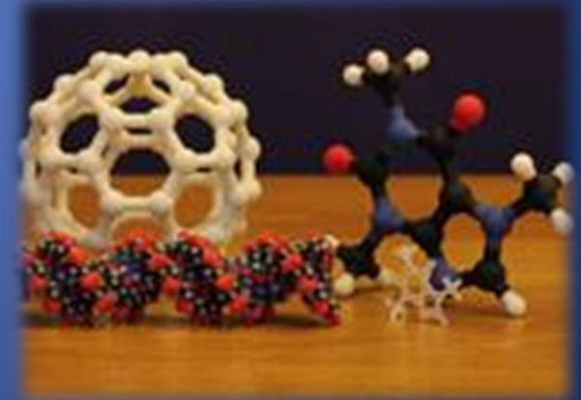
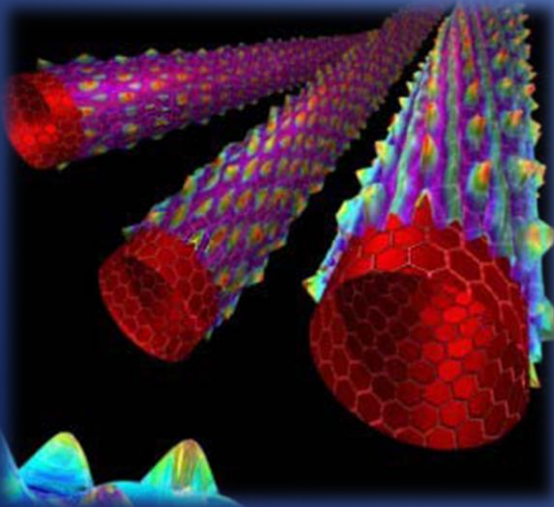
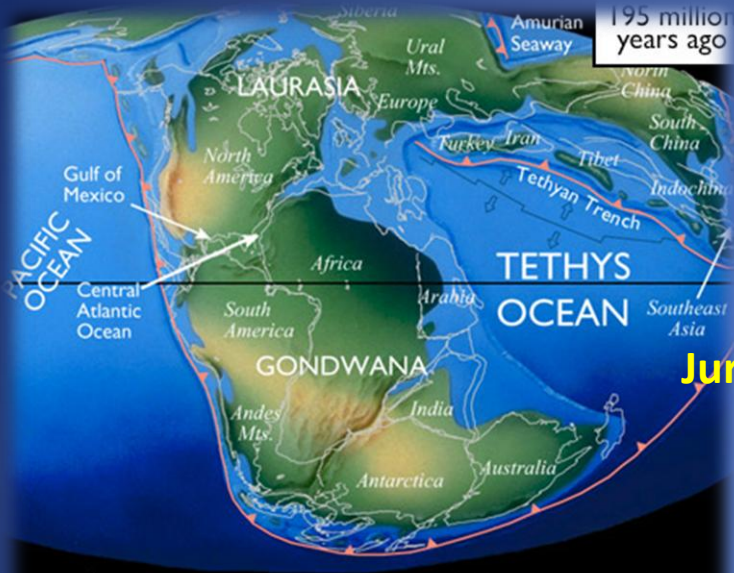


