

GRIEVE PROJECT UPDATE

Completion within reach

December 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).

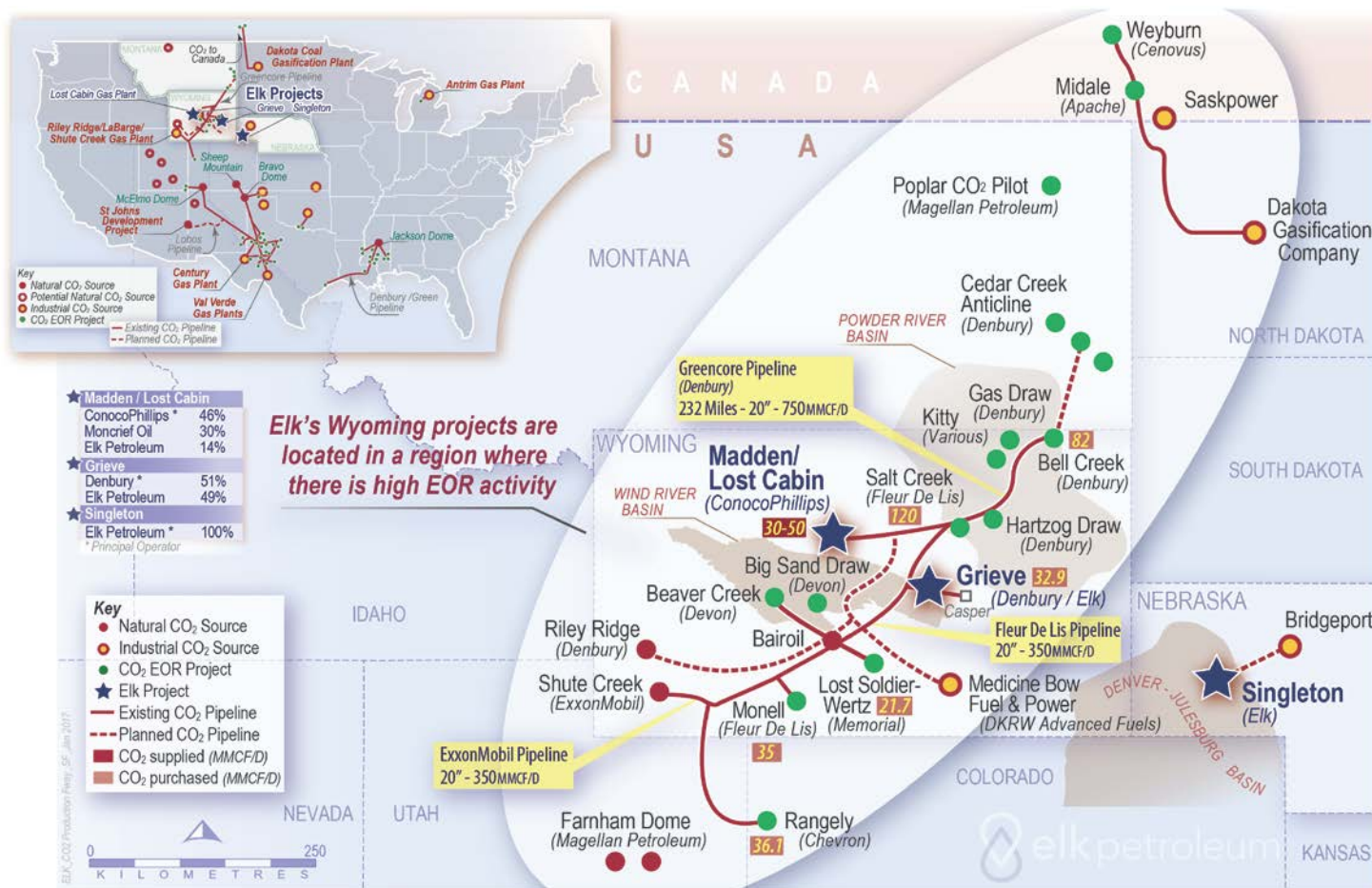
The Reserves and Contingent Resources in this announcement relating to the Grieve CO₂ EOR project, operated by Denbury Resources, is based on an independent review and audit conducted by VSO Petroleum Consultants, Inc. and fairly represents the information and supporting documentation reviewed. The review 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 26 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



