

GRIEVE PROJECT UPDATE

Construction well advanced heading into Autumn

September 2017



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The reserves and resources assessment follows the guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS).

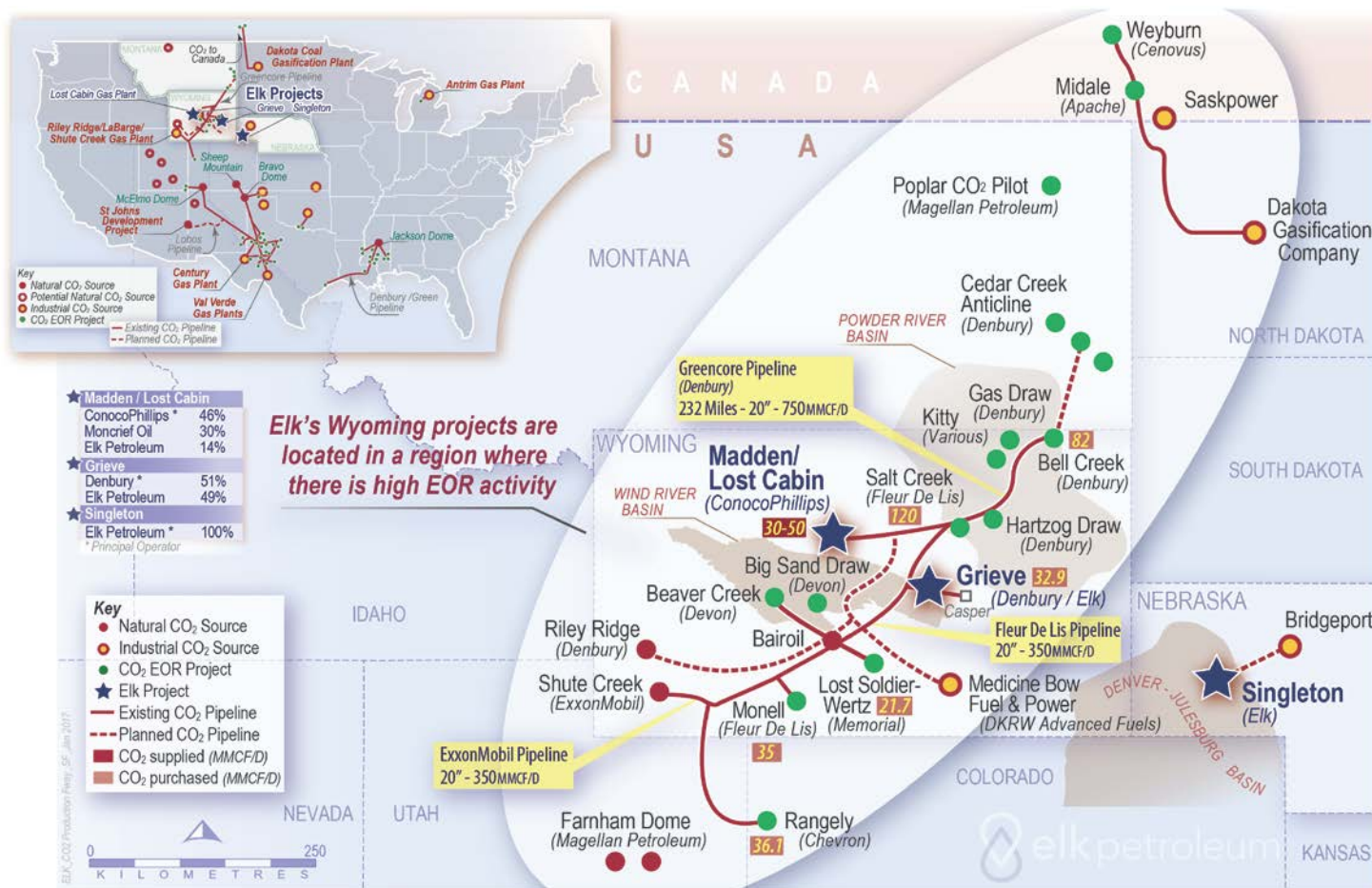
The Reserves and Contingent Resources in this announcement relating to the Grieve CO₂ EOR project, operated by Denbury Resources, is based on an independent review and audit conducted by VSO Petroleum Consultants, Inc. and fairly represents the information and supporting documentation reviewed. The review and audit was carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines under the supervision of Mr Grant Olsen, a Director of VSO Petroleum Consultants, Inc., an independent petroleum advisory firm. Mr Olsen is a Registered Professional Engineer in the State of Texas and his qualifications include a Bachelor of Science and Master of Science (both in Petroleum Engineering) from Texas A&M University. He has more than 10 years of relevant experience. Mr Olsen is a member of the Society of Petroleum Engineers (SPE) and an Associate Member of the Society of Petroleum Evaluation Engineers. Mr Olsen meets the requirements of Qualified Petroleum Reserve and Resource Evaluator as defined in Chapter 19 of the ASX Listing Rules and consents to the inclusion of this information in this report.

