

NEWS RELEASE – FINAL

Carbon TerraVault's California DAC Hub Consortium Selected for U.S. DOE Funding to Bring Direct Air Capture and Storage to the Golden State

Project Intends to Advance California's Climate Leadership and Transformative Benefits to Local Communities

LONG BEACH, California, August 11, 2023 – Carbon TerraVault Holdings, LLC (CTV), a subsidiary of California Resources Corporation (NYSE: CRC), today announced that the [California Direct Air Capture \(DAC\) Hub](#) has been selected to receive \$11.8 million in funding from the U.S. Department of Energy (DOE) under its Regional DAC Hubs Initiative related to the proposed development of California's first full-scale DAC plus storage (DAC+S) network of regional hubs. DAC+S is a solution that is intended to remove and then permanently store atmospheric carbon dioxide (CO₂) using low carbon emission energy and provide economic benefits to surrounding communities. This first DOE amount will be used to perform Front End Engineering Design (FEED) studies in 2024 on the proposed DAC facilities in Kern County, followed up with additional funding requests and planned development and construction potentially beginning in 2025. With selection for the DOE funding, the California DAC Hub is also eligible for additional funding from the California Energy Commission.

The California DAC Hub is being led by CTV Direct, LLC, a wholly owned subsidiary of CTV focused exclusively on DAC+S; Kern Community College District (KernCCD), the community benefits plan lead; and EPRI, a non-profit energy research and development institute. The California DAC Hub consortium is comprised of approximately 40 organizations from across industry, community, tribes, government, technology, national labs, academia, labor, and workforce development. The California DAC Hub is expected to help accelerate the Golden State's climate leadership and achieve its carbon neutrality goal. It also plans to prioritize surrounding under-represented California communities through transformative benefits potentially including:

- Helping optimize the use of renewable energy
- Utilization of reclaimed water and/or production of new water
- Quality union jobs in construction and low carbon energy technologies
- Science, technology, engineering, and math (STEM) and energy transition education programs

The California DAC Hub consortium is pursuing funding to develop a network of DAC+S hubs across the state under the DOE's Regional DAC Hubs Initiative, as outlined under the \$3.5 billion Funding Opportunity Announcement (FOA), to accelerate the commercialization of atmospheric CO₂ removal via integrated capture, processing, transport, and secure permanent geologic storage. CO₂ from DAC+S hubs will not be used for enhanced oil recovery. Key to the success of the California DAC Hub will be strong relationships with diverse community stakeholders to develop an equitable, just, and environmentally responsible approach to the project.

The first hub is planned to launch in Kern County, California, and the consortium will look to expand to other locations across the state. Each hub is expected to provide tangible energy transition benefits to surrounding communities, such as high-paying and permanent jobs and workforce development programs for this cutting-edge industry, to help California progress toward its 2030 and 2045 carbon removal goals.

“We are thrilled with being awarded this DOE funding to create California DAC Hub and help California meet its ambitious climate goals,” said Chris Gould, CRC Chief Sustainability Officer and CTV Managing Director.

“Innovative solutions such as DAC+S are important to help decarbonize our economy and I cannot imagine a better group than our California DAC Hub consortium, which is made up of amazing and passionate organizations who are committed to working together and excited to take the next step to accelerate the energy transition, and benefit working families throughout our California communities.”

“KernCCD is honored to lead the community benefits plan through the lens of equity,” said Zav Dadabhoy, KernCCD Deputy Chancellor. “As we embrace the technology that will create the jobs of the future, it is incumbent to ensure that the wealth created in the process benefits the people and communities where the projects are located. By working with employers to create good jobs and career pathways, we ensure two-way engagement, transparency and that the benefits are invested to support a clean energy economy, especially in our rural areas. Congratulations to the California DAC Hub team for bringing together community partners, tribes, national labs, technology, academia, federal, state and local officials, and industry to make this happen.”

“The next phase of the energy transition will require both emerging low-carbon technologies and the infrastructure to support them,” said Neva Espinoza, EPRI Vice President, Energy Supply and Low-Carbon Resources. “This consortium aims to drive fundamental advancements on both fronts through a collaborative focus on direct air capture technology and the CO₂ sequestration required to realize its carbon reduction benefits.”

