

North Dakota Interim Taxation Committee

July 2015



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: long-term strategy; anticipated levels of future dividends and their rate of growth and sustainability; the length or severity of the oil price downturn in late 2014 and early 2015; forecasts of capital expenditures, drilling activity and developmental activities; timing of carbon dioxide (CO₂) injections and production response to such tertiary flooding projects; estimated timing of pipeline construction or completion or the cost thereof; anticipated dates of completion of industrial plants to be constructed or under construction and the initial date of capture and amount of anthropogenic CO₂; estimates of liquidity, costs, forecasted production rate or peak production rates and the growth thereof; estimates of hydrocarbon reserve quantities and values, including potential and recoverable reserves, CO₂ reserves, and helium reserves; projected future hydrocarbon prices or costs; estimated future cash flows, including from our hedging positions, or uses of cash; availability of capital or borrowing capacity; estimated rates of return and overall economics; and anticipated availability and cost of equipment and services. These forward-looking statements are generally accompanied by words such as “believe”, “estimated”, “preliminary”, “projected”, “potential”, “anticipated”, “forecasted”, “expected”, “assume” 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 risk and uncertainties as further outlined in our most recent Form 10-K filed with the SEC. Therefore, actual results may differ materially from the expectations, estimates, forecasts, projections, or assumptions expressed in or implied by any forward-looking statement herein made by or on behalf of the Company.

Cautionary Note to U.S. Investors – Current SEC rules regarding oil and gas reserves 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, 2014 were estimated by DeGolyer and MacNaughton, an independent petroleum engineering firm. In this presentation, we make reference to probable and possible reserves, some of which have been estimated by our independent engineers and some of which have been estimated by Denbury’s internal staff of engineers. In this presentation, we also refer to estimates of original oil in place, resource or reserves “potential”, barrels recoverable, 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.

Denbury at a Glance



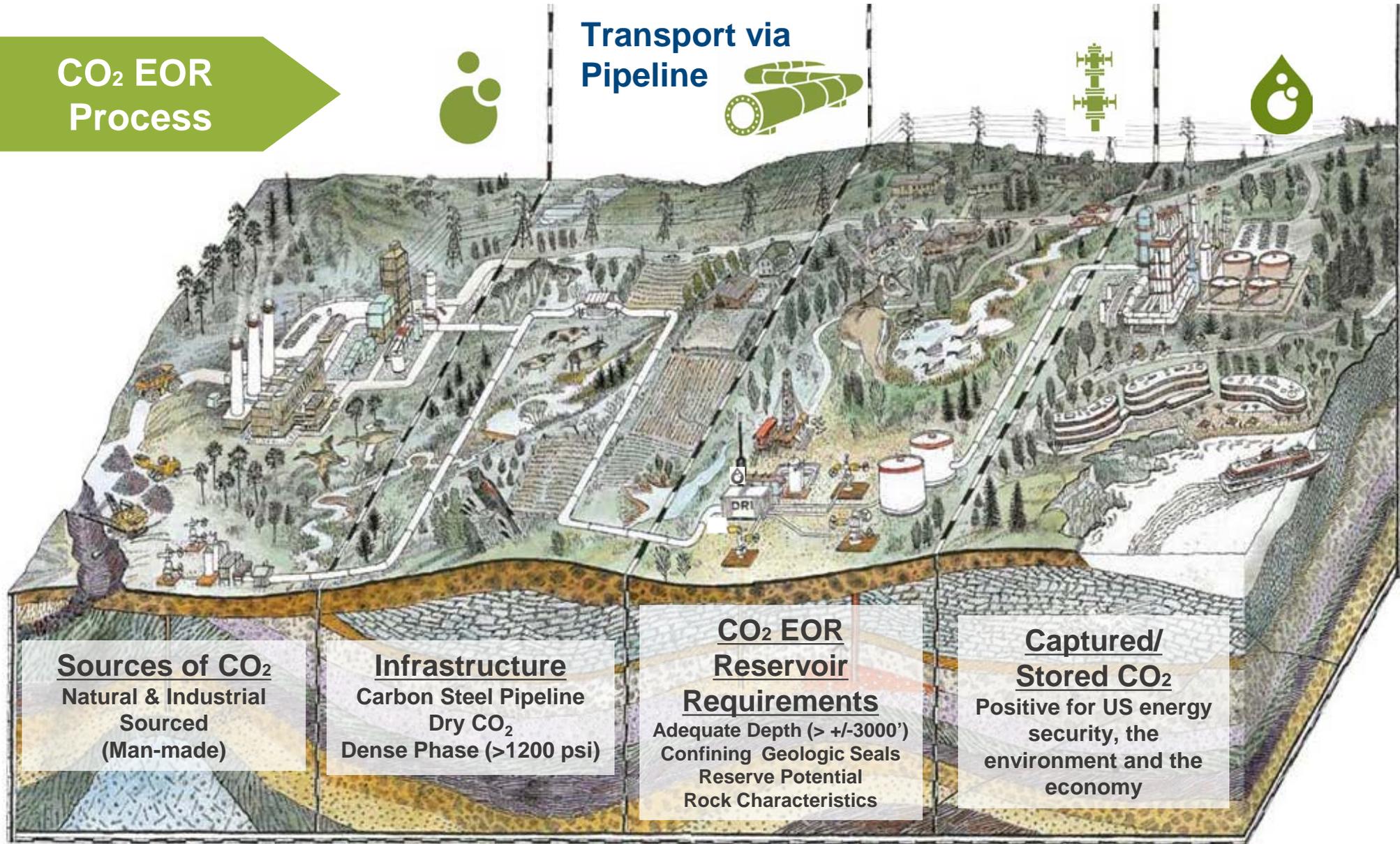
Total 3P Reserves (12/31/14)	~1.2 BBOE
% Oil Production (1Q15)	95%
Total Daily Production – BOE/d (1Q15)	74,356
Proved PV-10 (12/31/14) \$94.99 NYMEX Oil Price	\$8.7 billion
Market Cap (6/30/15)	\$2.2 billion
Total Debt (3/31/15)	\$3.6 billion
CO ₂ Supply 3P Reserves (12/31/14)	~17 Tcf
CO ₂ Pipelines Operated or Controlled	>1,100 miles
Credit Facility Availability (3/31/15)	~\$1.1 billion
Anticipated Annual Dividend per Share	2015E - \$0.25