The information in this presentation that relates to Reserve and Contingent Resources estimates for the Grieve CO₂ EOR project and the Contingent Resource estimates for the Singleton CO₂ EOR project have been compiled and prepared by Mr. David Evans, COO and Mr. Brian Dolan, COO-USA and VP-Engineering of Elk Petroleum Inc. who are both qualified person as defined under the ASX Listing Rule 5.11 and both have consented to the use of the reserves figures in the form and context in which they appear in this presentation.

Mr. Evans is a full-time employee of the company. Mr. Evans earned a Bachelor of Science with Honours in Geology from the University of London, United Kingdom, a Post Graduate Diploma, Petroleum Exploration from Oxford Brookes University, United Kingdom and a Master of Applied Science, Geology from the University of Canberra and Australian National University in Canberra, ACT. Mr. Evans has more than 30 years of relevant experience. Mr. Evans has sufficient experience that is relevant to the company’s Reserves and Resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr. Evans consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears

Mr Dolan is a full-time employee of the company. Mr Dolan earned a degree in Mechanical Engineering from the University of Colorado at Boulder and has more than 23 years of relevant experience. Mr Dolan has sufficient experience that is relevant to the company’s Reserves and Resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Dolan consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears

Wyoming, USA – Elk country



Vast CO₂ reserves, extensive CO₂ infrastructure, multiple CO₂ EOR operating projects and numerous new projects for development

Grieve Field Development

Heading into the final phases of field development

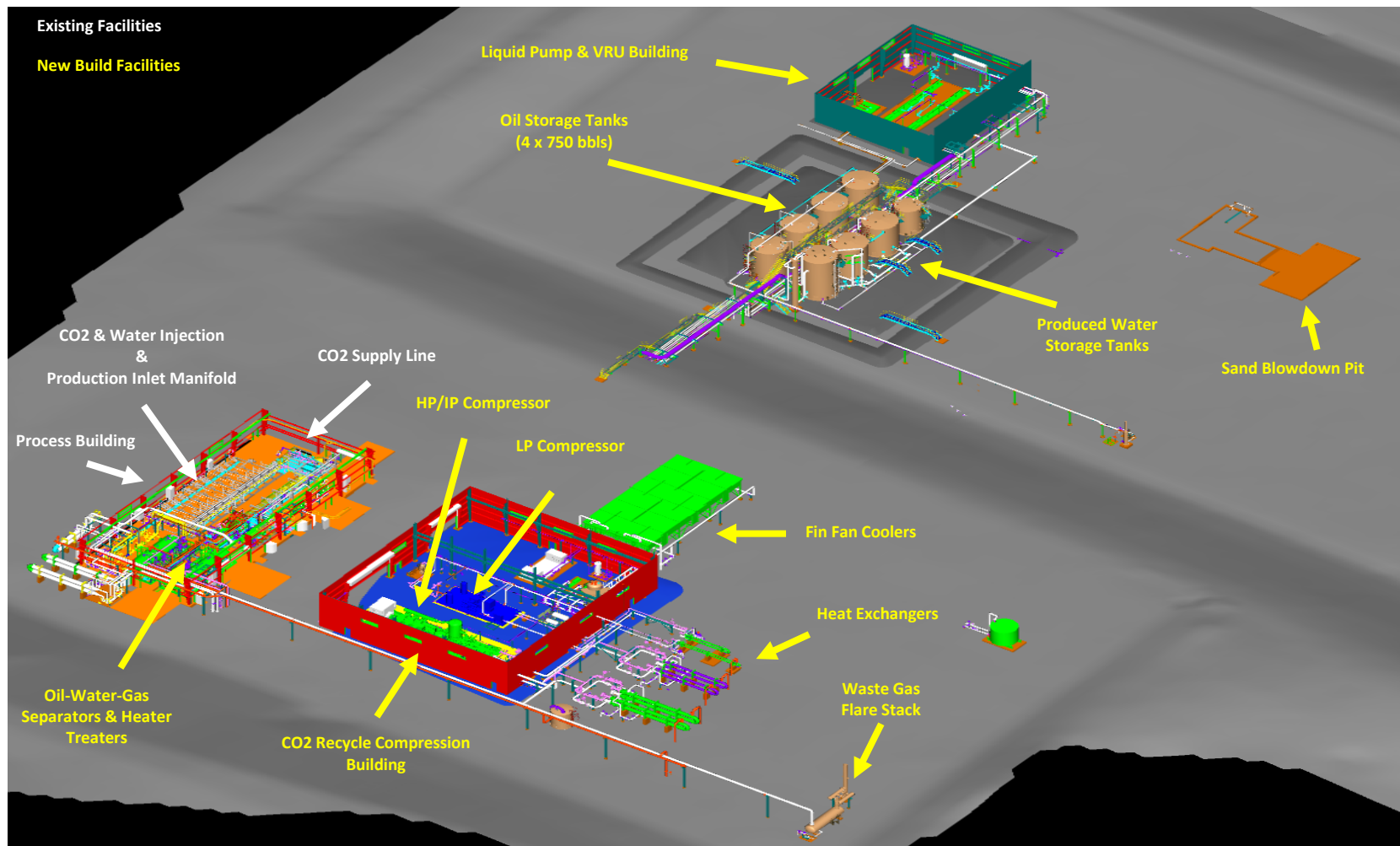
- Offsite fabrication activities nearing full completion
- Final deliveries of pipe works expected early October
- On-Site construction highly advanced
- Installation of all major process equipment 100% complete
- Process Building mechanical construction & pipe works 100% complete
- Building erection highly advanced making facilities weather tight to complete construction
- Well construction work – workovers & completions nearly complete
- Field fully repressurized to preproduction maximum
- Project completion, production start-up guidance remains unchanged – late CY2017/early 2018

