



Carbon TerraVault and National Cement Sign MOU for California's First Net Zero Cement Facility

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Carbon TerraVault Expects to Transport and Sequester up to 1 Million Metric Tons of CO₂ Emissions Annually

LONG BEACH, Calif., March 03, 2025 (GLOBE NEWSWIRE) -- California Resources Corporation (NYSE: CRC) and its carbon management business, Carbon TerraVault (CTV), today announced the signing of a Memorandum of Understanding¹ (MOU) with National Cement Company of California Inc. (National Cement) to provide carbon management services for the "Lebec Net Zero" - a first-of-its-kind initiative to produce carbon-neutral cement at National Cement's facility in California.

MOU Highlights:

- CTV plans to develop transportation and sequestration solutions for up to 1 million metric tons per annum (MMTPA) of carbon dioxide (CO₂) emissions captured from National Cement's plant in Lebec, Kern County, California.
- Captured CO₂ is expected to be safely transported and securely stored in CTV's underground storage reservoirs, contributing to California's industrial decarbonization efforts.

"Lebec Net Zero" Highlights:

- The project is expected to be California's first net-zero cement facility, integrating carbon capture technology, utilizing locally sourced biomass fuel from agricultural byproducts, and producing limestone calcined clay cement (LC3).
- This effort aligns with Kern County's Carbon Management vision, promoting economic growth, job creation, and tax benefits for local communities.
- The project was one of 33 selected by the U.S. Department of Energy (DOE) for funding under the Industrial Demonstrations Program as a public-private partnership, with the DOE committing up to \$500 million in matching funds to accelerate its development.
- Pending customary approvals, operations are expected to start in 2031.

Francisco Leon, President and Chief Executive Officer of CRC, emphasized the significance of this partnership: "This MOU with National Cement underscores the increasing demand for innovative decarbonization solutions within California's industrial sector. Achieving carbon neutrality in the cement industry requires bold action, and this partnership is a critical step in developing the state's first carbon capture, transport, and storage project for this essential sector. We have a proven carbon management expertise and strategically located CO₂ storage assets, allowing us to deliver innovative, reliable, and economically viable energy transition solutions."

Eric Holard, Chief Executive Officer of National Cement, commented: "This is an exciting and transformative project for the cement industry. We are making a significant investment because we believe in creating a cleaner future and bringing innovation to domestic manufacturing. CTV's leadership in safe and responsible carbon management, combined with our strategic and operational alignment, provides a clear pathway for this project being successful."

Including this MOU with National Cement, CTV's total carbon capture and sequestration (CCS) projects under consideration now stand at nearly 9 MMTPA of CO₂ emissions, reinforcing its domestic leadership in industrial decarbonization and carbon storage solutions.

¹ MOUs and CDMAs are non-binding agreements. The projects and transactions described in an MOU or CDMA are subject to certain conditions precedent, typically including the negotiation of definitive documents, a final investment decision by the parties and receipt of EPA Class VI permits and other regulatory approvals.

About Carbon TerraVault

Carbon TerraVault (CTV), CRC's carbon management business, is developing services to capture, transport and permanently store CO₂ for its customers. CTV is engaged in a series of proposed CCS projects that if developed will inject CO₂ captured from industrial sources into depleted reservoirs deep underground for permanent sequestration. For more information, visit carbonterravault.com.

About California Resources Corporation

California Resources Corporation (CRC) is an independent energy and carbon management company committed to energy transition. CRC is committed to environmental stewardship while safely providing local, responsibly sourced energy. CRC is also focused on maximizing the value of its land, mineral ownership, and energy expertise for decarbonization by developing CCS and other emissions reducing projects. For more information about CRC, please visit www.crc.com.

About National Cement

National Cement Company is a producer of cement and concrete which are essential materials for the built environment and support economic growth of all kinds. National has cement plants at Lebec, California and Ragland, Alabama, cement distribution terminals in Georgia, South Carolina, and Tennessee, and over 60 ready-mix concrete plants across California, Georgia, and Alabama. National's strategically located network of production and distribution facilities ensures that it can meet the diverse needs of its customers. The company strives to minimize its environmental footprint through efficient and advanced production methods. For more information about National Cement, please visit www.nationalcement.com.

Forward-Looking Statements

This document contains statements that CRC believes to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than historical facts are forward-looking statements, and include statements regarding CRC's future financial position, business strategy, projected revenues, earnings, costs, capital expenditures and plans and objectives of management for the future. Words such as "expect," "could," "may," "anticipate," "intend," "plan," "ability," "believe," "seek," "see," "will," "would," "estimate," "forecast," "target," "guidance," "outlook," "opportunity" or "strategy" or similar expressions are generally intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. Additionally, the information in this report contains forward-looking statements related to the recently announced Aera merger.

