RMG Financial Consulting

Counterparty Review of:

Company:

Denbury Resources, Inc.

Reviewed Through:

Year End 2015 and Q1 2016 as Available

Primary Credit Analyst:

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Company Information

Denbury Resources, Inc. ("Denbury" or the "Company")

Company Type: Exploration & Production
Plano, TX, United States
Website: www.denbury.com

Fiscal Year End: December 31

Subsidiary Name(s):
Denbury Onshore, LLC

Parent Information:
Not Applicable

Contact Information:
DNA

COLLATERAL SUPPORT OVERVIEW

Denbury relies on the strength of its financial statements and credit ratings to support wholesale activity also issues letters of credit and may post cash margin.

DEBT RATINGS PROFILE

	Denbury
S&P [1]	CC / Negative
Moody's [1]	Caa2 / Stable
Fitch [1]	NR
RMG [2]	CCC / Negative

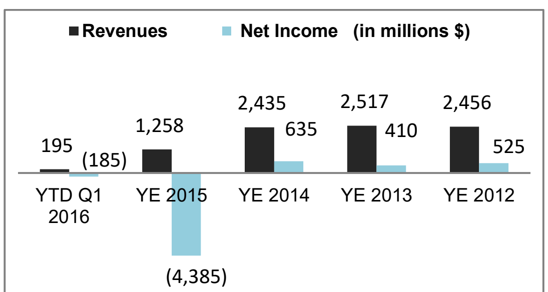
[1] Senior Unsecured, Long-term Rating, As of the Date of This Report
[2] RMG Analyst Company Rating

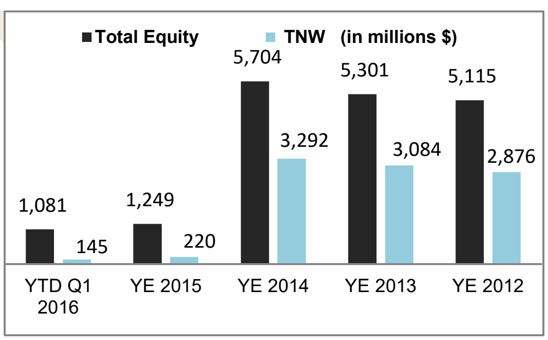
RMG QUALITATIVE INDICATORS

("1" Highest, "10" Lowest)

Overall Financial Position	**9.5**
Quality of Earnings	9.0
Quality of Equity	9.5
Quality of Assets	8.5
Quality of Cash Flows	9.0
Financial Liquidity	9.0
Physical Liquidity	4.5
Risk Management	5.5

Key Financial Indicators





in millions $		YTD Q1 2016	YE 2015	YE 2014	YE 2013	YE 2012
Total Revenues	$	195	1,258	2,435	2,517	2,456
Operating Income	$	(308)	(6,305)	777	889	1,027
Net Income	**$**	**(185)**	**(4,385)**	**635**	**410**	**525**
Oper. Cash Flow	**$**	**2**	**864**	**1,223**	**1,361**	**1,411**
Capital Exp.	$	67	534	1,067	1,178	1,584
Dividends	$	0	65	87	-	-
Free Cash Flow	$	(65)	226	(151)	(166)	(290)
Total Assets	$	5,539	5,920	12,728	11,789	11,139
Cash & Equiv.	$	8.3	2.8	23.2	12.2	98.5
Total Debt	$	3,255	3,310	3,571	3,297	3,141
Total Equity	**$**	**1,081**	**1,249**	**5,704**	**5,301**	**5,115**
TNW	**$**	**145**	**220**	**3,292**	**3,084**	**2,876**
EBIT / Interest Covg		(4.8)	(32.0)	5.9	3.9	4.7
EBITDA / Debt Service		(1.9)	(25.0)	7.5	5.4	6.0
Debt / Capital		75%	72.6%	38.5%	38.3%	38.0%
Return on Equity		-68.5%	-351.1%	11.1%	7.7%	10.3%

SUMMARY ANALYSIS

Credit strengths include the following:

- Continued Liquidity: In 2016, Denbury was successful in renegotiating the covenants of its credit facility, which may allow the Company to better meet its ratio requirements for the remainder of 2016 and into 2017. Due in large part to reductions in capital expenditures, operating expenses and the suspension of dividends, the Company may be able to generate modest positive free cash flow for 2016.
- Reduction of Capital Expenditures and Dividends: In 2015, Denbury reduced its capital expenditures by approximately one half, to $534 million and is projecting 2016 capital expenditures at approximately $200 million. The Company also suspended its dividends in 2015. Both of these efforts have allowed Denbury to potentially preserve its cash flow which will be crucial in meeting its contractual obligations and operating requirements in 2016 as it waits for oil and gas prices to rebound.
- Commodity Hedges: Denbury has indicated it has entered into hedges for approximately one half of its production for 2016 and into 2017. These hedges are expected to provide enough cash flow to cover its capital expenditures for the full year 2016.
- Declining Production Costs: As a result of cost cutting and increased production efficiencies, Denbury has been able to lower its cost of production from $23.8 per barrel in 2014 to $16.2 per barrel as of first quarter-end 2016.

