

DENBURY RESOURCES INC.

CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

Our Company's success is dependent on the high quality of the personal reputations of our directors, officers and employees. To protect this reputation and to promote compliance with laws, rules and regulations, this Code of Business Conduct and Ethics has been adopted by our Board of Directors. This Code of Conduct is only one aspect of our commitment to promote honest and ethical conduct. The principles contained in this Code must be followed in all our relationships. You must also be familiar with and comply with all other policies contained in the Denbury Employee Handbook.

This Code sets out the basic standards of ethics and conduct to which all of our directors, officers and employees are held. These standards are designed to deter wrongdoing and to promote honest and ethical conduct, but will not cover all situations. If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code.

If you have any doubts whatsoever as to the propriety of a particular situation, you should either call the hotline or submit your doubts in writing to our Company's Chief Financial Officer, who will review the situation and take appropriate action in keeping with this Code, our other corporate policies and the applicable law. If your concern relates to that individual, you should submit your concern, in writing, to the President of the Company or the chairman of the Audit Committee. The mailing address of each of those individuals is included at the end of this Code.

Those who violate the standards set out in this Code will be subject to disciplinary action.

1. Scope

If you are a director, officer or employee of the Company or any of its subsidiaries, excluding Genesis Energy LP, you are subject to this Code.

2. Honest and Ethical Conduct

We, as a Company, require honest and ethical conduct from everyone subject to this Code. Each of you has a responsibility to all other directors, officers and employees of our Company, and to our Company itself, to act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing your independent judgment to be subordinated and otherwise to conduct yourself in a manner that meets with our ethical and legal standards.

3. Compliance with Laws, Rules and Regulations

You are required to comply with all applicable governmental laws, rules and regulations, both in letter and in spirit. Although you are not expected to know the details of all the applicable laws, rules and regulations, we expect you to seek advice from our Company's Chief Financial Officer or our President if you have any questions about whether the requirement applies to the situation or what conduct may be required to comply with any law, rule or regulation.

4. Conflicts of Interest

You must handle in an ethical manner any actual or apparent conflict of interest between your personal and business relationships. Conflicts of interest are prohibited as a matter of policy. An actual or potential "conflict of interest" exists when a person is in a position to influence a decision that may result in that person's or a relative of that person's private interest interfering in any way with the interests of our Company. For example, a conflict situation arises if you take actions or have interests that interfere with your ability to perform your work for our Company objectively and effectively. Conflicts of interest also may arise if you, or a member of your family, receives an improper personal benefit, such as a kickback, bribe, finder's fee substantial gift, or special consideration as a result of your position with our Company.

The materials, products, designs, plans, ideas, and data of this organization are the property of the employer and should never be given to an outside firm or individual except through normal channels and with appropriate authorization. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, constitutes unacceptable conduct. Any employee who participates in such a practice will be subject to disciplinary action, up to and including possible discharge.

The Company has no objection to an employee holding another job as long as he or she can effectively meet the performance standards for his or her position with the Company. The Company asks that the employee think seriously about the effects that such extra work may have on the limits of his or her endurance, overall personal health, and the employee's effectiveness with the Company. The Company will hold all employees to the same standards of performance and scheduling demands and cannot make exceptions for employees who also hold outside jobs. Full time employees must obtain the written approval of their supervisor before engaging in second jobs.

During employment with the Company, the employee shall not, without written consent of their supervisor, engage in any activity that competes with the interest of the Company, or which will or could in any way harm the business, business interests or reputation of the Company.

If you become aware of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest, you should report it promptly to our Company's Chief Financial Officer or President.

Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors. The following standards apply to certain common situations where potential conflicts of interest may arise:

A. Gifts and Entertainment

Personal gifts and entertainment offered by persons seeking to do business or doing business with our Company may be accepted when offered in the ordinary and normal course of the business relationship. This generally is limited to novelty or merchandise gifts of nominal value (less than \$100), infrequent tickets to athletic or recreational events and luncheons. However, the frequency and cost of any such gifts or entertainment may not be so excessive that your ability to exercise independent judgment on behalf of our Company is or may appear to be compromised. In this context, infrequent would be considered no more than twice a month on average. These guidelines also apply to an employee or director's spouse or any other member of the director or employee's immediate family. The following list gives examples, but is not inclusive, of items that should not be accepted:

- Gifts of more than nominal value such as jewelry, major appliances, sports equipment, and clothing.
- Gift certificates or credit privileges to be paid by donor.
- Cash payments.
- Frequent entertainment, including free use of recreation facilities.
- Free services, such as airplane tickets, hotel accommodations, construction and repairs.
- Loans of any kind (except those obtained from commercial lending institutions based on the director or employee's or their immediate family's own credit ability and record).

