

News

Denbury Executes Term Sheet with Mitsubishi Corporation for CO₂ Transport and Storage from Ammonia Project

PLANO, Texas – September 21, 2021 – Denbury Inc. (NYSE: DEN) (“Denbury”) today announced that its wholly-owned subsidiary, Denbury Carbon Solutions, LLC., and Mitsubishi Corporation (“Mitsubishi”) have executed a term sheet for the transport and storage of CO₂ captured from Mitsubishi’s proposed ammonia project on the Gulf Coast of the United States. The agreement between Denbury and Mitsubishi underscores the parties’ shared interest in pursuing energy opportunities and contributing towards a low-carbon society, with Mitsubishi focused on the production of fuel ammonia and Denbury pursuing its mission of providing world-leading carbon transportation and storage solutions.

Mitsubishi aims to introduce its fuel ammonia to the Japanese market, with production commencing from its Gulf Coast facility in the latter half of the decade. The project is targeted to produce an ammonia volume of around 1 million metric tons per annum (mmtpa) with associated CO₂ emissions of around 1.8 mmtpa and the potential for additional ammonia projects to follow.

Key highlights of Denbury’s term sheet with Mitsubishi include:

- Denbury will transport and sequester all of the CO₂ captured at Mitsubishi’s ammonia facilities.
- The captured CO₂ may be utilized by Denbury in its enhanced oil recovery operations or, alternatively, for storage in other geologic sequestrations sites.
- The term sheet contemplates an initial period of 20 years, with the ability to extend further. Total volumes under the arrangement could surpass 50 million metric tons of CO₂.
- Mitsubishi’s ammonia facilities are planned for construction in close proximity to Denbury’s CO₂ Green Pipeline system.

Chris Kendall, Denbury’s President and Chief Executive Officer, commented, “Today’s announcement with Mitsubishi highlights Denbury’s position as the preferred business partner for transporting and storing captured industrial CO₂ emissions. We are excited to deliver the first of what we believe will be many CO₂ transport and storage deals with industrial customers along our extensive infrastructure footprint. We look forward to working with Mitsubishi on this project, which represents a significant step in the creation of substantial value through our Carbon Solutions business.”

ABOUT DENBURY

Denbury is an independent energy company with operations and assets focused on Carbon Capture, Use and Storage (CCUS) and Enhanced Oil Recovery (EOR) in the Gulf Coast and Rocky Mountain regions. For over two decades, the Company has maintained a unique strategic focus on utilizing CO₂ in its EOR operations and since 2013 has been active in CCUS through the injection of captured industrial-sourced CO₂. The Company currently injects over three million tons of captured industrial-sourced CO₂ annually, and its objective is to fully offset its Scope 1, 2, and 3 CO₂ emissions within this decade, primarily through increasing the amount of captured industrial-sourced CO₂ used in its operations. For more information about Denbury, visit www.denbury.com.

The Denbury Carbon Solutions team was formed in January 2020 to advance Denbury’s leadership in the anticipated high-growth CCUS industry, leveraging its unique capabilities and assets that were developed over the last 20-plus years through its focus on CO₂ EOR.

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ABOUT MITSUBISHI

Mitsubishi Corporation is a global integrated business enterprise that develops and operates businesses across virtually every industry including natural gas, industrial materials, petroleum & chemicals solution, mineral resources, industrial infrastructure, automotive & mobility, food industry, consumer industry, power solution and urban development. For more information about Mitsubishi, visit <https://www.mitsubishicorp.com/jp/en/>.

This press release contains forward-looking statements that involve risks and uncertainties, including Denbury and Mitsubishi negotiating and executing definitive agreements documenting the anticipated arrangements discussed above, the construction of the ammonia plant, connecting CO₂ pipeline and sequestration facilities and their becoming operational, and the estimated levels of CO₂ emissions being available for sequestration. These statements are based on engineering, geological, financial and operating assumptions that management of both parties believe are reasonable based on currently available information; however, their achievement are subject to a wide range of business risks, and there is no assurance that these goals and projections can or will be met. Actual results may vary materially. In addition, any forward-looking statements represent the parties' estimates only as of today and should not be relied upon as representing its estimates as of any future date. The parties assume no obligation to update these forward-looking statements.

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