Constraints to credit quality include the following:

- Declining Revenues and Earnings: As a result of falling commodity prices, total revenues and earnings (as adjusted for impairments and other one-time charges) meaningfully declined in 2015, and through the first quarter of 2016. While energy prices have rebounded somewhat in Q2 2016, declining production and the expiration of higher priced hedges may temper full-year revenues and earnings.
- Declining Production: Due to lower capital expenditures in 2016, Denbury is expecting total production to decline by 4% to 8% for the remainder of 2016 which is likely to continue to impact revenues, earnings and operating cash flow.
- Significant Impairment Charges: In 2015, Denbury recorded approximately $4.9 billion in asset impairment charges and another $1.3 billion in charges from writing down all of its goodwill. Further, the Company recorded additional impairment charges totaling $256 million during the first quarter of 2016.
- Poor Quality of Equity: As a result of asset impairment and goodwill charges, total equity has declined to $1.1 billion as of March 31, 2016 from $5.7 billion in 2014. Quality of equity is quite poor given our adjustments for unproved reserves and the fact that Denbury may be at risk for further impairment charges.
- Erosion of Available Liquidity: While Denbury was able to negotiate better ratio covenants for its credit facility, due to continued low prices for oil and natural gas, its lender reduced the borrowing base of the facility in Q1 of 2016 to $1.05 billion from $1.5 billion. Further, the Company has increased its borrowings and issuances of letters of credit in the first quarter of 2016. Denbury's borrowing base will be subject to another round of evaluation by its lenders in November 2016.
- Highly Distressed Credit Ratings: As of May 2016, Denbury was rated "CC/Negative" by Standard & Poor's and "Caa2/Stable" by Moody's. We note that Moody's lowered the Company five notches in February 2016 to its current level from "Ba3" while S&P lowered the Company eight notches over the same period.

COMPANY OVERVIEW AND PROFILE

Denbury Resources, Inc. ("Denbury" or the "Company") is an independent crude oil and natural gas company primarily engaged in the exploration and production of crude oil, and secondarily natural gas. Headquartered in Plano, Texas, the Company has been publicly traded since 1997 and presently has two primary operating regions located in the Gulf Coast and Rocky Mountains.

Denbury's operations are comprised of tertiary and non-tertiary exploration and production. Tertiary operations, also known as enhanced oil recovery ("EOR"), consists of pumping carbon dioxide, chemicals or heat into the well to mix with or dissolve within the oil decreasing viscosity and increasing flow. According to the Department of Energy, tertiary production can recover as much as 75% of the oil within the well. Denbury began tertiary operations in 1999 when it acquired the Little Creek Field in Mississippi which is a sandstone oil reserve originally discovered by Shell Oil in 1958. Later in 2001, the Company acquired carbon dioxide reserves through the purchase of Jackson Dome and the North East Jackson Dome CO2 pipeline, and began transitioning the Company toward EOR production. At year-end 2015, Denbury received approximately 57% of its production from tertiary operations located in Texas, Louisiana, Mississippi and Montana. Non-tertiary operations are primarily located in Montana and provided 43% of the Company's total BOE production.

RECENT AND SUBSEQUENT EVENTS

Asset Impairment Charges: As a result of falling commodity prices for crude oil and natural gas during 2014, 2015 and through the first quarter of 2016, Denbury recorded a number of asset impairment charges including writing down $4.9 billion of its crude oil and natural gas properties and $1.3 billion of goodwill in 2015 and taking an addition $256 million charge in the first quarter of 2016 on its oil and natural gas properties.

<u>Debt Exchange</u>: In May 2016, Denbury entered into several private placement transactions where the Company exchanged $922 million in previously issued senior unsecured notes due in 2021, 2022, and 2023 for $531 million of 9.0% senior secured notes due in 2021 and 36.9 million of Denbury common shares. The transaction resulted in Denbury reducing total debt by approximately $391 million and diluting existing shareholders by 36.9 million shares (approximately 10%).

<u>Preserving Cash</u>: In September 2015, the Company elected to suspend its dividend which will save Denbury approximately $87 million of cash flow on an annualized basis. During 2015, the Company also reduced capital spending by approximately half to $534 million (from $1.1 billion in 2014), and expects to reduce capital expenditures to $200 million in 2016. As of March 31, 2016, capital expenditures were approximately $67 million.

<u>Declining Production</u>: As a result of continued low oil prices and significantly lower capital expenditures, Denbury is expecting to see total annual production decline in 2016 by approximately 7% to 12% as compared to 2015. Through the first quarter 2016, total production declined sequentially quarter over quarter by approximately 3.7%.

<u>Rating Downgrades</u>: Since December of 2015, Moody's has lowered the Company's corporate credit rating five notches to "Caa2" from "Ba3" while Standard & Poor's has lowered the Company's corporate credit rating eight notches to "CC" from "BB-" over the same time period. In lowering the rating to "CC", S&P said it viewed the debt transaction as a distressed exchange and after the transaction closed would change the corporate credit rating to "SD" or selective default and the issue-level rating on the senior subordinated notes as "D". At some point later, S&P would review the ratings based on the new capital structure.

<u>Reduction of Borrowing Base</u>: While Denbury was able to negotiate better ratio covenants for its credit facility, due to continued low prices for oil and natural gas, its lender reduced the borrowing base of the facility in April 2016 to $1.05 billion from $1.5 billion. Further, the Company increased its borrowings and issuances of letters of credit in the first quarter of 2016.

PRODUCTION & RESERVES

2015 RESERVES

Region	State	Crude Oil MBbls	Natural Gas MMcf	MBOE	%		PV-10 Value in millions $	%
Tertiary:								
Gulf Coast	LA, TX, MS	144,021	-	144,021	50%	$	1,364	59%
Rocky Mountain	MT	20,799	-	20,799	7%	$	91	4%
Non-tertiary:								
Gulf Coast	TX, MS	21,212	22,070	24,890	9%	$	173	7%
Rocky Mountain	MT	96,218	16,235	98,924	34%	$	692	30%
Total Reserves		**282,250**	**38,305**	**288,634**	**100%**	**$**	**2,318**	100%

****PV-10 Value is the estimated future gross revenues to be generated from the production of proved reserves, net of estimated future production, development and abandonment costs, and before income taxes, discounted to a present value using 10%****

As shown in the tables above and below, Denbury appears to have a modest amount of diversification across tertiary and non-tertiary production and reserves, crude oil and natural gas, and geographically between the Gulf Coast and the Rocky Mountain region. At year-end 2015, the Company had approximately 288 million barrels of oil equivalent ("BOE") of reserves which is down 38% from a six year high of approximately 468 million BOE at year-end 2013. Denbury did not provide an updated reserve disclosure at first quarter-end 2016 but noted it expected 2016 reserves to decline by less than 10% during the year as a result of lower NYMEX crude oil and natural gas prices.