Core Focus: CO₂ EOR



CO₂ EOR
Process

Transport via
Pipeline



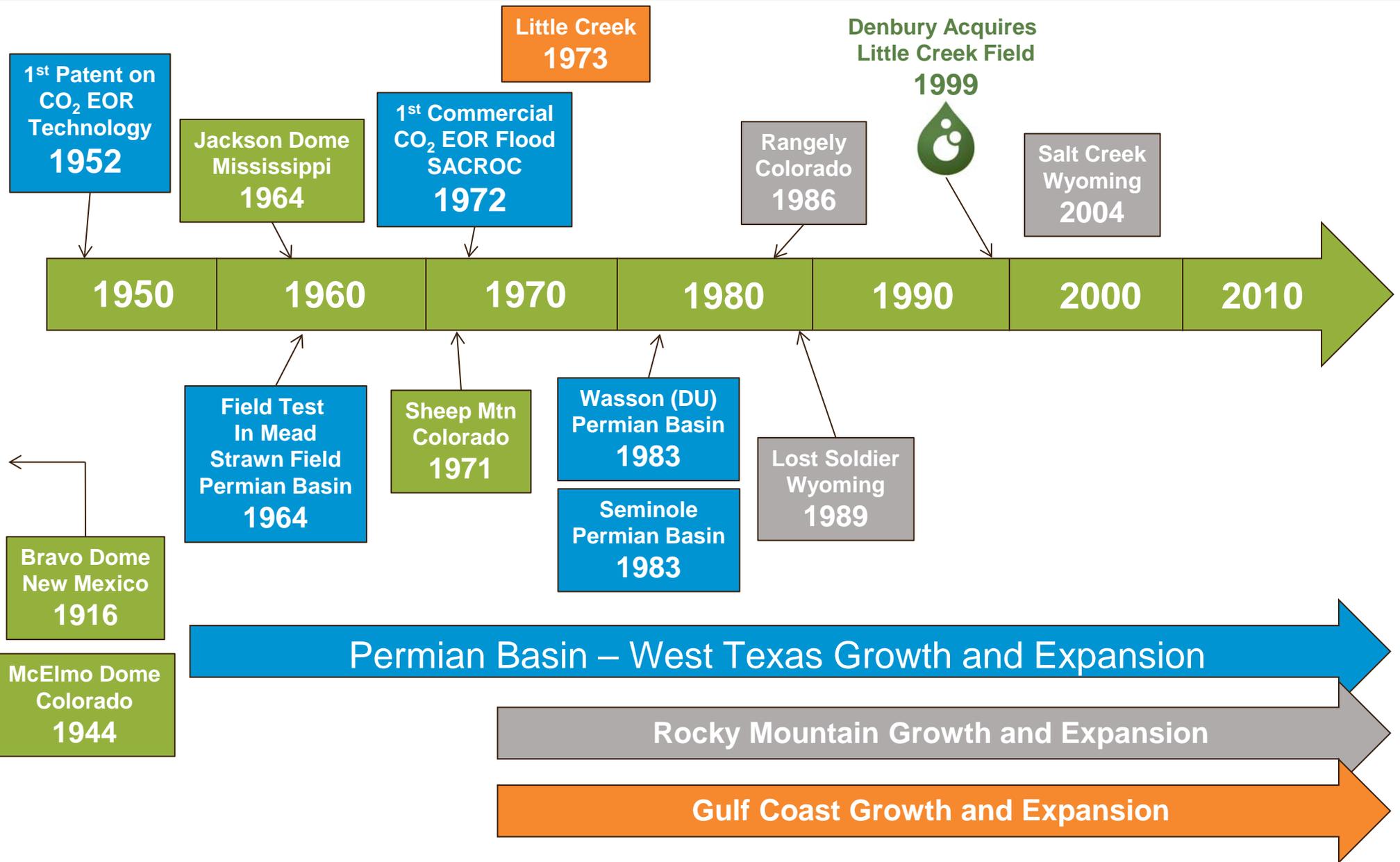
Sources of CO₂
Natural & Industrial
Sourced
(Man-made)

Infrastructure
Carbon Steel Pipeline
Dry CO₂
Dense Phase (>1200 psi)

**CO₂ EOR
Reservoir
Requirements**
Adequate Depth (> +/-3000')
Confining Geologic Seals
Reserve Potential
Rock Characteristics

**Captured/
Stored CO₂**
Positive for US energy
security, the
environment and the
economy

CO₂ EOR – A Brief History

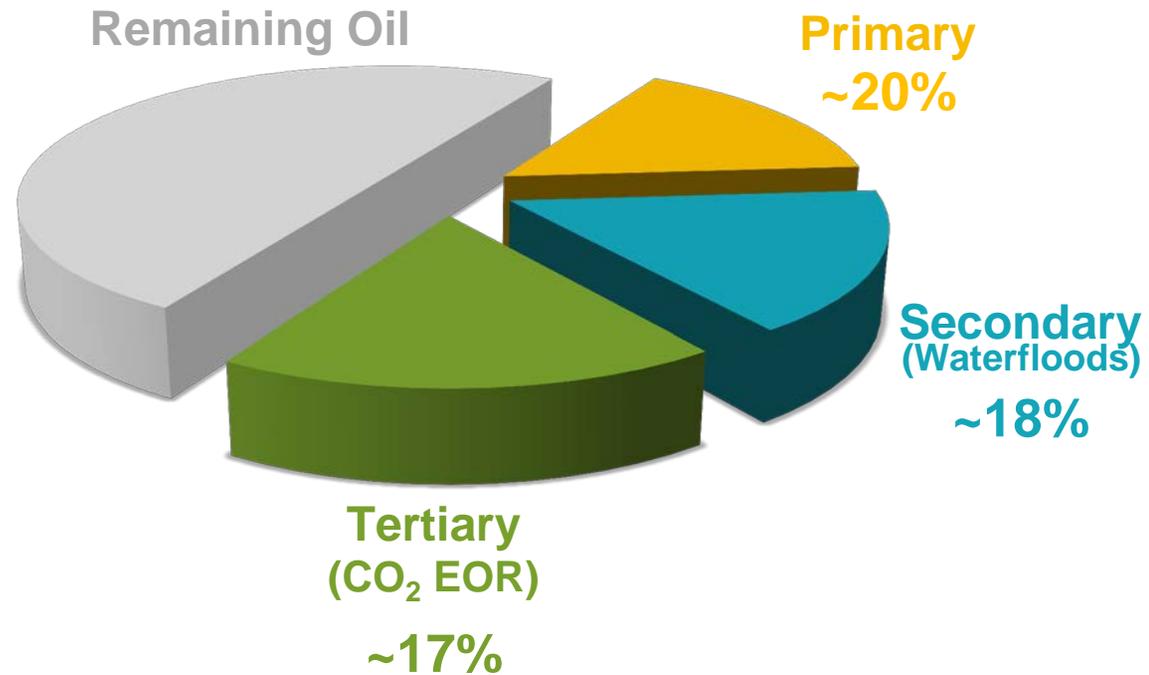


What is CO₂ EOR & How Much Oil Does it Recover?



