



CreditRiskMonitor's assessment of Denbury Resources Inc.'s ("Denbury") "high risk" status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score has Denbury Resources Inc. NYSE: DNR at a **1**, the highest probability of bankruptcy in the next 12 months.

Business Name	2016	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Denbury Resources Inc.	1	2	2	1	1	1	1	1	1	1	1	1	1

The FRISK® score is 96% accurate in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
FRISK®	From	To	
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. The FRISK® score incorporates a number of powerful risk indicators including:

A "Merton" type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z"-Score Model

Bond agency ratings from S&P, Moody's and Fitch (when available)

Crowdsourced CreditRiskMonitor Usage Data

Crowdsourcing, has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers have a pulse on the external fusion of capital going into a company
- They are not held to the same "Fair Disclosure" restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company's management and sales representatives to be alerted to concerns in a public company's performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation's quarterly journal article, "Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals"](#)

COMPANY REPORT DETAIL

Denbury Resources Inc.

5320 Legacy Dr
 PLANO, TX 75024-3127 United States
 Phone: (972) 673-2000 Ticker: DNR

Latest Financial Statements as of 9/30/2017

Business Summary

Denbury Resources Inc. is an independent oil and natural gas company. The Company's operations are focused in two operating areas: the Gulf Coast and Rocky Mountain regions. Its properties with proved and producing reserves in the Gulf Coast region are situated in Mississippi, Texas, Louisiana and Alabama, and in the Rocky Mountain region are situated in Montana, North Dakota and Wyoming. It had an estimated proved oil and natural gas reserves of 254.5 million barrels of oil equivalent (MMBOE) as of December 31, 2016. Its primary Gulf Coast carbon dioxide (CO2) source is Jackson Dome, which is located near Jackson, Mississippi. Its mature group of properties includes the initial CO2 field, Little Creek, and other fields, including Brookhaven, Cranfield, Eucutta, Lockhart Crossing, Mallalieu and Soso fields. Its LaBarge Field is located in southwestern Wyoming. Its Riley Ridge Federal Unit is located in southwestern Wyoming and produces gas from the same LaBarge Field.

(Source: 10-K)

Employees: 897 (as of 9/30/2017) Federal Tax Id: 200467835

Credit Scores

FRISK® Score	1	12/20/2017
Probability of bankruptcy range: 9.99% - 50.00%		
Z" Score	-2.13 (Fiscal Danger)	9/30/2017

Auditor Information

Last Audit:	12/31/2016
Auditors:	PricewaterhouseCoopers LLP
Opinion:	<u>Unqualified</u>

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Watch
Moody's	Caa1	Stable	SGL-3	OFF
S&P	SD	NM		

Days Sales Outstanding

Month	Days Sales Outstanding
9/16	60.91
11/16	53.7

DBT Index

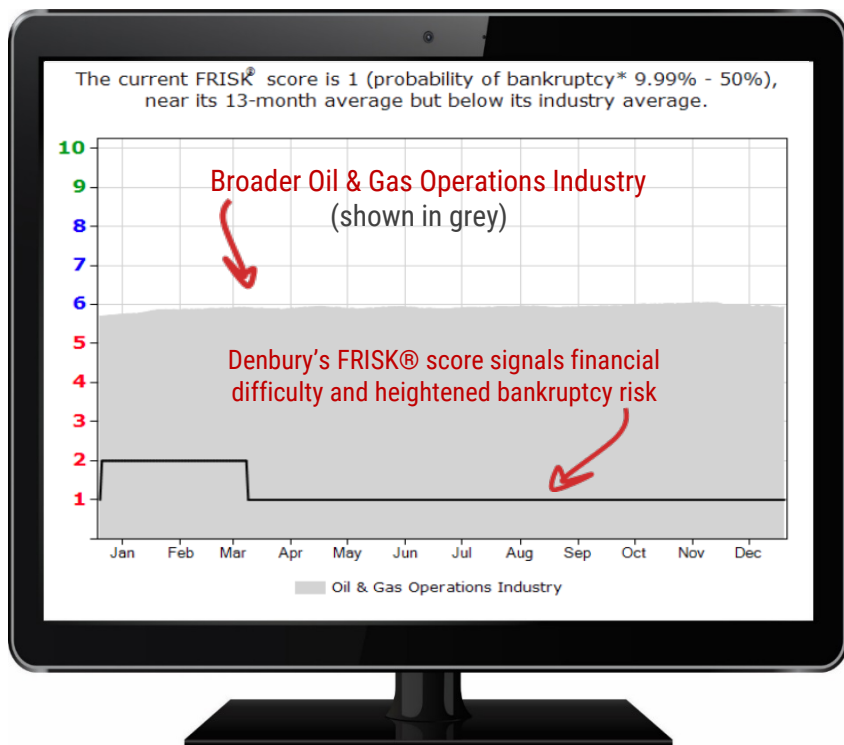
9/2017	10/2017	11/2017
<u>10</u>	<u>9</u>	<u>9</u>