PRODUCTION

		Q1 2016	YE 2015	YE 2014	YE 2013	YE 2012	YE 2011
Gulf Coast Region:							
Crude Oil	MBbls	na	16,783	17,259	16,858	15,621	14,635
Natural Gas	MMcf	na	5,187	4,855	5,620	5,907	7,934
Rocky Mountain Region:							
Crude Oil	MBbls	na	8,462	8,513	7,336	8,841	7,534
Natural Gas	MMcf	na	2,906	3,524	3,046	4,747	2,849
Total Production	**MBOE**	**6,328**	**26,594**	**27,168**	**25,639**	**26,238**	**23,966**

AVERAGE REALIZED PRICES

		Q1 2016	YE 2015	YE 2014	YE 2013	YE 2012	YE 2011
Crude Oil per barrel	$	42.71	67.41	90.82	100.64	96.77	98.90
Natural Gas per Mcf	$	1.70	2.83	3.99	3.53	5.67	7.34
NYMEX Ave. Crude Oil	$	33.73	47.79	92.21	94.19	95.00	N/A
NYMEX Ave. Natural Gas	$	1.99	2.64	4.39	2.96	4.02	N/A
Production Costs per boe	$	16.23	19.37	23.84	28.50	20.29	21.17
Total Production per boe*	$	na	28.94	35.92	41.03	31.88	32.57

*Includes production, taxes other than income and SG&A.

Total production was relatively consistent from 2012 through 2015. While EOR wells tend to have higher decline rates, over the last four years Denbury has been able to offset natural field decline with additional investments. This can be seen in the Company's capital investments, which from 2010 through 2015 totaled $6.8 billion – of which $6.2 billion was incurred from 2010 through 2014. However, as a result of declining investment in existing wells, production declined in 2015 by approximately 2%. Through the first quarter of 2016, production declined another 3.7% sequentially quarter over quarter, and is expected to fall in total by 7% to 12% in 2016. The forecasted decline in 2016 production is primarily due to significantly lower capital expenditures which are anticipated to be approximately $200 million for the year. This compares to capital expenditures of $534 million in 2015 and $1.1 billion in 2014.

REVENUES / EARNINGS

TOTAL REVENUES

(in millions $)		YTD Q1 2016	YE 2015	YE 2014	YE 2013	YE 2012	YE 2011	YE 2010
Crude Oil & Natural Gas	$	188	1,213	2,372	2,466	2,409	2,269	1,793
Carbon Dioxide & Helium	$	6	31	45	28	26	23	19
Interest & Other Income	$	1	14	18	23	20	17	109
Total Revenues	**$**	**195**	**1,257**	**2,435**	**2,517**	**2,456**	**2,309**	**1,921**

As shown in the table above, total revenues through 2014 were relatively stable and resulted primarily from consistent production and crude oil prices that ranged between $80 per barrel to $100 per barrel from 2011 through mid-2014. However, as a result of falling prices crude prices, total revenues declined by roughly half in 2015. The decline is a concern for long-term credit quality given Denbury benefited from a number of crude oil hedges in 2015 which resulted in average price realizations of approximately $67 per barrel versus average spot prices of approximately $48 per barrel.

Through the first quarter of 2016, the Company continued to benefit from hedges that resulted in average realizations for crude oil of approximately $42.7 per barrel versus average NYMEX prices of $33.7 per barrel. However, Denbury notes the majority of its higher-priced hedges expire after the second quarter of 2016 at which time the Company will primarily be receiving crude oil that is priced in the high $30's to low $40's based on first quarter-end spot prices. This is expected to result in substantially lower revenues for the remainder of 2016, as compared to those in 2015, which will also be pressured from anticipated lower production throughout 2016.

OPERATING RESULTS

in millions $		YTD Q1 2016	YE 2015	YE 2014	YE 2013	YE 2012
Total Revenues	$	195	1,258	2,435	2,517	2,456
Storage & Fuel Costs	$	102	515	648	731	532
Gross Margin	$	92	743	1,788	1,787	1,924
% Gross Margin		47.4%	59.0%	73.4%	71.0%	78.3%
Depr., Depl., & Amort.	$	77	532	593	510	508
SG&A Expenses	$	47	205	248	211	212
Other Expenses	$	20	110	170	176	160
Operating Income	**$**	**(52)**	**(104)**	**777**	**890**	**1,044**
% Oper. Inc. Margin		-26.5%	-8.3%	31.9%	35.3%	42.5%
Asset Impairments	$	256	4,940	-	-	-
Goodwill Impairments	$	-	1,262	-	-	-
Interest Expense	$	48	191	207	220	231
Commodity Derivatives	$	23	(148)	(555)	41	(5)
Gain on Debt Retirement	$	(95)	-	-	-	-
Other, Net	$	(4)	23	103	(14)	156
Taxes	$	(95)	(1,941)	387	233	331
Net Income	**$**	**(185)**	**(4,431)**	**635**	**410**	**331**
% Net Income		-94.7%	-352.4%	26.1%	16.3%	13.5%
Pre-tax ROE		-103.7%	-506.5%	17.9%	12.1%	16.8%
After-tax ROE		-68.5%	-351.1%	11.1%	7.7%	10.3%
EBIT / Interest Covg		(4.8)	(32.0)	5.9	3.9	4.7
EBITDA / Interest Covg		(3.2)	(29.3)	8.8	6.2	6.9
Adjusted EBITDA		**105**	**1,008**	**1,472**	**1,489**	**1,608**
Adj. EBITDA Cov.		**2.2**	**5.3**	**7.1**	**6.8**	**7.0**