A director or employee may also accept entertainment if: (i) the entertainment is part of a group event such as employees from several other companies are being entertained at the same time, or (ii) the attendance or non-attendance by the Denbury representative will not influence the vendor to either hold or cancel the event. Any time employees accept this type of entertainment, they must get prior approval from their supervisor and the Manager of Internal Audit before attending the event, stating the

sponsor's name and company along with a description of the activity and total expected cost.

A director or employee, on behalf of the Company, may not provide gifts, loans, payments of any kind, or entertainment that would not be accepted under this policy.

Any exception to this policy must be approved in advance by the Company's Chief Financial Officer or the Company's President, or in the case of an officer or director, by the Company's Board of Directors or the Nominating/Corporate Governance Committee of the Board of Directors.

B. Procurement from Related Suppliers

Any procurement by or through you on behalf of the Company of materials or services from a supplier who is a member of your immediate family (as defined in the section entitled "Work Conditions & Hours—Funeral Leave" in the Denbury Employee Handbook) or from a supplier which is more than 20% owned by your immediate family must be reported in writing to the Manager of Internal Audit before such materials or services are obtained.

C. Financial Interests In Other Organizations

The determination whether any outside investment, financial arrangement or other interest in another organization is improper depends on the facts and circumstances of each case. Your ownership of an interest in another organization may be inappropriate if the other organization has a material business relationship with, or is a direct competitor of, our Company and your financial interest is of such a size that your ability to exercise independent judgment on behalf of our Company is or may appear to be compromised. For example, you or any member of your immediate family may not purchase or participate in the acquisition or sale of oil, gas, or other mineral leases, royalty interests, production payments, profit interests, mineral trust interest, unregistered drilling funds, or engage in other outside personal business activities, such as trading in petroleum products, that are competitive with Denbury.

As a general rule, a passive investment would not likely be considered improper if it: (i) is in publicly traded shares; (ii) represents less than 1% of the outstanding equity of the organization in question; and (iii) represents less than 5% of your net worth. Other interests also may not be improper, depending on the circumstances. It is not the intent of this policy to preclude directors, employees or their spouses or dependents from:

- a) Investing in securities of widely held corporations (and drilling funds where total beneficial interest acquired is insignificant) involved in oil, gas or other mineral exploration and production or in petroleum refining, marketing or transportation activities, provided such action is not taken as a result of confidential knowledge

of Denbury data, plans, operations or Denbury's active or contemplated negotiations with such corporations;

- b) Participation in federal lease filings in areas in which Denbury is not involved in an active exploration effort;
- c) Investing in working interests of oil and gas ventures, provided the investment could not be construed under this policy to be a conflict and written disclosure of the investment is made to the Chief Financial Officer of the Company; and
- d) Owning property or other interests acquired by inheritance, or from investing in real estate where the mineral interests, if any, are only incidental to the investment decision, provided there is no use of confidential Denbury information by the director or employee and that the real estate investment would not be used in competition with Denbury's activities.

If any director or employee plans to lease the mineral interest on any property in which he has an interest, he or she will be expected to first offer to lease such rights to Denbury.

D. Outside Business Activities

The determination of whether any outside position an employee may hold is improper will depend on the facts and circumstances of each case. Your involvement in trade associations, professional societies, and charitable and similar organizations will not normally be viewed as improper. However, if those activities are likely to take substantial time from or otherwise conflict with your responsibilities to our Company, you should obtain prior approval from your supervisor. Other outside associations or activities in which you may be involved are likely to be viewed as improper only if they would interfere with your ability to devote proper time and attention to your responsibilities to our Company or if your involvement is with another Company with which our Company does business or competes. For a director, employment or affiliation with a Company with which our Company does business or competes must be fully disclosed to our Company's Board of Directors or the Nominating/Corporate Governance Committee of the Board of Directors and must satisfy any other standards established by applicable law, rule (including rule of any applicable stock exchange) or regulation and any other corporate governance guidelines that our Company may establish.

