Denbury
Company Presentation
February 2022
Cautionary Statements

Forward-Looking Statements: The data and/or statements contained in this presentation that are not historical facts, including, but not limited to, statements found in the sections entitled “Business and Properties,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” are forward-looking statements, as that term is defined in Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and are statements that involve a degree 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, the extent of future 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 impacts of proposed carbon capture, use and storage industry arrangements, 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 operations or costs, current or future expectations or estimations of our cash flows or the impact of changes in commodity prices on cash flows, price and availability of advantageous commodity derivative contracts or their predicted downside cash flow protection or cash settlement payments required, forecasted drilling activity or methods, including the timing and location thereof, estimated timing of commencement of CO₂ injections in particular fields or areas, 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, restrictions on returns, 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 that could significantly and adversely affect current plans, anticipated actions, the timing of such actions and outcomes of our financial condition. 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 price differentials and consequently in the prices received or demand for our oil produced; geopolitical actions and reactions to recent Russian troop movements surrounding Ukraine; relaxation or removal of oil sanctions against Iran as part of diplomatic negotiations about Iran’s nuclear program; decisions as to production levels and/or pricing by OPEC or U.S. producers in future periods; the impact of COVID-19 on oil demand and economic activity levels; whether inflation impacts future expenses; 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.

Statement Regarding CCUS Agreements: References in this presentation to CCUS “Agreements” refers to both executed definitive agreements and executed term sheets covering various CCUS arrangements. These arrangements are subject to technical and feasibility evaluations, and in the case of certain of the CO₂ transportation, utilization and storage term sheets, the building of new industrial facilities in future years.

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 is 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.

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, 2020 and December 31, 2021 were estimated by DeGolyer and MacNaughton, an independent petroleum engineering firm. In this presentation, we may 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 may refer to one or more of estimates of original oil in place, resource or reserves “potentially,” barrels recoverable, “risked” and “unrisked” resource potential, estimated ultimate recovery (EUR) 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 resources 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.
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**
The 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

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Market Cap: $3.4B
Enterprise Value: $3.4B

YE21 Proved O&G Reserves
192 MMBOE

2022E Sales Volumes
46-49 MBOE/d

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

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**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**

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NYSE: DEN
2021 Highlights

- **Record-low Total Recordable Incident Rate of 0.4**: 5th consecutive annual safety improvement
- 105-mile CCA CO₂ Pipeline installation completed ahead of schedule and under budget; **CO₂ linefill completed**
- **Reduced debt by $103 million**; Cash flows from operations of $317 million exceeded development capital expenditures of $252 million
- **Acquired Big Sand Draw and Beaver Creek oil fields in WY**; EOR fields utilizing 100% industrial-sourced CO₂ and 46-mile CO₂ pipeline
- **Executed term sheet with Mitsubishi for the transport and storage of CO₂** captured from Mitsubishi’s proposed U.S. Gulf Coast ammonia plant
- **Announced initial sequestration site agreement with potential capacity for 400 million metric tons of CO₂**, along Texas Gulf Coast

1) Measured as number of incidents divided by man hours (employee and contractor) times 200,000.
Leading Sustainability

Environment

The only U.S. public company of scale where injecting CO₂ into the ground to produce oil is our primary business

Social

We maintain a long-standing commitment to the highest standards for the safety and development of our employees, contractors and local communities

• Achieved our best Total Recordable Incident Rate (TRIR) in 2021
• Executive compensation is explicitly tied to safety, environmental and emissions targets
• Comprehensive training and development program including safety, leadership, and diversity training
• Matching employee charitable donations

Governance

Strong corporate governance is essential to fulfilling our obligations to our stakeholders and to operating as a responsible corporate citizen

• 7 out of 8 directors are independent, including Chairman of the Board
• 5 out of 8 directors added since September 2020
• Code of Conduct and Ethics Rated “A” by NYSE Governance Services (Top 1%)
• Sustainability and Governance Committee of the Board with direct oversight of climate change, diversity, equity and inclusion initiatives

Net Negative Combined Scope 1 and Scope 2 CO₂ Emissions

Average of 2018, 2019 and 2020

Combined Scope 1 & 2 Emissions
1.8 million metric tons
Captured Industrial-Source CO₂
3.0 million metric tons

Net Negative CO₂ Emissions – 1.2 million metric tons

Consistent sustainability reporting (2014-2021) in accordance with GRI Standards. Our most recent Corporate Responsibility Report can be accessed on our website at: 
csr.denbury.com

NYSE: DEN
Report Highlights – 2019/2020

• Delivered negative Scope 1 and Scope 2 carbon emissions for each year

• Reduced total Scope 1, Scope 2, and Scope 3 emissions by 12% since 2018

• Annually transported and injected an average of approximately 3 million metric tons of industrial-sourced CO$_2$

• Reduced our employee and contractor combined total recordable incident rate by 28% to a Company record low level

• Board of Directors with 25% female representation and a Sustainability Committee focused on providing oversight on important health and safety, climate change, environmental, social and community strategies and risks
Strong Balance Sheet offers Significant Flexibility

2021 Cash Flow from Operations of $317 MM; Free Cash Flow\(^{(1)}\) of $55 MM
- High oil mix (97% of sales volumes) and strong cash margins
- Includes hedging payments of $277 MM in 2021

Non-Core Asset Sales Generated $33 MM in 2021 Proceeds
- Divested non-producing surface acreage in Houston for $15 MM
- Sold non-producing deep mineral rights in WY for $18 MM

Acquired Big Sand Draw and Beaver Creek in WY for $11 MM\(^{(2)}\)

Leverage Ratio 0.1x as of YE 2021

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\(^{(1)}\) A non-GAAP measure. See reconciliation on Slide 27 and press release attached as exhibit 99.1 to the Form 8-K filed February 24, 2022 for additional information indicating why the Company believes this non-GAAP measure is useful for investors.

