



California Carbon Management Partnership

August 4, 2022

Forward Looking / Cautionary Statements – Certain Terms

This document contains statements that we believe 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 our 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.

Although we believe the expectations and forecasts reflected in our 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 our 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 our actual results to be materially different than those expressed in our forward-looking statements include:

- fluctuations in commodity and LCFS prices, and the potential for sustained low oil, natural gas and natural gas liquids prices;
- equipment, service or labor price inflation or unavailability;
- legislative or regulatory changes, including those related to (i) drilling, completion, well stimulation, operation, maintenance or abandonment of wells or facilities, (ii) managing energy, water, land, greenhouse gases (GHGs) or other emissions, (iii) protection of health, safety and the environment, (iv) tax credits or other incentives, or (v) transportation, marketing and sale of our products;
- availability or timing of, or conditions imposed on, permits and approvals necessary for drilling or development activities and carbon management projects;
- changes in business strategy and our capital plan;
- lower-than-expected production, reserves or resources from development projects or acquisitions, or higher-than-expected decline rates;
- incorrect estimates of reserves and related future cash flows and the inability to replace reserves;
- the recoverability of resources and unexpected geologic conditions;
- our ability to utilize storage capacity of the 26R storage reservoir consistent with the Joint Venture and Investment Agreement through either storage only contracts or as part of an integrated project;
- our ability to identify and develop projects that are acceptable to the JV;
- our ability to successfully execute on the construction and other aspects of the infrastructure projects and enter into third party contracts on contemplated terms;
- our ability to realize all benefits contemplated by the strategic partnership and business strategies and initiatives related to energy transition, including carbon capture and storage projects and other renewable energy efforts;
- our ability to finance and implement its carbon capture and storage projects, including the development of projects contemplated as part of the strategic partnership with Brookfield;
- global geopolitical, socio-demographic and economic trends and technological innovations;
- changes in our dividend policy and our ability to declare future dividends;
- production-sharing contracts' effects on production and operating costs;
- limitations on our financial flexibility due to existing and future debt;
- insufficient cash flow to fund planned investments, interest payments on our debt, stock repurchases or changes to our capital plan;
- insufficient capital or liquidity unavailability of capital markets or inability to attract potential investors;
- limitations on transportation or storage capacity and the need to shut-in wells;
- inability to enter into desirable transactions, including acquisitions, asset sales and joint ventures;
- joint ventures and acquisitions and our ability to achieve expected synergies;
- our ability to utilize our net operating loss carryforwards and expected 45Q tax credits to reduce our income tax obligations;
- our ability to successfully gather and verify data regarding emissions, our environmental impacts and other initiatives;
- the compliance of various third parties with our policies and procedures and legal requirements as well as contracts we enter into in connection with our climate-related initiatives;
- the effect of our stock price on costs associated with incentive compensation;
- changes in the intensity of competition in the oil and gas industry;
- effects of hedging transactions;
- climate-related conditions and weather events;
- disruptions due to accidents, mechanical failures, power outages, transportation or storage constraints, natural disasters, labor difficulties, cyber-attacks or other catastrophic events;
- pandemics, epidemics, outbreaks, or other public health events, such as the COVID-19; and
- other factors discussed in Part I, Item 1A - Risk Factors in CRC's Annual Report on Form 10-K and our other SEC filings available at www.crc.com.

We caution you not to place undue reliance on forward-looking statements contained in this document, which speak only as of the date on the cover, and we undertake 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 we have not independently verified them and do not warrant the accuracy or completeness of such third-party information. Nothing herein is intended to imply or create a legal partnership between Brookfield Global Transition Fund, California Resources Corporation, Carbon TerraVault Holdings, LLC or any of their respective subsidiaries and affiliates.



| Term | Definition |
|-----------------|---|
| BMT | Billion Metric Tons |
| CARB | California Air Resources Board |
| CCS | Carbon Capture and Storage |
| CGP | Cryogenic Gas Plant |
| CI | Carbon Intensity |
| CMB | Carbon Management Business |
| CO ₂ | Carbon Dioxide |
| CTV | Carbon TerraVault |
| D&C | Drilling and Completions |
| E&P | Exploration and Production |
| EIR | Environmental Impact Report |
| EOR | Enhanced Oil Recovery |
| EPA | Environmental Protection Agency |
| ESG | Environmental, Social and Governance |
| FCF | Free Cash Flow |
| FEED | Front End Engineering and Design |
| FID | Final Investment Decision |
| GHG | Greenhouse Gas |
| LCFS | Low Carbon Fuel Standard |
| MMT | Million Metric Tons |
| MMPA | Million Metric Tons Per Annum |
| MRV | Monitoring, Reporting and Verification Plan |
| MT | Metric Tons |
| MTPA | Metric Tons Per Annum |
| SRP | Share Repurchase Program |