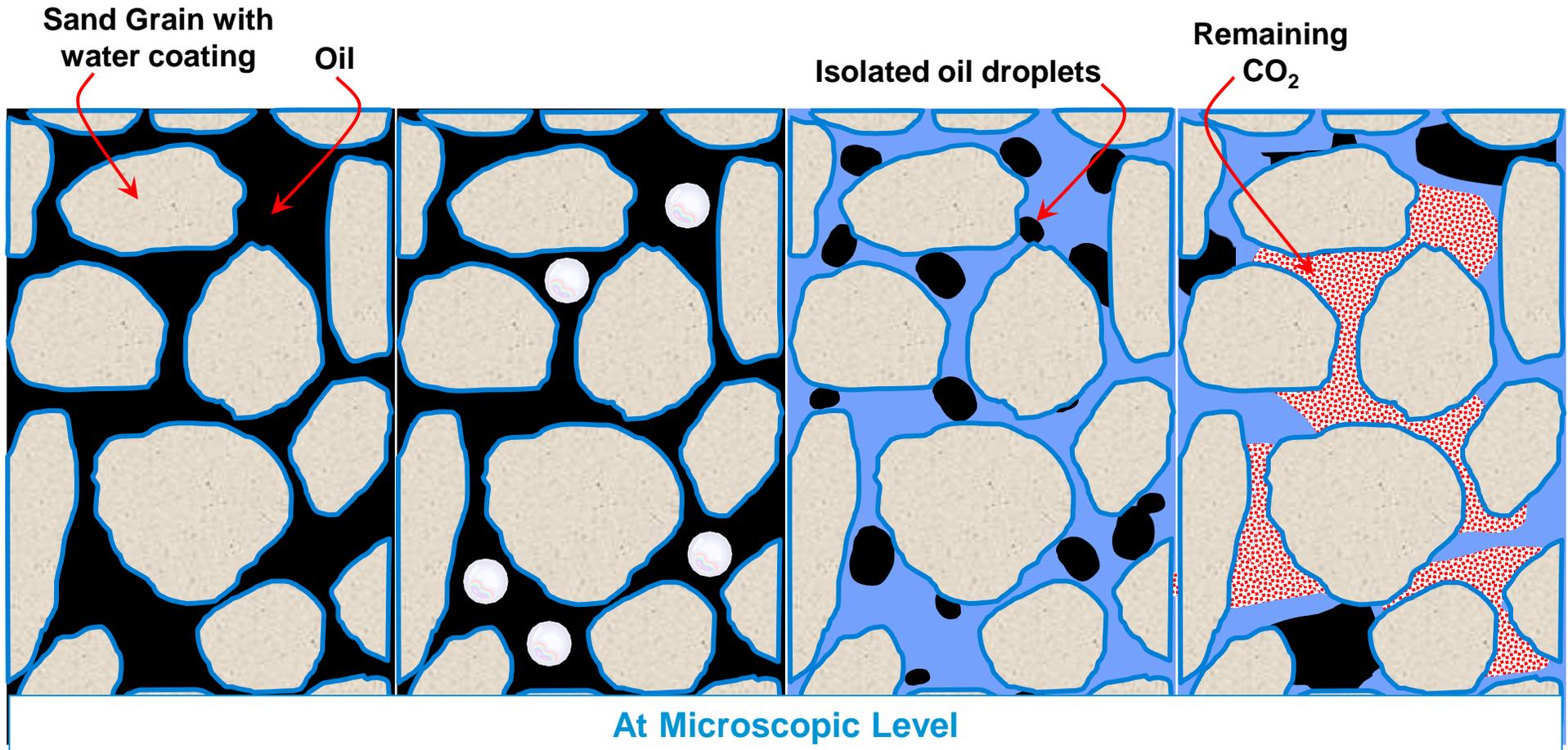
CO₂ EOR

Delivers Almost as Much Production as Primary or Secondary Recovery⁽¹⁾



(1) Recovery of original oil in place based on history at Little Creek Field.

How much oil remains in an old oil field?



Initial Discovery Conditions	After Primary Recovery	After Secondary Recovery (Waterflooding)	After Tertiary Recovery (CO ₂ EOR)
Oil Saturation ~70%	Oil Saturation ~50%	Oil Saturation ~30%	Oil Saturation ~15%

Up to 16 Billion Gross Barrels Recoverable⁽¹⁾ in Our Two CO₂ EOR Target Areas



**2.8 to 6.6
Billion Barrels**
Estimated Recoverable in
Rocky Mountain Region⁽²⁾

**Denbury-operated fields
represent ~10% of total
potential⁽³⁾**

**3.7 to 9.1
Billion Barrels**
Estimated Recoverable in
Gulf Coast Region⁽²⁾

- Existing Denbury CO₂ Pipelines
- - - Proposed Denbury CO₂ Pipelines
- Denbury owned fields
- Existing or Proposed CO₂ Source Owned or Contracted

(1) Total estimated recoveries on a gross basis utilizing CO₂ EOR, based on a variety of recovery factors.
(2) Source: 2013 DOE NETL Next Gen EOR
(3) Using approximate mid-points of ranges, based on a variety of recovery factors.