\(^{(2)}\) Additional contingent payments of $4 million paid in January 2022 plus $4 million likely payable in January 2023 based on current crude oil price outlook (2022 annual average over $50)
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.

<table>
<thead>
<tr>
<th>CO₂ Stored in Association with EOR</th>
<th>CO₂ Directly Stored</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural or Industrial CO₂ + CO₂ pipeline</td>
<td>Industrial CO₂ + CO₂ pipeline</td>
</tr>
<tr>
<td>Inject CO₂ into Oilfield</td>
<td>Inject CO₂ into Secure Geologic Formations</td>
</tr>
<tr>
<td>CO₂ Recycled &amp; Stored</td>
<td>CO₂ Stored</td>
</tr>
<tr>
<td>Recycled CO₂ + Oil Sales + Production Well</td>
<td>Geologic storage</td>
</tr>
</tbody>
</table>

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 $35/ton for CO₂ used in EOR operations and $50/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 IEA’s Net-Zero Emissions by 2050 Scenario (NZE) outlines a carbon reduction pathway that is compliant with the Paris Agreement.

Multiple countries and companies have set targets aligned with emission reduction goals.

Current U.S. administration set a target to reduce emissions ~50% by 2030 (below 2005 levels).

Rapidly evolving economic and policy incentives to vastly increase CO₂ capture.

IEA’s NZE projects global capture to increase 40x by 2030 and 190x by 2050 to meet Paris Agreement.

Massive Expansion in CCUS Required to Meet Global Targets

Global Carbon Capture Required to Meet IEA’s Net-Zero Emissions by 2050 Scenario (NZE)

Total Carbon Capture (million metric tons per year)
Proposed 45Q Revisions Significantly Increase CCUS Opportunity

**Congressional Proposals** for 45Q Enhancements

<table>
<thead>
<tr>
<th>Higher Credit Structure</th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOR</td>
<td>$35/MT</td>
<td>$60/MT(3)</td>
</tr>
<tr>
<td>Dedicated Storage</td>
<td>$50/MT</td>
<td>$85/MT(3)</td>
</tr>
</tbody>
</table>

**Extends Construction Window**

Extend the date by which an industrial or DAC facility must be “under construction” from before 1/1/2026 to before 1/1/2032.

**Direct Pay Option**

Allows taxpayers to be treated as having made a payment of tax equal to the value of the 45Q credit.

**CCUS Capture Potential on the Cost Curve**

2018 Emissions/Existing Facilities

- **Capture Potential up to 1.2 Billion MTPA**
  - with $150/MT 45Q Incentive

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

2) National Petroleum Council (NPC) 2019 Report, Meeting the Dual Challenge: A Roadmap to At-Scale Deployment of Carbon Capture, Use and Storage
3) Assumes meeting prevailing wage requirements of Congressional proposals.
## Denbury Carbon Solutions - 2022 Goals

### Accelerating CCUS development in 2022

<table>
<thead>
<tr>
<th>Strategic Priorities</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure Transportation &amp; Storage Agreements</td>
<td>Executed agreements for 2 mmtpa</td>
<td>Cumulative Target for agreements &gt; 10 mmtpa of CO₂</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Signed new agreements for 3 mmtpa</td>
</tr>
<tr>
<td>Develop Portfolio of Sequestration Sites</td>
<td>JV to develop Texas site with up to 400 million metric tons of CO₂ storage potential</td>
<td>Cumulative Target for 1.2B metric tons of CO₂ capacity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; 450 million metric tons combined storage potential in Louisiana and Alabama sites</td>
</tr>
<tr>
<td>Replace Naturally-Sourced CO₂ in EOR Operations</td>
<td>Agreements generally allow utilization of industrial-captured CO₂ in EOR operations</td>
<td>Agreements generally allow utilization of industrial-captured CO₂ in EOR operations</td>
</tr>
<tr>
<td>Prepare for 2-3x Infrastructure Expansion</td>
<td>Developing market driven pipeline expansion</td>
<td>Planning strategic extensions to access customers, storage sites and new market opportunities</td>
</tr>
<tr>
<td>Pursue Strategic Partnerships</td>
<td>Evaluating participation in several opportunities</td>
<td>Evaluating participation in several opportunities</td>
</tr>
</tbody>
</table>
Negotiations to Transport, Store and Utilize > 50 MMTPA of CO$_2$

2022 targeting cumulative > 10 mmtpa executed agreements

- **Current Targeted Market**
  - >100 mmtpa
  - 50+ mmtpa
  - 25+ mmtpa
  - 5 mmtpa

- **Initial Negotiations**
- **Term Sheet/LOI Negotiations**
- **Executed Agreements**