Denbury's earnings in 2014 were relatively good at $635 million in spite of the significant decline in oil prices during the latter part of that year. However, Denbury posted approximately $555 million of commodity derivative gains that made much of the 2014 earnings. Earnings in 2015 were very poor as the Company recorded a pre-tax asset impairment charge totaling $4.93 billion and another $1.3 billion from the write-off of goodwill, which resulted in a net after-tax loss of $4.4 billion. Absent these charges, pre-tax earnings would have been a negative $125 million. However, Denbury did benefit in 2015 from $148 million of hedging gains without which Denbury would have recorded an adjusted pre-tax loss of $273 million. Adjusting for the one-time charges and other non-cash expenses, the Company earned approximately $1.0 billion in adjusted EBITDA and had an adjusted EBITDA / interest coverage ratio of approximately 5.3 times.

For the first quarter of 2016, the Company recorded net earnings of a negative $185 million primarily due to $256 million in asset impairment charges. While the Company also had a number of other non-cash impacts to earnings, adjusted EBITDA (as calculated) was only $105 million resulting in an interest coverage ratio of 2.2 times. Of concern is that Denbury's average realizations were approximately $29.76 per barrel during the quarter before the impact of derivative settlements which added $11.4 per boe. This was a sequential decline of approximately 24% from the fourth quarter of 2015 were average realizations were $40.4 per boe before the impact of derivative settlements. The Company states that it has approximately half of its anticipated 2016 production hedged at prices that are not sufficient to provide enough cash flow to grow production, but may be sufficient to cover Denbury's short-term cash cost of production. Denbury has also hedged approximately half of its 2017 production at prices that are marginally above the cash cost of operations. To the extent Denbury is able to cover its cash cost of operations in the near-term, it may reduce the need for the Company to draw upon its credit facility thus temporarily preserving its liquidity. However, Denbury also acknowledges that its current cash cost of production ($16.23 per barrel, see table on page 5) is not sustainable in the long-term which may require higher average realizations to breakeven.

QUALITY OF EQUITY / TANGIBLE NET WORTH

Many of our clients utilize tangible net worth (TNW) as a basis on which to determine open lines of credit. We have calculated the TNW for Denbury as of March 31, 2016 to be $145 million based upon total equity of $1.1 billion less the following adjustments:

- Unamortized Debt Issuance Costs: $33 million; Unamortized debt issuance costs reflect prior period expenses that have been deferred to future periods under accepted accounting rules. We adjust for this as an unrecoverable asset to creditors in the event that the company was to default.

- Unproved Properties / Reserves: $903 million; As is the case with many exploration and production companies, a portion of the company's asset value relates to in-ground, unproved energy reserves. In order to be conservative, we have adjusted 100% of such reserves from equity given the possibility of write down of in-ground assets.

TANGIBLE NET WORTH (TNW)

in millions $		YTD Q1 2016	YE 2015	YE 2014	YE 2013	YE 2012
Total Equity	**$**	**1,081**	**1,249**	**5,704**	**5,301**	**5,115**
Intangibles	$	-	(84)	(1,370)	(1,371)	(1,373)
Net Trading Assets, Long Term [1]	$	-	-	(66)	(7)	-
Debt Issuance Costs	$	(33)	(50)	(57)	(59)	(57)
Unproved Properties	$	(903)	(895)	(918)	(780)	(809)
TNW	**$**	**145**	**220**	**3,292**	**3,084**	**2,876**
TNW to Equity (%)		***13.5%***	***17.7%***	***57.7%***	***58.2%***	***56.2%***

After adjustments for unproved properties, quality of equity appeared to be very poor at first quarter-end 2016. Equity has been substantially impacted through Q1 2016 by asset impairment charges of the Company's crude oil and natural gas properties and a 100% write down of the Company's goodwill. Additionally, equity may be at risk to further impairment charges as a result of the low commodity price environment. Finally, given the low commodity price environment, earnings are not expected to be very supportive to equity given the fact that Denbury has hedged approximately half its production at prices that are only marginally above the Company's cash cost of production.

DEBT / FINANCIAL LIQUIDITY / QUALITY OF CASH FLOW

In 2015, Denbury's total debt to capital ratio nearly doubled as a result of substantial asset impairment and other charges that reduced total equity by $4.4 billion. Long-term debt at year-end 2015 was comprised of $175 million in borrowings against a bank credit agreement expiring in December of 2019, $2.8 billion of senior subordinated notes expiring from 2021 through 2023 and approximately $300 million of pipeline financing and capital leases due over the next 20 years. The decline in long-term debt from year-end 2015 was the result of the Company using $55.5 million of its line of credit to purchase $152.3 million of face value long-term debt for a net reduction of approximately $96 million. Additionally, in May of 2016 Denbury entered into other transactions issuing $531 million in secured long-term notes expiring in 2021 in exchange for $922 million of face value long-term debt and 36.9 million newly issued common shares for a net debt reduction of $391 million.