California CCS Market Today

EPA Permitted (Class VI) pore space is a scarce resource in the value chain

Integrated projects validate the business model and help lay groundwork of critical infrastructure

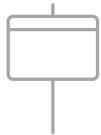
CARB 2022 scoping plan outlines CCS as “necessary tool” for Net Zero and proposes increased stringency and scope of LCFS program

CRC Evolution

Multi-basin portfolio with 1 BMT of identified CO₂ storage¹ capacity provides significant optionality

CCS business can be funded through existing lower cost of capital alternatives

CMB + Low Carbon Intensity Oil can create a “BLUE” net zero barrel to advance CRC to the next stage of the Energy Transition



How do we Sustainably Redefine Capital Allocation Framework?



How do we Advance Full-Scope Net Zero Aspirations & Improve Low Carbon Intensity Operations?



How do we De-Risk & Accelerate CMB?

“ ... engineered carbon removal is clearly needed to achieve the scale of carbon removal required to reach carbon neutrality. ... ”

- G. Newsom, Governor of California

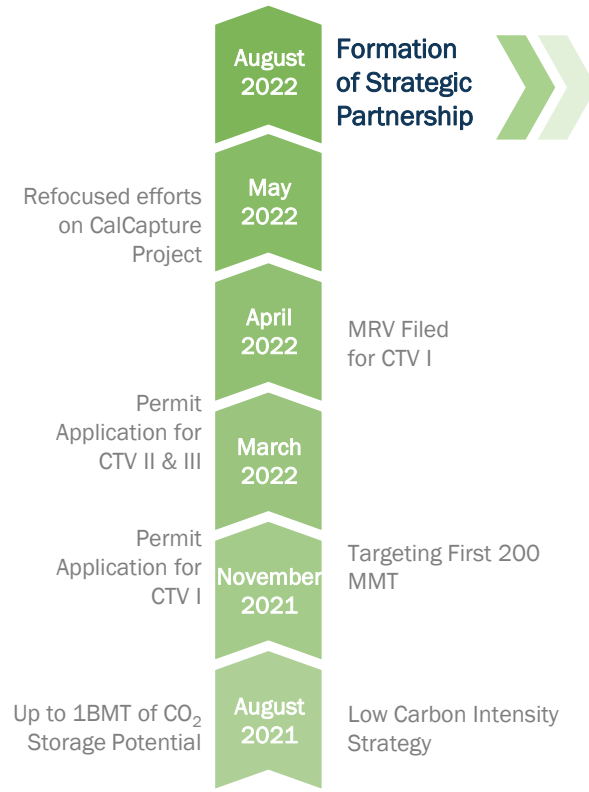
Letter to the Chair of California Air Resources Board, July 22, 2022



(1) Internal estimates.

Creating a California Carbon Management Partnership to Advance the Energy Transition

Solid Progress On Our Carbon Management Strategy



Brookfield
Global Transition Fund ("BGTF")



