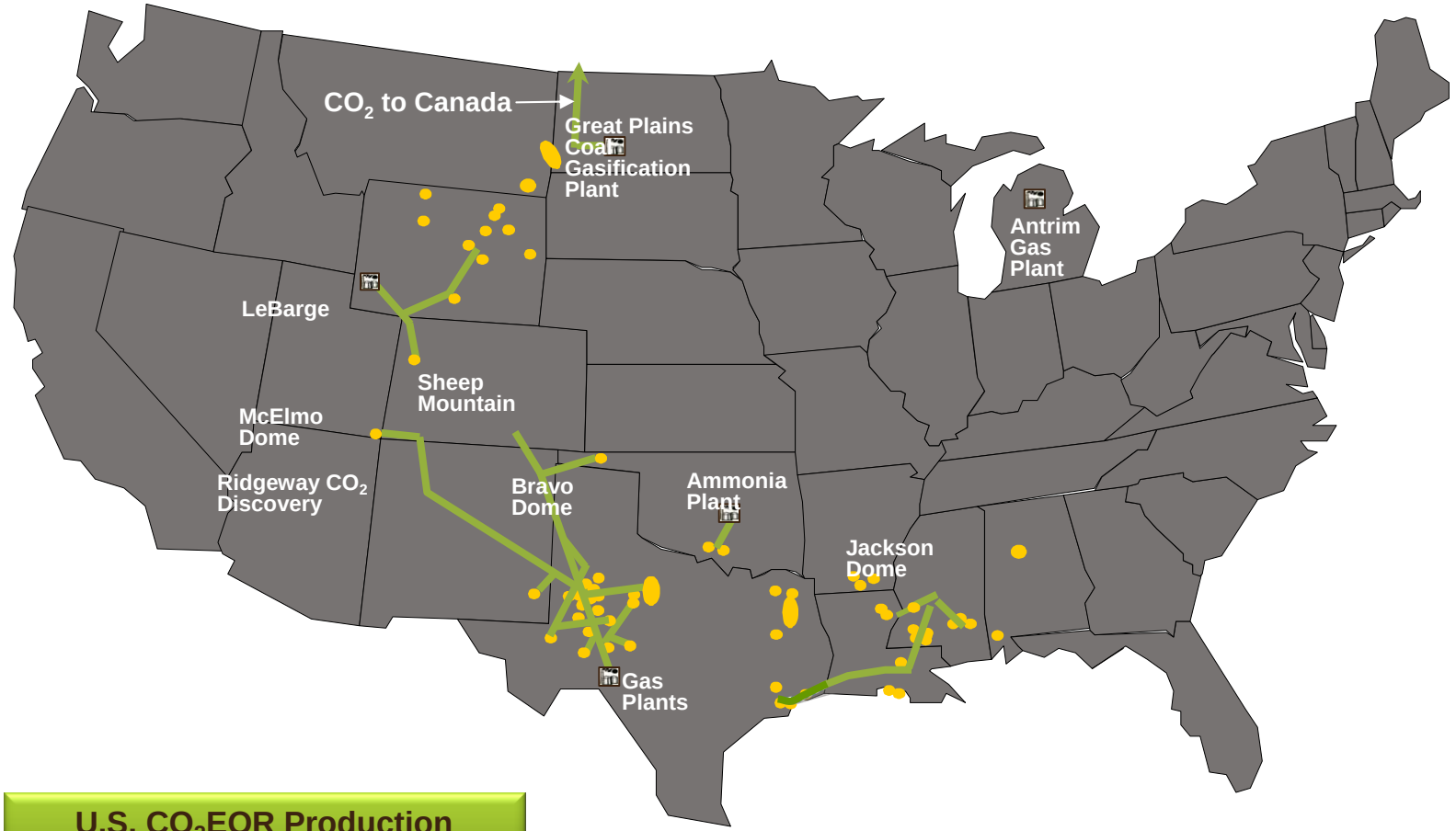
- Primary recovery = +/- 20%
- Secondary recovery (waterfloods) = +/- 18%
- Tertiary (CO_2) = +/- 17%

CO_2EOR Generalized Type Curve



	Incline (Yrs)	Plateau (Yrs)	Decline (Yrs)
Large Fields	6	6.5	30
Average Fields	4.5	5.5	25
Small Fields	4	5	20