(Includes DBT Indexes from Subsidiaries)

The FRISK® score is the best method available to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing.

FRISK® DEEP DIVE



The FRISK® score relative to the broader Oil & Gas Operations industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

Business Name	Country	FRISK Score
1 Atlas Energy Group LLC	United States	1
2 Bill Barnett Corporation	United States	1
3 Blue Dolphin Energy Company	United States	1
4 California Resources Corp	United States	1
5 Camber Energy Inc.	United States	1
6 Chesapeake Energy Corporation	United States	1
7 Cobalt International Energy, Inc.	United States	1
8 Constock Resources Inc.	United States	1
Denbury Resources Inc.	United States	1
Denbury Resources LLC	United States	1
Denbury Resources L.P.	United States	1

FRISK® Stress Index - SIC classification: Crude petroleum and natural gas located in the United States

Primary industry codes only Primary and secondary industry codes

Businesses From: All Businesses CLEAR

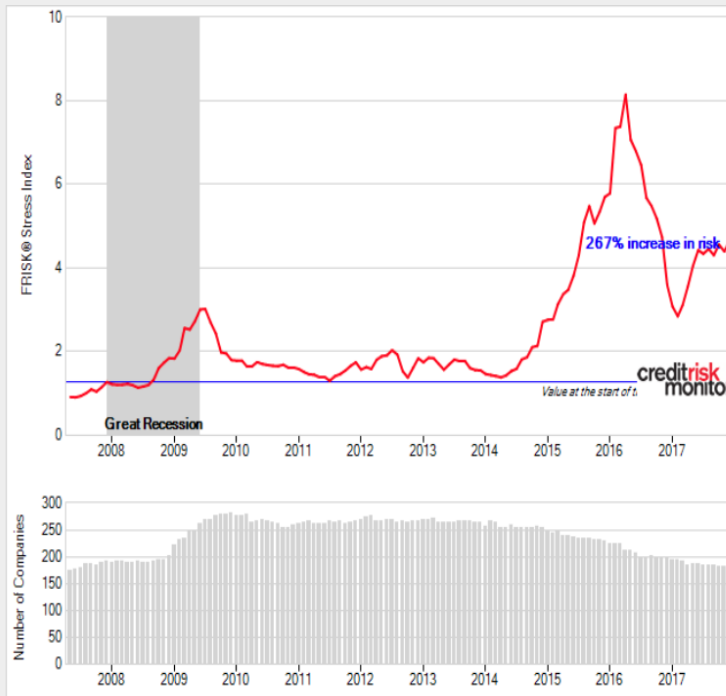
In Industry: SIC 1311: Crude petroleum and natural gas

Country: United States

UPDATE RESULTS

Scale: Auto

Total Companies in all months 447



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 1311 (Crude Petroleum and Natural Gas) has increased 267% in the United States since 2007. Denbury is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Denbury demonstrates bottom quartile ranking in key financial ratios (shown in red) vs. its Oil & Gas Operations industry peers.

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers.