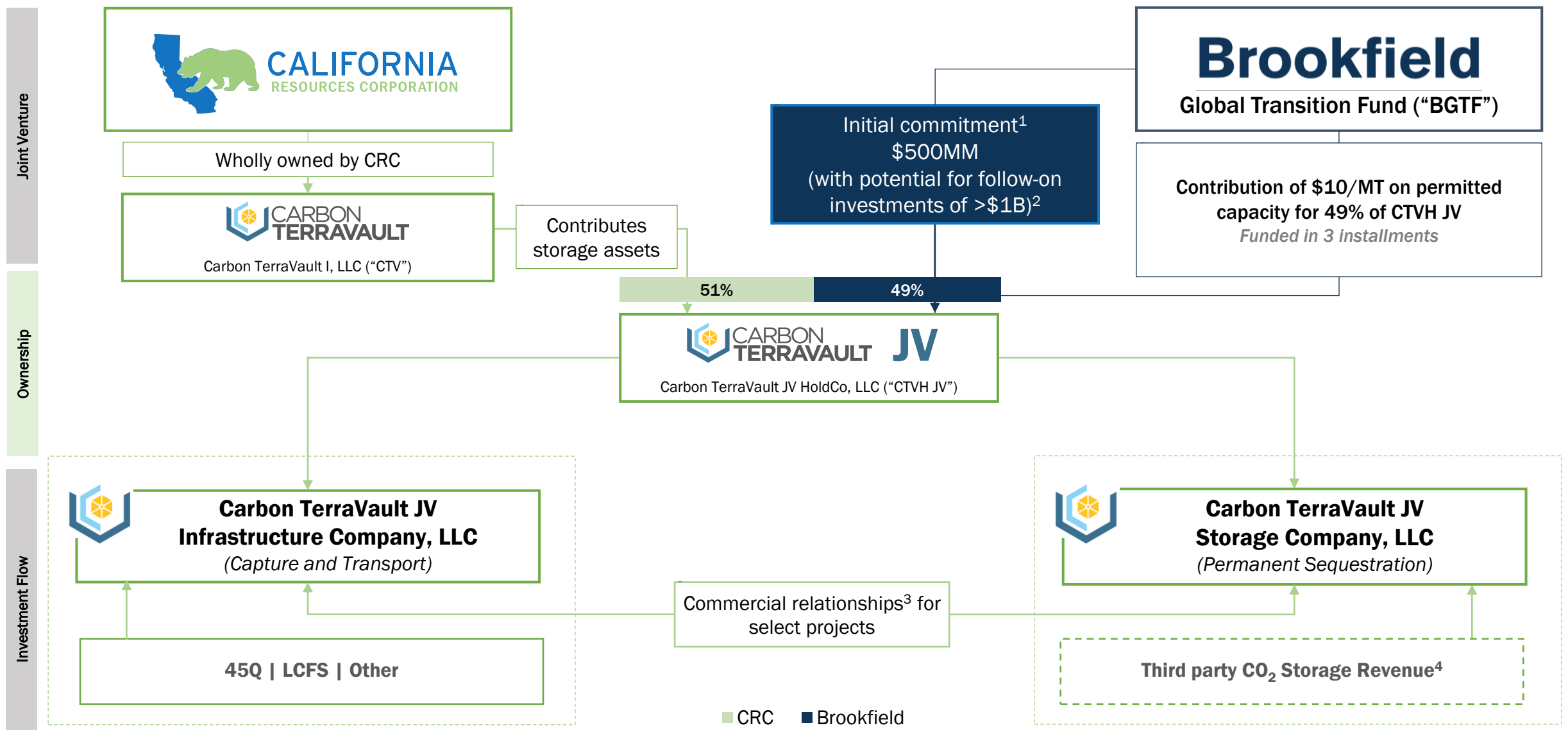
CARBON TERRAVault

Initial commitment¹ of
\$500MM

- The Partnership is targeting 5MMTPA of CO₂ injection by YE 2027, aligned with CRC's 2027 goals, thereby requiring an estimated ~\$2.5B of capital²
- Brookfield's investment could increase by more than \$1B as incremental pore space and projects are contributed to the JV in line with the CRC's 2027 goals

(1) Commitment applies to CCS projects that are jointly approved through the JV. (2) Based on the midpoint of expected capital required to inject 5MMTPA of CO₂ by YE27.