Benefits of CO₂-EOR Development For Mississippi's Business Community

A Look At Yesterday, Today, And Think About Tomorrow



Our Story Begins Long Ago



195 million years ago

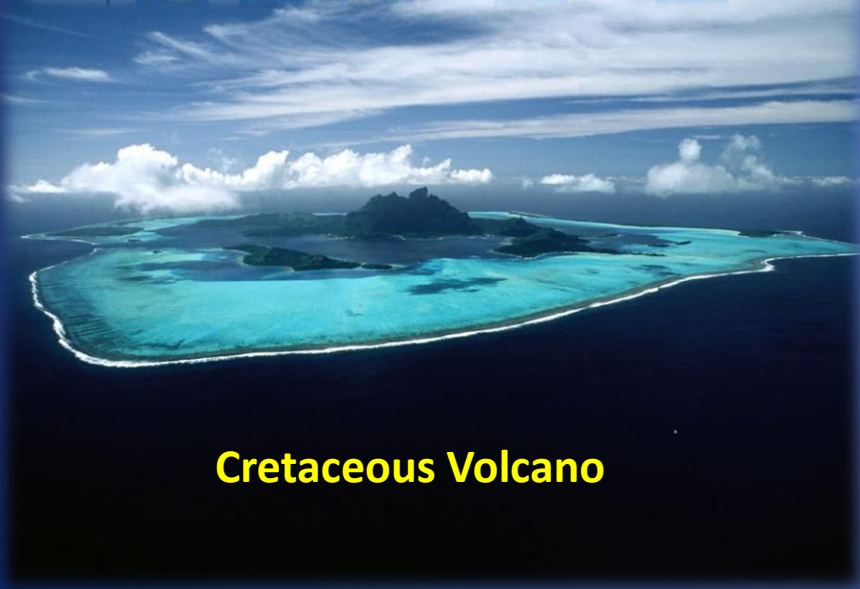
Jurassic Limestone



Smackover Formation

MAP KEY

- Ancient landmass
- Modern landmass
- Ice caps & glaciers
- Subduction zone (direction of subduction)
- Sea floor spreading ridge