- **Emissions by State**
  - TX: 22%
  - LA: 60%
  - AL: 10%
  - Other: 8%

- **Initial Negotiations**

- **Industry**
  - Ammonia
  - Biofuels
  - Natural Gas Processing
  - LNG Processing
  - Hydrogen Production

Economic at current 45Q levels
Current CO₂ Transport, Storage and Utilization Agreements

Industry-leading partner in developing the CCUS market

2021: 2 mmtpa

Mitsubishi Corporation
- Initial project 1.8 mmtpa
- Total CO₂ volume potential of 50MM metric tons
- CO₂ can be used in EOR or direct sequestration
- Initial 20-year agreement with option to extend
- Facilities planned for construction near Green Pipeline

Mitsui E&P USA
- Joint evaluation of potential opportunities to develop carbon-negative oil assets
- CO₂ offtake opportunities from Mitsui’s potential Gulf Coast projects

Gulf Coast Biofuels Plant
- Project offtake 0.2 – 1 mmtpa
- Development funding obtained and FEL2 nearing completion

2022: 3 mmtpa to date

Louisiana Chemical Plant
- 0.4 mmtpa as early as 2025
- Flexibility to utilize CO₂ in EOR or permanent sequestration
- Initial 12-year agreement, with option to extend
- Located ~15 miles from Green Pipeline

Wyoming Hydrogen Plant
- Project to commence at 0.1 mmtpa as early as 2024, growing to more than 1 mmtpa over multiple years
- Agreement to utilize CO₂ in EOR
- Initial 20-year agreement, with option to extend
- Located within 5 miles of Greencore Pipeline

Infinium
- Denbury to transport 1.5 mmtpa of industrial-sourced CO₂ to be utilized in plant
- Plant online as early as 2025
- Near Denbury’s Texas CO₂ infrastructure
Secured Potential CO₂ Storage Capacity > 850MM metric tons

Continuing to develop portfolio of storage sites

**Texas**
- 400MM metric tons potential capacity
- Targeting 1st injection as early as 2025
- Proximity to significant CO₂ Emissions

**Louisiana**
- > 150MM metric tons potential capacity
- Targeting 1st injection as early as 2025
- < 10 miles from DEN infrastructure

**Alabama**
- > 300MM metric tons potential capacity
- Targeting 1st injection as early as 2026
- Access to deep water ports

**2022 CCUS Capital**
- ~$50MM
  - Lease acquisition costs
  - Pre-development activities on sequestration sites
  - Strategic partnerships

**Denbury Owned**
- CO₂ Pipelines
- Proposed CO₂ Lateral
- Current CO₂ Floods
- Potential CO₂ Floods

**2019 EPA Emissions**
- < 0.5 mmtpa
- 0.5-1 mmtpa
- 1-5 mmtpa
- 5-10 mmtpa
- 10+ mmtpa
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 and 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

CO₂ Handling & Processing Expertise
- Handling on average 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

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
2022 Goals / Priorities

→ **Continue to Improve Record Safety Performance;** further reduce Total Recordable Incident and Spill rates

→ Progress and execute Phase 1 of CCA EOR development project; **On track for first tertiary production in 2H 2023**

→ Increase investments in core EOR producing assets to a sustaining level; **CCA to drive modest production growth in 2024**

→ **Generate substantial Free Cash Flow;** First priority will be funding future CCUS growth opportunities

→ Reach agreement with existing and greenfield projects for CO\(_2\) transport and storage services; **targeting in excess of a cumulative 10 mmtpa by end of 2022**

→ **Secure cumulative 1.2 billion metric tons of potential CO\(_2\) storage;** progress pre-development activities on multiple sites with Class VI permitting process commencing in 2022
2022 E&P Outlook for Increasing Cash Flows

Strong cash flows provide flexibility for funding CCUS growth

E&P Development Capital ($MM)

Target Sustaining Capital Level ~$200 MM

CCA EOR Project (2022 includes $25 MM for CO₂ injection)

Sustaining Capital (Includes tertiary and non-tertiary development)

Other (includes capitalized exploration, etc.)

Sales Volumes (MBOE/d)

Cash Flow From Operations ($MM) Pre-Working Capital

A $10 oil price increase raises 2022E cash flow by ~$70 MM

2022E @ $70 WTI
Gulf Coast Region

2022 Development / Activity Plans

Tertiary Development

East Heidelberg – Adding downdip dedicated injection for additional recovery in the Tuscaloosa sands

Cranfield Phase 8 – Three new CO₂ flood patterns including new CO₂ injectors and producers

Soso – Converting mature CO₂ flood patterns to move up-hole into the Rodessa reservoir

Oyster Bayou A2 – Complete 2nd phase of A2 downdip expansion adding multiple producers and injectors

Hastings – develop an additional zone in the Frio reservoir

Non-Tertiary Development

Webster / Thompson – horizontal development to exploit additional oil resource potential
Rocky Mountain Region

2022 Development / Activity Plans

Cedar Creek Anticline EOR Development

Phase I
- CO₂ injection underway in Cedar Hills South and East Lookout Butte (~$25 MM capitalized in 2022)
- Installation of CO₂ recycle facilities
- Conversion of 74 water injectors to CO₂
- CO₂ infield infrastructure

Interlake reservoir pilot pattern - new drill injector/producer pair and initial facilities

