



The Role of CO₂ EOR and Associated Storage in the Energy Transition

September 22, 2022

Cautionary Statements

Forward-Looking Statements: The data and/or statements contained in this presentation that are not historical facts are forward-looking statements, as that term is defined in Section 21E of the Securities Exchange Act of 1934, as amended, that involve a number of risks and uncertainties. Such forward-looking statements may be or may concern, among other things, the level and sustainability of the recent increases in worldwide oil prices from their COVID-19 coronavirus caused downturn, financial forecasts, oil price volatility, current or future liquidity sources or their adequacy to support our anticipated future activities, statements or predictions related to the ultimate nature, timing and economic aspects of proposed carbon capture, use and storage industry arrangements, or the nature and amounts of any enhancements of Internal Revenue Code Section 45Q credits or payments included in any tax reform passed by both Houses of Congress and signed into law, possible future write-downs of oil and natural gas reserves, together with assumptions based on current and projected production levels, oil and gas prices and oilfield costs, the impact of current supply chain and inflationary pressures or expectations on our operational or other costs, current or future expectations or estimations of our cash flows or the impact of changes in commodity prices on cash flows, borrowing capacity, price and availability of advantageous commodity derivative contracts or their predicted downside cash flow protection or cash settlement payments required, mark-to-market commodity derivative values, forecasted, drilling activity or methods, including the timing and location thereof, the nature of any future asset purchases or sales or the timing or proceeds thereof, estimated timing of commencement of CO₂ injections in particular fields or areas, including Cedar Creek Anticline (“CCA”), or initial production responses in tertiary flooding projects, other development activities, finding costs, interpretation or prediction of formation details, hydrocarbon reserve quantities and values, CO₂ reserves and supply and their availability, potential reserves, barrels or percentages of recoverable original oil in place, the impact of changes or proposed changes in Federal or state laws or outcomes of any pending litigation, prospective legislation, orders or regulations affecting the oil and gas industry or environmental regulations, competition, rates of return, and overall worldwide or U.S. economic conditions, and other variables surrounding operations and future plans. Such forward-looking statements generally are accompanied by words such as “plan,” “estimate,” “expect,” “predict,” “forecast,” “to our knowledge,” “anticipate,” “projected,” “preliminary,” “should,” “assume,” “believe,” “may” or other words that convey, or are intended to convey, the uncertainty of future events or outcomes. Such forward-looking information is based upon management’s current plans, expectations, estimates, and assumptions and is subject to a number of risks and uncertainties that could significantly and adversely affect current plans, anticipated actions, the timing of such actions and our financial condition and results of operations. As a consequence, actual results may differ materially from expectations, estimates or assumptions expressed in or implied by any forward-looking statements made by us or on our behalf. Among the factors that could cause actual results to differ materially are fluctuations in worldwide oil prices or in U.S. oil prices and consequently in the prices received or demand for our oil produced; decisions as to production levels and/or pricing by OPEC+ or production levels by U.S. producers in future periods; success of our risk management techniques; access to and terms of credit in the commercial banking or other debt markets; fluctuations in the prices of goods and services; the uncertainty of drilling results and reserve estimates; operating hazards and remediation costs; disruption of operations and damages from cybersecurity breaches, or from well incidents, climate events such as hurricanes, tropical storms, floods, forest fires, or other natural occurrences; conditions in the worldwide financial, trade and credit markets; general economic conditions; competition; government regulations, including changes in tax or environmental laws or regulations and consequent unexpected delays, as well as the risks and uncertainties inherent in oil and gas drilling and production activities or that are otherwise discussed in this presentation, including, without limitation, the portions referenced above, and the uncertainties set forth from time to time in our other public reports, filings and public statements, including without limitation, the Company’s most recent Form 10-K.

Statement Regarding CO₂ Storage Associated with EOR: Our CO₂ EOR operations provide an environmentally responsible method of utilizing CO₂ for the primary purpose of oil recovery that also results in the associated underground storage of CO₂. Any reference in this presentation to storage of CO₂ associated with our EOR operations is not meant to encompass CO₂ stored for the primary purpose of carbon sequestration.

Statement Regarding Non-GAAP Financial Measures: This presentation also contains certain non-GAAP financial measures. Any non-GAAP measure included herein is accompanied by a reconciliation to the most directly comparable U.S. GAAP measure along with a statement (or location of such statement which are exhibits to Company SEC periodic reports) on why the Company believes the measure is beneficial to investors, which statements are included at the end of this presentation.

Powering the Energy Transition With World-Leading Carbon Solutions



Strategic Focus

Leading in Carbon Capture, Use and Storage, including Enhanced Oil Recovery



20+ years Experience Managing CO₂

Safely transporting, injecting and monitoring large-scale volumes of CO₂



1300+ miles of CO₂ Pipelines

Largest owned and operated CO₂ pipeline network in the United States



Scope 3 Carbon Negative By 2030

Through increasing our use of captured industrial-sourced CO₂



Financial Strength and Flexibility

Maintain strong financial position, disciplined capital allocation

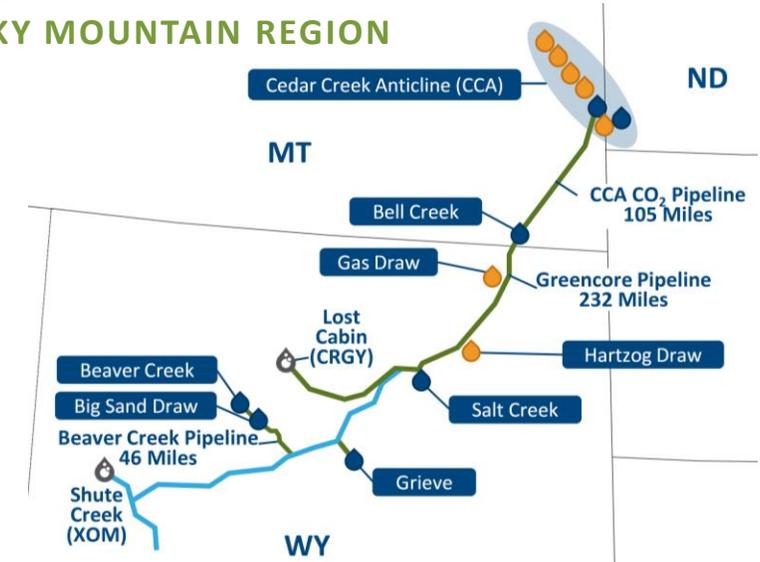
Market Cap: **\$4.6B**
Enterprise Value: **\$4.6B**

YE21 Proved O&G Reserves
192 MMBOE

2022E Sales Volumes
46-49 MBOE/d

2022E Total CO₂ Sourced
~14 Mmtpa; 30% Industrial

ROCKY MOUNTAIN REGION



GULF COAST REGION



- Denbury CO₂ Pipelines
- CO₂ Pipelines Owned by Others
- Naturally-Occurring CO₂ Source
- Industrial CO₂ Sources
- Denbury Owned Fields – Current CO₂ Floods
- Denbury Owned Fields – Potential CO₂ Floods

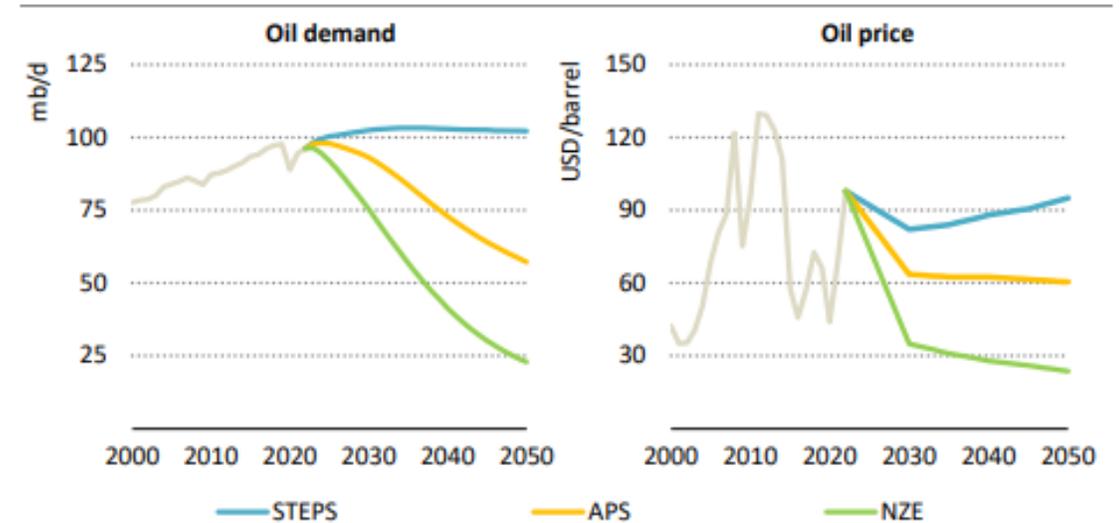
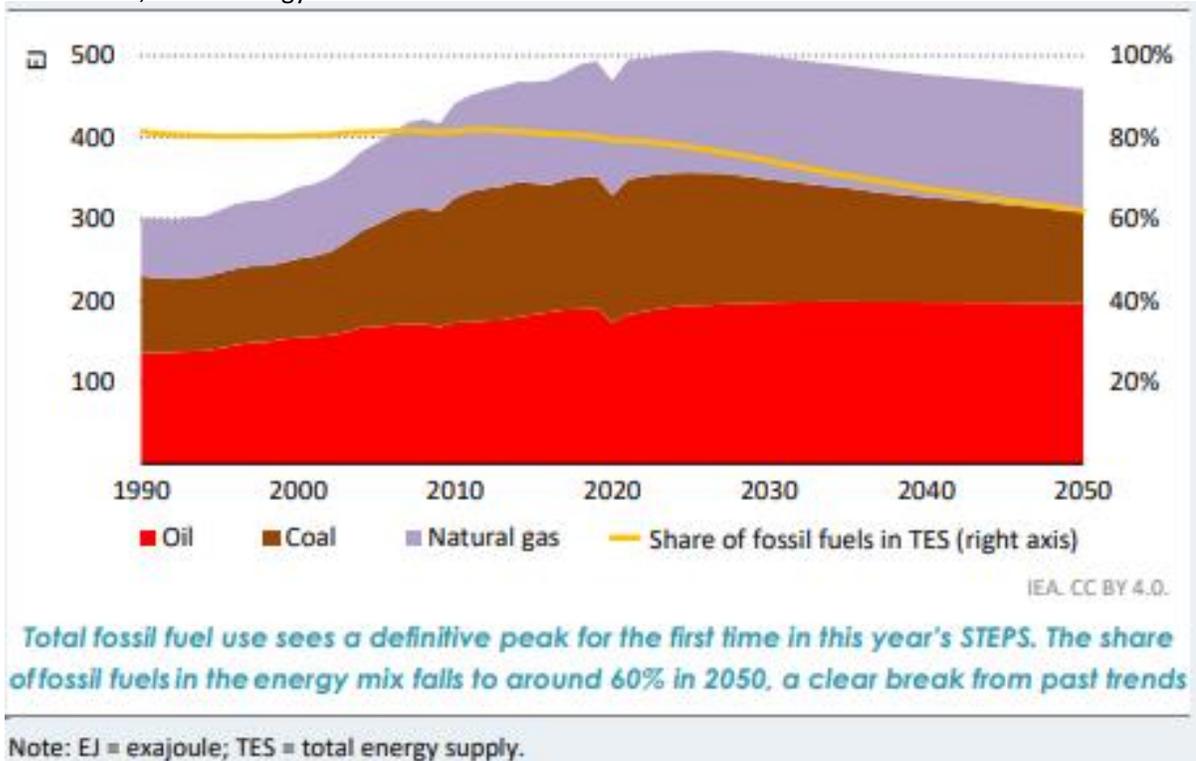
The Big Challenge



Meet the growing energy demand while reducing GHG emissions

- Combustion of fossil fuels is responsible for 65% - 75% of GHG emissions
- Increases in Green House Gas Emissions impacting the climate
- Fossil fuels make up ~80% of primary energy consumption
- Oil demand significant in 2050 even in the most aggressive energy transition scenarios

Source: IEA, World Energy Outlook 2022



Demand peaks in the mid-2030s in the STEPS, in the mid-2020s in the APS, and policy-led declines in demand in the NZE Scenario mean a radically different future for oil markets

Notes: STEPS = Stated Policies Scenario, APS = Announced Pledges Scenario; NZE = Net Zero Emissions by 2050 Scenario; mb/d = million barrels per day.