Grieve Field Development



Overview of Facility Construction – 31 August 2017

What's being built



Offsite Fabrication Work

Offsite fabrication activities nearing full completion

Fabrication Activities

- Work Package 1 Fabrication [Process Building] – 100% Complete
- Work Package 2 Fabrication [Tank Farm] – 100% Complete
- Work Package 3 Fabrication [Pump Building] – 100% Complete
- Work Package 4 Fabrication [Compressor Building] – 100% Complete
- Work Package 5 Fabrication [Other Outside] – 100% Complete
- Pressure Testing – Completed 800 of 1055 components – 75% Complete
- To date 17 shipments of pipe / structural steel have been received
- Scheduled to have all pipe shipped to site by 6 October



On-Site Construction Activities

On-Site construction highly advanced

Mechanical Construction Activities

- Work Package 1 - Process Building
 - Major Equipment Installation – 100% Complete
 - Pipe Installation – 100% Complete
 - Structural Steel Installation – 100% Complete
- Work Package 2 - Tank Farm
 - Major Equipment Installation – 100% Complete
 - Pipe Installation – 75% Complete
 - Structural Steel Installation – 95% Complete
- Work Package 3 - Pump Building
 - Major Equipment Installation – 100% Complete
 - Pipe Installation – 5% Complete
 - Structural Steel Installation – 95% Complete
- Work Package 4 - Compressor Building
 - Major Equipment Installation – 100% Complete
 - Pipe Installation – 0% Complete
 - Structural Steel Installation – 35% Complete
- Work Package 5 - Other Outside Equipment
 - Major Equipment Installation – 100% Complete
 - Pipe Installation – 0% Complete
 - Structural Steel Installation – 35% Complete



Process Building installation & pipe works – 31 August 2017

On-Site Construction Activities

On-Site construction highly advanced

Building Erection Activities

- Compressor Building Steel – 100% complete
 - Continuing to install insulation and siding
- Pump Building
 - Building Steel – 100% complete
- Main Control Center-A Foundation – Complete
 - Plan to start installation in 3 weeks