Tertiary Development

Beaver Creek – Recomplete existing producers/injectors into underdeveloped intervals
Bell Creek – Horizontal new drill targeting underswept areas

Non-Tertiary Development

CCA - New Charles B horizontal wells, also drilling a new Mission Canyon producer in the Pennel area

YE21 Reserves Summary (MMBOE)

<table>
<thead>
<tr>
<th></th>
<th>Proved</th>
<th>Tertiary Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proved</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Potential</td>
<td>590</td>
<td></td>
</tr>
<tr>
<td>Non-Tertiary Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Total MMBOE</td>
<td>673</td>
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</tr>
</tbody>
</table>
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**

- **Source CO₂** from Natural or Industrial Sources
- **CO₂ Injection Well**: CO₂ is injected into the reservoir, moves through the reservoir, and combines with oil that it contacts.
- **Oil Reservoir**: The CO₂/oil combination then continues moving through the reservoir and into nearby production wells.
- **Recycled CO₂**: 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.
- **Production Well**: Nearly all of the source CO₂ volume associated with EOR operations ultimately remains in secure underground containment.
- **Oil Sales**: Example Recovery of Original Oil in Place

**Example Recovery of Original Oil in Place**

- Primary: ~20%
- Secondary (Waterfloods): ~18%
- CO₂ EOR (Tertiary): ~17%
A Leading Producer of Low-Carbon Oil

~25% of Denbury’s production is **Scope 3 carbon negative** through the use of industrial-sourced CO₂

**CO₂ Emissions per Barrel of Oil Produced**

- **Scope 1** 70 lbs/Bbl Direct Development & Operations
- **Scope 2** 90 lbs/Bbl Indirect Emissions, Utilities & Electricity
- **Scope 3** 1,000 lbs/Bbl Transportation, Refining and Combustion of Petroleum Products
- **Industrial CO₂ Injected** 1,700 lbs/Bbl
- **Net Negative Carbon Emissions** -540 lbs CO₂ per Bbl

**Denbury**

For every barrel of oil we produce using **industrial-sourced CO₂**, we are injecting 1,700 lbs of CO₂ that would otherwise be released into the atmosphere.

Injecting annually ~6.6 billion lbs or **3 million metric tons of captured CO₂**

1) Based on a 3-year average of the years ending December 31, 2018, 2019 and 2020.

Source: Clean Air Task Force, IEA and Denbury internal information.
Cedar Creek Anticline – A World Class CO₂ EOR Project

> 400 MMBbl total recovery potential using 100% industrial-sourced CO₂

**CO₂ Pipeline to CCA from Bell Creek Complete**
- Initial CO₂ injection commenced on Feb 1, 2022
- Services all CCA EOR development phases; represents < $0.30/Bbl across total project

**Phase 1 Development Response Anticipated 2H 2023**
- Targets ~30 MMBbls of recoverable oil in Red River formation in East Lookout Butte and Cedar Hills South
- Anticipated $10-15/Bbl Phase 1 and 2 tertiary lifting cost; expected to reduce overall corporate LOE/BOE

**Phase 2 Targeting Large Resource Potential in Cabin Creek Area**
- Targets ~100 MMBbls of recoverable oil in Interlake, Stony Mountain and Red River formations
- Development expected to commence in 2024
- Interlake reservoir pilot planned for 2022

**Future Phases – Remainder of CCA**
- > 300 MMBbl EOR potential in multiple formations
CCA Phase 1 – CO₂ Injection Underway

Injection commenced on February 1, 2022

**Phase 1 Development Highlights**
- 74 water injection wells converted to CO₂ injectors by 3Q22 with CO₂ injection volumes ramping to 150 Mcf/d (2.8 mmtpa)
- 75 miles of infield CO₂ injection and production flowlines installed in 2021
- Horizontal well development
- Production response expected 2H 2023
- Construction of 2 recycle facilities ongoing, first recycle facility expected completion 4Q22

**Red River B Reservoir Characteristics**
- Formation Type: Dolomite
- Average perm: 5 md (millidarcy)
- Average porosity: 12%
- Depth: 8,700-9,000 ft
- Thickness: 10-12 ft
CCA EOR – A Scope 3 Carbon Negative Development

Phases 1 & 2 will collectively store ~85 million metric tons of industrial-sourced CO₂

CO₂ Emissions – Scope 3 Negative

- Scope 1, 2, 3 Emissions
- CO₂ Injection
- CCA EOR Development utilizes 100% industrial-sourced CO₂
- Net Negative Carbon Emissions
-8 million tons

Estimated Production Profile

Phase 1 incremental peak production
7,500 – 12,500 net Bbls/d

Future EOR Potential

Projected CCA Waterflood
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 of 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)

Carbon Intensity (CI) of Various Fuels

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.
Appendix
Significant CO₂ EOR Potential in the U.S.