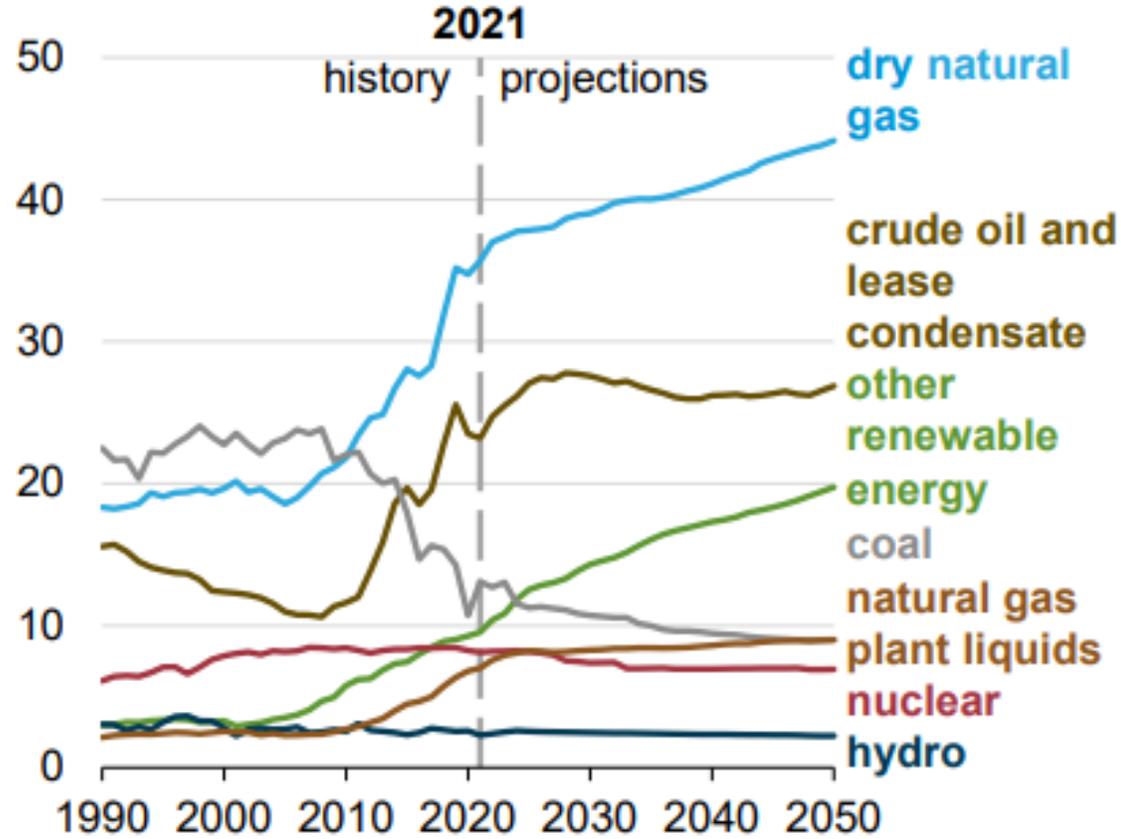
U.S. Energy Production and Consumption



Energy production by source

AEO2022 Reference case

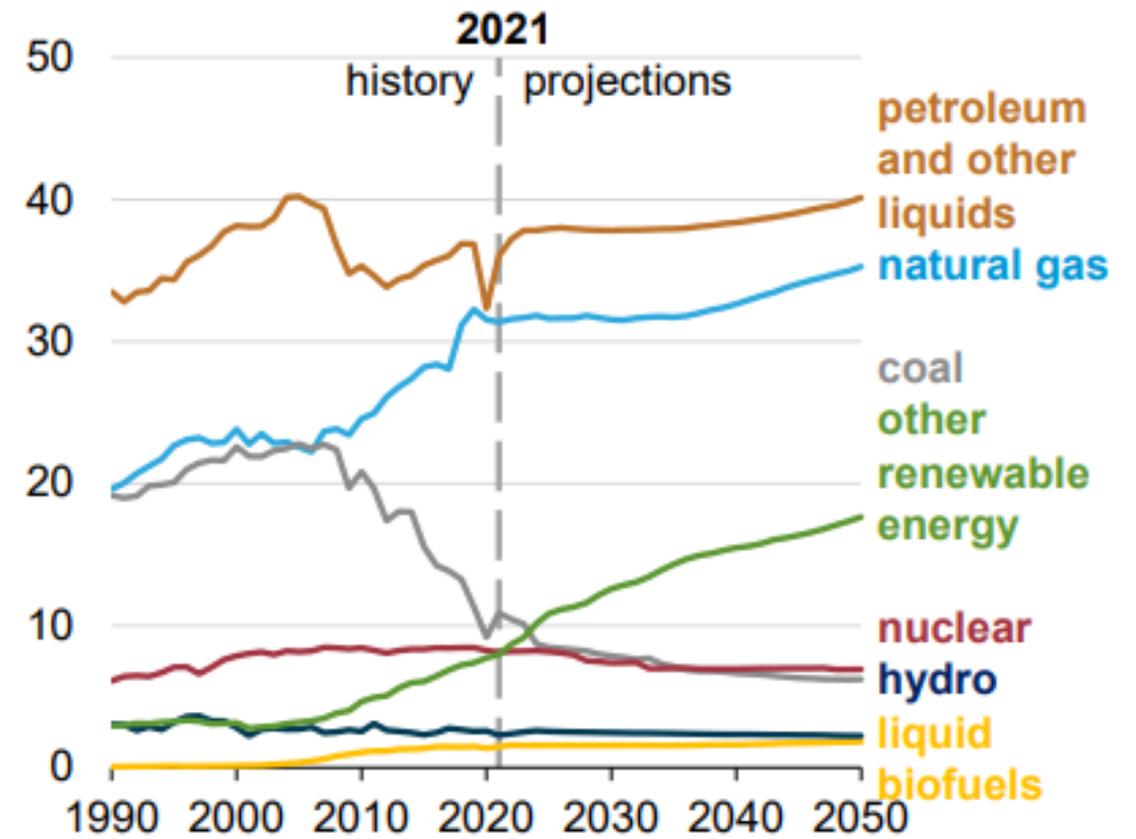
quadrillion British thermal units



Energy consumption by fuel

AEO2022 Reference case

quadrillion British thermal units



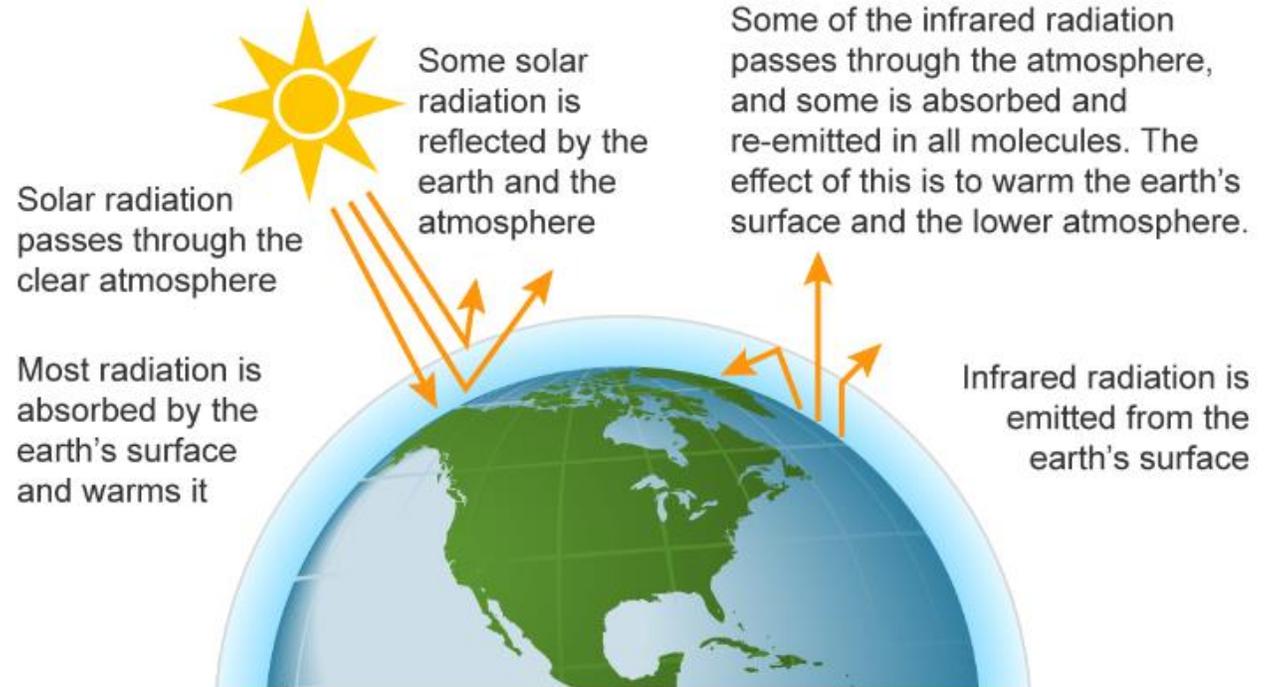
Note: Biofuels are shown separately and included in petroleum and other liquids.