Pump Building Installation – 22 September 2017



Compressor Building Siding Complete – South Side

On-Site Construction Activities



Water injection pump installation – 15 August 2017



Process Building Piping Installation – 31 August 2017

On-Site Construction Activities



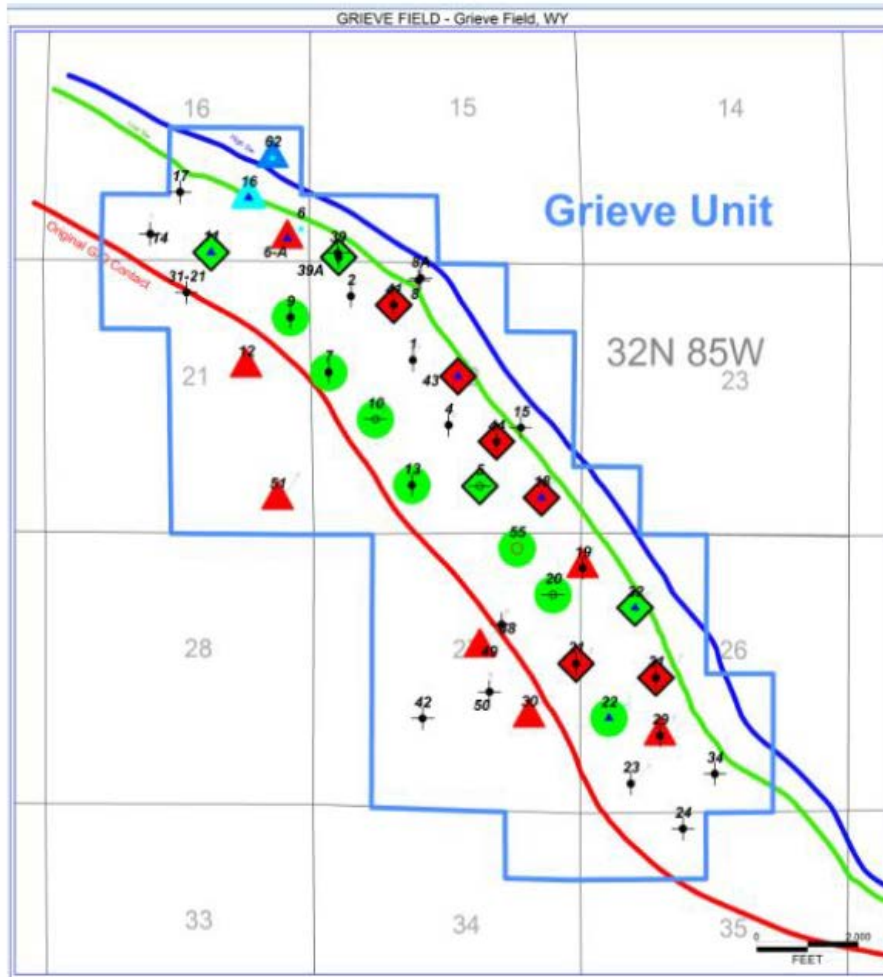
Compressor Building Piping Supports Being Installed – 22 September 2017



Tank Farm construction & pipe works – 15 September 2017

Grieve Field – Producer & Injector Well plan

Field development program includes 7 existing well workovers + 2 new drill production wells



- Upon completion, the Grieve CO₂ EOR Project will include 24 active wells
- 10 oil production wells,
- 10 CO₂ or water injection wells,
- 3 dual purpose wells – 2 injector & 1 production wells
- 1 water source well
- Currently 15 of 24 wells are ready for operation
- Potential for an additional water curtain well in the future depending on field performance
- Field development plan is targeting maintaining field bottom hole pressure of 3000 PSI
- Up through end of June 2017, 20 mmscf/day of CO₂ injected and 12,000 bbls of water per day

Workover Number	Well Number	Current Status	Future Status
1	31	TA	Injector
2	41	TA	Injector
3	44	TA	Injector
4	21	TA	Injector
5	7	TA	Producer
6	9	TA	Producer
7	13	TA	Producer
8	39A	SI	Producer
9	55	New Drill	Producer