Cretaceous Volcano

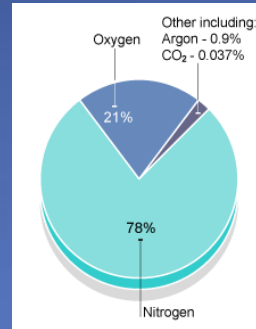
Today

Political volcano



Appreciate the Processes

Atmospheric CO2



**Mauna Loa CO₂ = 390.02 ppm
in August 2011**

$$390/1,000,000 = 0.00039$$

That is 4/100's of 1%

Jackson Dome CO₂



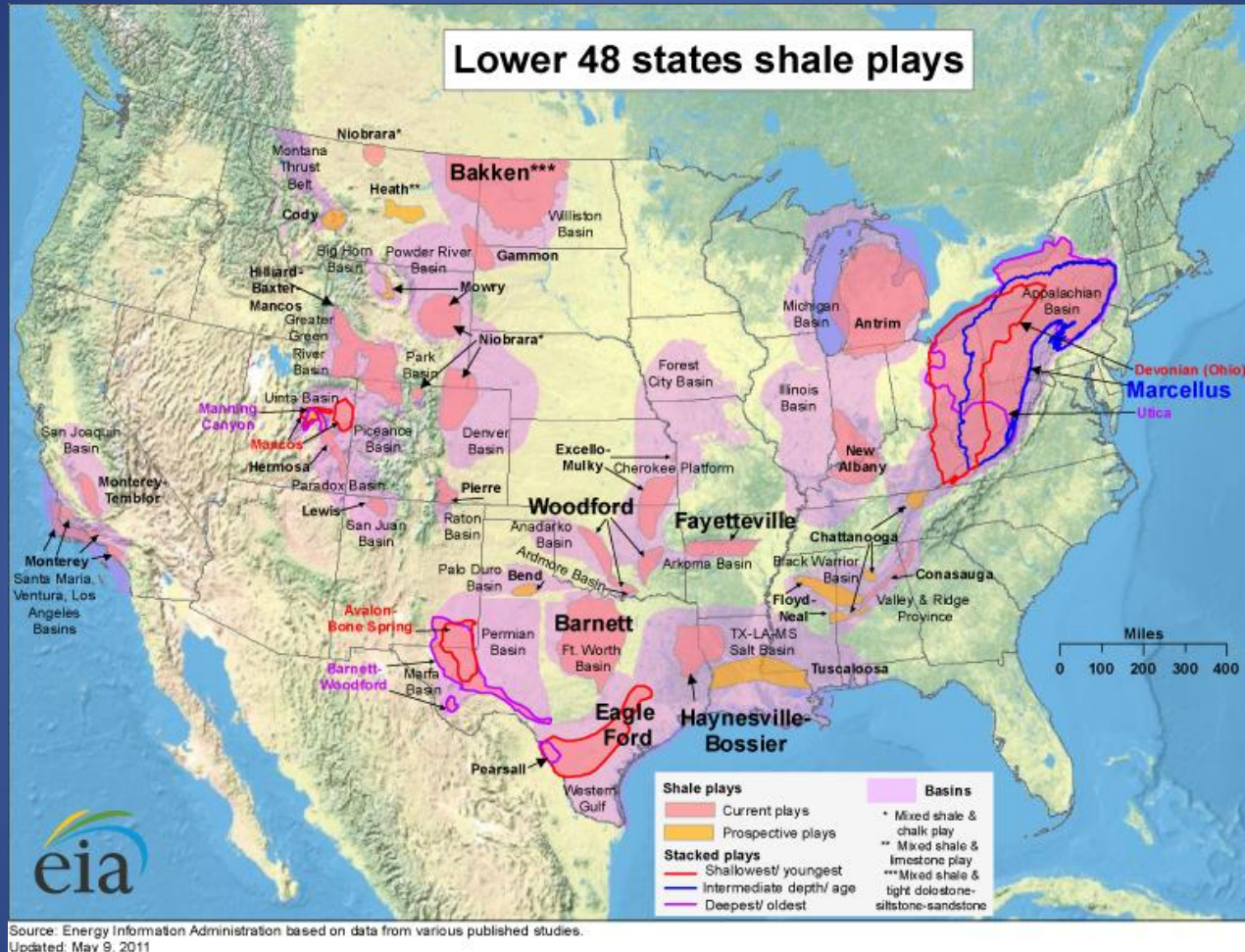
Producing up to 98% CO₂

Flue-Gas CO₂



**CO₂ is 4% to 15% of the
Flue-gas emissions**