Source: U.S. Energy Information Administration, Annual Energy Outlook 2022 (AEO2022):



- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Industrial gases
 - Hydrofluorocarbons (HFCs)
 - Perfluorocarbons (PFCs)
 - Sulfur hexafluoride (SF₆)
 - Nitrogen trifluoride (NF₃)

The greenhouse effect



Source: Adapted from U.S. Environmental Protection Agency (public domain)

Global Warming Potentials (GWP)



Global warming potential (GWP) values relative to CO₂

Industrial designation or common name	Chemical formula	GWP values for 100-year time horizon		
		Second Assessment Report (SAR)	Fourth Assessment Report (AR4)	Fifth Assessment Report (AR5)
Carbon dioxide	CO ₂	1	1	1
Methane	CH ₄	21	25	28
Nitrous oxide	N ₂ O	310	298	265

source: Greenhouse Gas Protocol

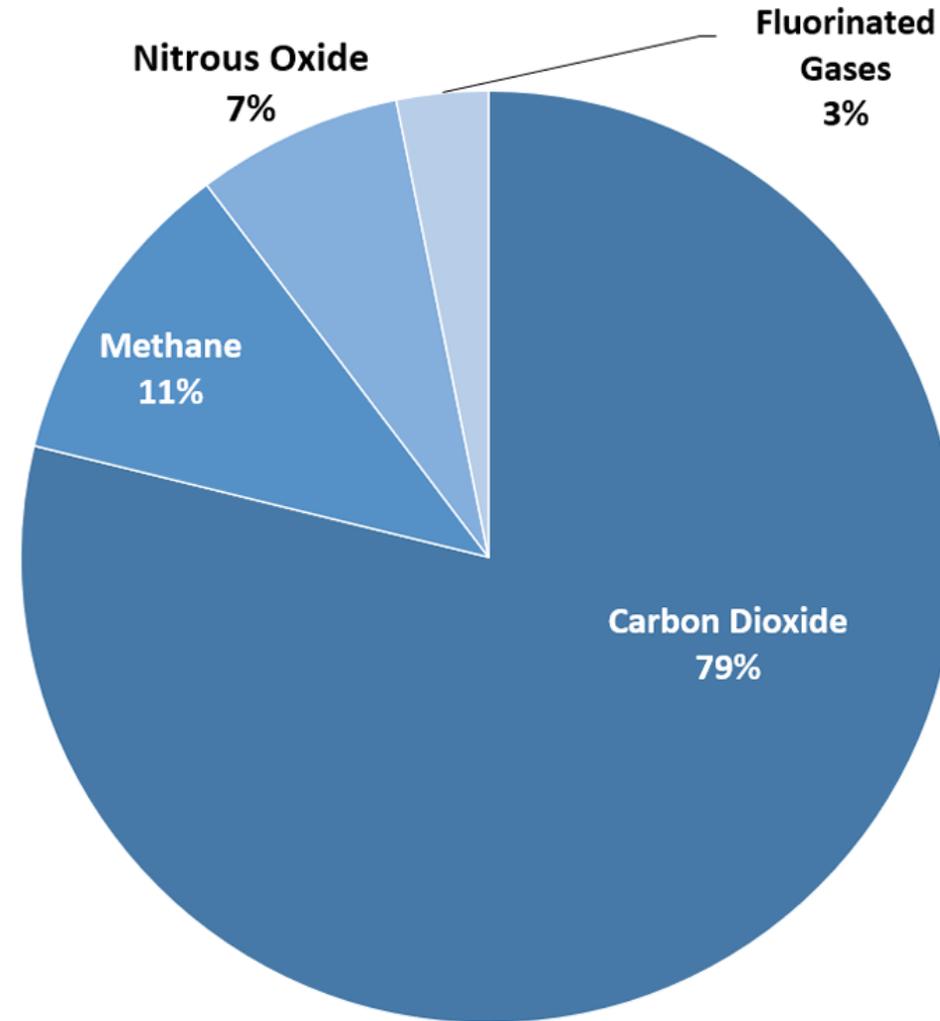
Overview of U.S. Greenhouse Gas Emissions in 2020



Total U.S. Emissions in 2020 = 5,981 Million Metric Tons of CO₂ equivalent.

Despite CO₂'s significantly lower Global Warming Potential, CO₂ makes up ~80% of GHG emissions

CO₂ is the main focus of GHG reduction efforts, followed by methane

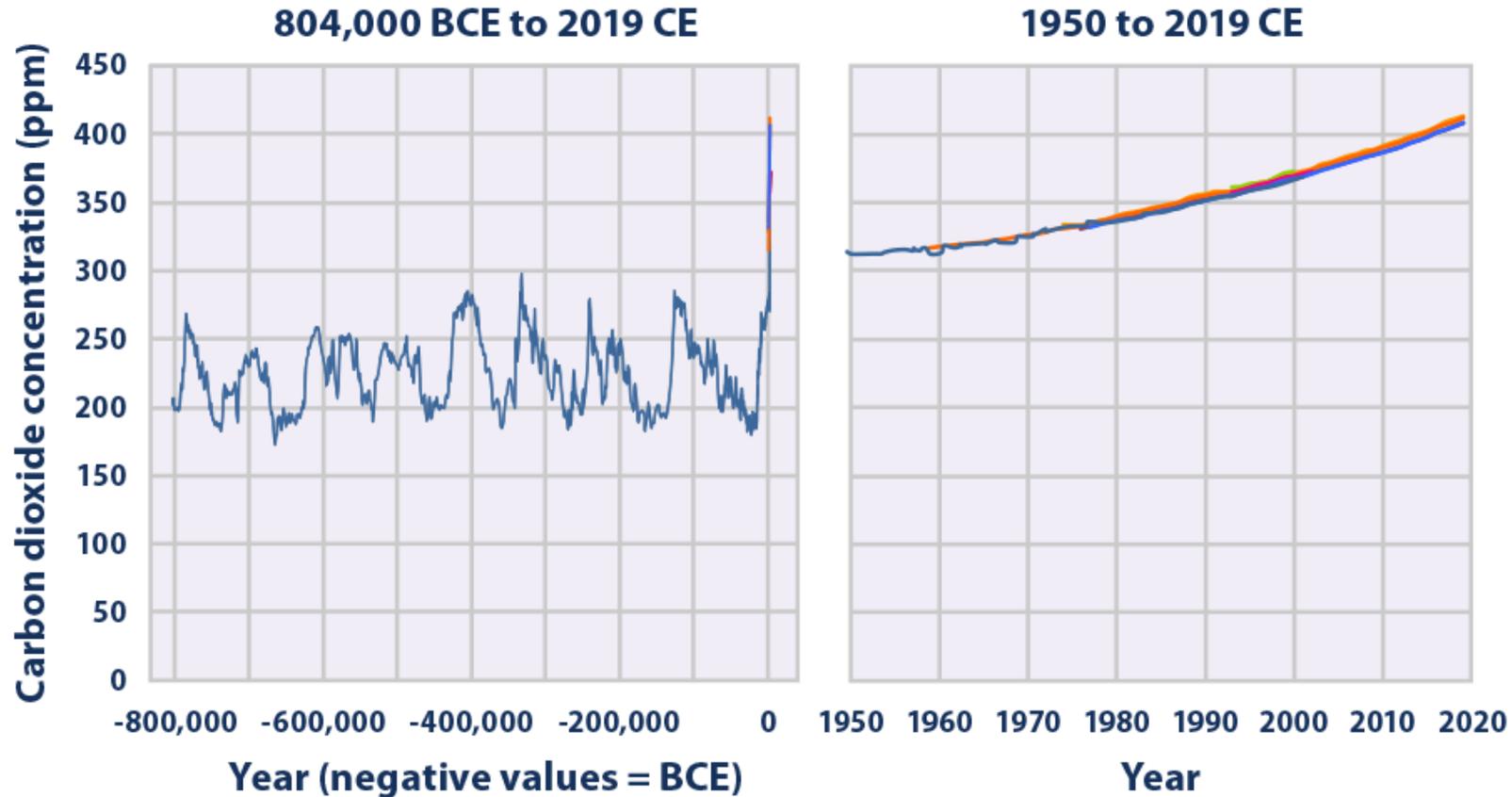


(excludes land sector)

U.S. Environmental Protection Agency (2022). Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2020



Global Atmospheric Concentrations of Carbon Dioxide Over Time



Data source: Compilation of eight underlying datasets. See www.epa.gov/climate-indicators for specific information.

For more information, visit U.S. EPA's "Climate Change Indicators in the United States" at www.epa.gov/climate-indicators.

What is Energy Transition?



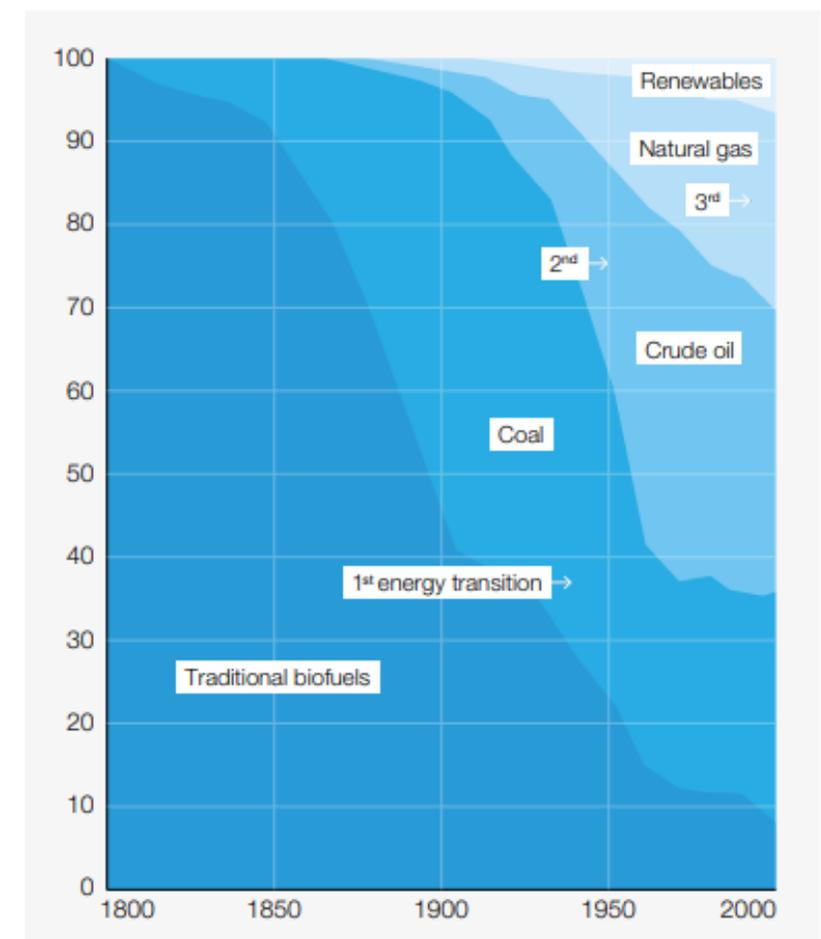
A shift in the sources of energy that satisfy global energy demand

What does the shift involve?

- Increased environmental stability
 - Transition to higher supply provided by renewables
 - Greater leverage of carbon capture, utilization and storage (CCUS) capacity
- Security and access to energy for all humans to facilitate economic growth

How will an Energy Transition happen?