Well construction

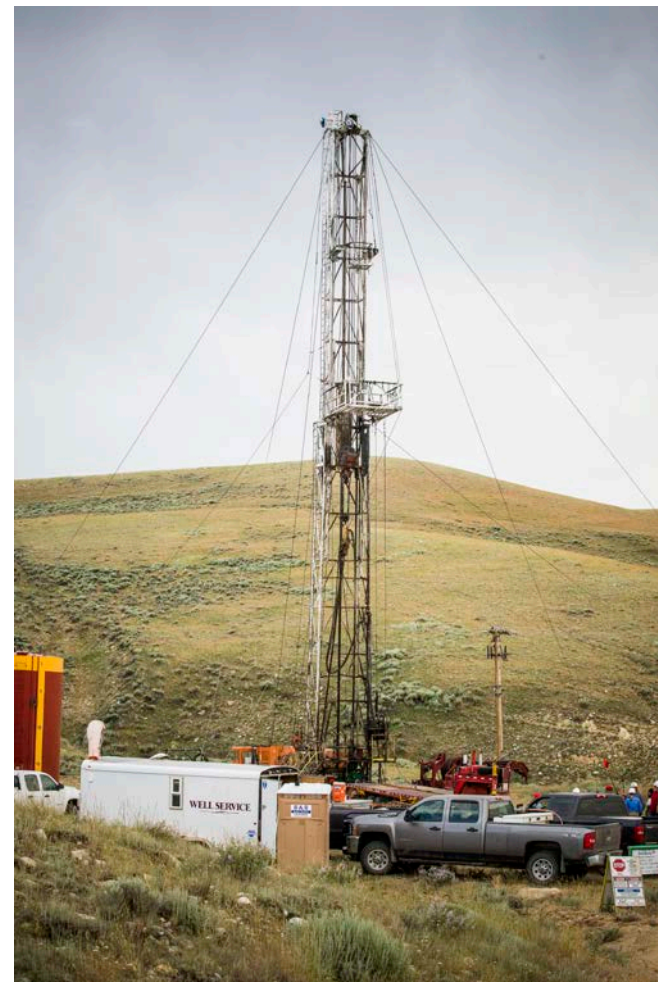
Well work nearly completed

- **Workovers of remaining injection and production wells underway**

- #31 – Workover is complete / awaiting casing pressure test
- #21 – Complete
- #44 – Complete
- #13 – Workover Rig is currently on this well
- #9 – Complete
- #7 - Workover Rig is currently on this well
- #41 - Awaiting workover rig
- #39A - Awaiting workover rig

- **New drill production wells**

- #55 – Drilled / awaiting completion rig & production testing



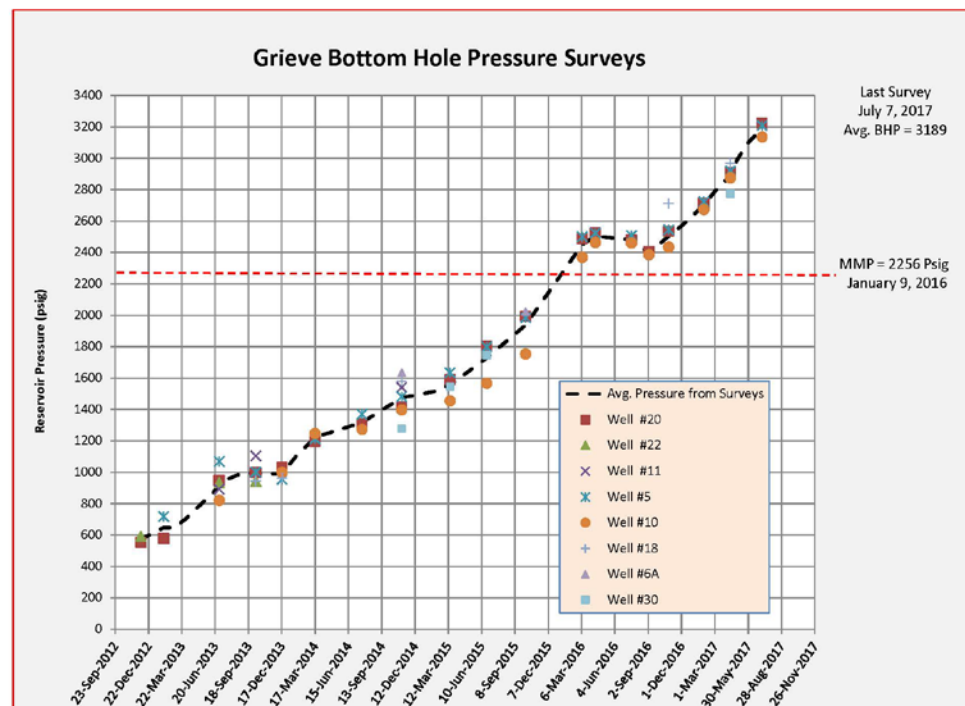
Grieve-31 workover – July 2017

CO₂ Injection & reservoir repressurization

Reservoir ready for production

Field fully repressured

- 41.2 BCF of CO₂ injected and Grieve Field now fully repressured
- Average bottom hole pressure of 3189 PSI as of 7 July





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