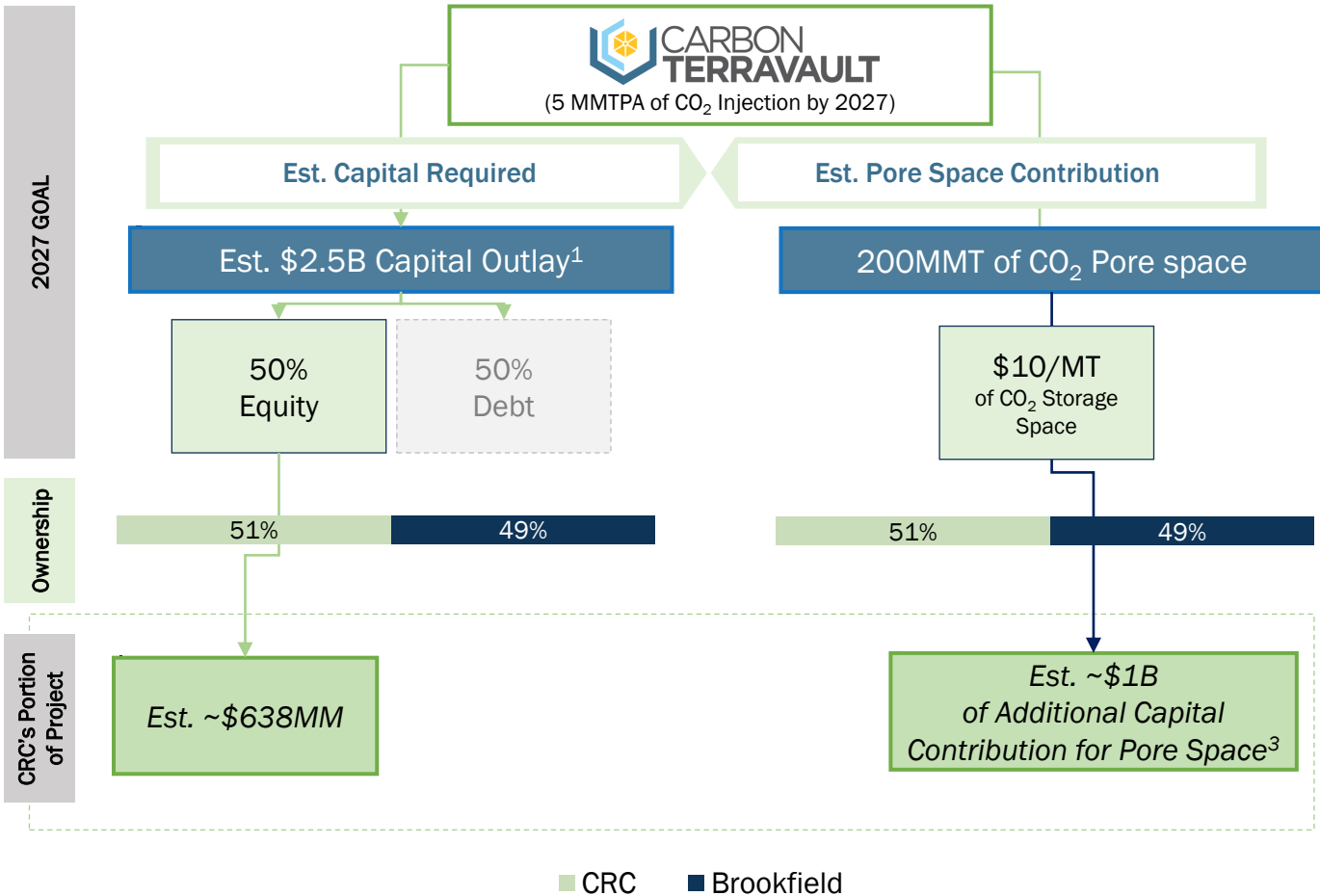
Strategic Partnership and Carbon TerraVault Joint Venture Details



Note: Diagram for illustrative purposes only. (1) Commitment applies to CCS projects that are jointly approved through the JV. (2) Assumes Brookfield fully participates in CCS projects up to JV target of 5 MMTPA of injection and 200MMT of CO₂ storage (3) Additionally, CRC will provide operational and other services to the joint venture. (4) Independent of Infrastructure Co.

Assuming partnership is successful and partner funds its share of the 5MMTPA storage target, CRC can fund its portion of capital calls from the pore space contributions

Illustrative 2027 CO₂ Storage Goal Capital Funding Needs¹



Partnership Validates Economic Feasibility of 2045 Net Zero Goal

- ✓ Demonstrates how California's efforts to decarbonize the economy through LCFS and carbon focused regulations can attract investment in CCS

Improves & Increases Flexibility of CRC's Capital Allocation Framework

- ✓ CTV capital needs do not compete with low CI E&P business requirements
- ✓ Allows CRC to increase flexibility for shareholder returns strategy and explore strategic alternatives for low CI E&P business expansion

Effectively monetizes storage and efficiently capitalizes the first 5MMTPA of carbon management projects capital calls and funds CRC's development activities⁴



(1) Assumes the average capital needs for 5MMTPA of Carbon Sequestration from the strategic partnership economic "Type Curve" on page 23. (2) Internal estimates (3) ~\$1B is calculated as 200MMT of CO₂ pore space times \$10/MT of CO₂ storage space times 49% Brookfield ownership. (4) Assumes Brookfield fully participates in CCS projects up to JV target of 5 MMTPA of injection and 200MMT of CO₂ storage.



Secures CMB Level Investment From the Largest Global Transition Fund



Aligns CRC's 2045 Net Zero Goal, Paris-Aligned Business Plan, and Our Carbon Management Strategy



Highlights Value of Our Expansive CO₂ Pore Space Portfolio



De-Risks Our CMB Funding Needs Substantially



Reinforces Our Commitment to Capital Discipline, and Provides Flexibility For Use of Free Cash Flow



Strengthens Our Competitive Position in CCS with Access to a Large Quantum of Lower Cost Capital