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

- **Permian**: 9-21 Billion Barrels
- **East & Central Texas**: 6-15 Billion Barrels
- **Mid-Continent**: 6-13 Billion Barrels
- **California**: 3-7 Billion Barrels
- **South East Gulf Coast**: 3-7 Billion Barrels
- **Rockies**: 2-6 Billion Barrels
- **Other**: 0-5 Billion Barrels
- **Michigan/Illinois**: 2-4 Billion Barrels
- **Williston**: 1-3 Billion Barrels
- **Appalachia**: 1-2 Billion Barrels

Denbury’s fields represent ~10% of total potential

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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
» FDL
» Chevron

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

Source: Advanced Resources International for data through 2014; state EOR data 2015-2018.
### Current Natural and Industrial CO\textsubscript{2} Sources

#### Gulf Coast CO\textsubscript{2} Supply

**Jackson Dome**
- Proved CO\textsubscript{2} reserves as of 12/31/20: ~4.6 Tcf\textsuperscript{(1)}
- Additional probable CO\textsubscript{2} reserves as of 12/31/20: ~0.9 Tcf

**Industrial-Sourced CO\textsubscript{2}**

- **Current Sources**
  - Air Products (hydrogen plant): ~45 MMcf/d
  - Nutrien (ammonia products): ~20 MMcf/d

#### Rocky Mountain CO\textsubscript{2} Supply

**LaBarge Area**
- Estimated field size: 750 square miles
- Estimated recoverable CO\textsubscript{2}: 100 Tcf

**Shute Creek\textsuperscript{(2)}** – ExxonMobil Operated
- Proved reserves as of 12/31/20: ~1.1 Tcf
- Denbury has a 1/3 overriding royalty interest and could receive up to ~115 MMcf/d of CO\textsubscript{2} by 2021 at current plant capacity

**Lost Cabin\textsuperscript{(3)}**
- Potential to receive up to 30 MMcf/d of CO\textsubscript{2}

---

\textsuperscript{(1)} Reported on a gross (8/8th’s) basis.
\textsuperscript{(2)} On October 25, 2021, ExxonMobil announced that it has started the process for engineering, procurement, and construction contracts to expand carbon capture and storage at the LaBarge facility.
\textsuperscript{(3)} Effective July 1, 2021, Contango Oil & Gas acquired Lost Cabin from ConocoPhillips.
### CCA CO₂ EOR Development

#### EOR Formation Details

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Formations Targeted</td>
<td>Red River, Interlake, Stony Mountain</td>
</tr>
<tr>
<td>Field Discovery Timeframe (Oil)</td>
<td>1930’s (Discovery), 1950’s (Development)</td>
</tr>
<tr>
<td>Formation Type</td>
<td>Dolomite</td>
</tr>
<tr>
<td>Depth</td>
<td>7,000 – 9,000 ft</td>
</tr>
<tr>
<td>Original Reservoir Pressure</td>
<td>3,600 – 4,140 psi</td>
</tr>
<tr>
<td>CO₂ Flood Type</td>
<td>Miscible</td>
</tr>
<tr>
<td>API Gravity</td>
<td>29-38</td>
</tr>
<tr>
<td>Average Perm</td>
<td>5 md</td>
</tr>
<tr>
<td>Average Porosity</td>
<td>11.4%</td>
</tr>
<tr>
<td>OOIP</td>
<td>~5 Billion Barrels</td>
</tr>
<tr>
<td>Oil Recovered to Date</td>
<td>~700 Million Barrels</td>
</tr>
<tr>
<td>Est. Tertiary Recovery Factor</td>
<td>8 – 15%</td>
</tr>
</tbody>
</table>

---

Diagram showing Cedar Creek Anticline (CCA), CCA CO₂ Pipeline 105 Miles, Greencore Pipeline 232 Miles, and key locations such as Red River, Interlake, Stony Mountain, and Shute Creek (XOM).
2022 Annual Guidance – As of February 24, 2022

*Outlook based on $70 WTI*

<table>
<thead>
<tr>
<th></th>
<th>2021 Actual</th>
<th>2022 Guidance</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>E&amp;P Development Capital</td>
<td>$252 million</td>
<td>$290 - $320 million</td>
<td>~60% Sustaining, 40% CCA</td>
</tr>
<tr>
<td>CCUS Capital</td>
<td>~$50 million</td>
<td></td>
<td>Subject to progress and timing of various CCUS agreements</td>
</tr>
<tr>
<td>Sales Volumes</td>
<td>48,770 BOE/d</td>
<td>46,000 - 49,000 BOE/d</td>
<td>Volumes to build through 2022</td>
</tr>
<tr>
<td>Realized Oil Differentials (NYMEX)</td>
<td>($1.38) per barrel</td>
<td>($1.25) - ($1.75) per barrel</td>
<td></td>
</tr>
<tr>
<td>Lease Operating Expense</td>
<td>$24.75 / BOE(^{(1)})</td>
<td>$26 - $28 / BOE</td>
<td>Inflation and commodity pressure on CO₂, power and utilities, and labor costs</td>
</tr>
<tr>
<td>Transportation and Marketing Expense</td>
<td>$1.62 / BOE</td>
<td>$1.25 - $1.50 / BOE</td>
<td>Improved Rockies marketing arrangements</td>
</tr>
<tr>
<td>G&amp;A <em>(total including stock compensation)</em></td>
<td>$79 million</td>
<td>$65 - $70 million</td>
<td>1Q likely slightly higher than 2Q-4Q</td>
</tr>
<tr>
<td>Stock Compensation</td>
<td>$25 million</td>
<td>$12 - $16 million</td>
<td></td>
</tr>
<tr>
<td>DD&amp;A</td>
<td>$8.46/BOE</td>
<td>$8.50 - $9.00 / BOE</td>
<td></td>
</tr>
<tr>
<td>Diluted Shares</td>
<td>53.8 million</td>
<td>55 - 57 million</td>
<td></td>
</tr>
<tr>
<td>Tax Provision; % Current</td>
<td>1.4%; 50%</td>
<td>0-5%; ~50%</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) 2021 LOE rate presented excludes 1Q21 favorable power/utility adjustment of $16MM.
### Commodity Hedge Position – As of 2/24/22