Resource Plays- Low Risk-High Rewards



N. Dakota has Bakken; Texas has Eagle Ford; Mississippi has Denbury

Economic Multipliers

Direct and Indirect

Generalized range of industries 1.7- 3.5

Oil and Gas multipliers

California 3.2

HIS Study 5.4

New Mexico 1.6



Denbury's Gulf Coast Origin of Success

Madison and Rankin Counties

7.1 TCF and Rising

NRI is 5.6TCF

Producing 852 MMcf/day

Assume: 3/16 royalty

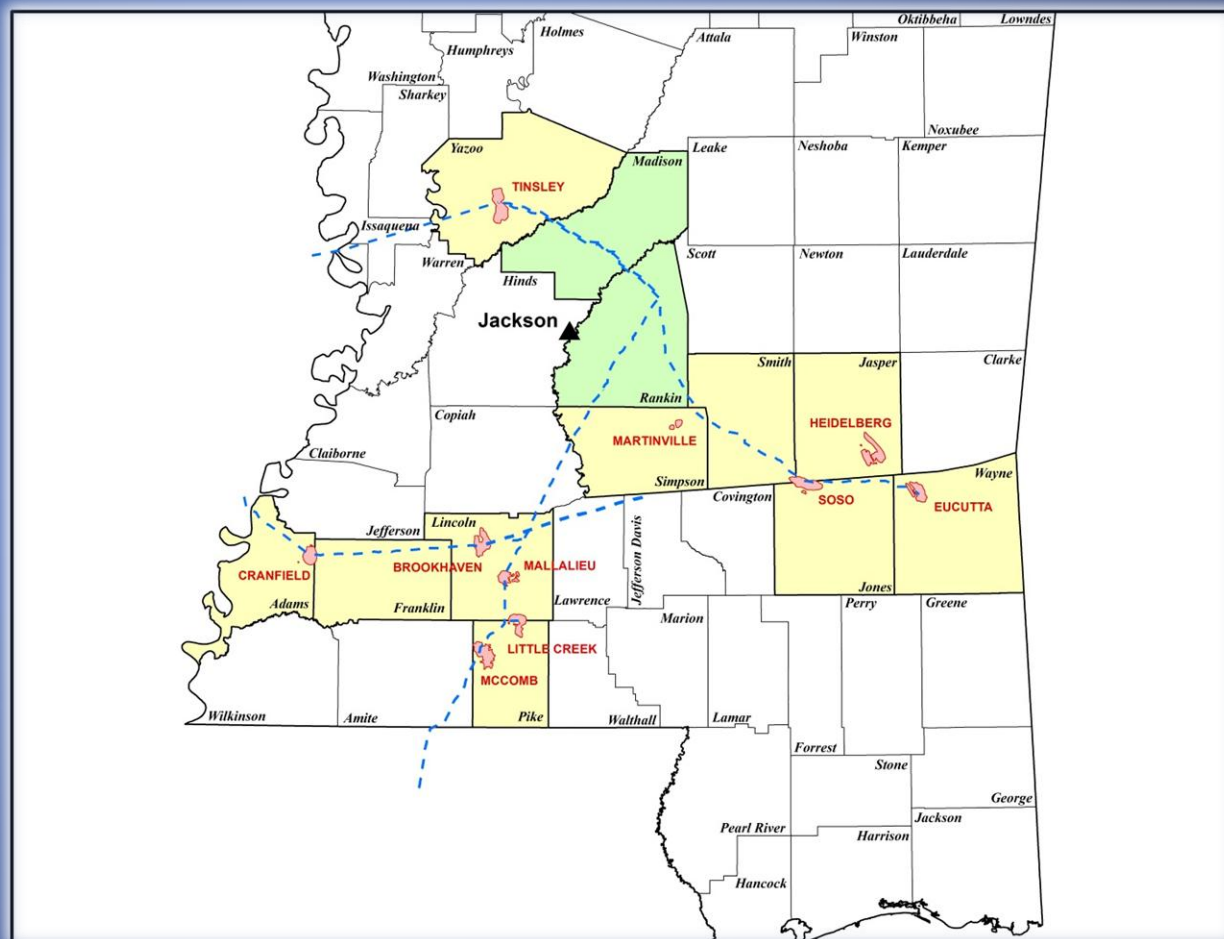
Value of CO2 = 1% oil price

Avg. oil in 2010= \$80.00

$852,000 \text{ MCF/d} \times .80 =$
 $\$681,600/\text{day}$ gross value

$\$681,600 \times 3/16 =$
 $\$127,800/\text{day}$

$\$127,800 \times 365 \text{ days} = \$46,647,000/\text{year}$