- ✓ CRC is dedicated to being a **significant part of the solution** for reaching and maintaining carbon neutrality, and helping California meet its emissions reduction goals
- ✓ Supplier of low carbon intensity oil production - **lowest of the top 100 producers in the U.S.**¹ and one of the only E&P companies with a **Full-Scope Net Zero Goal**² aligned with Paris Agreement
- ✓ CRC has filed 4 project applications³ for 120MMT of CO₂ storage, with target to apply for an additional 80MMT, bringing the total to **200MMT by year end**
- ✓ CRC has **extensive subsurface technical and operating expertise**, strong knowledge of local regulatory environment and agencies, a dedicated CCS team of >30 full-time equivalent personnel and strong track-record of high operating and safety standards in **one of the most environmentally regulated jurisdictions in the U.S.**

- ✓ With \$725B AUM and over > \$200B of AUM in energy and infrastructure projects globally, Brookfield is **one of the world's leading alternative asset managers**, distinguished by a 120-year history of owning and operating real assets and businesses
- ✓ Brookfield recently raised **\$15B for BGTF, the largest transition fund focused on decarbonization in history** with investment themes which are aligned with the UN's Sustainable Development Goals⁴
- ✓ Partnership with CRC **aligns directly with Brookfield's commitment to invest capital** to catalyze the deployment of large-scale CCS in the state of California while creating future opportunities to expand the partnership
- ✓ Strong **expertise in renewable energy financing**, which is **complementary to CCS financing** and other efforts by CRC in the energy transition

“We are pleased to partner with Brookfield to develop industry leading CCS projects that support California's energy transition. ... The Brookfield partnership aligns our carbon management strategy with a strong investment partner, bringing significant operational and development expertise to reinforce our efforts...”

- Mac McFarland, President and CEO of CRC

“Brookfield Renewable has been a leader in delivering clean energy for three decades and now we see significant potential in the rollout of carbon capture and sequestration technology. Partnering with CRC presents a great opportunity to continue the growth of our CCS business and expand the scope of decarbonization solutions we provide to our customers”

- Connor Teskey, CEO of Brookfield Renewable

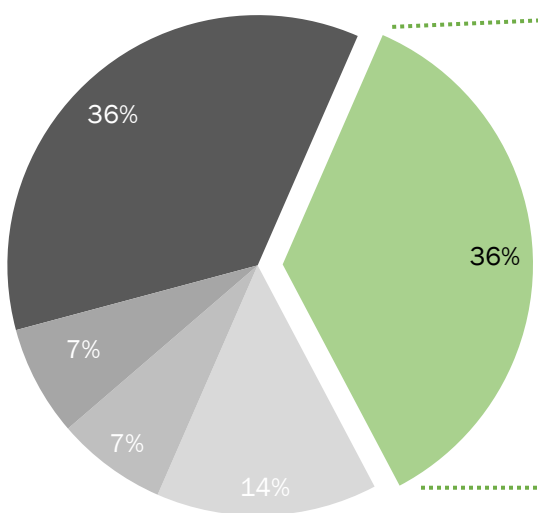
(1) Source: Clean Air Task Force (2) Please visit www.crc.com/esg for further information on CRC's Full-Scope Net Zero Goal (3) Source: EPA as of Aug. 1, 2022, and reflects only federally issued permits. CRC includes CTV II and CTV III. Permits are counted on a project basis. (4) For additional information on the UN SDGs, please visit: <https://sdgs.un.org/goals/>

Strategic Partnership Creates Strong Development Capabilities Built on First Mover Advantage



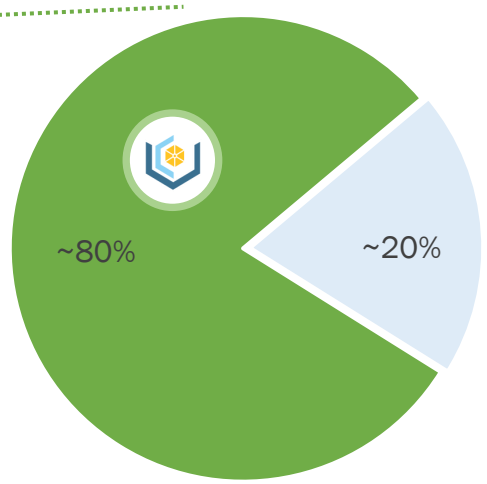
Most CO₂ Storage Permits Filed on the Record in the U.S.

EPA CLASS VI PERMIT APPLICATIONS BY STATE¹



■ Louisiana ■ California ■ Illinois ■ Indiana ■ Ohio

CALIFORNIA CLASS VI PERMIT APPLICATIONS



■ Non CRC



- Permitting and California regulatory expertise
- Multiple FEED studies and project cost evaluations of capture equipment
- Experienced subsurface, reservoir and injection management capabilities
- Joint development team of more than 30 FTEs focused on all aspects of CMB

» **~ 120MMT** of CO₂ Class VI storage permits² submitted to the EPA

California's economy could see rapid near-term emission reduction benefits from CCS

- Immediate emissions reductions
- Energy transition jobs & tax revenue
- Low carbon baseload power
- Global technological leadership & economic development

(1) Source: EPA as of Aug. 1, 2022, and reflects only federally issued permits. CRC includes CTV II and CTV III. Permits are counted on a project basis. (2) Includes all permits submitted by CRC, not all of which are in the strategic partnership with Brookfield.