CO₂ EOR Potential – 2008 & 2011 Reports

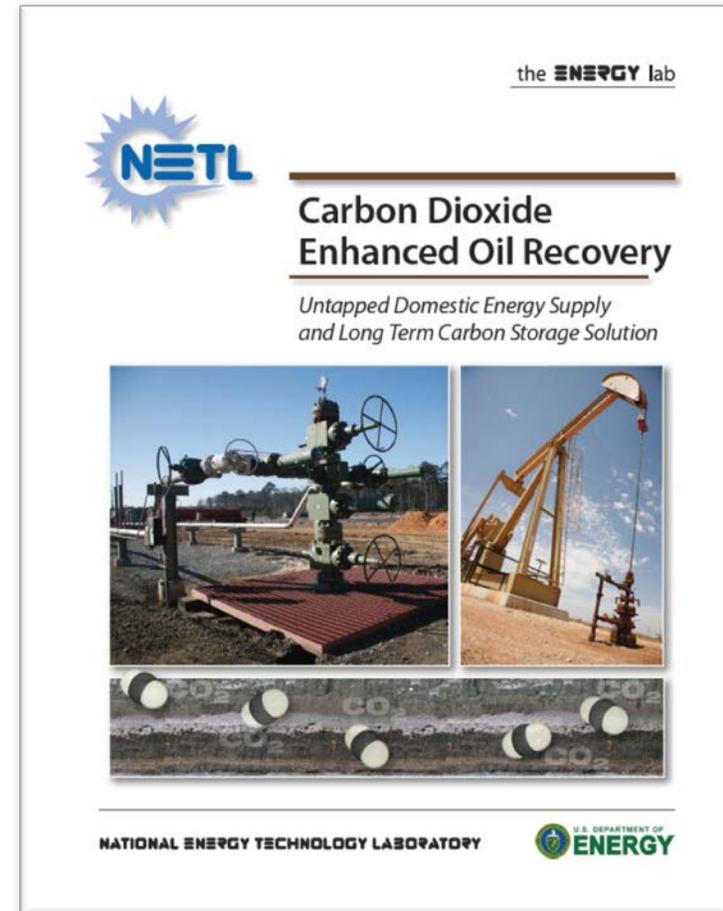


2008 - DOE/NETL Report

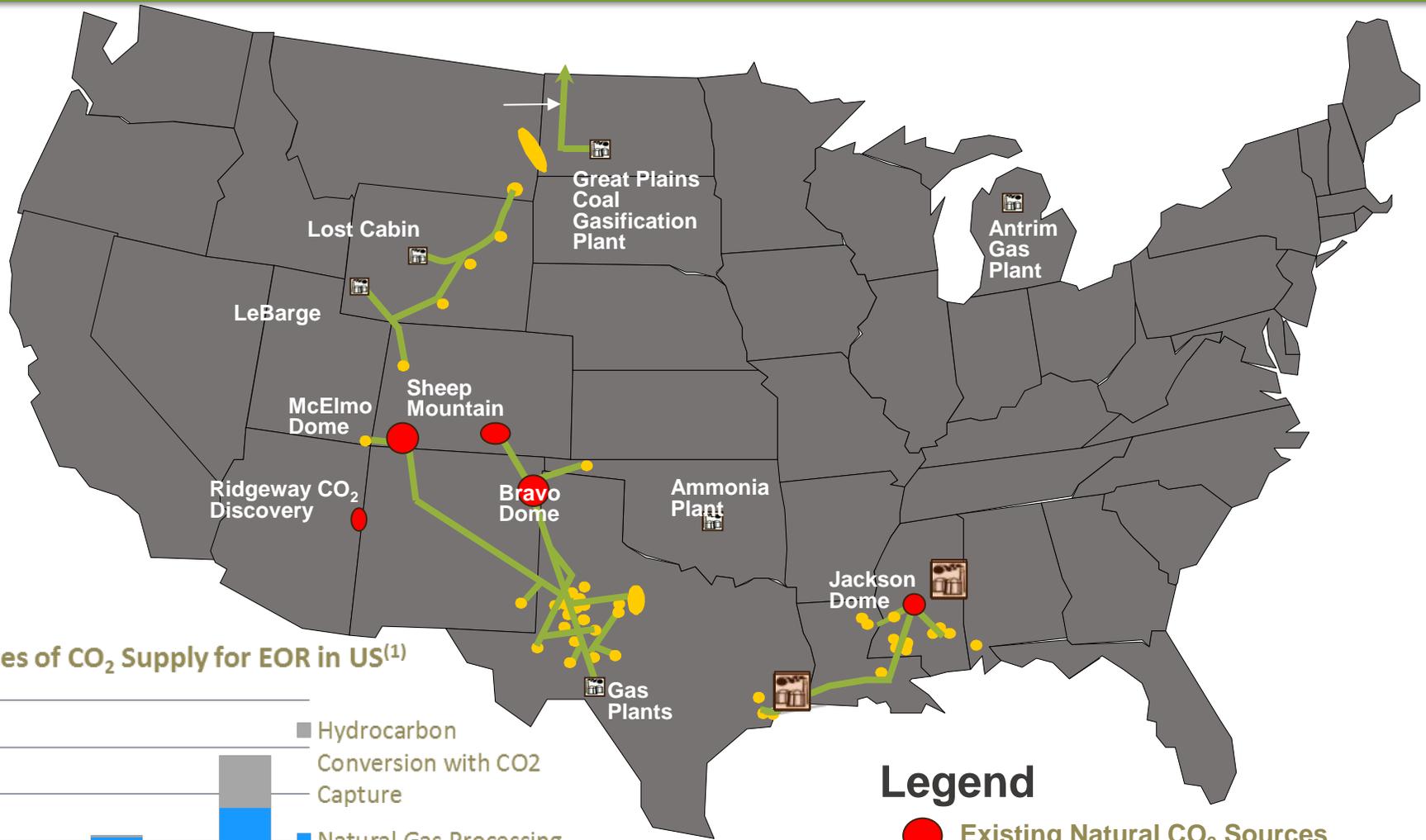
- “CO₂ enhanced oil recovery (CO₂ EOR) offers the potential for storing significant volumes of carbon dioxide emissions while increasing domestic oil production”
- Next generation technology offers potential for recovering more stranded oil and storing significantly more CO₂

2011 - DOE/NETL Report

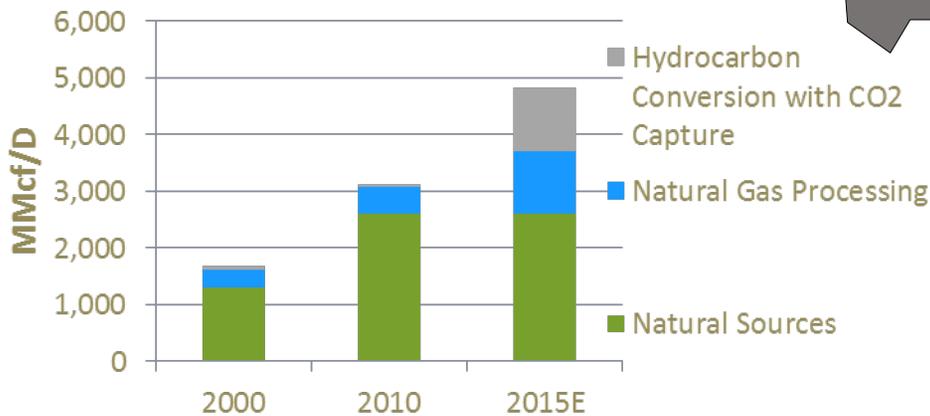
- “Next Generation” CO₂ EOR can provide 137 billion barrels of additional technically recoverable domestic oil, with about half (67 billion barrels) economically recoverable at an oil price of \$85 per barrel. Technical CO₂ storage capacity offered by CO₂ EOR would equal 45 billion metric tons.
- The market for captured CO₂ emissions from power plants created by economically feasible CO₂ EOR projects would be sufficient to permanently store the CO₂ emissions from 93 large one GW size coal-fired power plants operated for 30 years.