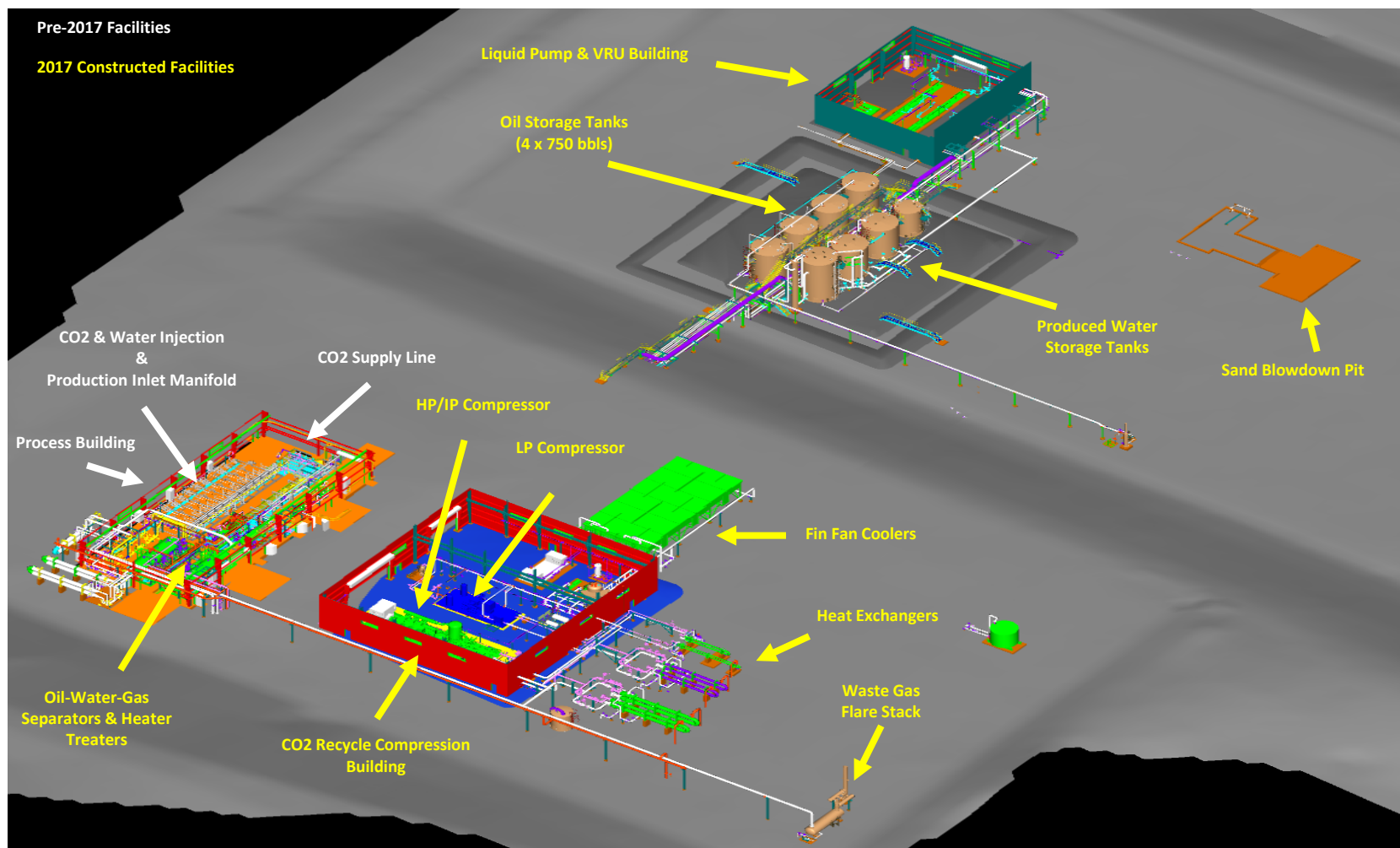
Vast CO₂ reserves, extensive CO₂ infrastructure, multiple CO₂ EOR operating projects and numerous new projects for development