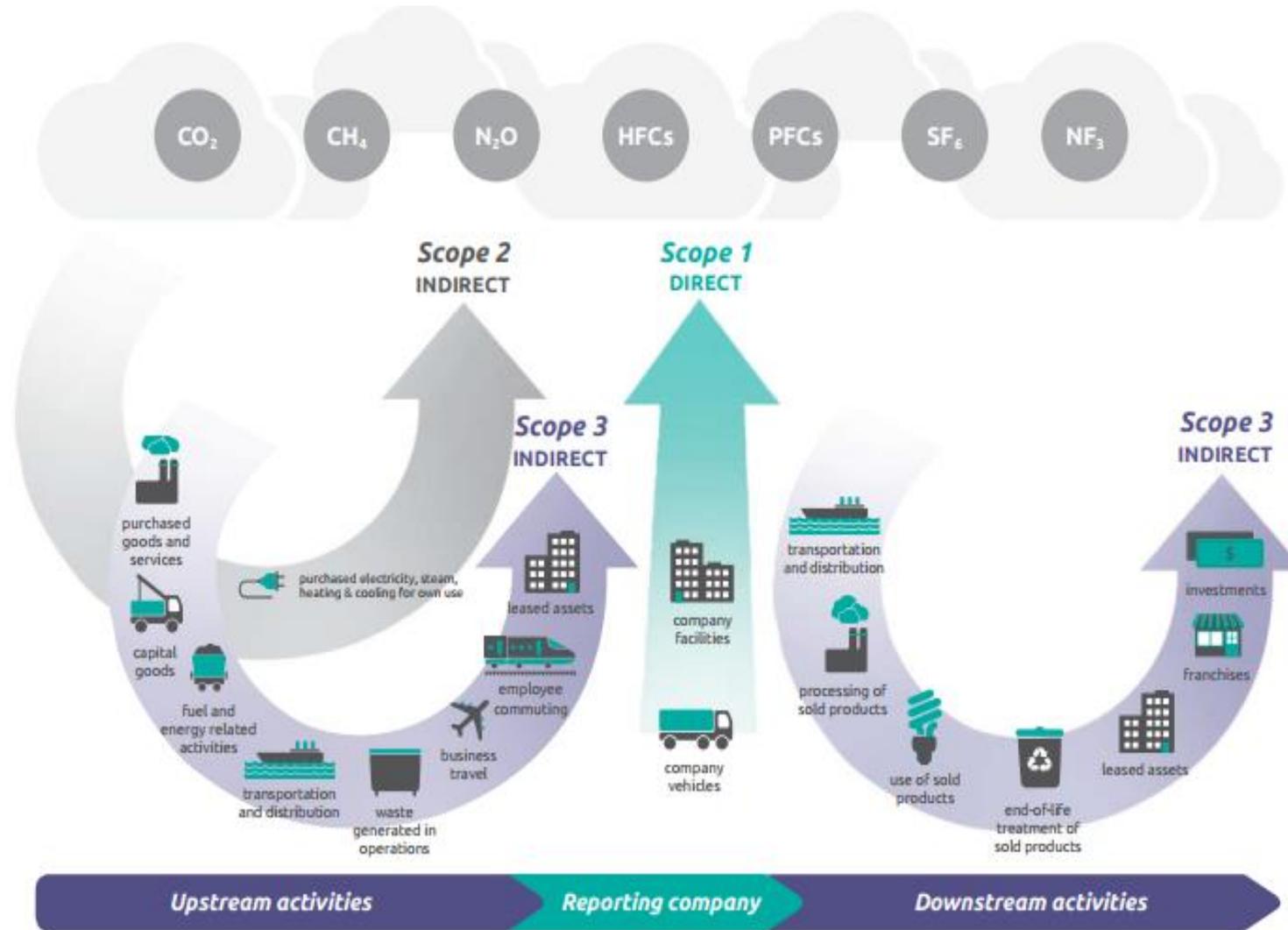
- Increasing energy efficiency
- Decreasing carbon intensity for common products (fuels, fertilizer, etc.)
- Developing alternative, low-carbon energy
- Capturing unavoidable emissions



Global energy sources (%) and previous energy transitions

Source: World Economic Forum, Energy Transition 101: Getting back to basics for transitioning to a low-carbon economy, July 2020

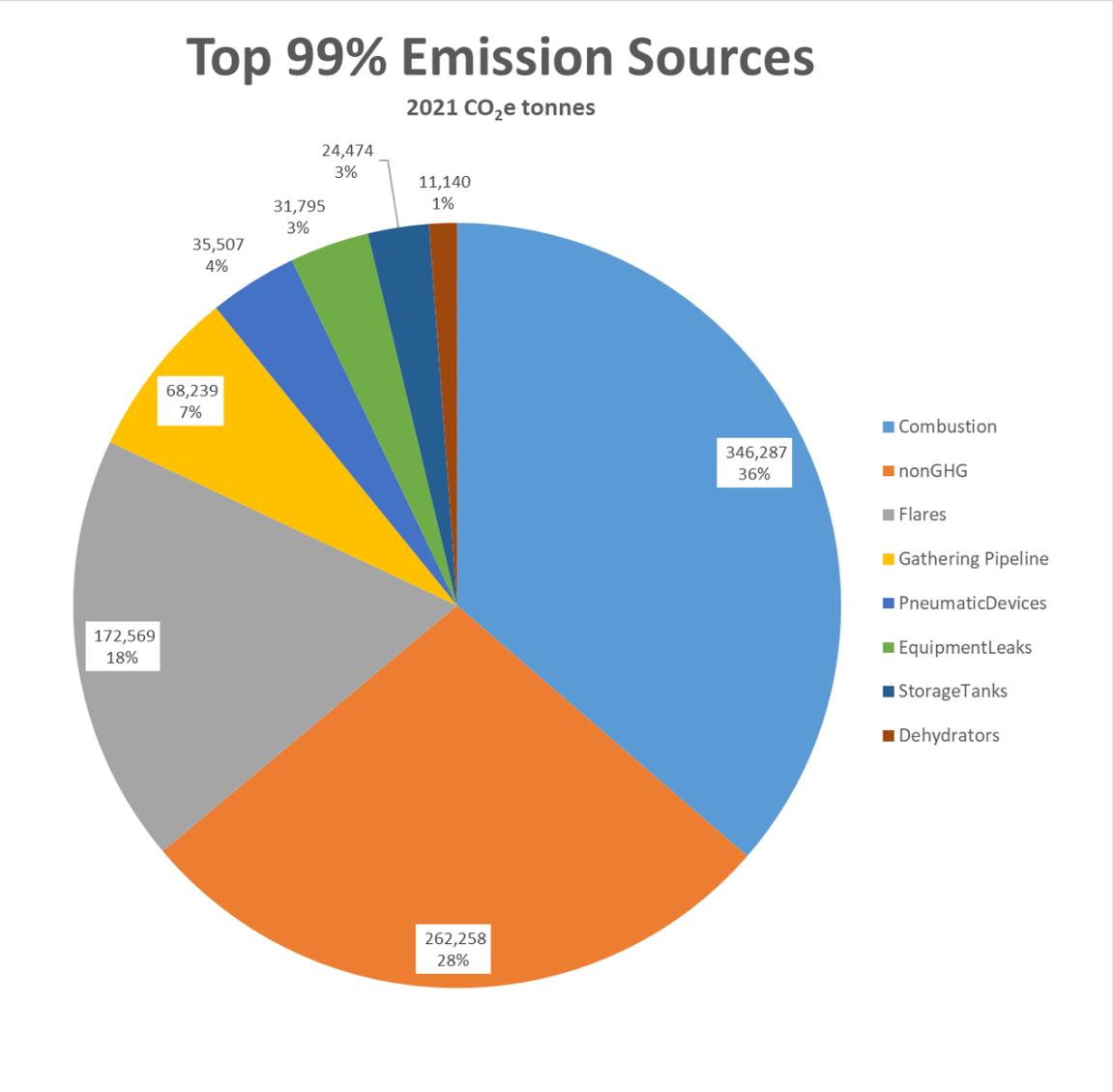
Emissions Categories



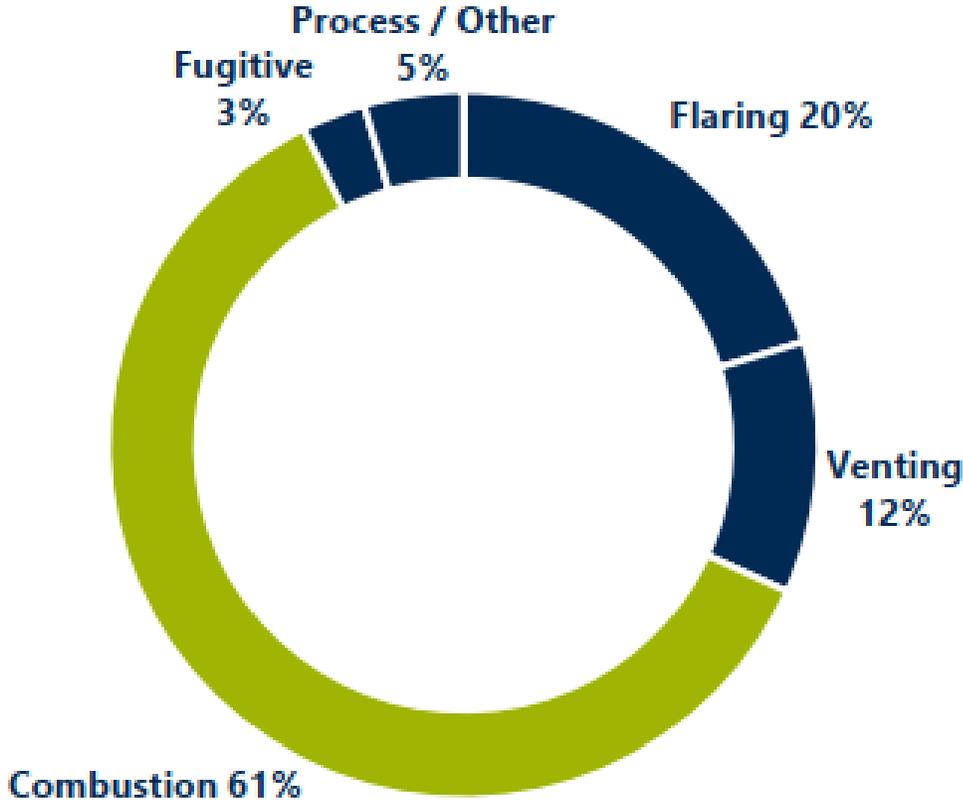
- **Scope 1 Emissions**
 - GHG Emissions
 - Company Vehicles
- **Scope 2 Emissions**
 - Electricity Usage
- **Scope 3 Emissions**
 - Oil & Gas transportation, refinement, and combustion

**World Resources Institute and Carbon Trust

GHG Scope 1 – Emission Sources



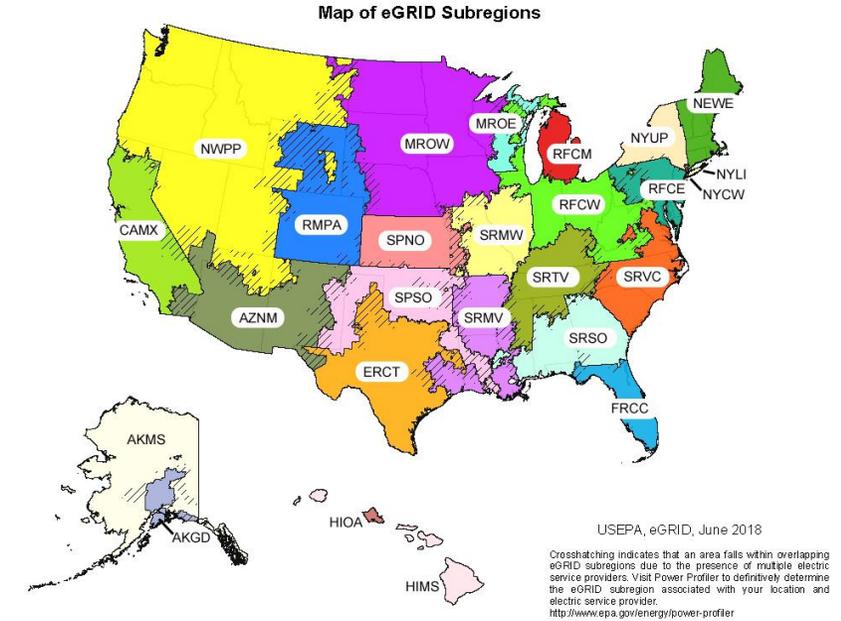
E&P Scope 1 GHG Emissions Sources (Average % of Total Scope 1 GHG Emissions)¹²