Current U.S. CO₂ Sources & Pipelines



Sources of CO₂ Supply for EOR in US⁽¹⁾



Legend

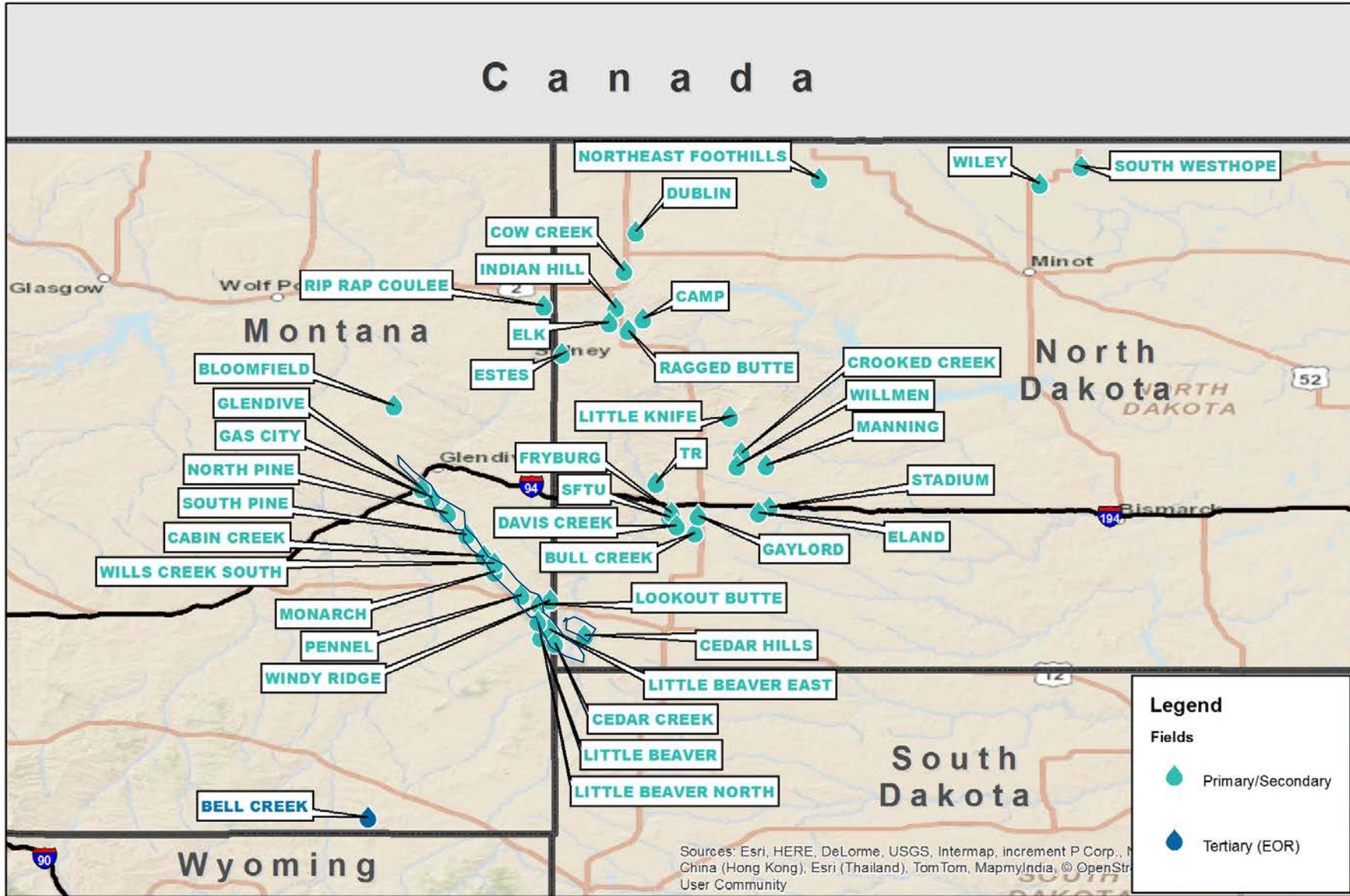
- Existing Natural CO₂ Sources
- Existing Industrial Sources
- Industrial Sources Under Construction
- Existing/Future EOR Fields

Strong Commitment to North Dakota



Categories	Year Ending 12/31/2014
Capital Investment (inception to date)	\$1.18 Billion
Capital Investment (2014)	~\$72 Million
Annual Lease Operating Expenditures	~\$64 Million
North Dakota Employment <small>(as of 12/31/2014)</small>	41 Employees
Annual Payroll	\$4.1 Million
Average Annual Salary & Benefits	\$106k
Annual Severance & Ad Valorem Taxes	~\$27 Million
Annual Royalty Payments to North Dakota Residents	~\$18.5 Million
Gross Average Daily Production	~13,000 BOE/d