TOTAL DEBT

in millions $		YTD Q1 2016	YE 2015	YE 2014	YE 2013	YE 2012
Short-term Debt	$	-	-	-	-	-
Current LTD	$	33	32	35	36	37
Long-term Debt (LTD)	$	3,222	3,278	3,536	3,261	3,104
Total Debt	**$**	**3,255**	**3,310**	**3,571**	**3,297**	**3,141**
Debt / Capital %		***75.1%***	***72.6%***	***38.5%***	***38.3%***	***38.0%***
Operating Leases	$	101	101	118	130	140
Letters of Credit	$	59	15	11	12	16
Total Adjusted Debt	$	160	116	130	142	156
Adj. Debt / Capital %		***76.0%***	***73.3%***	***39.4%***	***39.3%***	***39.2%***

Liquidity at first quarter-end 2016 totaled $689 million and was primarily comprised of capacity on the Company's reserve-based bank facility. The facility expires in December of 2019 but is reviewed semi-annually for total capacity adjustments. In April 2016, Denbury announced its lenders had completed their semi-annual review of the facility and had lowered total capacity to $1.05 billion from $1.5 billion. The next review is scheduled for November 2016. As part of the semi-annual review in April 2016, Denbury also temporarily re-negotiated several covenants to include the following:

- For 2016 and 2017, the maximum permitted ratio of consolidated total net debt to consolidated EBITDAX (EBITDA plus exploration and production expenses) has been suspended and replaced by a maximum permitted ratio of consolidated senior secured debt to consolidated EBITDAX covenant of 3.0 to 1.0. At first quarter-end only the bank facility was secured representing a covenant ratio of .36 to 1.0

- For 2016 and 2017, a new covenant has been added to require a minimum permitted ratio of consolidated EBITDAX to consolidated interest charge of 1.25 to 1.0. At first quarter-end 2016 the ratio stood at 4.71 to 1.0.

- The bank facility allows for the occurrence of up to $1.0 billion of junior lien debt. At March 31, 2016, the Company had approximately $469 million of junior lien debt capacity that remains available to the Company.

- The bank facility can be used to repurchase up to $225 million of subordinated notes. At first quarter-end 2016, Denbury had $169 million remaining to spend on senior subordinated note repurchases.

Given the above changes to the bank facility and a taking into account existing hedges and forward commodity prices, Denbury believes it will remain in compliance with its bank covenants during 2016 and 2017.

AVAILABLE LIQUIDITY							as of: YTD Q1 2016
in millions $	Expires		Total	Used	LC's Issued	Available	% Used
Cash & Equivalents		$	8	-	-	8	
Other		$	-	-	-	-	
CREDIT FACILITIES:							
Bank Facility	**Dec-19**	$	1,050	310	59	681	*35%*
Total Credit Facilities		$	1,050	310	59	681	*35%*
Total Available Liquidity		**$**	**1,058**	**310**	**59**	**689**	

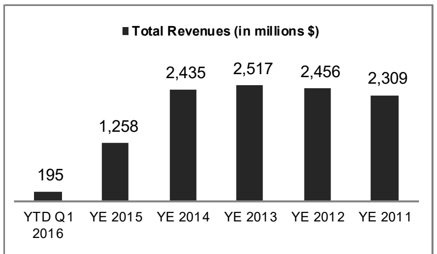
While operating cash flow has shown some measure of variability due to working capital adjustments, funds from operations were relatively stable from 2011 through 2014 as declining commodity prices in 2014 were mostly mitigated by rising production and commodity hedges. However, in 2015 the Company was not able to offset declining commodity prices with increased production and saw funds from operations decline $448 million or 35% year over year. The decline continued through the first quarter of 2016 as funds from operations declined another $589 million to $228 million on an annualized basis as a large majority of the Company's higher priced hedges expired in 2015. For 2016 Denbury has budgeted $200 million in maintenance capital expenditures and believes that with existing hedges in place and forward commodity prices as of March 31, 2016, the Company should be able to meet its capital expenditure budget and preserve most of its liquidity.

OPERATING & FREE CASH FLOW						
in millions $		YTD Q1 2016	YE 2015	YE 2014	YE 2013	YE 2012
Funds from Operations ("FFO")	$	57	817	1,265	1,269	1,377
W/C Adjustments	$	(55)	47	(42)	92	34
Operating Cash Flow	**$**	**2**	**864**	**1,223**	**1,361**	**1,411**
Adjusted for:						
Capital Expenditures	$	67	534	1,067	1,178	1,584
Dividends / (Contributions), Net	$	0	65	87	-	-
Other*	$	-	39	220	349	117
Free Cash Flow	**$**	**(65)**	**226**	**(151)**	**(166)**	**(290)**

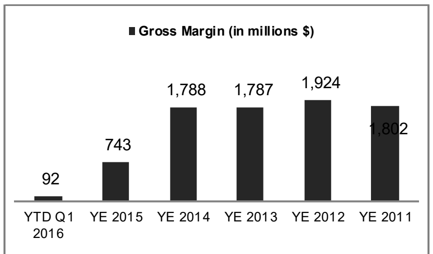
***Acquisitions, dispositions, stock repurchases**

CONTRACTUAL OBLIGATIONS BY MATURITY					as of:	YE 2015
in millions $		2016	2017-18	2019-20	Thereafter	Total
Bank Agreement	$	-	-	175	825	1,000
Subordinated Debt	$	-	2	-	2,850	2,852
Interest Expense	$	158	316	307	248	1,029
Operating Leases	$	13	22	19	47	101
Capital & Pipeline Agrmts	$	54	103	70	211	438
Other	$	103	182	173	576	1,034
Asset Retirement	$	7	3	21	792	823
Total	$	335	628	765	5,549	7,277