¹² Kimmeridge; company reports



1. Subregion Output Emission Rates (eGRID2020)								
eGRID subregion acronym	eGRID subregion name	Total output emission rates						
		lb/MWh						
		CO ₂	CH ₄	N ₂ O	CO ₂ e	Annual NO _x	Ozone Season NO _x	SO ₂
ERCT	ERCOT All	818.6	0.052	0.007	822.0	0.5	0.5	0.5



2. Subregion Resource Mix (eGRID2020)																	
eGRID subregion acronym	eGRID subregion name	Nameplate Capacity (MW)	Net Generation (MWh)	Generation Resource Mix (percent)*												Renewable %	Non-Renewable %
				Coal	Oil	Gas	Other Fossil	Nuclear	Hydro	Biomass	Wind	Solar	Geo-thermal	Other unknown/purchased fuel			
ERCT	ERCOT All	186,699	414,911,396	16.5%	0.0%	50.2%	0.5%	10.0%	0.2%	0.2%	20.4%	2.0%	0.0%	0.1%	22.8%	77.3%	

*percentages may not sum to 100 due to rounding

Scope 3 – Upstream & Downstream



**World Resources Institute and Carbon Trust



- Lower Direct Emissions from Operations (CO₂ and CH₄)
 - Process Design
 - Operations and Maintenance
- Vehicle Fuel Efficiency
- Higher % of Renewable Energy Sourcing (eGRID Factors)
- Lower Commodity Sales (Oil, Natural Gas, and CO₂)
- Biogenic Sinks (algae, forest conservation, etc.)
- Direct Air Capture
- CCS
 - Develop Class VI storage solutions
- CCUS
 - Increase anthro sources for EOR demand
 - Develop EOR projects using anthro sources of CO₂



“The reality we confront today is this: As more and more countries eye decarbonization, CCUS becomes an even more vital clean energy technology.”

“As the International Energy Agency notes, wide-spread deployment of CCUS across the power and industrial sectors is critical if we want to have any hope of meeting various global carbon emission reduction targets.”

“The oil and gas industry’s interest in CCUS is extremely encouraging, and I think it could spur broader deployment of these technologies,” said ASFE Winberg in his prepared remarks. “There are reasons for optimism, but a lot of work remains to be done. And, frankly, without your support and collaboration, it will be exceedingly difficult to deploy CCUS.”

DOE’s Assistant Secretary for Fossil Energy (ASFE) Steven Winberg
Baker Hughes Annual Meeting in Florence, Italy, Feb 4, 2020.

IRA 45Q Revisions Expected to Significantly Increase CCUS Scale



Inflation Reduction Act¹ 45Q Enhancements

Increases Credits by ~70%

- Emitters who capture CO₂ can receive \$60/mt for utilization, \$85/mt for dedicated storage²

Extends Construction Window

- To 2032

Direct Pay

- During initial 5 years, tax credit thereafter

Claim Period Maintained

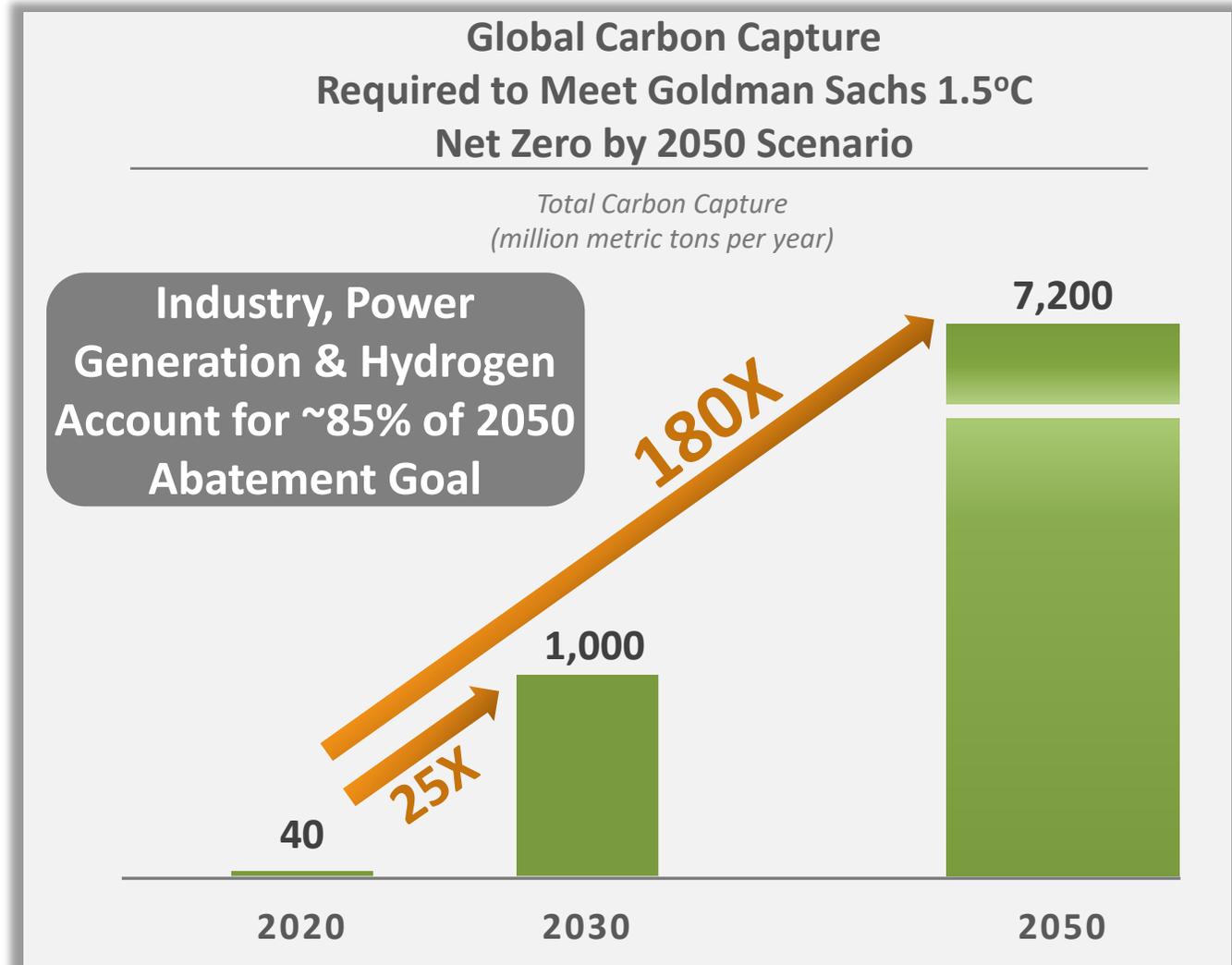
- 12 years

Requires certification of stored volumes

Note: MT – metric ton; MMT – million metric tons; MTPA – metric tons per annum; MMTPA – million metric tons per annum

1) Inflation Reduction Act proposed in July 2022

2) Assumes meeting prevailing wage and other labor requirements of Congressional proposals.

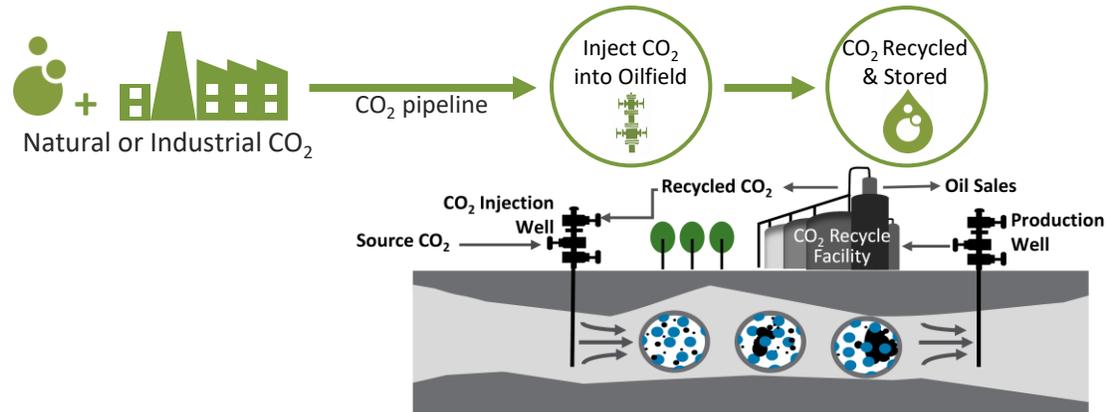


Carbon Capture, Use and Storage (CCUS) Overview

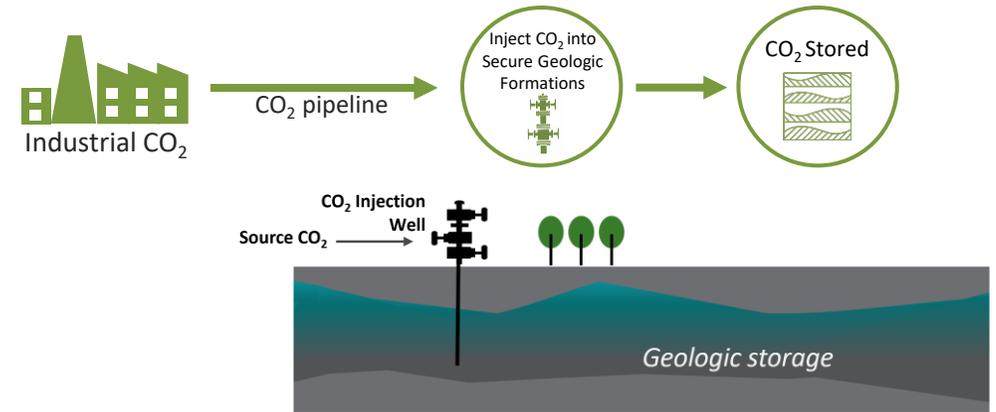


CCUS – both through CO₂ EOR or direct CO₂ injection – is a proven technology with the potential for safe, long-term, deep underground containment of billions of tons of industrial-sourced CO₂

CO₂ Stored in Association with EOR



CO₂ Directly Stored



A proven process

CCUS is an effective, low-cost solution using existing, proven processes and technology

Experience gained from decades of safe CO₂ EOR operations translates directly into safe CCUS operations

Reduces atmospheric CO₂

CCUS has the potential to drive a significant reduction in atmospheric CO₂ emissions

The NPC's 2019 CCUS Report identified a reasonable path where the volume of CO₂ captured in the U.S. would increase over the next 15 years to ~150 million tons per year, >500% above current levels