CO2 EOR Economic Impact For Mississippi

Phase 1

Reserves 42.7MMBbls

Assume: \$80/bbl

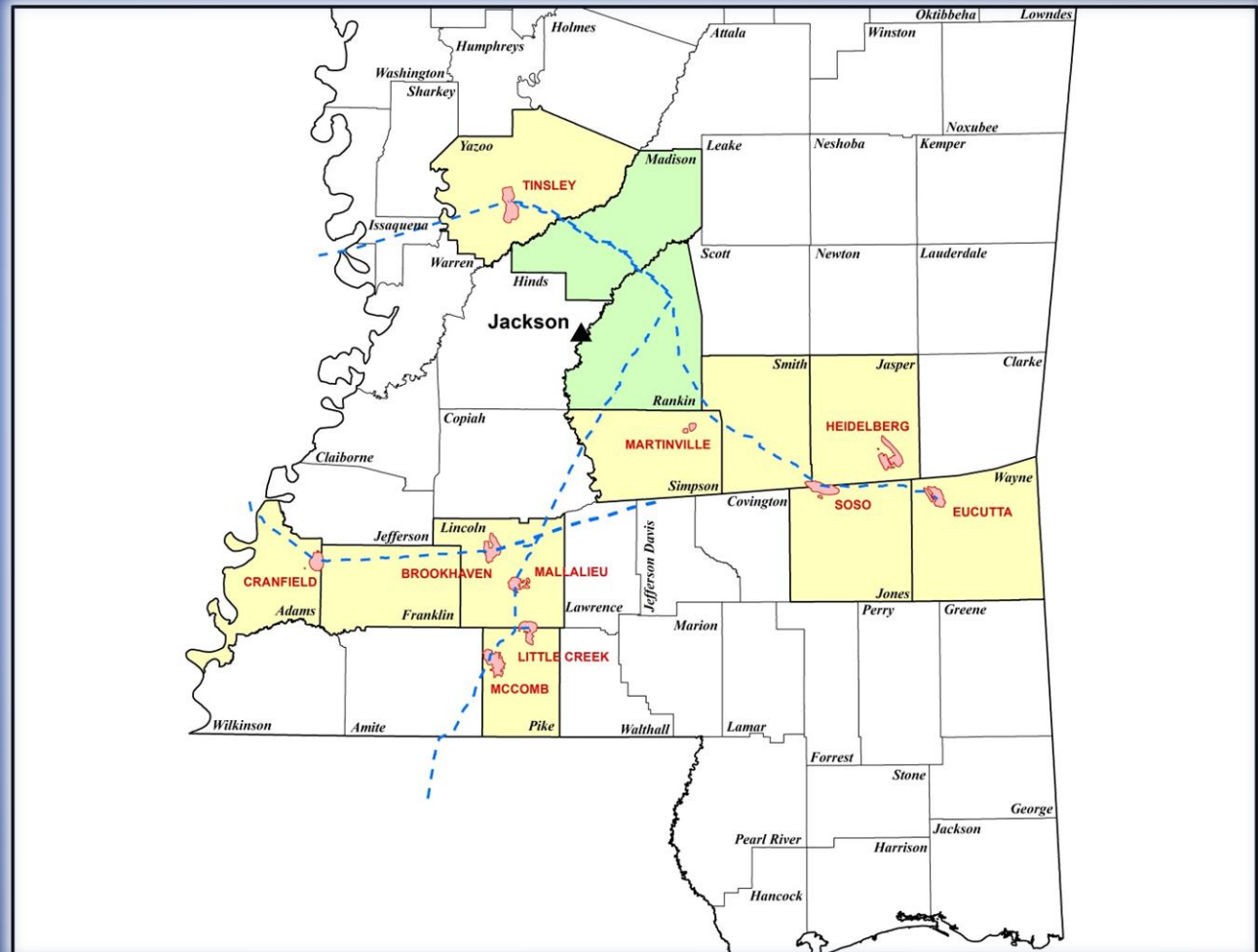
15% royalty

3% severance

$42.7\text{MMBbls} \times \$80 =$
 $\$3,416,000,000$ gross

$\$3.4\text{B} \times 15\% = \512MM
royalty

$\$3.4\text{B} \times 3\% = \120MM
severance



CO2 EOR Economic Value

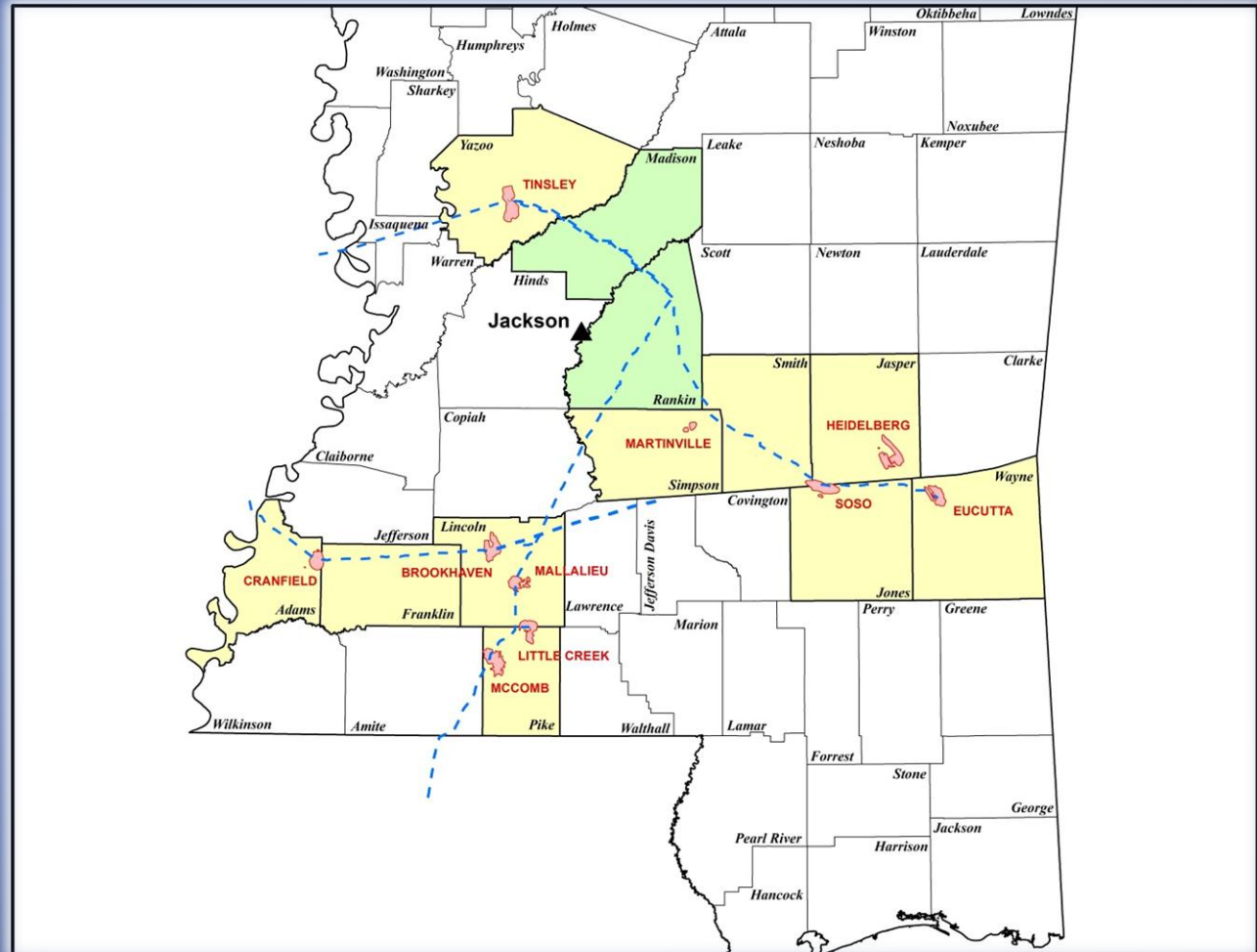