CCS Plays an Increasing Role in California’s Carbon Neutrality Goals as Part of CARB 2022

- ✓ CARB 2022 Scoping Plan emphasizes the need to deploy all viable tools **including carbon capture and sequestration**
- ✓ Plan outlines course of action to **achieve carbon neutrality by 2045** or sooner
- ✓ California’s legislative action towards carbon neutrality **reduces risk and incentivizes long-term investments** in CCS
- ✓ Proposed **California Climate Commitment** will bring California’s **multi-year climate investment to \$54B**
- ✓ CCS is recognized among California state officials to be an **important strategy for carbon removal at scale**
- ✓ Governor Newsom requested CARB **set a 20MMT and 100MMT carbon removal target** for 2030 and 2045

Governor Newsom’s Response to CARB

“Simply put, it will not be possible to eliminate all emissions across our economy, **so achieving carbon neutrality will rely on carbon sequestration.**”

“... engineered carbon removal is **clearly needed to achieve the scale of carbon removal required to reach carbon neutrality.**”



- **G. Newsom, Governor of California**
Letter to the Chair of California Air Resources Board,
July 22, 2022



CRC is aligned with California’s 2045 carbon neutrality goals

Proposed Inflation Reduction Act Significantly Enhances the Value of 45Q Credits



The deadline for beginning construction on 45Q carbon capture projects will be **extended 7 years to January 1, 2033**



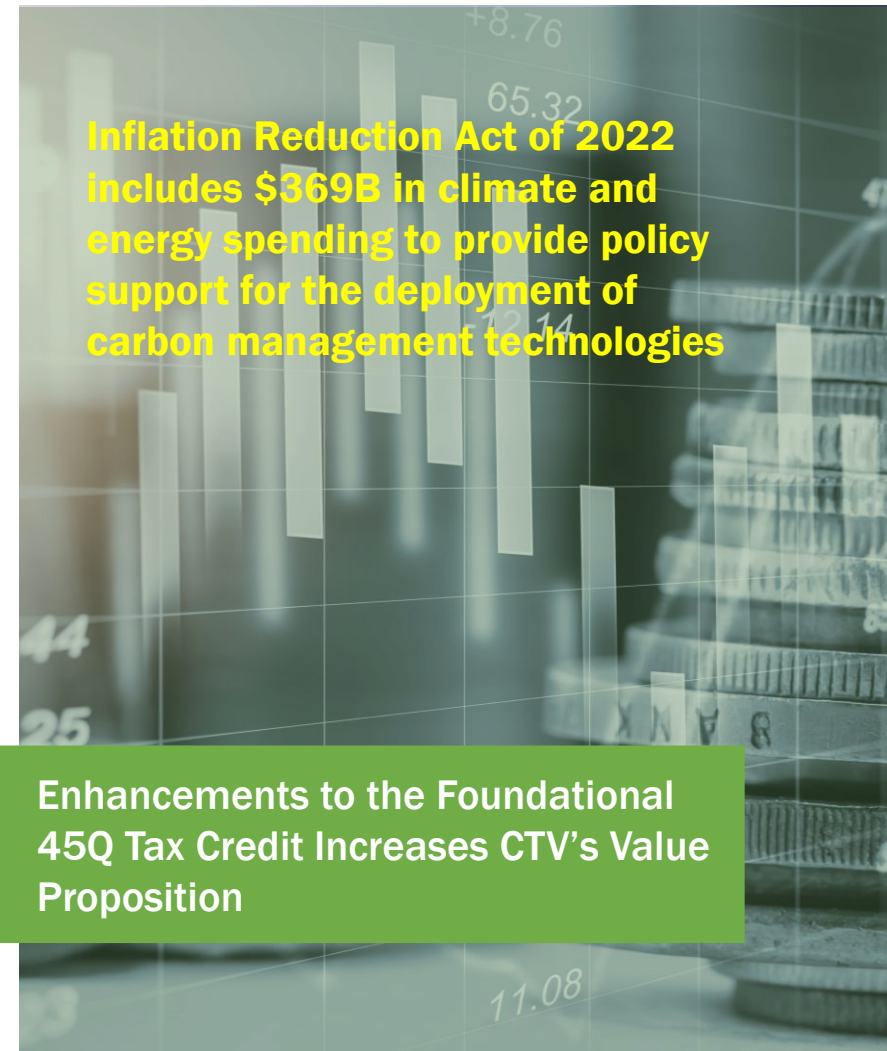
Project developers will have the **option to access direct pay for the full value of the tax credit** for the 5 first years once the carbon capture equipment has been placed in service and can freely sell or transfer the credits for the remaining 7 years of the 12-year credit period