Supported by government policy

CCUS policy has bipartisan support and is critical to providing the economic and legal framework for investment in CCUS projects

The 45Q tax credit structure provides the capturing parties a tax credit of \$60/ton for CO₂ used in EOR operations and \$85/ton for CO₂ directly stored in geologic formations

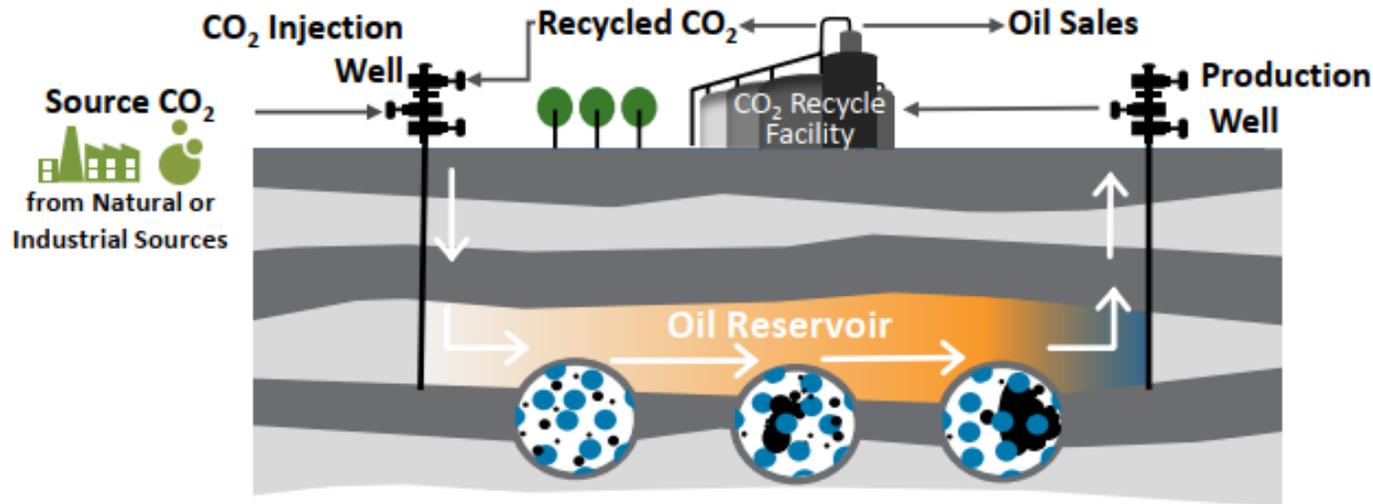
Source: National Petroleum Council (NPC) 2019 Report, Meeting the Dual Challenge: A Roadmap to At-Scale Deployment of Carbon Capture, Use and Storage.

The CO₂ EOR Process



CO₂ Enhanced Oil Recovery (EOR) can produce nearly as much oil from a reservoir as was produced in either primary or secondary recovery

CO₂ EOR Process Overview



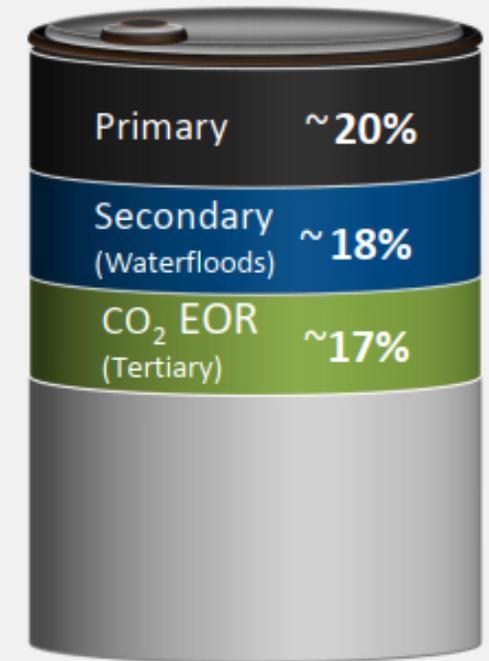
CO₂ is injected into the reservoir, moves through the reservoir, and combines with oil that it contacts

The CO₂/oil combination then continues moving through the reservoir and into nearby production wells

Once on the surface, the oil and CO₂ are separated, the oil is processed for sale and the produced CO₂ is recycled into the reservoir along with supplemental source CO₂

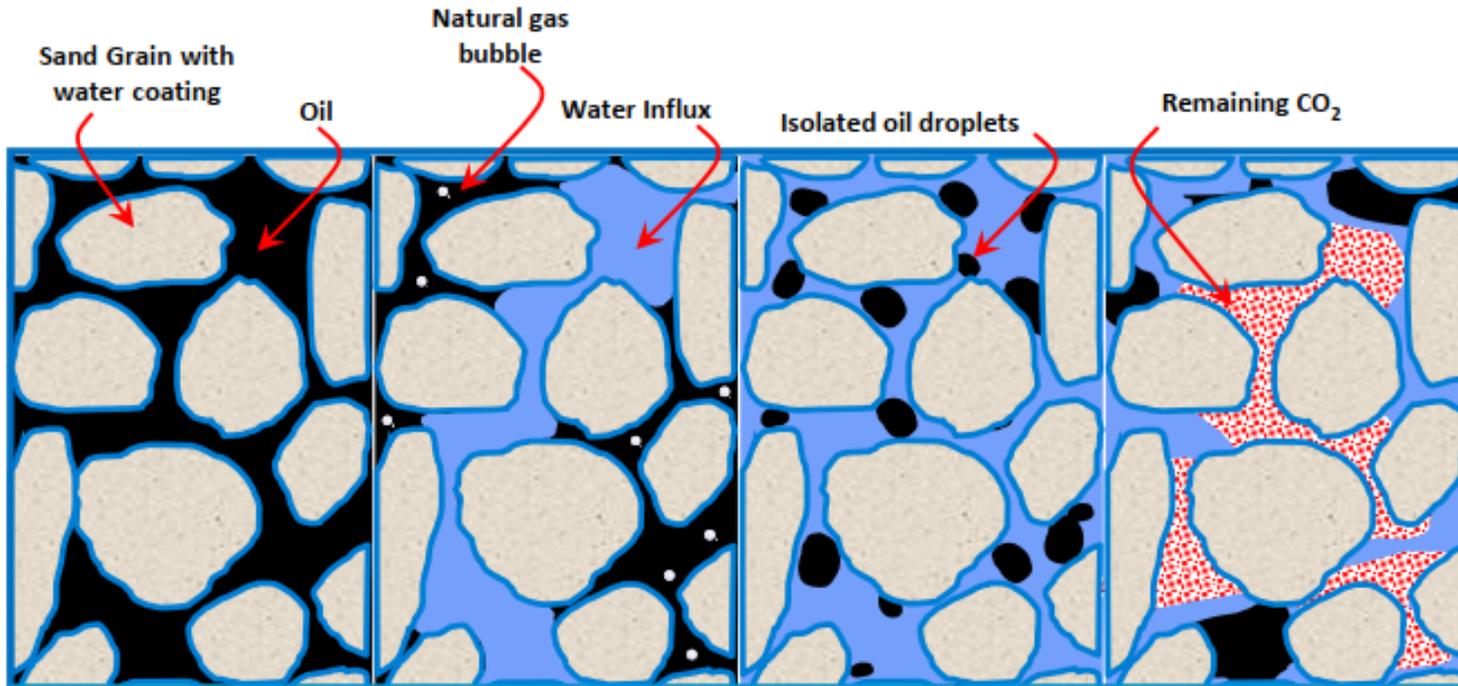
Nearly all of the source CO₂ volume used in EOR operations is ultimately stored in secure underground containment

Example Recovery of Original Oil in Place





CO₂ EOR is a “Contact Sport”



At Microscopic Level

Initial Discovery Conditions	After Primary Recovery	After Secondary Recovery (Waterflooding)	After Tertiary Recovery (CO ₂ EOR)
Oil Saturation ~70%	Oil Saturation ~55%	Oil Saturation ~40%	Oil Saturation ~25%

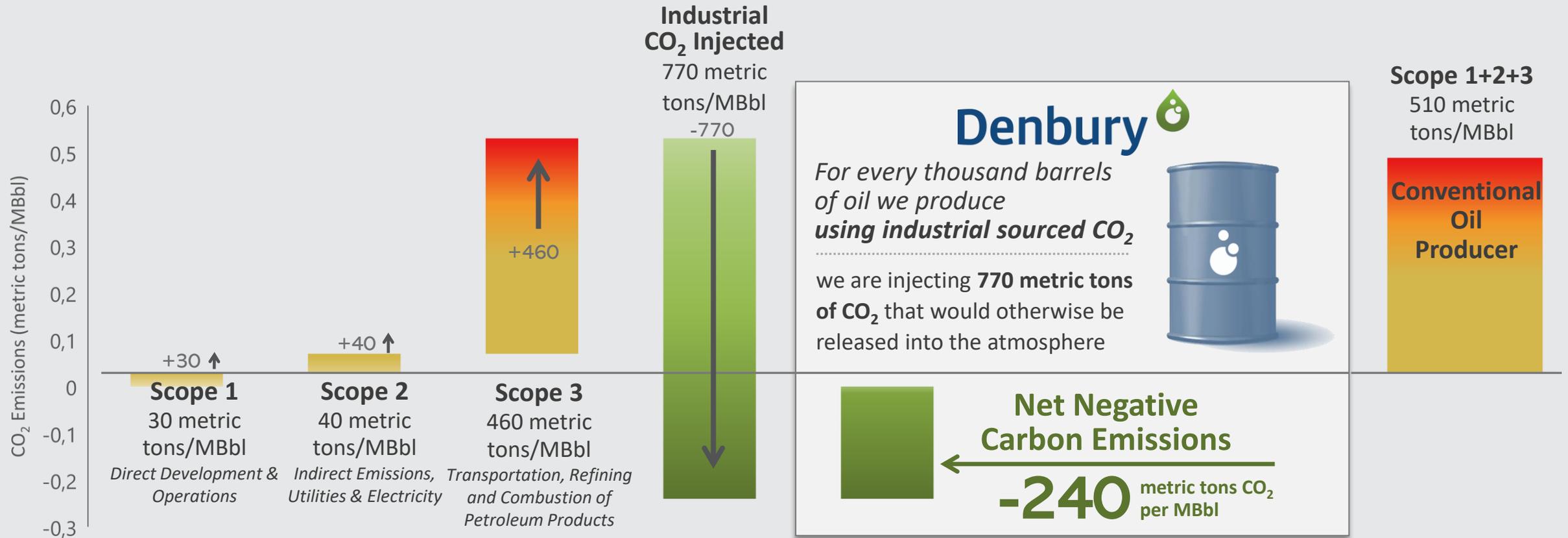
Overview

- At certain pressures and temperatures, CO₂ is miscible in crude oil and will:
 - reduce the oil viscosity
 - swell the oil, which serves as a drive mechanism
 - reduce the interfacial and surface tension
- CO₂ injection also adds energy to the reservoir, serving as another drive mechanism

A Leading Producer of Low-Carbon Oil



CO₂ Injected Per Barrel Produced⁽¹⁾ (in thousands)



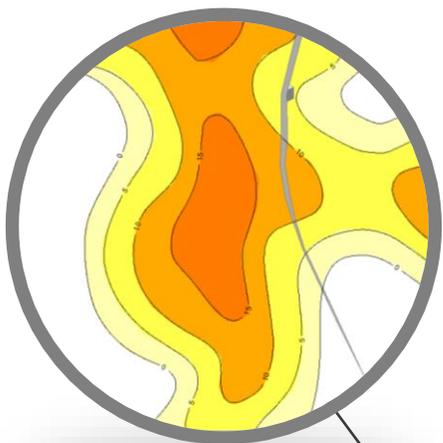
Injecting annually over 3 million metric tons of captured CO₂

Source: Clean Air Task Force, IEA and Denbury internal information.