E. Indirect Violations

You should not indirectly, through a spouse, family member, affiliate, friend, partner, or associate, have any interest or engage in any activity that would violate this Code if you directly had the interest or engaged in the activity. Any such relationship should be fully disclosed to our Company's Chief Financial Officer or President (or the Board of Directors or the Nominating/Corporate Governance Committee of the Board of Directors if you are a director or officer of the Company), who will make a determination whether the relationship is inappropriate, based upon the standards set forth in this Code.

5. Corporate Opportunities

You are prohibited from taking for yourself, personally, opportunities that are discovered through the use of corporate property, information or position, unless the Board of Directors has declined to pursue the opportunity. You may not use corporate property, information, or position for personal gain, or to compete with our Company directly. You owe a duty to our Company to advance its legitimate interests whenever the opportunity to do so arises.

6. Fair Dealing

You should endeavor to deal fairly with our Company's suppliers, competitors and employees and with other persons with whom our Company does business. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

7. Public Disclosures

It is our Company's policy to provide full, fair, accurate, timely, and understandable disclosure in all reports and documents that we file with, or submit to, the Securities and Exchange Commission and in all other public communications made by our Company.

8. Business and Accounting Practices

Employees should ensure that transactions are executed in accordance with management authority and that all transactions are recorded in sufficient detail to permit preparation of appropriate financial statements and disclosure.

All terms and conditions of the Company's commercial transactions and any significant business transactions should be in writing. No oral agreement or amendments should be made.

Employees should not under any circumstances keep Company funds in undisclosed or unrecorded accounts for any purpose. All accounts must be disclosed to the Company's Chief Financial Officer or Chief Accounting Officer.

No false or misleading entries should be made in the Company's books or records for any reason.

No payment or reimbursement of expenses should be made without adequate supporting documentation or invoices, which establish the business purpose for such expenditure.

Any officer or director of the Company, or any person acting under their direction, is prohibited from taking any action that fraudulently influences, coerces, manipulates, or misleads any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Company for the purpose of rendering such financial statements materially misleading.

9. Compliance With Anti-Trust Laws

Federal and state antitrust laws prohibit anti-competitive behavior and agreements that unreasonably restrain trade or result in monopolies. The Company is committed to fair sales practices. It will not engage in practices that would unfairly restrain trade or exclude competitors from the marketplace and will not communicate or agree, formally or informally, with competitors to fix or stabilize prices, limit production, allocate markets or customers, or boycott, jointly with others, customers or suppliers.

10. Confidentiality

You are to maintain the confidentiality of all internal information relating to Denbury or its subsidiaries or controlled entities or information pertaining to any of our business or potential business, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors of, or harmful to, our Company or persons with whom our Company does business, if disclosed. In some cases, unauthorized disclosure of internal information could result in liability for Denbury or cause harm to our Company.

You are expected to safeguard the Company's internal information. For example, sensitive documents are not to be left lying on desks and visitors should not be left unattended in offices containing internal documents. You will be required to read, understand and sign a confidentiality agreement (Exhibit A) that further delineates these policies as part of your association with Denbury.

12. Insider Trading

If you have access to material, non-public information concerning our Company, you are not permitted to use or share that information for stock trading purposes, or for any other purpose except the conduct of our Company's business. All non-public information about our Company is to be considered confidential information. Insider trading, which is the use of material, non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information, is not only unethical but also illegal. Violations of this prohibition against "insider trading" may subject you to criminal or civil liability, in addition to disciplinary action by our Company. You will be required to read, understand and abide by a Statement of Policy Regarding Compliance with Federal Securities Laws that further delineates these policies as part of your association with Denbury.

13. Protection and Proper Use of Company Assets

You should protect our Company's assets and promote their efficient use. Theft, carelessness, and waste have a direct impact on our Company's profitability. All corporate assets should be used for legitimate business purposes. The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information violates Company policy. It could also be illegal and result in civil or even criminal penalties, in addition to disciplinary action by Denbury.

14. Interpretations and Waivers of the Code of Business Conduct and Ethics

If you are uncertain whether a particular activity or relationship is improper under this Code or requires a waiver of this Code, you should disclose it to our Company's Chief Financial Officer or President (or the Board of Directors or Nominating/Corporate Governance Committee if you are a director), who will make a determination first, whether a waiver of this Code is required and second, if required, whether a waiver will be granted. You may be required to agree to conditions before a waiver or a continuing waiver is granted. However, any waiver of this Code for an executive officer or director may be made only by the Company's Board of Directors or the Nominating/Corporate Governance Committee of the Board of Directors and will be promptly disclosed to the extent required by applicable law, rule (including any rule of any applicable stock exchange) or regulation.