Peer Analysis						
Period: 2017.3						
Group: Sector: Energy, Industry: Oil & Gas Operations						
REFRESH						
[Energy] [Industry: Oil & Gas Operations] [Calendar Year/Quarter: 2017.3]						
Businesses in Peer Group: 4260	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	436	614	-2.13	-74,089.43		
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	67	261	266,559	0		
Gross Margin % Of Sales	4	548	102.82	-513.33		
Gross Margin % Of Sales -- TTM	3	556	103.92	-17,928.28		
SG&A % Of Sales	512	580	69.76	0.07		
SG&A % Of Sales -- TTM	514	592	69.01	0.11		
Operating Margin % Of Sales	147	588	13.51	-64,406.05		
Operating Margin % Of Sales TTM	475	600	-39.78	-53,407.89		
EBITDA Margin Of Sales	150	467	37.79	-49,225.00		
EBITDA Margin Of Sales -- TTM	148	482	39.48	-68,235.39	13.47	
Net Profit Margin % Of Sales	345	590	0.17	-57,114.07	1.69	70,693.33
Net Profit Margin % Of Sales - TTM	467	599	-32.50	-74,547.44	2.09	16,139.49
Pre-tax Income % Of Sales	383	588	-5.17	-57,114.07	2.62	25,876.16
Effective Tax Rate	505	515	103.71	-1,034.55	17.22	
Liquidity ratios:						
Cash Ratio	623	658	0.00	-0.01		
Quick Ratio	445	602	0.39	0.00		
Current Ratio	526	658	0.53	0.00		
Efficiency ratios:						
Accounts Receivable Turnover	295	610	8.28	-0.08		
Days Sales Outstanding	320	591	44.11	-50,681.30	41.84	24,862.58
% of Inventory Financed by Vendors	N/A	311	N/A	0.00	147.01	30,201.14
% of Inventory Financed by Vendors -- TTM	N/A	318	N/A	1.36	152.57	15,791.79
Inventory Turnover	N/A	389	N/A	-2.43	11.11	
Inventory Turnover TTM	N/A	396	N/A	0.00		
Days Sales in Inventory	N/A	373	N/A	-20,552.54		
Inventory to Working Capital	N/A	387	N/A	-161.25		
Accounts Payable Turnover	N/A	455	N/A	-0.15		
Accounts Payable Turnover -- TTM	465	465	-1.50	-1.50		
Leverage & debt coverage:						
Total Debt to Equity Ratio	457	470	6.07	0.00		
Debt to Tangible Equity Ratio	432	454	6.07	0.00		
Total Debt to Assets Ratio	485	547	0.71	0.00		
Short-Term Debt % of Total Debt	72	423	2.71	0.00	36.75	
Short-Term Debt % of Working Capital	367	433	-50.91	-13,910.11	0.00	11,825.53
Liabilities to Net Worth Ratio	528	537	7.58	-0.49	1.01	2,007.43
Total Liabilities to Equity Ratio	551	574	7.58	-0.10	0.97	2,007.43
TTM EBITDA Over Total Debt	269	426	0.14	-357.11	0.23	5,442.03

- 1 Elysee Development Corp
- 2 Elysee Development Corp
- 3 Portage Biotech Inc
- 4 Tyner Resources Ltd.
- 5 Corridor Resources Inc.
- 6 Reserve Petroleum Co
- 7 Strike Resources Corp

- 1 Materials Petroleum JSC
- 2 FLEX LNG Ltd
- 3 Leadcorp Inc
- 4 Tethys Oil AB
- 5 Lando Oil Inc
- 6 Mocmon Trade JSC

- 1 Amplify Energy Corp
- 2 Athabasca Oil Corp
- 3 Atlas Engineered Products Ltd
- 4 Bonanza Creek Energy Inc
- 5 Chesapeake Energy Corporation
- 6 China Aviation Oil (Singapore) Corp
- 7 Continental Energy Corporation