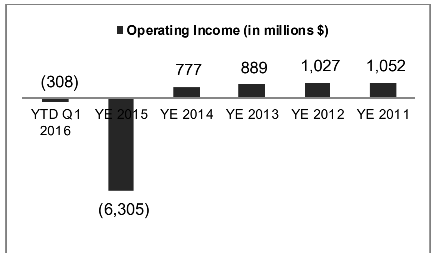
Key Financial Graphs



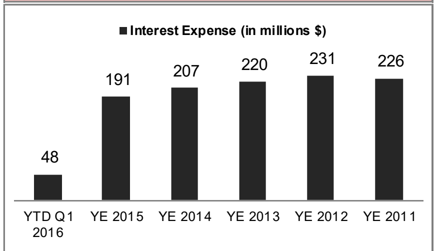
-48.36% Year-Over-Year Change



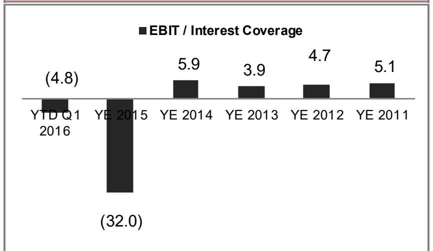
-58.46% Year-Over-Year Change



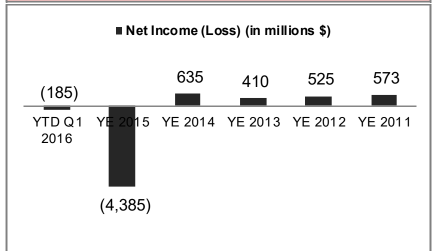
-911.44% Year-Over-Year Change



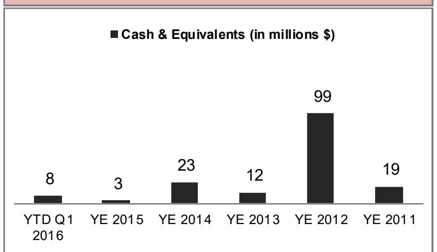
-7.62% Year-Over-Year Change



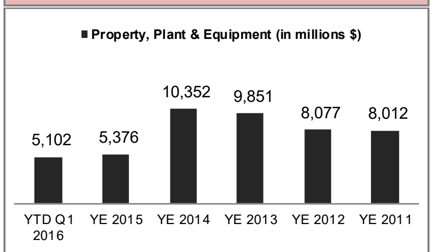
Na Year-Over-Year Change



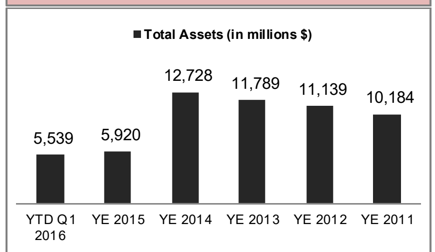
-790.09% Year-Over-Year Change



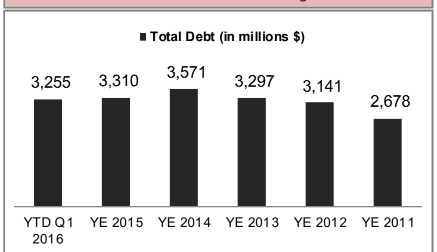
-87.85% Year-Over-Year Change



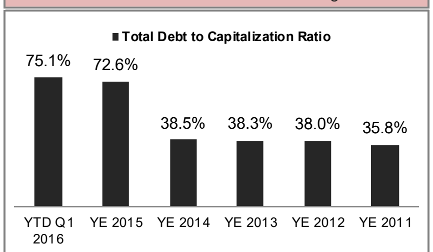
-48.07% Year-Over-Year Change



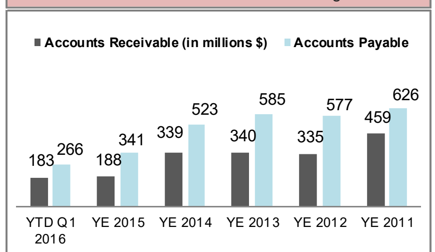
-53.49% Year-Over-Year Change



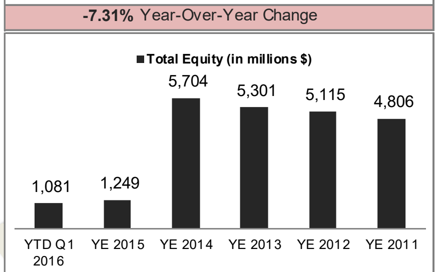
-7.31% Year-Over-Year Change



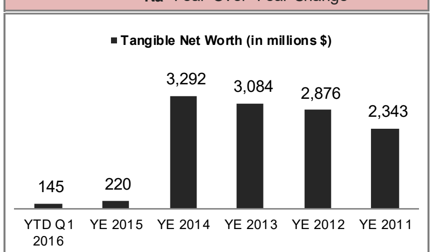
Na Year-Over-Year Change



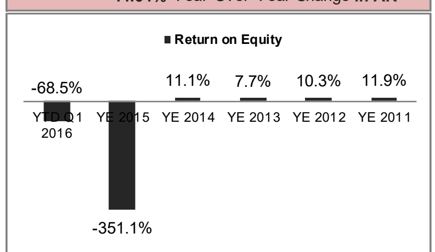
-44.64% Year-Over-Year Change in AR



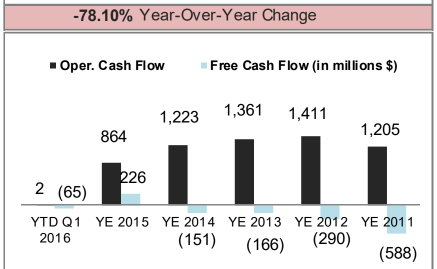
-78.10% Year-Over-Year Change



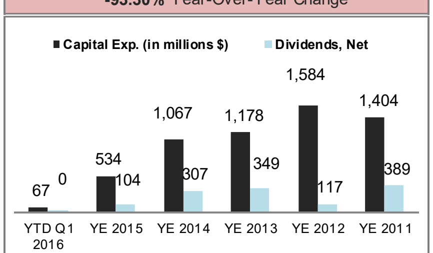
-93.30% Year-Over-Year Change



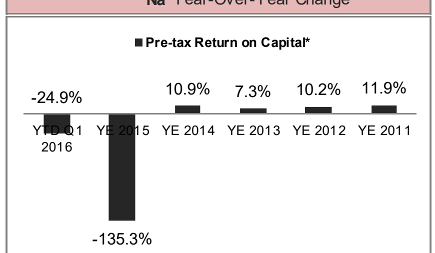
Na Year-Over-Year Change



-29.32% Year-Over-Year Change in CFO



-49.92% Year-Over-Year Change in CapEx



Na Year-Over-Year Change

Summary of Financial Information

Denbury Resources, Inc.		YTD Qtr End	Year End	Year End	Year End	Year End	Year End
in thousands US ($)		3/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Number of Months in Period		*3*	*12*	*12*	*12*	*12*	*12*
Currency Exchange Rate to US Dollars at Period End		*1.0000*	*1.0000*	*1.0000*	*1.0000*	*1.0000*	*1.0000*
STATEMENT OF EARNINGS							
Commodity Revenues	$	187,803	1,213,026	2,372,473	2,466,234	2,409,867	2,269,151
CO2 & Helium Revenues	$	6,272	30,626	44,643	27,950	26,453	22,711
Interest & Other Income	$	769	13,908	18,089	22,943	20,152	17,462
TOTAL REVENUES	$	194,844	1,257,560	2,435,205	2,517,127	2,456,472	2,309,324
Storage Costs	$	102,447	515,043	647,559	730,574	532,359	507,397