<table>
<thead>
<tr>
<th>NYMEX Oil Hedges</th>
<th>2022</th>
<th></th>
<th>2023</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H</td>
<td>2H</td>
<td>1H</td>
<td>2H</td>
</tr>
<tr>
<td>Fixed-Price Swaps</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volumes Hedged (Bbls/d)</td>
<td>15,500</td>
<td>9,500</td>
<td>4,500</td>
<td>2,000</td>
</tr>
<tr>
<td>Swap Price(^1)</td>
<td>$49.01</td>
<td>$57.52</td>
<td>$74.88</td>
<td>$76.80</td>
</tr>
<tr>
<td>Collars</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volumes Hedged (Bbls/d)</td>
<td>11,000</td>
<td>11,500</td>
<td>5,500</td>
<td>2,000</td>
</tr>
<tr>
<td>Floor Price(^1)</td>
<td>$49.77</td>
<td>$52.39</td>
<td>$63.64</td>
<td>$65.00</td>
</tr>
<tr>
<td>Ceiling Price(^1)</td>
<td>$64.31</td>
<td>$67.29</td>
<td>$84.77</td>
<td>$86.47</td>
</tr>
<tr>
<td>Total Volumes Hedged</td>
<td>26,500</td>
<td>21,000</td>
<td>10,000</td>
<td>4,000</td>
</tr>
</tbody>
</table>

\(^1\) Averages are volume weighted.
## Average Daily Sales Volumes by Area

### Average Daily Sales Volumes by Area (BOE/d)

<table>
<thead>
<tr>
<th>Field</th>
<th>4Q21</th>
<th>3Q21</th>
<th>2Q21</th>
<th>1Q21</th>
<th>4Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhi</td>
<td>2,731</td>
<td>2,859</td>
<td>2,931</td>
<td>2,925</td>
<td>3,132</td>
</tr>
<tr>
<td>Hastings</td>
<td>4,212</td>
<td>4,343</td>
<td>4,487</td>
<td>4,226</td>
<td>4,598</td>
</tr>
<tr>
<td>Heidelberg</td>
<td>3,797</td>
<td>3,895</td>
<td>3,942</td>
<td>4,054</td>
<td>4,198</td>
</tr>
<tr>
<td>Oyster Bayou</td>
<td>4,039</td>
<td>3,942</td>
<td>3,791</td>
<td>3,554</td>
<td>3,880</td>
</tr>
<tr>
<td>Tinsley</td>
<td>3,353</td>
<td>3,392</td>
<td>3,455</td>
<td>3,424</td>
<td>3,654</td>
</tr>
<tr>
<td>Bell Creek</td>
<td>4,331</td>
<td>4,330</td>
<td>4,394</td>
<td>4,614</td>
<td>5,079</td>
</tr>
<tr>
<td>Other Rockies(^1)</td>
<td>4,551</td>
<td>4,703</td>
<td>4,378</td>
<td>2,573</td>
<td>2,007</td>
</tr>
<tr>
<td>Other Gulf Coast(^2)</td>
<td>5,801</td>
<td>5,907</td>
<td>6,074</td>
<td>6,098</td>
<td>6,332</td>
</tr>
<tr>
<td><strong>Total tertiary sales</strong></td>
<td>32,815</td>
<td>33,369</td>
<td>33,452</td>
<td>31,468</td>
<td>32,880</td>
</tr>
<tr>
<td>Gulf Coast non-tertiary</td>
<td>3,929</td>
<td>3,763</td>
<td>3,415</td>
<td>3,621</td>
<td>3,523</td>
</tr>
<tr>
<td>Cedar Creek Anticline</td>
<td>10,784</td>
<td>11,182</td>
<td>10,918</td>
<td>11,150</td>
<td>11,433</td>
</tr>
<tr>
<td>Other Rockies non-tertiary(^1)</td>
<td>1,354</td>
<td>1,368</td>
<td>1,348</td>
<td>1,118</td>
<td>969</td>
</tr>
<tr>
<td><strong>Total non-tertiary sales</strong>(^1)</td>
<td>16,067</td>
<td>16,313</td>
<td>15,681</td>
<td>15,889</td>
<td>15,925</td>
</tr>
<tr>
<td><strong>Total sales</strong></td>
<td>48,882</td>
<td>49,682</td>
<td>49,133</td>
<td>47,357</td>
<td>48,805</td>
</tr>
</tbody>
</table>

---

1) Includes Big Sand Draw and Beaver Creek fields acquired on March 3, 2021.
2) Includes Brookhaven, Cranfield, Eucutta, Little Creek, Mallalieu, Martinville, McComb, Soso and West Yellow Creek fields.
## Operating Cost Summary