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

QUARTERLY PERFORMANCE RATIOS

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017	3 mos 12/31/2016	3 mos 9/30/2016
Net Sales \$	\$266,559	\$261,184	\$275,454	\$271,619	\$253,985
% change	2.06%	-5.18%	1.41%	6.94%	-0.46%
Gross Margin \$	\$274,085	\$271,651	\$286,924	\$284,318	\$263,867
% change	0.90%	-5.32%	0.92%	7.75%	-0.30%
% of sales	102.82%	104.01%	104.16%	104.68%	103.89%
change as % of incremental sales	45.28%	n/m	67.95%	115.97%	n/m
SG&A \$	\$185,962	\$182,139	\$190,649	\$183,024	\$176,761
% change	2.10%	-4.46%	4.17%	3.54%	6.71%
% of sales	69.76%	69.74%	69.21%	67.38%	69.60%
change as % of incremental sales	71.13%	n/m	198.83%	35.52%	n/m
Operating margin \$	\$36,022	\$38,360	\$45,080	(\$547,000)	(\$35,601)
% change	-6.09%	-14.91%	108.24%	-1,436.47%	92.41%
% of sales	13.51%	14.69%	16.37%	-201.39%	-14.02%
change as % of incremental sales	-43.50%	n/m	15,438.85%	-2,900.07%	n/m
EBITDA \$	\$100,727	\$102,100	\$108,844	\$112,675	\$31,944
% change	-1.34%	-6.20%	-3.40%	252.73%	108.07%
% of sales	37.79%	39.09%	39.51%	41.48%	12.58%
change as % of incremental sales	-25.54%	n/m	-99.90%	457.81%	n/m
EBIT \$	\$48,626	\$50,948	\$57,649	(\$534,449)	(\$23,068)
% change	-4.56%	-11.62%	110.79%	-2,216.84%	95.01%
% of sales	18.24%	19.51%	20.93%	-196.76%	-9.08%
change as % of incremental sales	-43.20%	n/m	15,439.32%	-2,899.97%	n/m
Pre-tax income \$	(\$13,787)	\$24,672	\$42,504	(\$597,271)	(\$39,155)
% change	-155.88%	-41.95%	107.12%	-1,425.40%	93.51%
% of sales	-5.17%	9.45%	15.43%	-219.89%	-15.42%
change as % of incremental sales	-715.52%	n/m	16,682.53%	-3,165.00%	n/m
Net income (loss) \$	\$442	\$14,399	\$21,530	(\$385,726)	(\$24,590)
% change	-96.93%	-33.12%	105.58%	-1,468.63%	93.54%
% of sales	0.17%	5.51%	7.82%	-142.01%	-9.68%
change as % of incremental sales	-259.67%	n/m	10,619.45%	-2,047.95%	n/m
Tax expense \$	(\$14,229)	\$10,273	\$20,974	(\$211,545)	(\$5,565)
Effective tax rate	103.21%	41.64%	49.35%	35.52%	2.19%
Depreciation expense \$	\$52,101	\$51,152	\$51,195	\$51,195	\$51,195
% of sales	19.55%	19.58%	19.58%	18.59%	18.59%
% of capital expenses	74.42%	33.99%	74.61%		
% of PP&E, net (annualized)	5.04%	5.02%	5.12%		
Capital expenditures \$	\$70,014	\$150,472	\$68,620	\$68,620	\$68,620
% change	-53.47%	119.28%	-5.18%		
% of PP&E, net (annualized)	6.77%	14.77%	6.86%		
% of working capital (annualized)	-180.64%	-386.91%	-130.59%	-110.86%	-110.86%
Interest coverage ratio	1.61	2.79	2.74	1.73	1.86
% change	-42.07%	1.73%	52.68%	109.48%	130.57%
Free cash flow \$	(\$4,363)	(\$97,526)	(\$44,358)	(\$12,507)	\$44,594
% change	95.53%	-119.86%	-254.67%	-128.05%	3,941.00%
Source:	10-Q 11/7/2017	10-Q 8/8/2017	10-Q 5/5/2017	10-K 3/1/2017	10-Q 11/7/2016

Negative free cash flow in the last four quarters

QUARTERLY LEVERAGE RATIOS

Total debt to tangible net worth has increased significantly, indicating heightened risk

Short-term debt as a percentage of working capital is negative in the last five quarters

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016
Total debt \$	\$3,142,441	\$3,143,506	\$3,040,086	\$2,993,098	\$2,986,251
% change	-0.03%	3.40%	1.57%	0.23%	-3.11%
Stockholders' equity \$	\$517,447	\$514,199	\$493,759	\$468,448	\$847,344
% change	0.63%	4.14%	5.40%	-44.72%	-2.08%
Total debt to equity ratio	6.07	6.11	6.16	6.39	3.52
% change	-0.66%	-0.71%	-3.64%	81.30%	-1.06%
Tangible net worth \$	\$517,447	\$514,199	\$493,759	\$468,448	\$847,344
% change	0.63%	4.14%	5.40%	-44.72%	-2.08%
Total debt to tangible net worth	6.07	6.11	6.16	6.39	3.52
% change	-0.66%	-0.71%	-3.64%	81.30%	-1.06%
Total assets \$	\$4,440,929	\$4,425,341	\$4,308,659	\$4,274,578	\$4,816,801
% change	0.35%	2.71%	0.80%	-11.26%	-3.47%
Total debt to assets ratio	0.71	0.71	0.71	0.70	0.62
% change	-0.38%	0.67%	0.77%	12.94%	0.39%
Tangible assets \$	\$4,440,929	\$4,425,341	\$4,308,659	\$4,274,578	\$4,816,801
% change	0.35%	2.71%	0.80%	-11.26%	-3.47%
Short-term debt \$	\$85,002	\$83,458	\$83,701	\$83,366	\$83,200
% change	1.85%	-0.29%	0.40%	0.20%	-0.67%
Short-term debt % of total debt	2.71%	2.65%	2.75%	2.79%	2.79%
% change	1.89%	-3.57%	-1.15%	-0.03%	2.51%
Short-term debt % of working capital	-50.91%	-58.32%	-49.82%	-33.03%	-34.31%
% change	12.70%	-17.06%	-50.82%	3.71%	8.22%
Total liabilities \$	\$3,923,482	\$3,911,142	\$3,814,900	\$3,806,130	\$3,969,457
% change	0.32%	2.52%	0.23%	-4.11%	-3.76%
Total liabilities to equity ratio	7.58	7.61	7.73	8.13	4.68
% change	-0.31%	-1.55%	-4.91%	73.44%	-1.72%
Total liabilities to tangible net worth ratio	7.58	7.61	7.73	8.13	4.68
% change	-0.31%	-1.55%	-4.91%	73.44%	-1.72%
Total debt to EBITDA ratio (annualized)	7.80	7.70	6.98	6.64	23.37
% change	1.33%	10.23%		-71.58%	n/a
Source:	10-Q 11/7/2017	10-Q 8/8/2017	10-Q 5/7/2017	10-Q 2/7/2017	10-Q 11/7/2016

