CALIFORNIA RESOURCES CORPORATION

Carbon TerraVault Provides 2024 Update

March 3, 2025

Signs Carbon Management MOU[1] with National Cement for California's First Net Zero Cement Facility

LONG BEACH, Calif., March 03, 2025 (GLOBE NEWSWIRE) -- Carbon TerraVault Holdings, LLC (CTV), a carbon management subsidiary of California Resources Corporation (NYSE: CRC), provided a 2024 update and announced the signing of a Memorandum of Understanding[1] (MOU) to help achieve California's first net zero cement facility in partnership with National Cement Company of California Inc. (National Cement).

"Our team has made significant strides to expand Carbon TerraVault's leadership in carbon management through key regulatory approvals, new carbon management agreements and strategic partnerships to accelerate decarbonization in California," said Francisco Leon, CRC's President and Chief Executive Officer. "Receiving California's first Class VI well permits from the EPA advances our mission to provide scalable carbon storage solutions. Additionally, our new memorandum of understanding with National Cement to establish the state's first net zero cement facility underscores our commitment to help hard-to-abate sectors transition to a low-carbon future. With a CCS project pipeline approaching 9 million metric tons per year and new partnerships advancing subsurface energy storage, CTV is a national leader in carbon management. In 2025, we are focused on executing our first CCS project at Elk Hills and driving impactful solutions for industrial decarbonization."

2024 Highlights

- Received EPA Class VI well permits for carbon dioxide (CO_2) storage in the CTV I - 26R reservoir and Kern County approval for the CTV I project
- Expanded CO_2 storage portfolio by 70%, adding 134 million metric tons (MMT) in Class VI permit applications; total CO_2 storage capacity submitted to Environmental Protection Agency (EPA) for review is now 325 MMT
- Signed 5.4 million metric tons per annum (MMTPA) of CO_2 management agreements[1] (CDMA) and MOUs[1] with major industrial partners to deliver innovative, reliable, and economically viable energy transition solutions in California
- Awarded $12 million in funding and selected for an additional $35 million from the U.S. Department of Energy (DOE) to support decarbonization projects across California in partnership with various institutions
- Developed new partnerships for subsurface energy storage and geothermal power in California
- Launched CTV I Elk Hills Community Benefits Plan and became the LA Rams' official carbon management partner
- Successfully integrated Aera's carbon management assets and teams into CTV

2025 Outlook and Highlights

- Construction of California's first carbon capture and storage (CCS) project at CRC's Elk Hills cryogenic gas plant is planned to commence in the second quarter of 2025 and first CO_2 injection anticipated by year-end
- Signed MOU[1] with National Cement for "Lebec Net Zero", a first-of-its-kind initiative to produce carbon-neutral cement utilizing CTV's transportation and sequestration solutions for up to 1 MMTPA of CO_2 emissions. *See Carbon TerraVault and National Cement Sign MOU for California's First Net Zero Cement Facility for additional information*
- CTV's total CO_2 emissions from CCS projects under consideration now stands at nearly 9 MMTPA
- Expected 2025 capital investments of $20 - $35 million with $14 - $18 million for the CCS project at CRC's Elk Hills cryogenic gas plant

Fourth Quarter and Full Year 2024 Financial Results

Selected Financial Statement Data and non-GAAP measures: ($ in millions)	**4th Quarter 2024**	3rd Quarter 2024	**Total Year 2024**	Total Year 2023
Selected Expenses				

CMB Expenses	**$ 20**	$ 13	**$ 56**	$ 37
General and administrative expenses[2]	**$ 5**	$ 5	**$ 15**	$ 12
Capital and Non-GAAP Measures				
Capital investments	**$ 6**	$ 4	**$ 12**	$ 5

2025 Guidance

The following table provides key first quarter and full year 2025 financial and operating guidance.

CRC Guidance ($ in millions)	**1Q25E**	**Total Year 2025E**
Capital	$5 - $10	$20 - $35
CMB Expenses	$15 - $20	$60 - $90
General and Administrative Expenses	$2 - $4	$10 - $15

EPA Class VI Permitting

In December 2024, the EPA released final Class VI well permits for the CTV I - 26R reservoir. These are the first Class VI permits issued nationally for injection and storage of CO_2 in depleted oil and natural gas fields. The 26R reservoir is part of CTV's joint venture with Brookfield and is one of two depleted oil and natural gas storage sites that comprise the CTV I vault. Total capacity of 26R is estimated to be up to 38 MMT and has an expected injection rate of 1.46 MMTPA.

CRC has seven remaining Class VI permit applications under review with the EPA for a total estimated capacity of up to 287 MMT. For additional information regarding CTV's Class VI permits, please visit www.epa.gov.

Carbon TerraVault JV Partnership with Brookfield

In February 2025, CRC and Brookfield agreed to defer the timing of the third and final installment of the 26R pore space contribution from Brookfield to the CTV JV[3]. This installment payment will now be triggered upon the earlier of CTV JV securing storage contracts for 35% of annual CO_2 storage capacity at 26R.

[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.

[2] We realigned our workforce after the Aera Merger and adjusted our carbon management expenses for the third quarter of 2024 to be $5 million, which is an adjustment from the $2 million previously reported.

[3] The initial investment by Brookfield in the CTV JV for the 26R reservoir is expected to total up to approximately $188 million and is payable in three installments. To date, CRC has received the first two installment payments amounting to $92 million. The amount of the last milestone payment will be calculated in accordance with the final permit volumes (subject to contractual adjustments) and is estimated to be up to $94 million.

About Carbon TerraVault

Carbon TerraVault (CTV) is CRC's carbon management business and is developing services to capture, transport and permanently store CO_2 for its customers. CTV is engaged in a series of CCS projects that will inject CO_2 captured from industrial sources into depleted underground reservoirs and permanently store CO_2 deep underground. For more information, visit carbonterravault.com.

About Carbon TerraVault Joint Venture

Carbon TerraVault Joint Venture (CTV JV) is a carbon management partnership focused on carbon capture and sequestration development formed between Carbon TerraVault I, LLC, a subsidiary of CRC, and Brookfield, to develop both infrastructure and storage assets required for CCS development in California. CRC owns 51% of CTV JV with Brookfield owning the remaining 49% interest.

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.

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 CDMAs 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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