Map of North Dakota / Montana Denbury Oil Fields



Cedar Creek Anticline CO₂ EOR Target



Summary ⁽¹⁾	
Proved	37
Potential	313
Produced-to-Date ⁽²⁾	<1
Total MMBbbls	351

CO₂ Sources
 ★ Existing or Proposed CO₂ Source Owned or Contracted

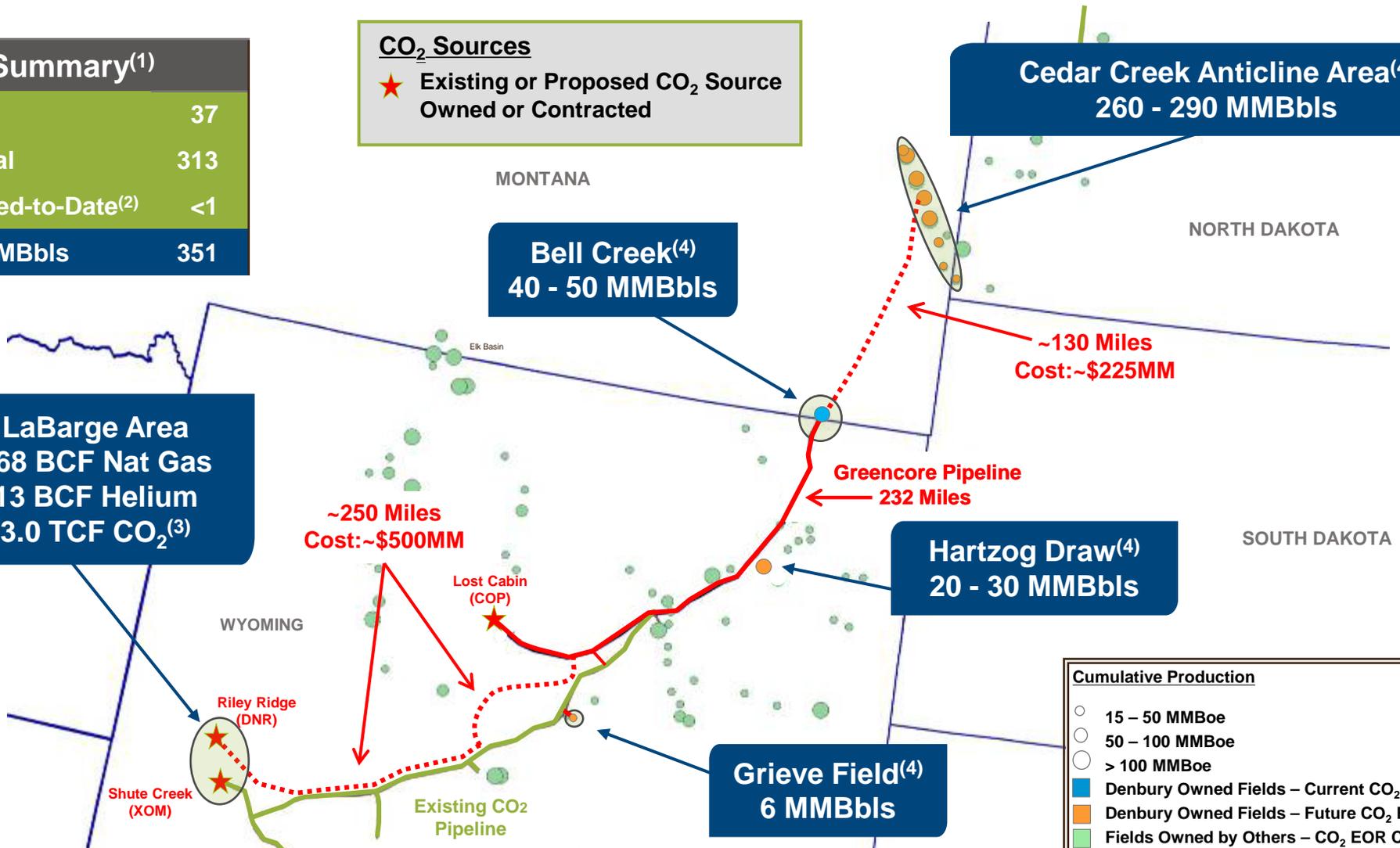
Cedar Creek Anticline Area⁽⁴⁾
 260 - 290 MMBbbls

Bell Creek⁽⁴⁾
 40 - 50 MMBbbls

LaBarge Area
 368 BCF Nat Gas
 13 BCF Helium
 3.0 TCF CO₂⁽³⁾

Hartzog Draw⁽⁴⁾
 20 - 30 MMBbbls

Grieve Field⁽⁴⁾
 6 MMBbbls



Cumulative Production

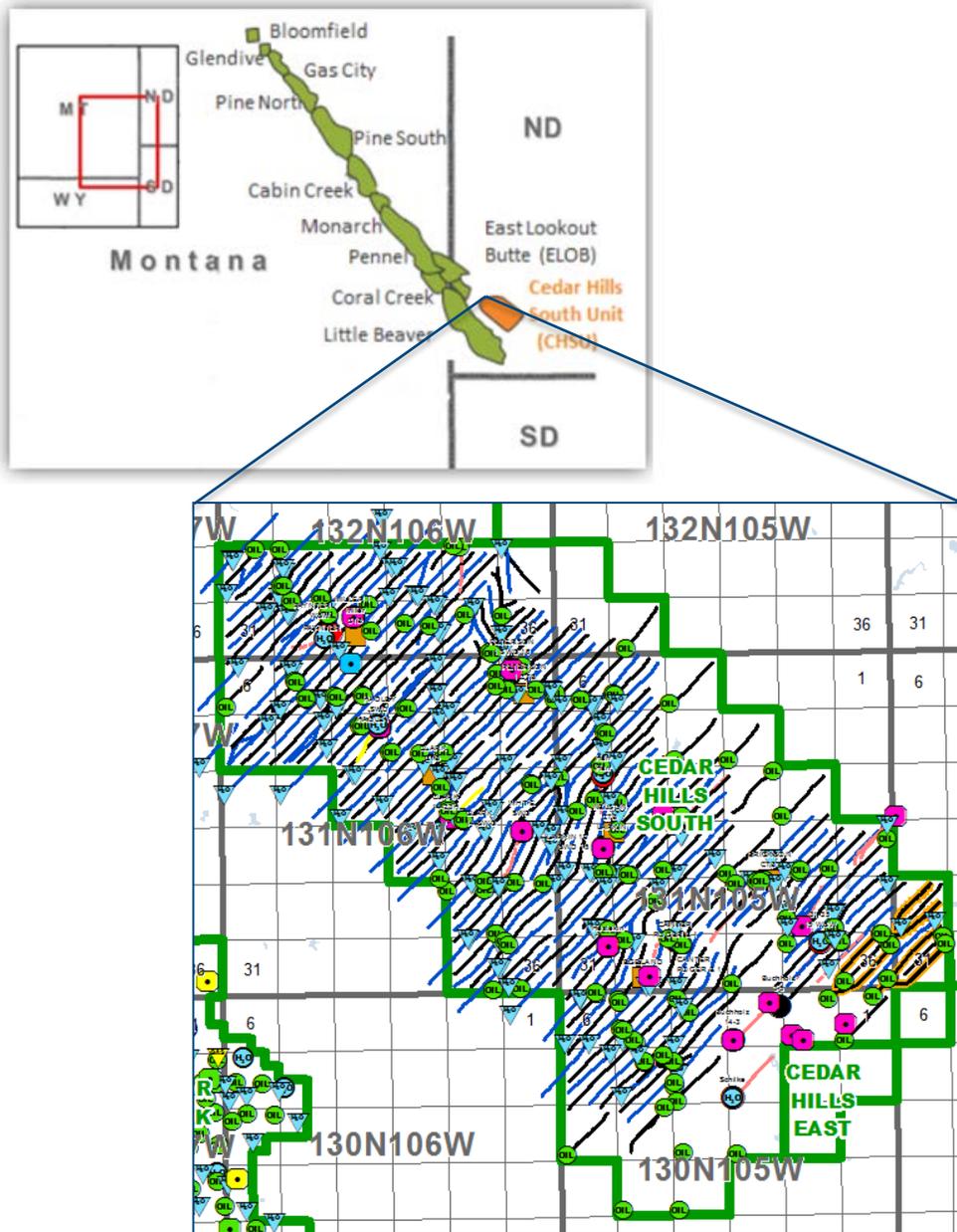
- 15 - 50 MMBboe
- 50 - 100 MMBboe
- > 100 MMBboe
- Denbury Owned Fields - Current CO₂ Floods
- Denbury Owned Fields - Future CO₂ Floods
- Fields Owned by Others - CO₂ EOR Candidates