45Q value increased to \$85/MT for CO₂ permanently stored in geological formations and \$60/MT for CO₂ that is either used in qualified Enhanced Oil or Gas Recovery projects or beneficially utilized



Significantly **lowers the annual CO₂ capture thresholds** to qualify for the 45Q benefits



Inflation Reduction Act of 2022 includes \$369B in climate and energy spending to provide policy support for the deployment of carbon management technologies

Enhancements to the Foundational 45Q Tax Credit Increases CTV's Value Proposition



Strategic Partnership Develops Economic Carbon Management Opportunities in California

Assumed Potential Economic Incentives¹



FEDERAL 45Q TAX CREDIT

\$50 (2026) Est. Value (per MT of CO₂) for Carbon Capture or \$35 (2026) Est. Value (per MT of CO₂) for EOR Injection



Future Potential through Inflation Reduction Act of 2022: \$85 & \$60 (2026) Est. Value (per MT of CO₂) for Carbon Capture in Geologic Formations and for Oil and Gas Fields / EOR Injection, respectively



CALIFORNIA LOW CARBON FUEL STANDARD (LCFS)

~\$120 Est. Value Range (per MT of CO₂)



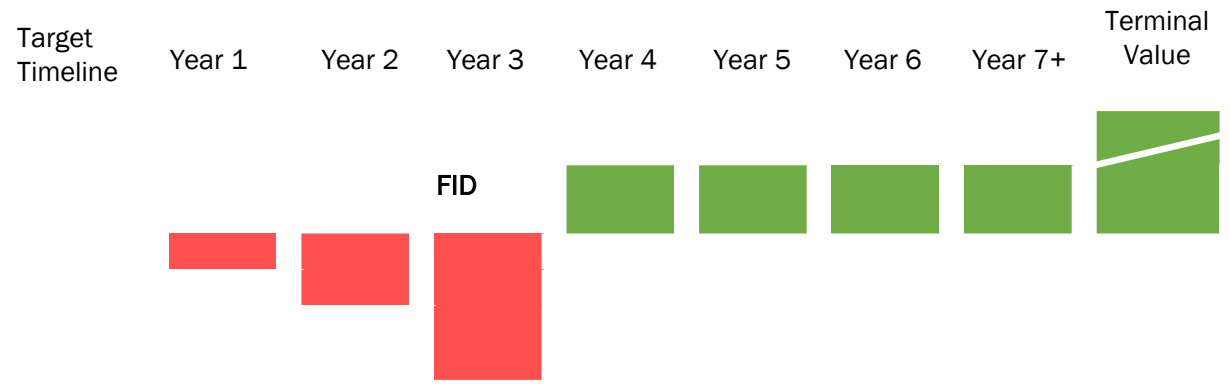
CALIFORNIA CAP & TRADE PROGRAM POTENTIAL²

Average trading price YTD is at ~\$30 per MT of CO₂

EXAMPLE PROJECT ASSUMPTIONS

Please see slide 17 for a description of assumptions used above. This information is an example of project economics for a strategic partnership project. The terms and availability of third-party sources of financing, if needed, could also affect returns and outcomes.

Example Strategic Partnership Project Cash Flow Profile³



Example Strategic Partnership Economics



An average CTV project could generate on average **\$50 to \$100 of EBITDA⁴ per metric ton injected per annum** depending on project structure.