<table>
<thead>
<tr>
<th>LOE Cost Type</th>
<th>Correlation with Commodity Price</th>
<th>4Q21 ($MM)</th>
<th>4Q21 ($/BOE)</th>
<th>3Q21 ($MM)</th>
<th>3Q21 ($/BOE)</th>
<th>4Q20 ($MM)</th>
<th>4Q20 ($/BOE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ Costs</td>
<td>High</td>
<td>$20</td>
<td>$4.38</td>
<td>$18</td>
<td>$3.99</td>
<td>$13</td>
<td>$2.80</td>
</tr>
<tr>
<td>Power &amp; Fuel</td>
<td>Moderate</td>
<td>36</td>
<td>7.94</td>
<td>34</td>
<td>7.52</td>
<td>30</td>
<td>6.61</td>
</tr>
<tr>
<td>Labor &amp; Overhead</td>
<td>Low</td>
<td>33</td>
<td>7.38</td>
<td>34</td>
<td>7.40</td>
<td>28</td>
<td>6.30</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>Moderate</td>
<td>5</td>
<td>1.15</td>
<td>6</td>
<td>1.18</td>
<td>3</td>
<td>0.71</td>
</tr>
<tr>
<td>Chemicals</td>
<td>Moderate</td>
<td>4</td>
<td>1.02</td>
<td>5</td>
<td>0.98</td>
<td>4</td>
<td>0.89</td>
</tr>
<tr>
<td>Workovers</td>
<td>High</td>
<td>12</td>
<td>2.58</td>
<td>13</td>
<td>2.82</td>
<td>8</td>
<td>1.77</td>
</tr>
<tr>
<td>Other</td>
<td>Low</td>
<td>6</td>
<td>1.30</td>
<td>7</td>
<td>1.61</td>
<td>4</td>
<td>0.91</td>
</tr>
<tr>
<td><strong>Total LOE</strong></td>
<td></td>
<td><strong>$116</strong></td>
<td><strong>$25.75</strong></td>
<td><strong>$117</strong></td>
<td><strong>$25.50</strong></td>
<td><strong>$90</strong></td>
<td><strong>$19.99</strong></td>
</tr>
<tr>
<td><strong>Total LOE excluding CO₂ Costs</strong></td>
<td></td>
<td><strong>$96</strong></td>
<td><strong>$21.37</strong></td>
<td><strong>$99</strong></td>
<td><strong>$21.51</strong></td>
<td><strong>$77</strong></td>
<td><strong>$17.19</strong></td>
</tr>
</tbody>
</table>

**NYMEX Oil Price**

<table>
<thead>
<tr>
<th>4Q21</th>
<th>3Q21</th>
<th>4Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>$76.90</td>
<td>$70.63</td>
<td>$42.66</td>
</tr>
</tbody>
</table>
# NYMEX Oil Differential Summary

<table>
<thead>
<tr>
<th>$ per barrel</th>
<th>2021</th>
<th>2020</th>
<th>4Q21</th>
<th>3Q21</th>
<th>2Q21</th>
<th>1Q21</th>
<th>4Q20</th>
<th>3Q20</th>
<th>2Q20</th>
<th>1Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gulf Coast region</td>
<td>$(1.42)</td>
<td>$(1.14)</td>
<td>$(1.41)</td>
<td>$(1.77)</td>
<td>$(1.13)</td>
<td>$(1.37)</td>
<td>$(1.85)</td>
<td>$(1.38)</td>
<td>$(3.59)</td>
<td>$1.18</td>
</tr>
<tr>
<td>Rocky Mountain region</td>
<td>(1.32)</td>
<td>(2.80)</td>
<td>(0.95)</td>
<td>(1.72)</td>
<td>(1.59)</td>
<td>(1.80)</td>
<td>(2.30)</td>
<td>(2.03)</td>
<td>(4.68)</td>
<td>(2.78)</td>
</tr>
<tr>
<td>Total Company NYMEX Oil Differential</td>
<td>$(1.38)</td>
<td>$(1.81)</td>
<td>$(1.22)</td>
<td>$(1.75)</td>
<td>$(1.32)</td>
<td>$(1.54)</td>
<td>$(2.03)</td>
<td>$(1.64)</td>
<td>$(4.03)</td>
<td>$(0.38)</td>
</tr>
</tbody>
</table>

Average realized oil price per barrel (excl. derivative settlements)
- 2021: $66.52
- 2020: $37.78
- 4Q21: $75.68
- 3Q21: $68.88
- 2Q21: $64.70
- 1Q21: $56.28
- 4Q20: $40.63
- 3Q20: $39.23
- 2Q20: $24.39
- 1Q20: $45.96

Average realized oil price per barrel (incl. derivative settlements)
- 2021: $50.46
- 2020: $43.40
- 4Q21: $53.21
- 3Q21: $51.35
- 2Q21: $50.10
- 1Q21: $47.00
- 4Q20: $43.94
- 3Q20: $43.23
- 2Q20: $34.64
- 1Q20: $50.92
## Cash Flows from Operations/Free Cash Flow Reconciliation

### Reconciliation of Cash Flows from Operations (GAAP Measure) to Adjusted Cash Flows from Operations (Non-GAAP Measure) and Free Cash Flow (Non-GAAP Measure) \(^{(1)}\)