Grieve Field Development



Overview of Facility Construction – 15 November 2017

What's been built in 2017



Grieve Field Development

Nearing completion – on schedule & under budget

- Project completion on-schedule & under budget – minimal scope changes & no cost overruns
- Weather has remained mild – greatly assisting construction
- Field already fully repressurized to preproduction maximum and awaiting start-up
- Mechanical completion of all facilities scheduled for 31 December 2017
- All Electrical & Instrumentation (“E&I”) works scheduled to be complete by 15 February 2018
- Final building works making all facilities weather tight imminent
- New operations control building installed
- Well construction work – workovers & completions nearly complete
- Final field flow lines permitted and installation nearing completion
- Project completion, production start-up guidance remains unchanged
- Expect production facilities and well commissioning to commence upon completion of E&I works

On-Site Construction Activities

Mechanical Construction Activities

- **Work Package 1 - Process Building**
 - Major Equipment Installation – 100% Complete
 - Pipe Installation – 100% Complete
 - Structural Steel Installation – 100% Complete
 - Siding & Insulation – 100% complete
- **Work Package 2 - Tank Farm**
 - Major Equipment Installation – 100% Complete
 - Pipe Installation – 100% Complete
 - Structural Steel Installation – 100% Complete
- **Work Package 3 - Pump Building**
 - Major Equipment Installation – 100% Complete
 - Pipe Installation – 100% Complete
 - Structural Steel Installation – 100% Complete
 - Siding & Insulation – 100% complete
- **Work Package 4 - Compressor Building**
 - Major Equipment Installation – 100% Complete
 - Pipe Installation – 100% Complete
 - Structural Steel Installation – 100% Complete
 - Siding & Insulation – 80% complete



Complete Underground Near Compressor Building – 30 November 2017

On-Site Construction works

Mechanical construction activities

- Full mechanical completion by 31 Dec 2017
- Overall estimated to be 80% complete
- All piping is installed

Current works

- Completing final non-destructive examination
- Working on final bolt torquing
- Working on coating all the field welds
- Completing final buried underground installations 21 December 2017



Tank Farm and Pump Area – Scaffolding for Insulators –14 December 2017

On-Site Construction works



Installing Underground Piping Around Compressor Heat Exchangers – 16 November 2017



Compressor Heat Exchangers – 14 December 2017

On-Site Construction Activities – Building works

Building construction activities

- Process Building
 - Building Steel – 100% complete
 - Siding & insulation – 100% complete
- Compressor Building
 - Building steel – 100% complete
 - Siding & insulation – 80% complete
- Pump Building
 - Building Steel – 100% complete
 - Siding & insulation – 100% complete
- Main Control Center-A
 - Installation – 100% complete
 - Waiting on power to complete installation
- Office Building
 - Installation - 100% complete



Final Compressor Building Siding Installation – 14 December 2017

On-Site Construction Activities – Building works



New Office & Control Building – 30 November 2017

On-Site Construction Activities – Electrical & Instrumentation works

E&I construction activities

- E&I Contractor is scheduled to be complete by 15 Feb 2017
- Approximately 45% complete
- Completed duct bank for new office power
- Pulled 5KV cable from process building to MCC
- Installed conduit inside process and compressor building
- Pulled instrument cables to tank devices, heat exchangers and pump building devices
- Working on grounding grid in tank farm
- Installed light fixtures outside of pump building
- Installed light poles for tank area



Inside View of New Master Control Center-A Extension – 30 November 2017

On-Site Construction Activities – Electrical & Instrumentation



Cable Tray Installation – 30 November 2017

Well & Flowline construction

Injection and production well workovers

- #31 – Completed
- #21 – Completed
- #44 – Completed
- #13 – Completed
- #9 – Completed
- #7 - Completed
- #41 - Workover rig on this well
- #39A - Completed
- #16 – Reperforation completed

New drill well work

- #55 – Completed

Flowline & Field Powerline work

- All flowlines & powerlines approved, permitted by BLM
- #62 – ESP upside & transformer repair



Flowline installation – 30 November 2017



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