Phase 2- began 2006

Reserves 49.2MMBbls

49.2MMBbls X \$80 =
\$3.9Billion gross

\$3.9B X 15% = \$590MM
Royalty

\$3.9B X 3% = \$117MM
severance



CO2 EOR Economic Value

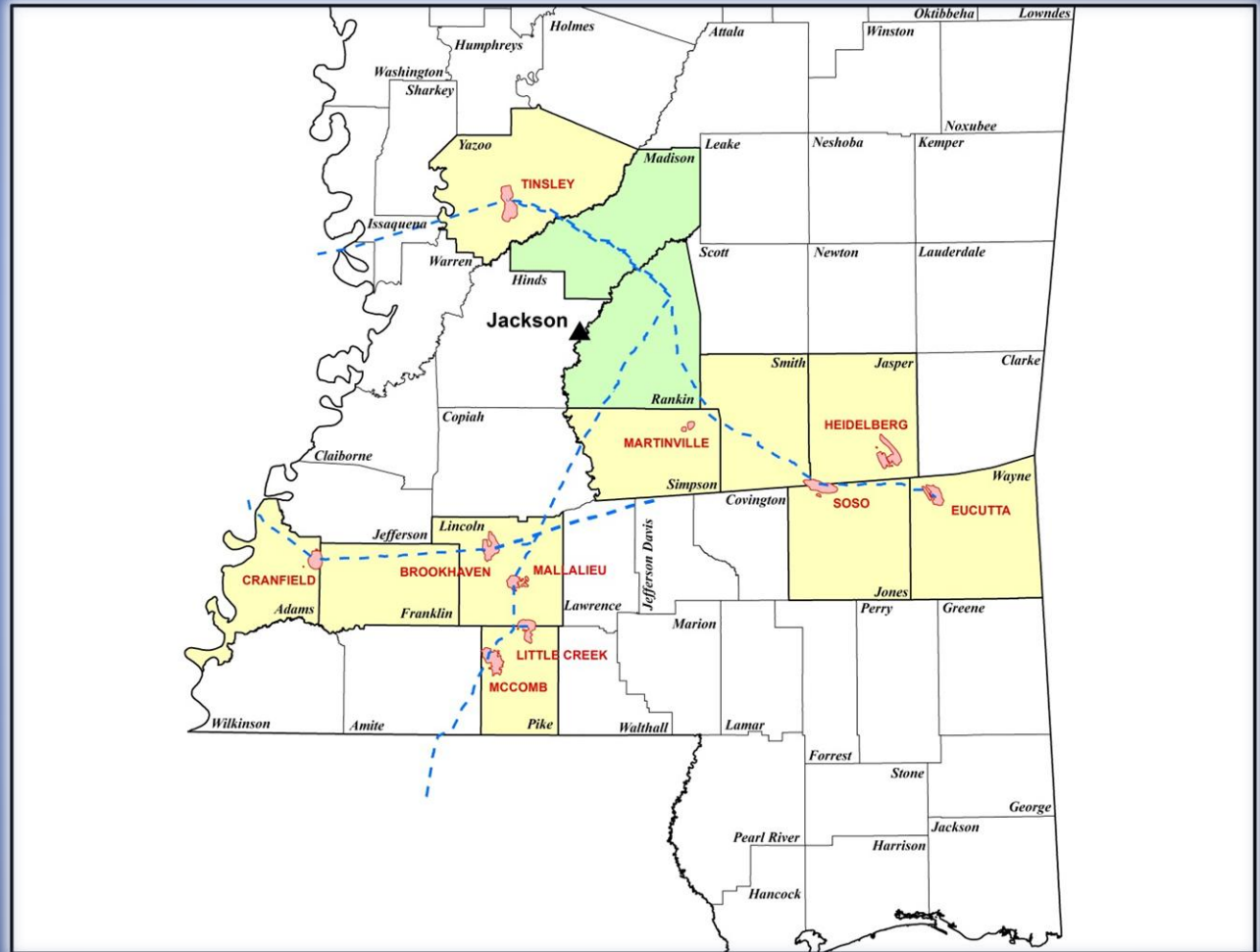
Phase 3- began 3/08

Reserves 33.8MMBbls

33.8MMBbls X \$80 =
\$2.7Billion gross

\$2.7B X 15% = \$405MM
Royalty

\$2.7B X 3% = \$81MM
severance