Current U.S. CO_2 Sources & Pipelines



U.S. CO_2EOR Production
Approximately 280,000 Bbls/d

Potential Sources of Additional CO_2

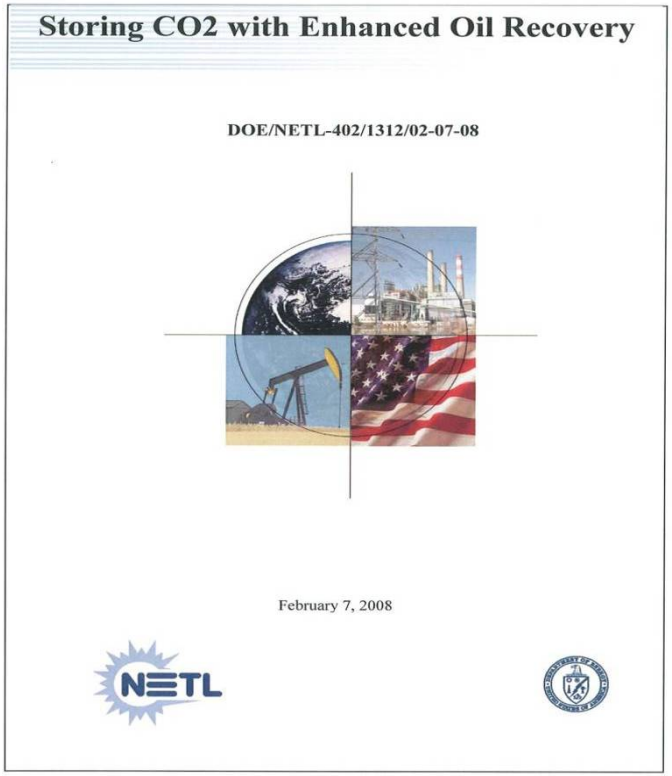
- **Natural Sources**
  - Jackson Dome
  - McElmo Dome
  - La Barge
- **Carbon Gasification Projects**
  - Convert solid carbon into Syngas
  - Syngas can be converted into various products
  - By product is CO_2
- **Existing Emitters of "Pure" CO_2**
  - Up to 150 MMcf/d in the aggregate
  - Smaller volumes per plant
- **Existing Emitters of "Dilute" CO_2**
  - Large volumes
  - Expensive to capture based on current technologies

Potential

CO_2EOR Potential

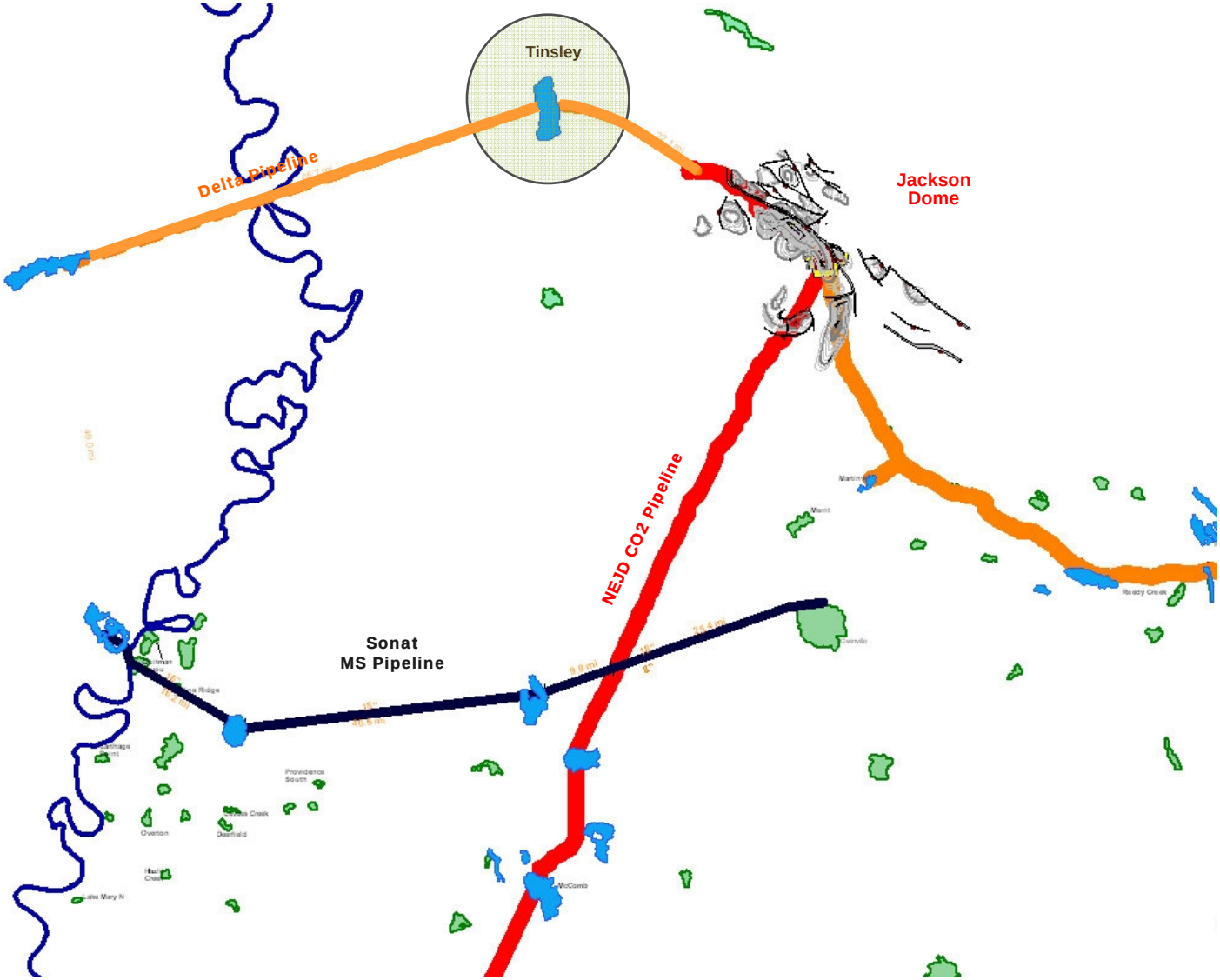
DOE/NETL Report:

- "CO_2 enhanced oil recovery (CO_2EOR) 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 CO_2EOR
  (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 CO_2
- Infrastructure for CO_2EOR can be used for large-scale carbon capture and sequestration (CCS) projects in underlying saline formations

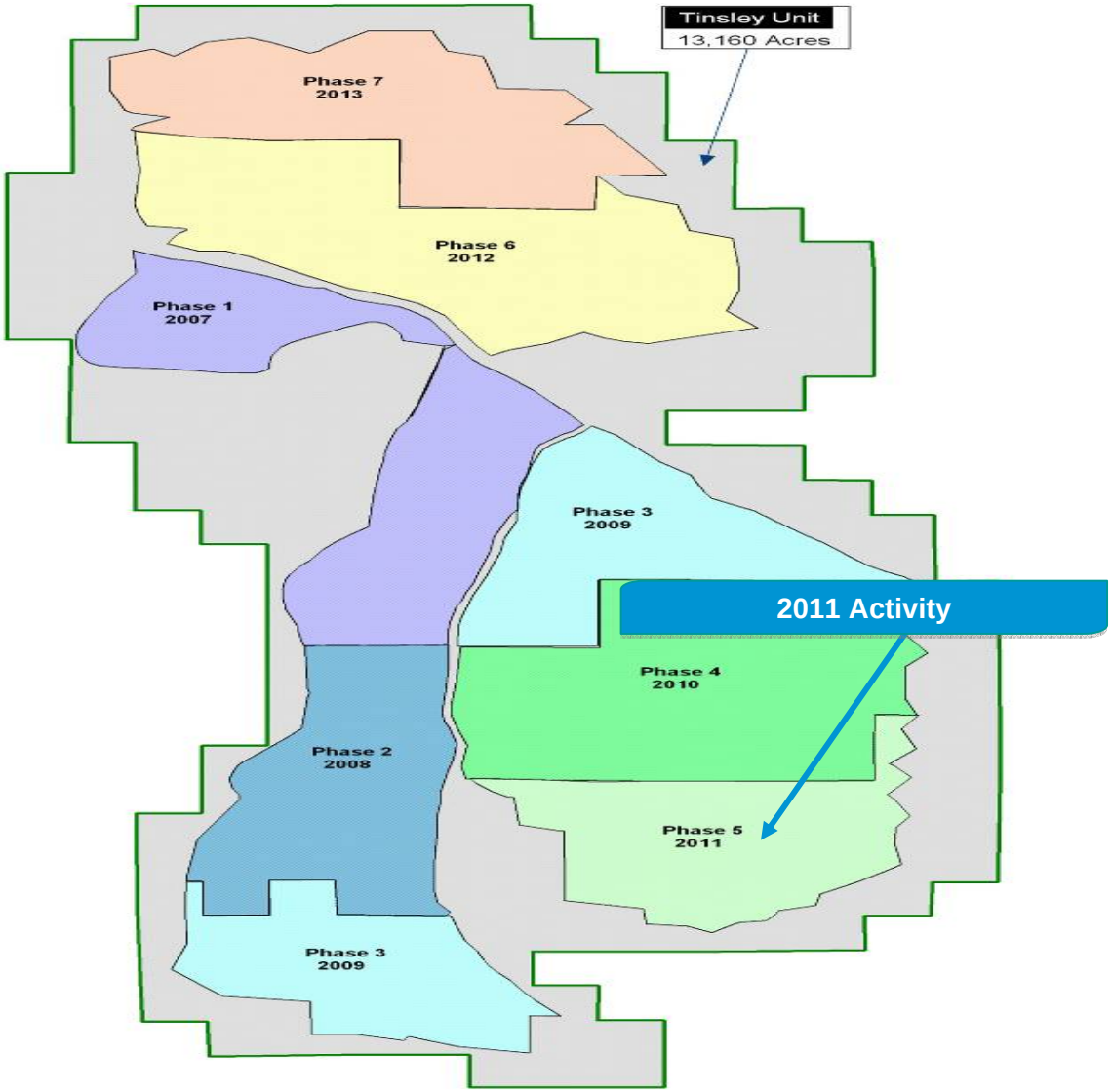


Examples