Unfavorable total liabilities to tangible net worth and total debt to EBITDA (annualized) ratios in the last five quarters

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Negative working capital in the last five quarters

Meager cash, quick, and current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016
Current assets \$	\$187,592	\$186,229	\$188,269	\$181,126	\$162,717
% change	0.73%	-1.08%	3.94%	11.31%	-23.54%
% of short-term debt	220.69%	223.14%	224.93%	217.27%	195.57%
Current liabilities \$	\$354,548	\$329,341	\$356,279	\$433,496	\$405,245
% change	7.65%	-7.56%	-17.81%	6.97%	-7.25%
Working capital \$	(\$166,956)	(\$143,112)	(\$168,010)	(\$252,370)	(\$242,528)
% change	-16.66%	14.82%	33.43%	-4.06%	-8.23%
% of sales (annualized)	-15.66%	-13.70%	-15.25%	-23.23%	-23.87%
Cash \$	\$57	\$3,508	\$1,747	\$1,606	\$3,273
% change	-98.38%	100.80%	8.78%	-50.93%	28.61%
% of short-term debt	0.07%	4.20%	2.09%	1.93%	3.93%
Cash ratio	0.00	0.01	0.00	0.00	0.01
% change	-98.13%	118.37%	32.43%	-54.32%	39.66%
Quick assets \$	\$136,722	\$124,541	\$137,576	\$170,442	\$151,172
% change	9.78%	-9.47%	-19.28%	12.75%	-21.96%
% of short-term debt	160.85%	149.23%	164.37%	204.45%	181.70%
Quick ratio	0.39	0.38	0.39	0.39	0.37
% change	1.96%	-2.05%	-1.81%	5.42%	-15.88%
Current ratio	0.53	0.57	0.53	0.42	0.40
% change	-6.44%	7.02%	26.47%	4.06%	-17.57%
Source:	10-Q 11/7/2017	10-Q 8/8/2017	10-Q 5/5/2017	10-K 3/1/2017	10-Q 11/7/2016

Unable to generate any meaningful positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017	3 mos 12/31/2016	3 mos 9/30/2016
Return on equity	0.09%	2.92%	4.60%	-45.52%	-2.84%
% change	-97.05%	-36.55%	110.10%	-1,501.87%	91.93%
Return on net tangible equity	0.09%	2.92%	4.60%	-45.52%	-2.84%
% change	-97.05%	-36.55%	110.10%	-1,501.87%	91.93%
Return on total assets	0.01%	0.33%	0.50%	-8.49%	-0.50%
% change	-96.97%	-34.28%	105.91%	-1,592.02%	93.06%
Return on tangible assets	0.01%	0.33%	0.50%	-8.49%	-0.50%
% change	-96.97%	-34.28%	105.91%	-1,592.02%	93.06%
Source:	10-Q 11/7/2017	10-Q 8/8/2017	10-Q 5/5/2017	10-K 3/1/2017	10-Q 11/7/2016

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 57,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK[®] score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

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845.230.3000

creditriskmonitor.com/contact-us