



Two Riverway Suite 1780  
Houston, Texas 77056

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**PRESS RELEASE**

FOR IMMEDIATE RELEASE

## **DKRW Advanced Fuels Signs Major Contract for Sale of CO<sub>2</sub>**

HOUSTON, March 16, 2011 – DKRW Advanced Fuels LLC (DKRW) of Houston, Texas, announced today that its wholly owned subsidiary, Medicine Bow Fuel and Power LLC (MBFP), has entered into a CO<sub>2</sub> Purchase Contract with Denbury Onshore, LLC (a wholly owned subsidiary of Denbury Resources Inc, NYSE: DNR), whereby Denbury will purchase 100 percent of the carbon dioxide, CO<sub>2</sub>, captured from MBFP's industrial gasification and liquefaction facility located at Medicine Bow, Wyoming.

MBFP will capture CO<sub>2</sub> from its Medicine Bow, Wyoming coal-to-transport fuels project, clean and compress it prior to delivering the product to Denbury for use in Denbury's oil fields for carbon dioxide enhanced oil recovery (CO<sub>2</sub>-EOR) in the Mountain Region and ultimately for sequestration in the CO<sub>2</sub>-EOR reservoirs. CO<sub>2</sub>-EOR has been used for years in West Texas, Gulf Coast, Rocky Mountains and Canada to increase oil production from depleted oil and gas fields. CO<sub>2</sub>-EOR will enable producers to increase the ultimate recovery of oil from existing oil fields thus reducing the volumes of oil imported from overseas.

"We are excited to announce this important relationship with Denbury which enables the sequestration of the CO<sub>2</sub> captured from the MBFP process and increases the production of domestic crude from CO<sub>2</sub>-EOR at a time when the nation faces increased exposure to market disruptions caused by increased reliance on unreliable sources of supply," Jon Doyle, CEO DKRW Advanced Fuels, said. "We believe the pre combustion capture of CO<sub>2</sub> from our process allows for the environmentally responsible production of gasoline from domestic resources which is essential for the long term strength of our economy and national energy security."

"We believe all forms of energy will be needed to meet the requirements of the American economy and ensure our national security" said Robert Kelly, Executive Chairman of DKRW. "The United States has more than sufficient coal reserves to meet increasing requirements for liquid transport fuels while substantially reducing American imports of crude oil. All of this can be done while at the same time producing a well-to-wheels CO<sub>2</sub> footprint competitive with gasoline derived from traditional petroleum refining."

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Denbury Resources Inc. is a growing independent oil and natural gas company. The Company is the largest oil and natural gas producer in both Mississippi and Montana, owns the largest reserves of CO<sub>2</sub> used for tertiary oil recovery east of the Mississippi River, and holds significant operating acreage in the Rocky Mountain and Gulf Coast regions. The Company's goal is to increase the value of acquired properties through a combination of exploitation, drilling and proven engineering extraction practices, with its most significant emphasis relating to tertiary recovery operations.

DKRW Advanced Fuels is a hydrocarbon conversion company. We are focused on the commercial development, construction, ownership and operation of facilities designed to convert lower-value hydrocarbons into products that traditionally have been produced by crude oil through the utilization of commercially available technologies. The Medicine bow Project is our initial project. We are also pursuing projects in other parts of the U.S. and exploring international opportunities. DKRW Advanced Fuels is a subsidiary of DKRW Energy LLC. Arch Coal (NYSE: ACI), the second largest-coal producer in the U.S. is also a shareholder in Advanced Fuels. More information can be found at [www.dkrwadvancedfuels.com](http://www.dkrwadvancedfuels.com)

FOR FURTHER INFORMATION

CONTACT: Carrie Riddle

713.425.6566 office

**Forward-Looking Statement:**

We make statements in this news release that are forward-looking statements. All statements, other than statements of historical facts, included in this news release that address activities, event or developments that we expect, believe or anticipate will or may occur in the future are forward looking statements. These statements are not guarantees of our future performance and are subject to risks, uncertainties and other important factors that could cause our actual performance or achievements to be materially different from those we project. Except as required by law, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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