Pipelines

- Denbury Pipelines
- ⋯ Denbury Proposed Pipelines
- Pipelines Owned by Others

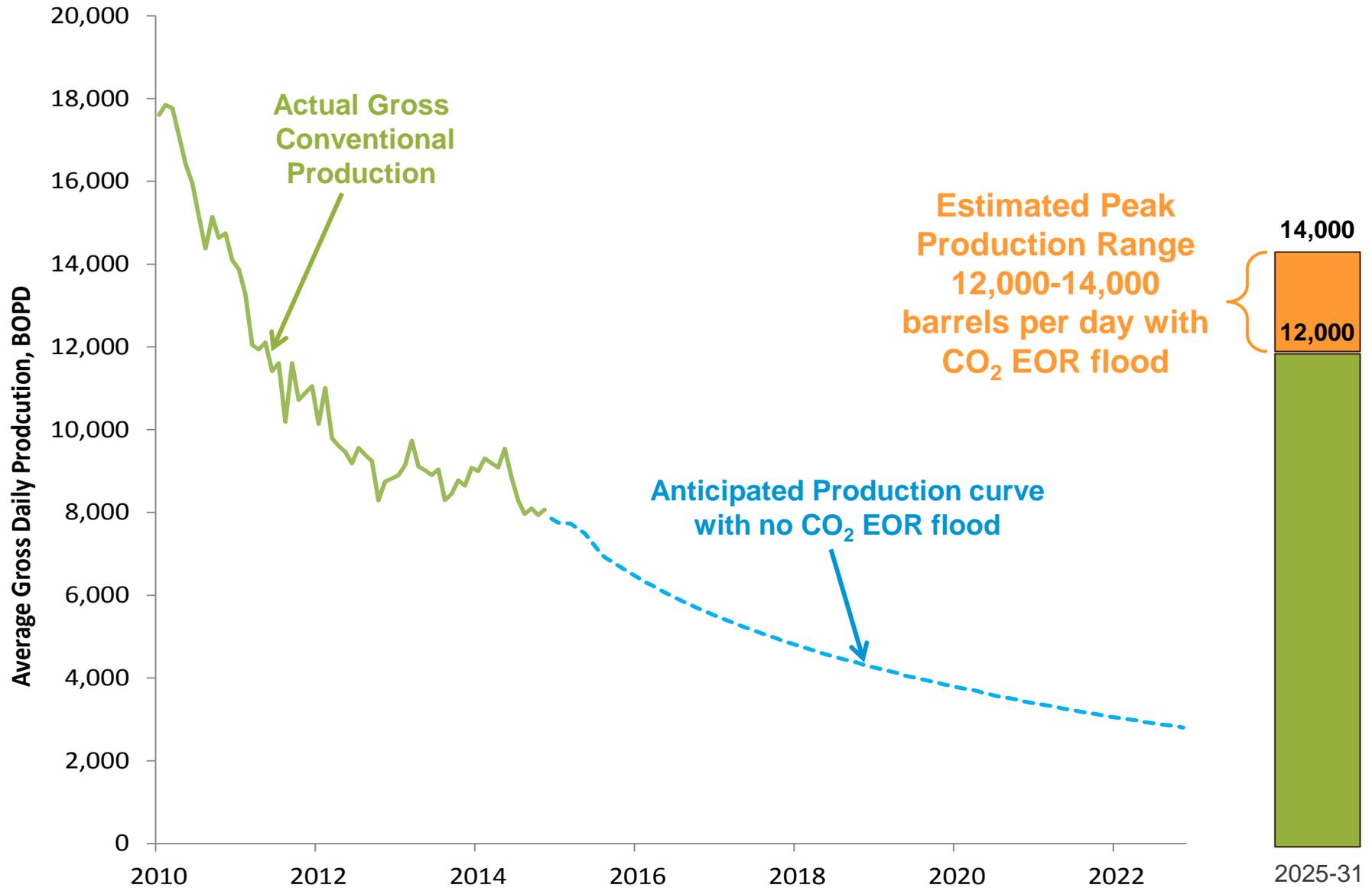
(1) Proved tertiary oil reserves based on year-end 12/31/14 SEC proved reserves. Potential includes probable and possible tertiary reserves estimated by the Company as of 12/31/14, using approximate mid-points of ranges, based on a variety of recovery factors.
 (2) Produced-to-date is cumulative tertiary production through 12/31/14.
 (3) Reported on a gross working interest or 8/8ths basis, except for overriding royalty interest in LaBarge Field.
 (4) Field reserves shown are estimated total potential tertiary reserves, including cumulative tertiary production through 12/31/14.

Cedar Hills South Unit Field Facts



- Discovered October 1994
- Cedar Hills South Red River B Unit formed 2001
 - 86 square miles
- Original Oil In Place
 - Approx. 400 million barrels
- Cumulative Volumes as of May 2015
 - 99.1 million barrels oil
~ 25% recovery factor to date
 - 26.5 billion cubic feet gas
 - 230.0 million barrels water
 - 351.5 million barrels water injected
- Denbury Acquired March 2013
- Denbury Capital Investment Since Acquisition
 - \$87 million (thru 2014)

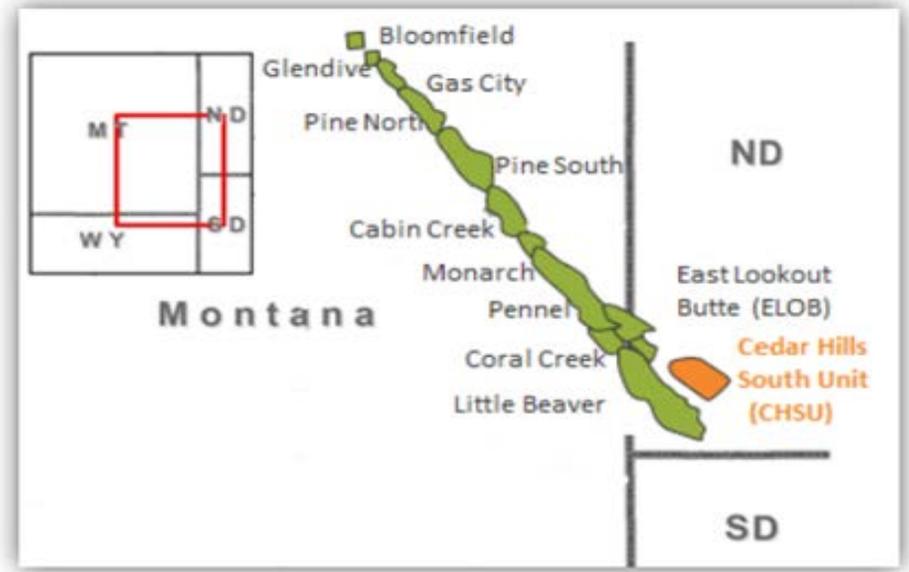
Cedar Hills South Unit Estimated Decline v. CO₂ EOR Peak