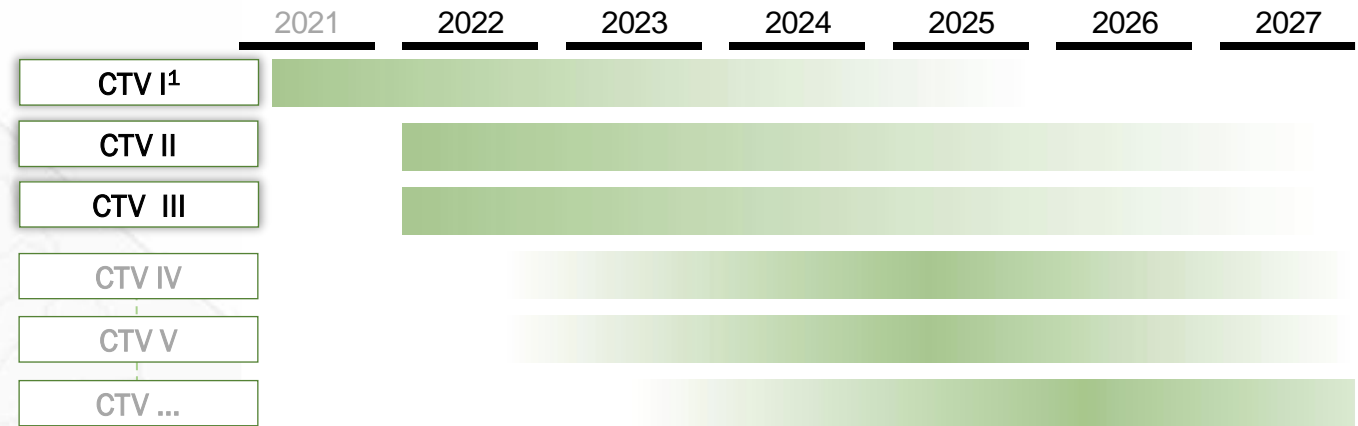
(1) Source: LCFS YTD average price of \$123 per MT of CO₂ - The California Air Resources Board - average 2022 Type 1 transfer YTD pricing as of July 15, 2022; Future potential of 45Q based on the assumption that the tax credit will be raised from the current pricing of \$50 per MT of CO₂ for Carbon Capture and \$35 per MT of CO₂ for EOR as per fas.org (2) Source: CARB; California's Cap and Trade program currently doesn't cover CCS and requires regulatory changes to be implemented that may not materialize. Represents average auction prices for 2022 as of July 15, 2022. (3) Est. cash flow positive in year 4 with payback period of ~ 4 to 6 years and reflects the midpoint of range estimates) (4) Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP measure.

Strategic Partnership Aligned with CRC's CMB Goals - On Track for 5MMTPA Target by YE2027



- 
Aligned with CRC's 2027 goal: The Strategic Partnership is targeting the injection of 5MMTPA and 200MMT of CO₂ storage development
- 
 As partnership gets expanded across current development opportunities, these projects will be further refined and potentially contributed to the partnership

Announced CTV Projects



Early-Stage CRC Development Goals

By YE2025: 1st Injection²
 By YE2027: 5MMTPA injection



Strategic Partnership for a Scalable business model that **Lowers Carbon Emissions, Drives Value & Unlocks Future Decarbonization Opportunities**



Source: Internal estimates. (1) CTV I consists of both the 26R and A1/A2 reservoirs, of which only the 26R reservoir is being contributed to the strategic partnership with Brookfield at this time. (2) Source dependent for capture system. First injection date dependent on permitting and capture facility type.



**Advancing The
Energy Transition
in California**



**Kern County Energy Transition
\$2.5MM Pledge**



CRC Carbon Management Institute at Kern Community College District

- Research and Development
- Community Outreach and Education
- Workforce Training
- Carbon Management Academies

CRC Energy Transition Lecture Series at California State University Bakersfield

- Annual lectures focused on topics relevant to energy transition
- Includes scholarships for energy-related majors



CRC's **2022 Community Giving Goal** for Kern County is approximately \$900K

CRC supports 56 organizations in Kern County

CRC gives back to our local California communities where we are producing low CI fuel and developing carbon management initiatives



Supplemental Materials

> Assumptions:

Information presented on slide 13 shows example project economics for a strategic partnership with Brookfield. This information is an example of project economics for the strategic partnership. The terms and availability of third-party sources of financing, if needed, could also affect returns and outcomes.

- Assumes 1MMT injected per year for 40-year project life.
- High end of OPEX range assumes end-to-end value chain business model and low-end assumes carbon storage business model, both described on slide 19 of CRC's Carbon Storage Update on October 6, 2021
- Capex range assumes project capital of between \$200MM and \$800MM for an end-to-end business model. Project/partnership structures where CRC provides storage only could result in capital ranges below stated ranges.
- Based on incentives available under current regulatory framework.
- The EBITDA¹ range has been reduced by ~20% – 50% to reflect uncertainties related to project structure, financing and ownership.
- Assumes total incentive potential can be monetized through tax equity brokers and LCFS monetized in the LCFS trading marketplace and recorded as revenue. For simplicity, a 5-year accelerated straight line depreciation and amortization is assumed. Assumes no bonus depreciation.
- Payback period is defined as total CRC investment / annual cash flow and is specifically for CTV JV project level economics.

(1) Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP measure.



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