15. Reporting any Illegal or Unethical Behavior

Our Company desires to promote ethical behavior. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. Additionally, employees should promptly report violations of laws, rules, regulations or this Code to our Company's Chief Financial Officer or President, or they may also report the violation anonymously to the Company's hotline reporting system as outlined on the Company's web page. Any report or allegation of a violation of applicable laws, rules, regulations or this Code need not be signed and may be sent anonymously. All reports of violations of this Code, including reports sent anonymously, will be promptly investigated and, if found to be accurate, acted upon in a timely manner. If any report of wrongdoing relates to accounting or financial reporting matters, or relates to persons involved in the development or implementation of our Company's system of internal controls, a copy of the report will be promptly provided to the chairman of the Audit Committee of the Board of Directors, which may participate in the investigation and resolution of the matter. It is the policy of our Company not to allow actual or threatened retaliation, harassment or discrimination due to reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

16. Compliance Standards and Procedures

This Code is intended as a statement of basic principles and standards and does not include specific rules that apply to every situation. Its contents have to be viewed within the framework of our Company's other policies, practices, instructions and the requirements of the law. This Code is in addition to other policies, practices or instructions of our Company that must be observed. Moreover, the absence of a specific corporate policy, practice or instruction covering a particular situation does not relieve you of the responsibility for exercising the highest ethical standards applicable to the circumstances.

In some situations, it is difficult to know right from wrong. Because this Code does not anticipate every situation that will arise, it is important that each of you approach a new question or problem in a deliberate fashion:

- (a) Determine if you know all the facts.
- (b) Identify exactly what it is that concerns you.
- (c) Discuss the problem with a supervisor or, if you are a director, the Nominating/Corporate Governance Committee.
- (d) Seek help from other resources such as other management personnel or legal counsel.

- (e) Seek guidance before taking any action that you believe may be unethical or dishonest.

You will be governed by the following compliance standards:

- You are personally responsible for your own conduct and for complying with all provisions of this Code and for properly reporting known or suspected violations;
- If you are a supervisor, manager, director or officer, you must use your best efforts to ensure that employees understand and comply with this Code;
- No one has the authority or right to order, request or even influence you to violate this Code or the law; a request or order from another person will not be an excuse for your violation of this Code;
- Any attempt by you to induce another director, officer or employee of our Company to violate this Code, whether successful or not, is itself a violation of this Code and may be a violation of law;
- Any retaliation or threat of retaliation against any director, officer or employee of our Company for refusing to violate this Code, or for reporting in good faith the violation or suspected violation of this Code, is itself a violation of this Code and may be a violation of law; and

Our Company expects that every reported violation of this Code will be investigated.

Violation of any of the standards contained in this Code, or in any other policy, practice or instruction of our Company, can result in disciplinary actions, including dismissal and civil or criminal action against the violator. This Code should not be construed as a contract of employment and does not change any person's status as an at-will employee.

This Code is for the benefit of our Company, and no other person is entitled to enforce this Code. This Code does not, and should not be construed to, create any private cause of action or remedy in any other person for a violation of the Code.

The names, addresses, telephone numbers, facsimile numbers and e-mail addresses of the contact persons for purposes of this Code are set forth below:

<u>President and CEO</u>	<u>Senior VP and CFO</u>
<p>Mr. Gareth Roberts Denbury Resources Inc. 5100 Tennyson Pkwy., Suite 3000 Plano TX 75024 Phone: (972) 673-2000 Fax: (972) 673-2150</p> <p>e-mail: gareth@denbury.com</p>	<p>Mr. Phil Rykhoek Denbury Resources Inc. 5100 Tennyson Pkwy., Suite 3000 Plano, TX 75024 Phone: (972) 673-2050 Fax: (972) 673-2051</p> <p>e-mail: phil@denbury.com</p>
<p>Mr. Micky McCulloch Manager of Internal Audit Denbury Resources Inc. 5100 Tennyson Pkwy., Suite 3000 Plano TX 75024 Phone: (972) 673-2504 Fax: (972) 673-2704</p> <p>e-mail: micky@denbury.com</p>	

Adopted February 18, 2004.