CHSU CO₂ EOR Estimated Capital investment



Components	Capital, millions \$
CO ₂ EOR Facility	\$200
Well Work	\$170
Test Sites, Flowlines	\$150
CO ₂ Pipeline	\$ 30
Total	\$550

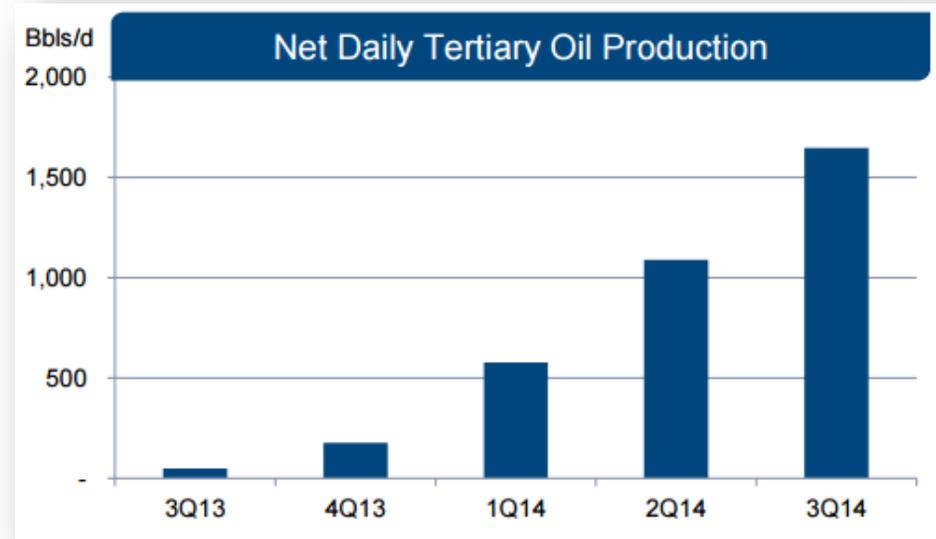
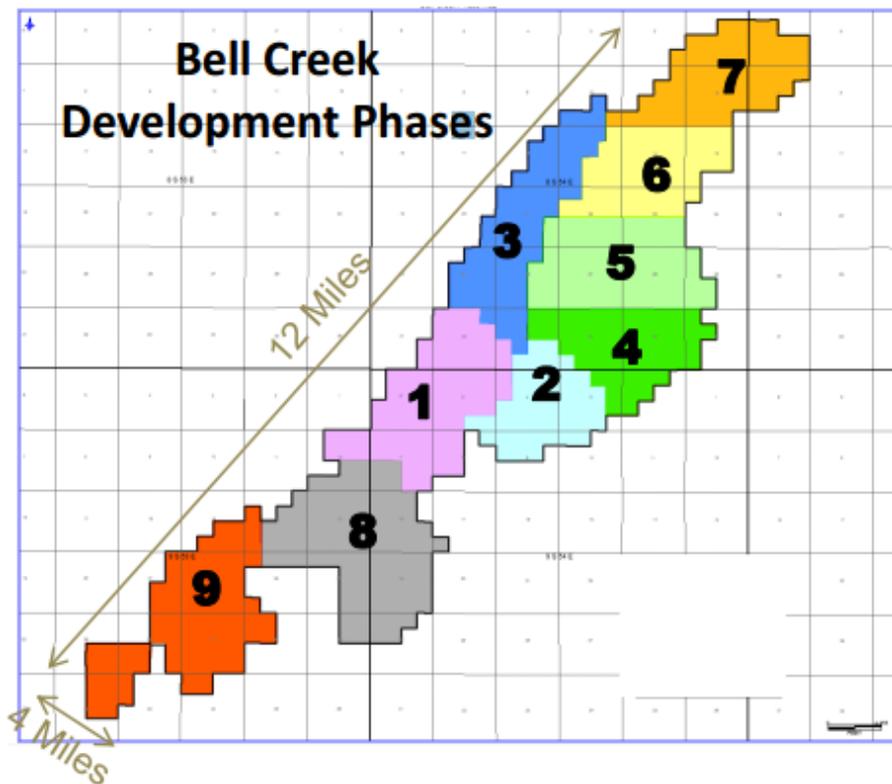


CO₂ EOR Entry in the Rockies - Bell Creek Field



Capex ~\$55MM

- Production: Growth ↗
- Continue Phase 3 and start Phase 4 CO₂ EOR development
- Growth rate dependent on CO₂ supply



Bell Creek Field - Transformation



Bell Creek Central Facility



Bell Creek High Pressure Compressors



Bell Creek Low Pressure Compressors



Bell Creek Process Building



Process Building, July 3, 2013



Bell Creek Pump Building



Pump Building, July 3, 2013



Bell Creek Manifold Building



Bell Creek Test Site During Construction



Bell Creek Flowlines to Test Sites



Bell Creek Central Facility





- ND – January 1, 2015
 - Sales Tax - all CO₂ EOR tangible equipment is taxable
 - Oil Extraction Tax - rate is zero for incremental EOR production
 - Property Tax - oil & gas equipment is exempt; CO₂ pipelines have 10 years in lieu of taxes
- ND – January 1, 2016
 - Sales Tax - materials used for compressing, gathering, collecting, storing, transporting or injecting CO₂ for use in EOR are exempt
 - Oil Extraction Tax - rate is zero for 5 years then 5 percent tax rate
 - Property Tax - oil & gas equipment is exempt; CO₂ pipelines have 10 years in lieu of taxes



Corporate Information

Corporate Headquarters:

Denbury Resources Inc.
5320 Legacy Drive
Plano, Texas 75024
(972) 673-2000
denbury.com

Contact Information:

Greg Schnacke
Executive Director, Governmental Relations
(972) 673-2324
greg.schnacke@denbury.com