Denbury's Extensive CO₂ Experience is Ideally Suited for CCUS



Over 20+ years, we have transported and injected a combined ~185 million metric tons of natural and industrial CO₂



Geologic Site Characterization

- Detailed analysis and modeling to ensure suitability of target reservoirs for long-term containment of injected CO₂

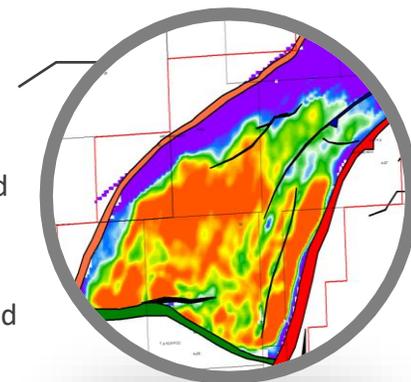


Secure Wellbore Design & Advanced Monitoring

- Wellbores constructed to isolate targeted formations and protect freshwater with emphasis on corrosion prevention, detection, and mitigation
- Routine well surveillance to verify behind-pipe integrity
- Leveraging automated data collection to quickly identify and respond to unexpected conditions
- Enhanced well plugging criteria applied to all abandoned wells to ensure secure CO₂ containment

Subsurface Surveillance

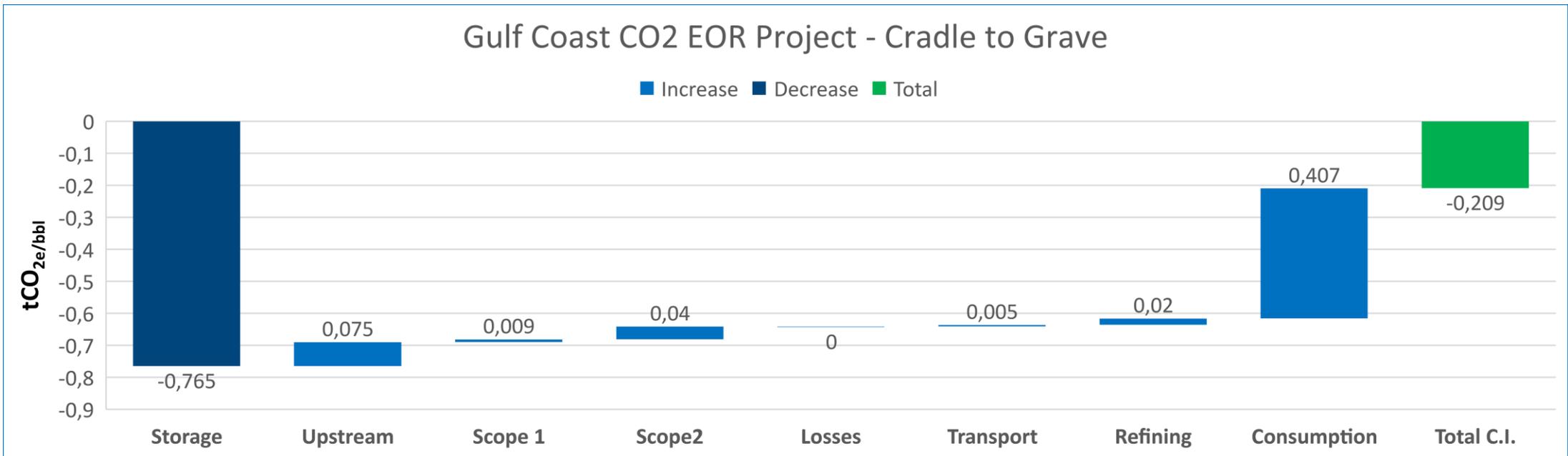
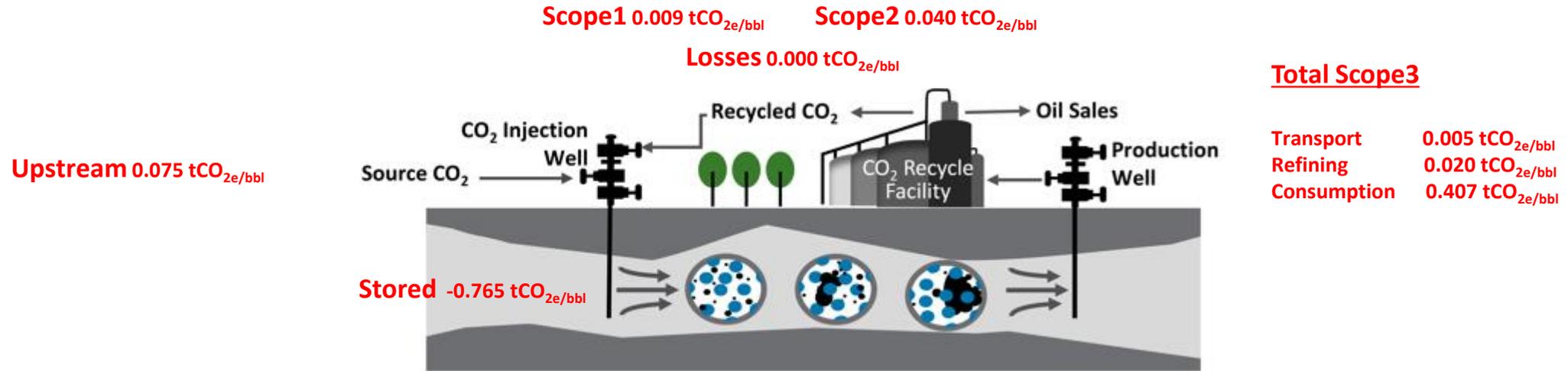
- 4D seismic imaging to aid in observation of CO₂ placement and conformance
- Sophisticated well logging
- Extensive use of fluid sampling and tracers
- Reservoir simulation modeling



CO₂ Handling & Processing Expertise

- Processing over 3.5 billion cubic feet (180,000 metric tons) of CO₂ per day
- Proven expertise in designing, building, and operating CO₂ pipelines, processing facilities, and gathering/distribution systems

Life Cycle Analysis of Gulf Coast CO₂ EOR Project



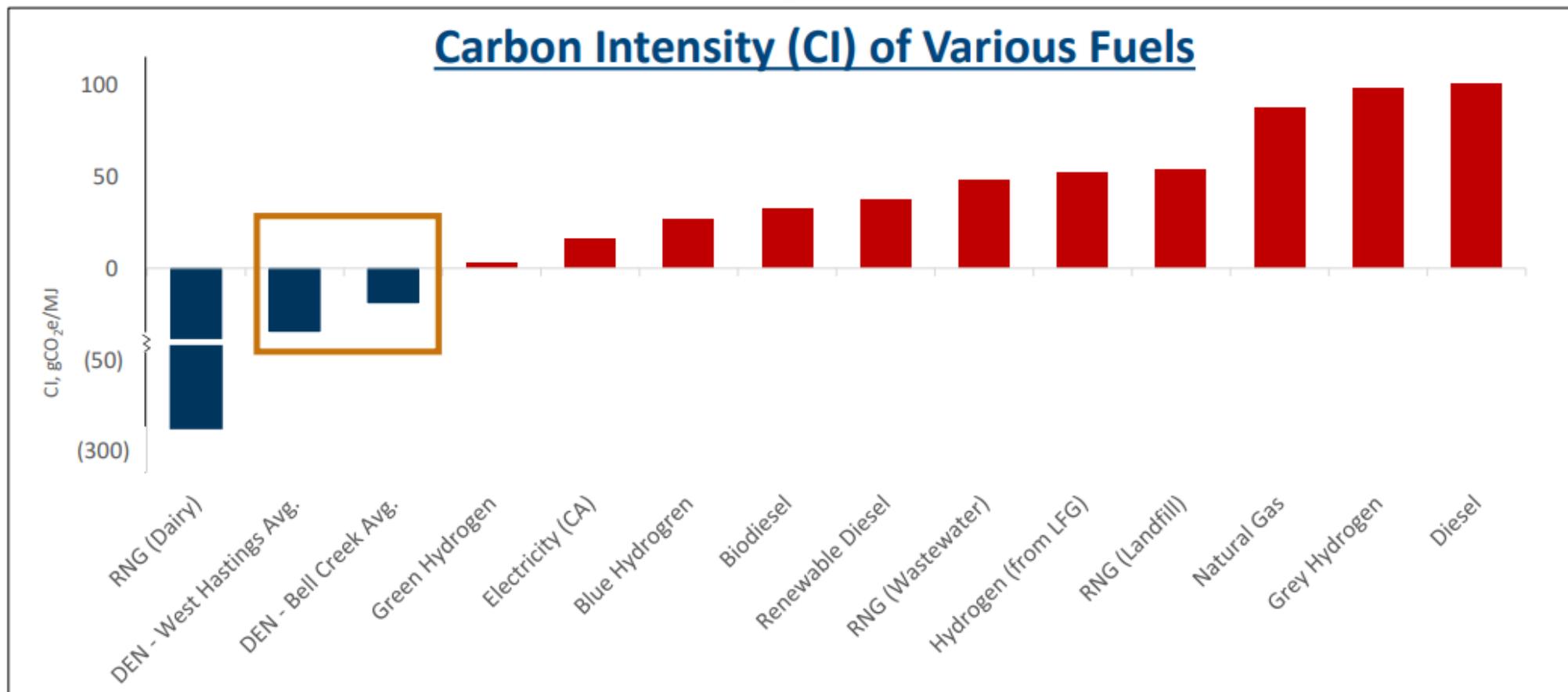
Third Party Verified Negative Carbon Intensity Oil



Calculated including the emissions of the carbon capture facility and downstream refining

Full Life Cycle Analysis (LCA) performed by third-party for two EOR Floods: West Hastings field located in southeast Texas and Bell Creek in southern Montana

Cradle to Grave analysis includes all CO₂ emissions associated with the capture facility, transport, and combustion of products through the Scope 1, 2, and 3 consumption-related emissions associated with the barrel of oil produced in Enhanced Oil Recovery (EOR)



Source: The carbon intensity scores reported are from California Air Resources Board (LCLFS Certified Pathways (2019)), except for Green Hydrogen, Blue Hydrogen, and Grey Hydrogen in which the values are sourced from Pembina.org. The carbon intensity of the oil from Denbury fields, West Hastings and Bell Creek, were verified by a third party utilizing 2020 data.

Industry-Leading Gulf Coast CCUS Infrastructure



Unmatched, well-established CO₂ pipeline system located near major regional emissions

CO₂ Emissions⁽¹⁾

~2.6 billion tons/year from stationary sources in the U.S.