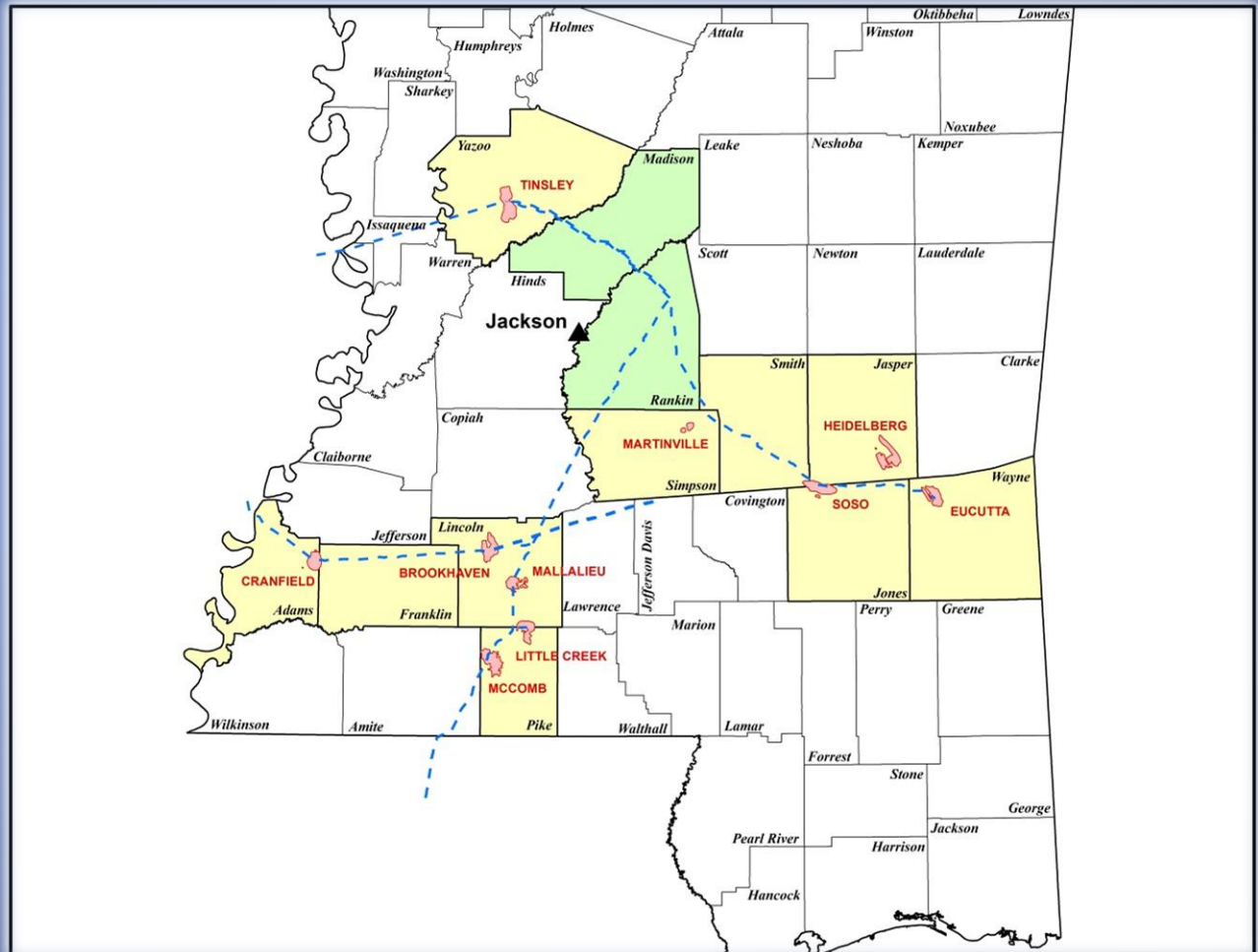
CO2 EOR Phase 1, 2, 3 Totals

Reserves 125.7MMBbls

125.7MMBbls X \$80 =
\$10Billion gross value

\$10Billion X 15% =
\$1.5Billion Royalty

\$10Billion X 3% =
\$300MM severance



Is This CO2 EOR The Last Bite At The Apple ?

I Don't Think So.

Implications: royalty owners, sequestration, micro seepage, size of the resource

Nano Technology