<table>
<thead>
<tr>
<th>In millions</th>
<th>4Q21</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operations (GAAP measure)</td>
<td>$70</td>
<td>$317</td>
</tr>
<tr>
<td>Net change in assets and liabilities relating to operations</td>
<td>13</td>
<td>(5)</td>
</tr>
<tr>
<td>Adjusted cash flows from operations (non-GAAP measure) (^{(1)})</td>
<td>$83</td>
<td>$312</td>
</tr>
<tr>
<td>Development capital expenditures</td>
<td>(79)</td>
<td>(252)</td>
</tr>
<tr>
<td>Capitalized interest</td>
<td>(1)</td>
<td>(5)</td>
</tr>
<tr>
<td>Free cash flow (non-GAAP measure) (^{(1)})</td>
<td>$3</td>
<td>$55</td>
</tr>
</tbody>
</table>

\(^{(1)}\) A non-GAAP measure. See press release attached as exhibit 99.1 to the Form 8-K filed February 24, 2022 for additional information indicating why the Company believes this non-GAAP measure is useful for investors.
# Net Income / Adjusted Net Income Reconciliation

## Reconciliation of Net Income (GAAP Measure) to Adjusted Net Income (Non-GAAP Measure)\(^{(1)}\)

<table>
<thead>
<tr>
<th>In millions, except per-share data</th>
<th>4Q21</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Per Diluted Share</td>
</tr>
<tr>
<td><strong>Net income (GAAP measure)</strong></td>
<td>$121</td>
<td>$2.19</td>
</tr>
<tr>
<td>Noncash fair value losses (gains) on commodity derivatives</td>
<td>(75)</td>
<td>(1.36)</td>
</tr>
<tr>
<td>Write-down of oil and natural gas properties</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Insurance reimbursements</td>
<td>(2)</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Noncash fair value adjustment – contingent consideration(^{(2)})</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Other(^{(3)})</strong></td>
<td>(2)</td>
<td>(0.03)</td>
</tr>
<tr>
<td><strong>Adjusted net income (non-GAAP measure)(^{(1)})</strong></td>
<td>$42</td>
<td>$0.76</td>
</tr>
</tbody>
</table>

**Weighted-average shares outstanding**

<table>
<thead>
<tr>
<th></th>
<th>4Q21</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic</strong></td>
<td>51.2</td>
<td>50.9</td>
</tr>
<tr>
<td><strong>Diluted</strong></td>
<td>55.1</td>
<td>53.8</td>
</tr>
</tbody>
</table>

1) A non-GAAP measure. See press release attached as exhibit 99.1 to the Form 8-K filed February 24, 2022 for additional information indicating why the Company believes this non-GAAP measure is useful for investors.

2) Expense related to the change in fair value of the contingent consideration payments related to our March 2021 Wyoming CO\(_2\) EOR field acquisition.

3) Other adjustments for the year ended December 31, 2021 include a $10.3 million gain on land sales.
Reconciliation of Net Income (Loss) to Adjusted EBITDAX

Reconciliation of net income (loss) (GAAP measure) to adjusted EBITDAX (non-GAAP measure)

<table>
<thead>
<tr>
<th>In millions</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>Net income (loss) (GAAP measure)</td>
<td>$74</td>
<td>$(697)</td>
</tr>
<tr>
<td>Adjustments to reconcile to Adjusted EBITDAX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>(11)</td>
<td>(102)</td>
</tr>
<tr>
<td>Depletion, depreciation, and amortization</td>
<td>97</td>
<td>55</td>
</tr>
<tr>
<td>Noncash fair value losses (gains) on commodity derivatives</td>
<td>(122)</td>
<td>86</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Gain on debt extinguishment</td>
<td>(19)</td>
<td>—</td>
</tr>
<tr>
<td>Write-down of oil and natural gas properties</td>
<td>73</td>
<td>662</td>
</tr>
<tr>
<td>Reorganization items, net</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Noncash, non-recurring and other</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Adjusted EBITDAX (non-GAAP measure)</td>
<td>$116</td>
<td>$39</td>
</tr>
</tbody>
</table>

1) Combined results for the three months ended September 30, 2020 and year ended December 31, 2020 are provided for illustrative purposes and are derived from the financial statement line items from the successor and predecessor periods in order to assist investors in understanding the comparability of the Company’s financial and operational results for the applicable periods. A non-GAAP measure.

Adjusted EBITDAX is a non-GAAP financial measure which management uses and is calculated based upon (but not identical to) a financial covenant related to “Consolidated EBITDAX” in the Company’s senior secured bank credit facility, which excludes certain items that are included in net income (loss), the most directly comparable GAAP financial measure. Items excluded include interest, income taxes, depletion, depreciation, and amortization, and items that the Company believes affect the comparability of operating results such as items whose timing and/or amount cannot be reasonably estimated or are non-recurring. Management believes Adjusted EBITDAX may be helpful to investors in order to assess the Company’s operating performance as compared to that of other companies in its industry, without regard to financing methods, capital structure or historical costs basis. It is also commonly used by third parties to assess leverage and the Company’s ability to incur and service debt and fund capital expenditures. Adjusted EBITDAX should not be considered in isolation, as a substitute for, or more meaningful than, net income (loss), cash flow from operations, or any other measure reported in accordance with GAAP. Adjusted EBITDAX may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDAX, EBITDAX or EBITDA in the same manner.