~230 Mmtpa (~10% of total U.S.) within 30 miles of DEN Gulf Coast Infrastructure

CO₂ Transport, Storage, and Utilization

- Signed agreements covering 7 Mmtpa to date
- 2022 goal to reach cumulative 10 Mmtpa; multiple pathways to exceed

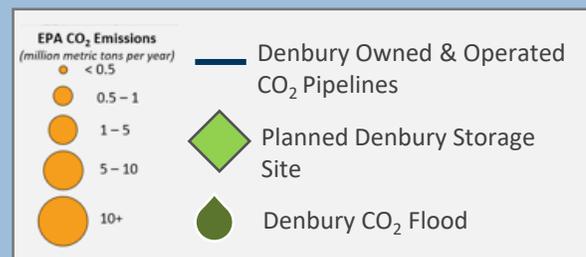
Green Pipeline

~320 miles, >16 mmtpa

NEJD Pipeline

~183 miles, >11 mmtpa

Jackson Dome

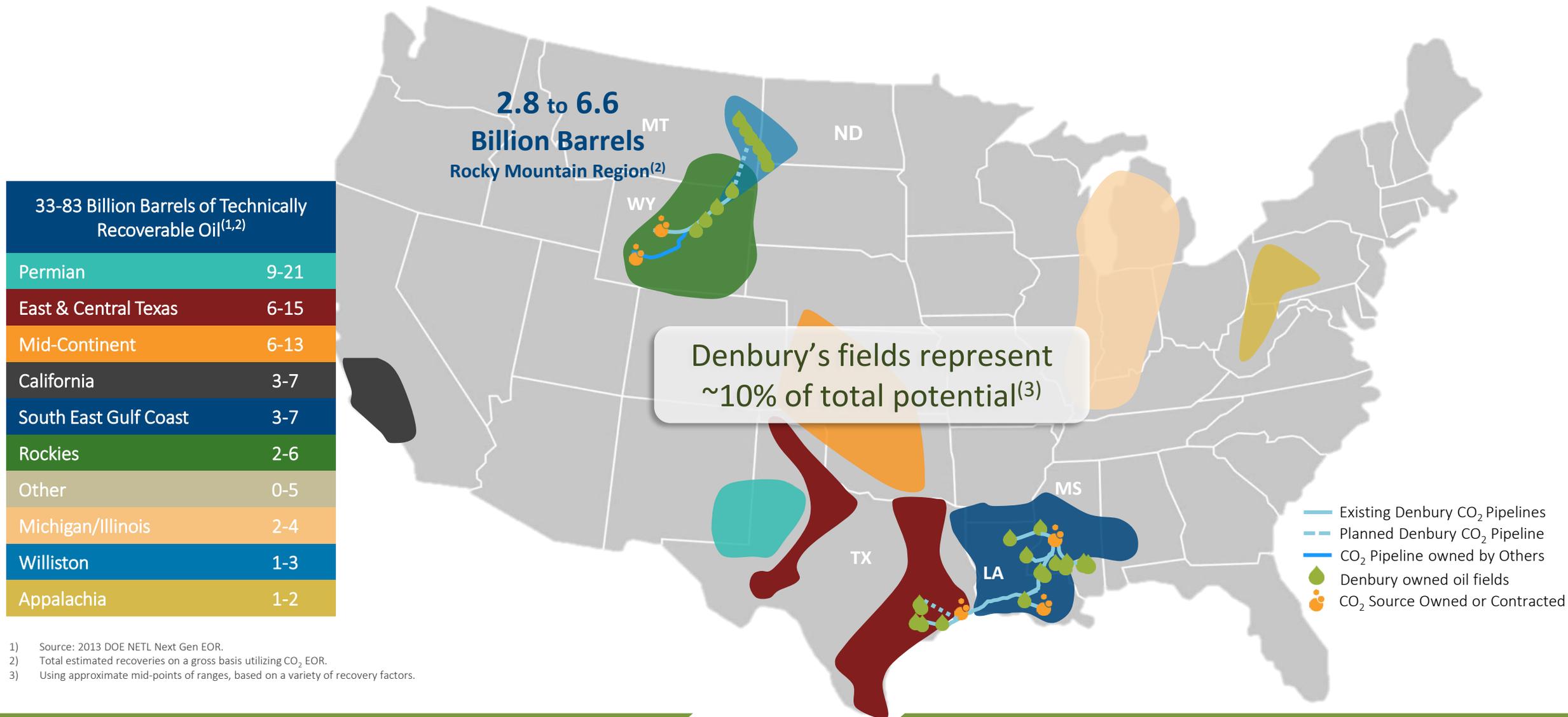


(1) Source: National Petroleum Council (NPC) 2019 Report, Meeting the Dual Challenge: A Roadmap to At-Scale Deployment of Carbon Capture, Use and Storage and 2019 EPA Greenhouse Gas Reporting Program data.

Significant CO₂ EOR Potential in the U.S.



Denbury's assets and pipeline infrastructure are well positioned in key EOR potential basins



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

CO₂ EOR is a Proven Process



Significant CO₂ EOR Operators by Region

Gulf Coast Region

- » Denbury
- » Hilcorp

Permian Basin Region

- » Occidental
- » Kinder Morgan

Rocky Mountain Region

- » Denbury
- » Chevron
- » FDL

Canada

- » Whitecap
- » Cardinal Energy

Significant CO₂ Supply by Region

Gulf Coast Region – Source (User)

- » Jackson Dome, MS (Denbury)
- » Air Products (Denbury)
- » Nutrien (Denbury)
- » Petra Nova (Hilcorp)

Permian Basin Region – Source (Owner)

- » Bravo Dome, NM (Kinder Morgan, Occidental)
- » McElmo Dome, CO (ExxonMobil, Kinder Morgan)
- » Sheep Mountain, CO (ExxonMobil, Occidental)

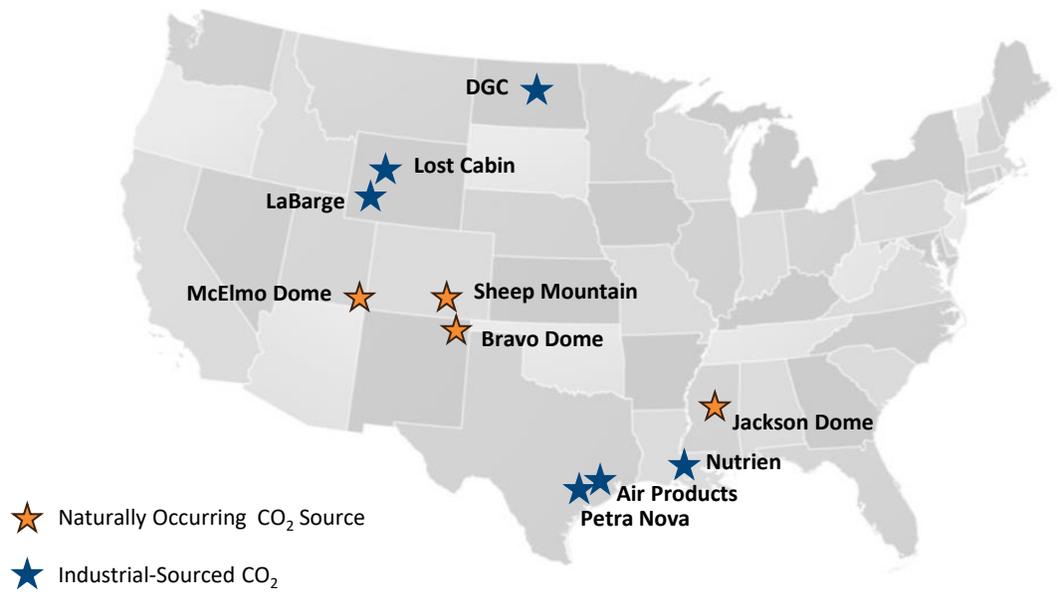
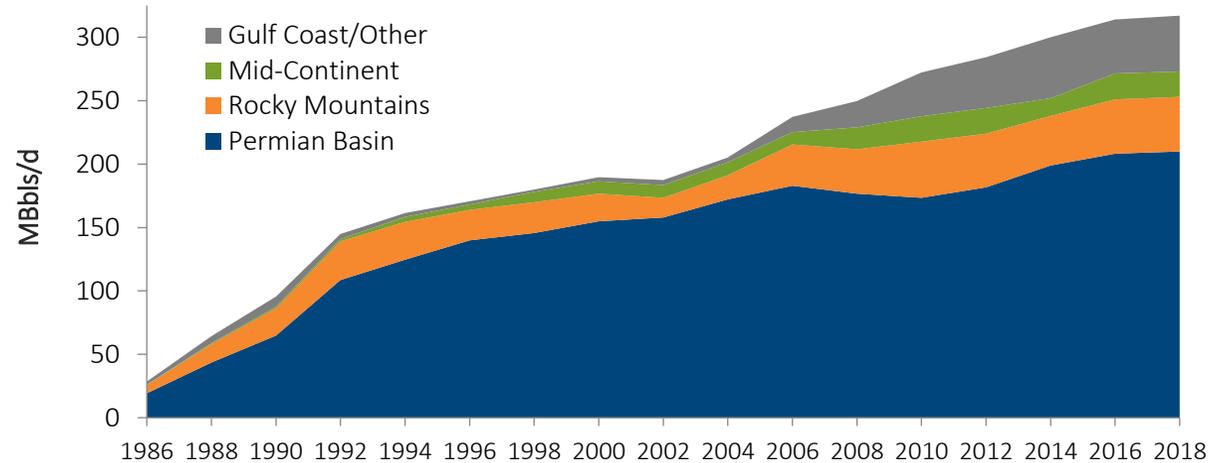
Rocky Mountain Region – Source (Owner)

- » LaBarge, WY (ExxonMobil, Denbury)
- » Lost Cabin, WY (Contango Oil & Gas)

Canada – Source (User)

- » Dakota Gasification (Whitecap, Apache)

CO₂ EOR Oil Production by Region⁽¹⁾



1) Source: Advanced Resources International for data through 2014; state EOR data 2015-2018.

What does the future hold? (IEA Net Zero by 2050 Report)



- Climate likely remains front and center
 - Push to continue to reduce CO₂ emissions
 - Reduce CH₄ emissions by 75% by 2030
 - Clean energy push this decade
- Electrification
 - 785 million people have no electricity today
 - 2.6 billion people have no access to clean cooking
 - By 2030 – increase annual additions of solar and wind by 630 GW and 390 GW respectively (4 times 2020 rate)
 - By 2030 – EVs make up 60% of global car sales (up from 5% in 2020)
 - 50% of total energy consumption by 2050
- Clean Energy Expansion
 - Renewables
 - Batteries
 - Hydrogen
 - CCS/CCUS
- Hydrocarbon demand
 - Forecast to go up in the near term
 - 8% smaller demand than today by 2050 (serving an economy x2, 2 billion more people)
 - The remaining oil demand should be supplied by CCUS methods (e.g., EOR using anthro CO₂)

In the future....?



- The world today still runs on hydrocarbon energy density
- Transition to renewables will take time
- Electricity infrastructure will need to be built up over time
- Hydrocarbon demand will likely persist (bulk transportation, products, etc.)
- Carbon management through the energy transition will be the bridge to the future
- CO₂ EOR utilizing industrial sourced CO₂ provides the ideal transition fuel