Although CRC believes the expectations and forecasts reflected in its forward-looking statements are reasonable, they are inherently subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond its control. No assurance can be given that such forward-looking statements will be correct or achieved or that the assumptions are accurate or will not change over time. Particular uncertainties that could cause CRC's actual results to be materially different than those expressed in its forward-looking statements include:

- fluctuations in commodity prices, including supply and demand considerations for CRC's products and services, and the impact of such fluctuations on revenues and operating expenses;
- decisions as to production levels and/or pricing by OPEC or U.S. producers in future periods;
- government policy, war and political conditions and events, including the military conflicts in Israel, Lebanon, Ukraine and the Middle East;
- the ability to successfully execute integration efforts in connection with the Aera Merger, and achieve projected synergies and ensure that such synergies are sustainable;
- regulatory actions and changes that affect the oil and gas industry generally and us in particular, including (1) the availability or timing of, or conditions imposed on, EPA and other governmental permits and approvals necessary for drilling or development activities or its carbon management segment; (2) the management of energy, water, land, greenhouse gases (GHGs) or other emissions, (3) the protection of health, safety and the environment, or (4) the transportation, marketing and sale of its products;
- the efforts of activists to delay prevent oil and gas activities or the development of CRC's carbon management segment through a variety of tactics, including litigation;
- the impact of inflation on future expenses and changes generally in the prices of goods and services;
- changes in business strategy and capital plan;
- lower-than-expected production or higher-than-expected production decline rates;
- changes to estimates of reserves and related future cash flows, including changes arising from CRC's inability to develop such reserves in a timely manner, and any inability to replace such reserves;
- the recoverability of resources and unexpected geologic conditions;
- general economic conditions and trends, including conditions in the worldwide financial, trade and credit markets;
- production-sharing contracts' effects on production and operating costs;
- the lack of available equipment, service or labor price inflation;
- limitations on transportation or storage capacity and the need to shut-in wells;
- any failure of risk management;
- results from operations and competition in the industries in which it operates;
- CRC's ability to realize the anticipated benefits from prior or future efforts to reduce costs;
- environmental risks and liability under federal, regional, state, provincial, tribal, local and international environmental laws and regulations (including remedial actions);
- the creditworthiness and performance of its counterparties, including financial institutions, operating partners, CCS project participants and other parties;
- reorganization or restructuring of its operations;
- CRC's ability to claim and utilize tax credits or other incentives in connection with our CCS projects;
- CRC's ability to realize the benefits contemplated by its energy transition strategies and initiatives, including CCS projects and other renewable energy efforts;
- CRC's ability to successfully identify, develop and finance carbon capture and storage projects and other renewable energy efforts, including those in connection with the Carbon TerraVault JV, and its ability to convert CDMAAs to definitive agreements and enter into other offtake agreements;
- CRC's ability to maximize the value of its carbon management segment and operate it on a stand alone basis;
- CRC's ability to successfully develop infrastructure projects and enter into third party contracts on contemplated terms;

- uncertainty around the accounting of emissions and its ability to successfully gather and verify emissions data and other environmental impacts;
- changes to CRC's dividend policy and share repurchase program, and its ability to declare future dividends or repurchase shares under its debt agreements;
- limitations on CRC's financial flexibility due to existing and future debt;
- insufficient cash flow to fund its capital plan and other planned investments and return capital to shareholders;
- changes in interest rates;
- CRC's access to and the terms of credit in commercial banking and capital markets, including its ability to refinance debt or obtain separate financing for its carbon management segment;
- changes in state, federal or international tax rates, including CRC's ability to utilize its net operating loss carryforwards to reduce its income tax obligations;
- effects of hedging transactions;
- the effect of CRC's stock price on costs associated with incentive compensation;
- inability to enter into desirable transactions, including joint ventures, divestitures of oil and natural gas properties and real estate, and acquisitions, and its ability to achieve any expected synergies;
- disruptions due to earthquakes, forest fires, floods, extreme weather events or other natural occurrences, accidents, mechanical failures, power outages, transportation or storage constraints, labor difficulties, cybersecurity breaches or attacks or other catastrophic events;
- pandemics, epidemics, outbreaks, or other public health events, such as the COVID-19 pandemic; and
- other factors discussed in Part I, Item 1A – Risk Factors.

CRC cautions you not to place undue reliance on forward-looking statements contained in this document, which speak only as of the filing date, and CRC undertakes no obligation to update this information. This document may also contain information from third party sources. This data may involve a number of assumptions and limitations, and CRC has not independently verified them and does not warrant the accuracy or completeness of such third-party information.

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