TOTAL COST OF GOODS	$	102,447	515,043	647,559	730,574	532,359	507,397
GROSS MARGIN	$	92,397	742,517	1,787,646	1,786,553	1,924,113	1,801,927
Depreciation & Amortization	$	77,366	531,660	592,972	509,943	507,538	409,196
Marketing & Operating Expenses	$	13,194	60,303	89,601	66,162	67,530	40,305
General & Administrative	$	33,901	144,564	158,343	145,211	144,019	125,525
Asset Impairment Charges	$	256,000	4,939,600	-	-	17,515	22,951
Goodwill Writedown & Merger Costs	$	-	1,261,512	-	-	-	4,377
Taxes Other Than Income	$	20,092	109,992	169,701	176,231	160,016	147,534
OPERATING INCOME	$	(308,156)	(6,305,114)	777,029	889,006	1,027,495	1,052,039
Interest Expense	$	47,951	191,414	207,205	219,962	231,013	225,946
Commodity Derivatives	$	22,826	(147,999)	(555,255)	41,024	(4,834)	(52,497)
(Gain) Loss on Debt Retirement	$	(94,994)	-	113,908	44,651	-	16,131
Other Income & Expense	$	(3,626)	(22,547)	(11,386)	(59,011)	(55,541)	(61,586)
Minority Interests	$	-	-	-	-	-	-
INCOME (LOSS) BEFORE INCOME TAXES	$	(280,313)	(6,325,982)	1,022,557	642,380	856,857	924,045
Income Taxes (Benefit)	$	(95,120)	(1,940,534)	387,066	232,783	331,497	350,712
NET INCOME (LOSS)	$	**(185,193)**	**(4,385,448)**	**635,491**	**409,597**	**525,360**	**573,333**
STATEMENTS OF CASH FLOW							
Cash Flow from Operating Activities (CFO)	$	2,029	864,304	1,222,825	1,361,195	1,410,891	1,204,814
Cash Flow from Investing Activities	$	(66,954)	(550,185)	(1,076,755)	(1,275,309)	(1,376,841)	(1,605,958)
Cash Flow from Financing Activities	$	70,365	334,460	(135,104)	(172,210)	45,768	37,968
INCREASE (DECREASE) IN CASH	$	5,440	648,579	10,966	(86,324)	79,818	(363,176)
MEMO ITEMS TO CFO							
Capital Expenditures	$	(66,642)	(534,427)	(1,067,131)	(1,178,251)	(1,584,075)	(1,403,775)
Dividend Payments	$	(387)	(65,426)	(87,044)	-	-	-
Acquisitions, Net	$	-	(11,759)	(211,356)	(281,958)	(251,480)	(195,227)
Common & Preferred Shares	$	-	(26,805)	(8,517)	(67,193)	134,572	(194,036)

Summary of Financial Information (Continued)