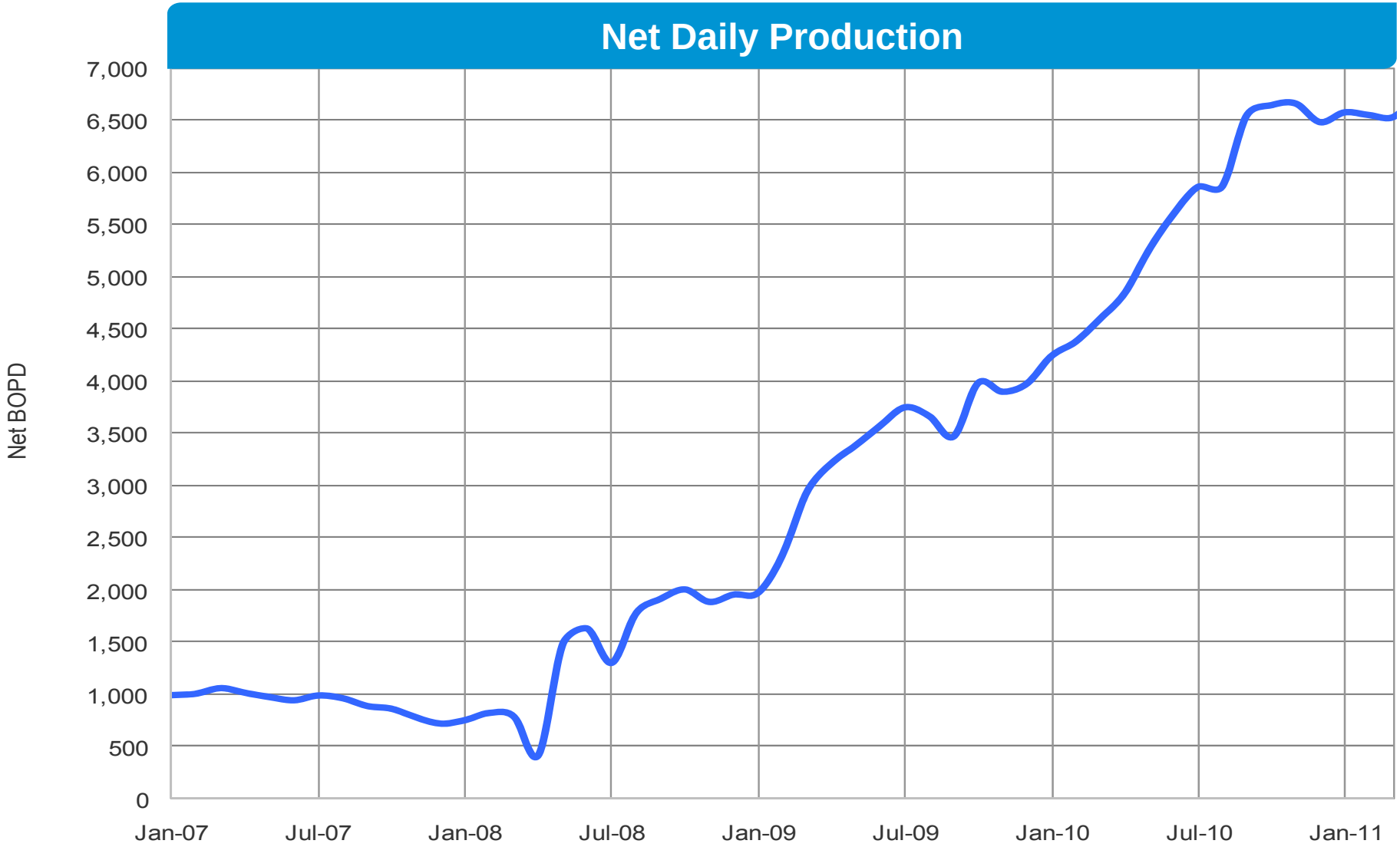
Tinsley Field



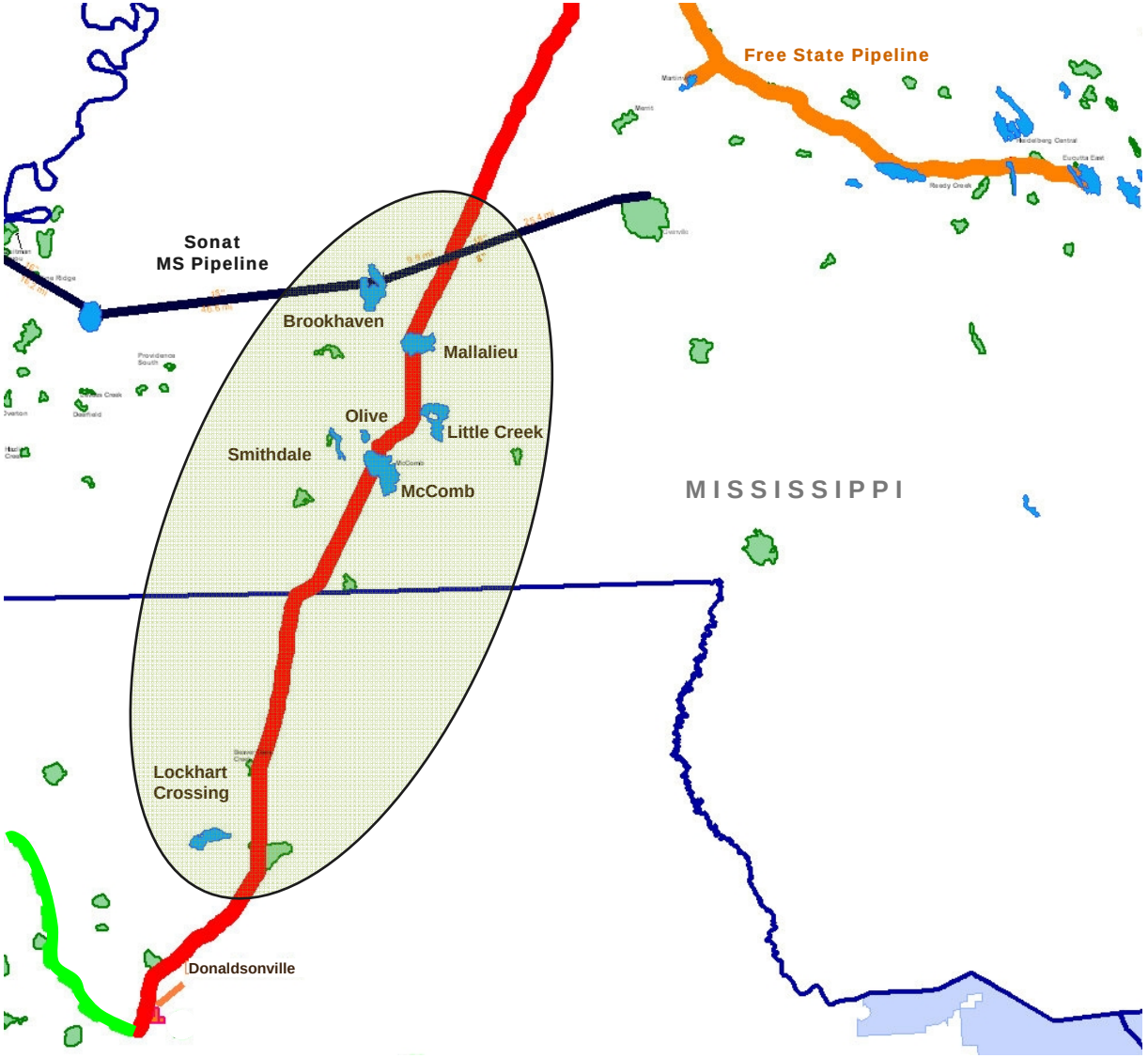
Tinsley Field: 2011 Planned Activity



Tinsley Field



SW Mississippi



SW Mississippi