Denbury Resources, Inc. in thousands US ($)		YTD Qtr End 3/31/2016	Year End 12/31/2015	Year End 12/31/2014	Year End 12/31/2013	Year End 12/31/2012	Year End 12/31/2011
STATEMENTS OF BALANCE SHEET							
Cash & Cash Equivalents	$	8,252	2,812	23,153	12,187	98,511	18,693
Restricted Cash	$		-	-	-	1,050,015	-
Accounts Receivable, Trade	$	87,228	87,093	156,955	78,295	81,971	164,446
Accrued Production Receivables	$	95,934	100,413	181,761	262,047	253,131	294,689
Trading Assets, Current	$	72,798	142,846	440,359	5	19,477	47,402
Short-term Deposits	$		-	-	-	-	86,682
Deferred Tax Assets	$		1,539	-	52,754	29,156	50,156
Other Current Assets	$	8,763	10,005	10,452	9,271	10,493	22,045
TOTAL CURRENT ASSETS	$	272,975	344,708	812,680	414,559	1,542,754	684,113
Property, Plant & Equipment, Net	$	5,101,797	5,375,809	10,352,244	9,851,278	8,077,110	8,011,625
Goodwill	$	-	-	1,283,590	1,283,590	1,283,590	1,236,318
Trading Assets, Non-Current	$	-	-	66,187	9,942	36	29
Other Non-Current Assets	$	163,775	199,307	213,101	229,368	235,852	252,339
TOTAL ASSETS	$	**5,538,547**	**5,919,824**	**12,727,802**	**11,788,737**	**11,139,342**	**10,184,424**
Accounts Payable, Trade	$	186,715	253,197	394,758	410,543	414,668	429,336
Oil and Gas Production Payable	$	79,765	87,337	128,170	174,677	161,945	197,092
Current Portion of Long Term Debt	$	32,917	32,481	35,470	36,157	36,966	8,316
Trading Liabilities, Current	$		-	-	53,822	2,842	26,523
Other Current Liabilities	$	25,005	-	81,727	-	-	-
TOTAL CURRENT LIABILITIES	$	324,402	373,015	640,125	675,199	616,421	661,267
Long Term Debt	$	3,222,497	3,277,866	3,535,900	3,260,625	3,104,462	2,669,729
Trading Liabilities, Non-Current	$		-	-	3,413	23,781	18,872
Deferred Income Taxes	$	742,148	853,628	2,694,842	2,399,294	2,153,452	1,918,576
Asset Retirement Obligations	$	142,101	138,919	126,411	119,888	102,730	88,726
Other Non-Current Liabilities	$	26,121	27,484	26,668	28,912	23,607	20,756
TOTAL LIABILITIES	$	**4,457,269**	**4,670,912**	**7,023,946**	**6,487,331**	**6,024,453**	**5,377,926**
Common Shares / Stock	$	354	355	412	409	406	403
Contributed Capital	$	2,356,069	2,353,549	3,230,418	3,186,714	3,136,461	3,090,374
Retained Earnings	$	(1,228,039)	(1,058,954)	3,392,465	2,844,432	2,434,835	1,909,475
Accumulated Other Comprehensive Income	$			(209)	(276)	(348)	(418)
Treasury Stock	$	(47,106)	(46,038)	(919,230)	(729,873)	(456,465)	(193,336)
TOTAL EQUITY	$	1,081,278	1,248,912	5,703,856	5,301,406	5,114,889	4,806,498

Summary of Financial Information (Continued)

Denbury Resources, Inc. **in thousands US ($)**		**YTD Qtr End** 3/31/2016	**Year End** 12/31/2015	**Year End** 12/31/2014	**Year End** 12/31/2013	**Year End** 12/31/2012	**Year End** 12/31/2011
FINANCIAL SUMMARY ITEMS							
Total Revenues	$	194,844	1,257,560	2,435,205	2,517,127	2,456,472	2,309,324
Gross Margin	$	92,397	742,517	1,787,646	1,786,553	1,924,113	1,801,927
Depreciation & Amortization	$	77,366	531,660	592,972	509,943	507,538	409,196
Operating Income	$	(308,156)	(6,305,114)	777,029	889,006	1,027,495	1,052,039
Interest Expense	$	47,951	191,414	207,205	219,962	231,013	225,946
EBIT	$	(232,362)	(6,134,568)	1,229,762	862,342	1,087,870	1,149,991
EBIT / Interest Coverage		(4.85)	(32.05)	5.94	3.92	4.71	5.09
EBITDA	$	(154,996)	(5,602,908)	1,822,734	1,372,285	1,595,408	1,559,187
Net Income (Loss)	$	(185,193)	(4,385,448)	635,491	409,597	525,360	573,333
Return on Equity		-68.51%	-351.14%	11.14%	7.73%	10.27%	11.93%
Cash & Equivalents	$	8,252	2,812	23,153	12,187	98,511	18,693
Property, Plant & Equipment	$	5,101,797	5,375,809	10,352,244	9,851,278	8,077,110	8,011,625
Total Assets	$	5,538,547	5,919,824	12,727,802	11,788,737	11,139,342	10,184,424
Working Capital (WC)	$	(51,427)	(28,307)	172,555	(260,640)	926,333	22,846
Total Debt	$	3,255,414	3,310,347	3,571,370	3,296,782	3,141,428	2,678,045
Total Equity	$	1,081,278	1,248,912	5,703,856	5,301,406	5,114,889	4,806,498
Tangible Net Worth	$	145,488	220,487	3,292,406	3,084,028	2,876,478	2,343,474
Total Capitalization	$	4,336,692	4,559,259	9,275,226	8,598,188	8,256,317	7,484,543
Total Debt to Capitalization Ratio		75.07%	72.61%	38.50%	38.34%	38.05%	35.78%
Operating Cash Flow (CFO)	$	2,029	864,304	1,222,825	1,361,195	1,410,891	1,204,814
Capital Expenditures	$	66,642	534,427	1,067,131	1,178,251	1,584,075	1,403,775
Dividends	$	387	65,426	87,044	-	-	-
Other	$	-	(38,564)	(219,873)	(349,151)	(116,908)	(389,263)
Free Cash Flow	$	(65,000)	225,887	(151,223)	(166,207)	(290,092)	(588,224)

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Note on Information: Not all information is available on all companies. Fields left blank were not available. Calculations that do not make sense for the company's situation or specific company type, values that cannot be calculated or values where negative earnings or negative stockholder's equity invalidate a calculation have been labeled "Na".

RMG Contact Information

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Availability of RMG Scoring Model Information

Please contact us if you would like a copy of the results of the RMG Scoring Model, along with this report. The RMG Scoring Model is a separate licensed product that provides detailed numeric scores of a company based on financial data, credit ratings and qualitative factors, as available. Much of the financial information contained within this report was compiled using the RMG Scoring Model.