Led by CTV Direct, KernCCD and EPRI, the California DAC Hub consortium includes the following organizations and may expand as appropriate based on further community engagement and future regional hub locations:

- **Industry** – Accenture, AECOM, Bloom Energy, Brookfield Renewable, Carbon TerraVault, EPRI, GeothermEx, GreenFire Energy, Pacific Gas and Electric (PG&E), Sage Geosystems, and Southern California Gas Company (SoCalGas)
- **Technology** – Avnos and Climeworks
- **Academia** – Bakersfield College, CSUB, Taft College, and the University of California, Los Angeles (UCLA) Institute for Carbon Management
- **National Labs** – Lawrence Livermore National Laboratory (LLNL), Livermore Lab Foundation (LLF), National Renewable Energy Laboratory (NREL), and Pacific Northwest National Laboratory (PNNL)
- **Community** – African American Network of Kern County (AANKC), B3K Prosperity, Community Action Partnership of Kern (CAPK), Grandma Whoople Enterprises, Greater Bakersfield Chamber of Commerce, KernCCD, Kern County Black Chamber of Commerce, Kern Economic Development Corporation (KEDC), Kern County Hispanic Chamber of Commerce (KCHCC), Mexican American Opportunity Foundation (MAOF), National Impact Mentoring and Training Program (NIMTP), The Open Door Network, Tejon Indian Tribe, and the West Side Recreation & Park District
- **Government** – City of Bakersfield and the West Kern Water District (WKWD)
- **Labor** – Employers’ Training Resource (ETR), International Brotherhood of Electrical Workers (IBEW) – Local 428; International Union of Operating Engineers – Local 12, Kern, Inyo, Mono Counties Building Trades Council, and the State Building and Construction Trades Council of California (SBCTC)

CTV is committed to engaging with our community-based organizations and including them throughout the development of the California DAC Hub and future associated regional hubs. Open and meaningful dialogue with our diverse stakeholders is a priority for the consortium as we expand the participation of organizations and local communities.

Thank you to the organizations and legislators that support DAC and the California DAC Hub.

“California is pioneering new solutions to fight climate change,” said California Governor Gavin Newsom. “It’s not enough to cut emissions – we have to go further by actively removing carbon pollution from the atmosphere. This project will be the first of its kind in our state and will help us meet our world-leading climate goals.”

“This Department of Energy award is an important first step to help meet California’s climate goals,” said California State Treasurer Fiona Ma. “The California DAC Hub community benefits plan developed in partnership with local communities will deliver economic and environmental benefits. I look forward to working with the California DAC Hub Consortium on this project which will serve as a HUB model across California.”

“The investment and high road job opportunities that come with the grant of a Direct Air Capture Hub will allow California to build upon our current emission reduction strategies and reach our climate change goals with greater determination,” said California State Senator Anna M. Caballero. “With its location in the Central Valley, the Direct Air Capture Hub will both be a boost to our local economy and launch the next phase of carbon reduction climate action in California and the nation. I look forward to supporting its implementation and working to ensure we use this opportunity to its utmost potential.”

About Carbon TerraVault Holdings

Carbon TerraVault Holdings, LLC (CTV), a subsidiary of CRC, provides services that include the capture, transport and storage of carbon dioxide for its customers. CTV is engaged in a series of CCS projects that inject carbon dioxide (CO₂) captured from industrial sources into depleted underground reservoirs and permanently store CO₂ deep underground. CTV Direct is a wholly owned subsidiary of CTV focused on direct air capture. For more information, visit www.carbonterravault.com.

About EPRI

Founded in 1972, EPRI is the world's preeminent independent, non-profit energy research and development organization, with offices around the world. EPRI's trusted experts collaborate with more than 450 companies in 45 countries, driving innovation to ensure the public has clean, safe, reliable, affordable, and equitable access to electricity across the globe. Together, we are shaping the future of energy.

About Kern Community College District

Kern Community College District (KernCCD) serves more than 33,000 students in communities over 24,800 square miles in parts of Kern, Tulare, Inyo, Mono and San Bernardino counties through the programs of Bakersfield College, Cerro Coso College, and Porterville College.

Cautionary Note Regarding Forward-Looking Statements

This press release 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 CRC believes 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, but are not limited to: legislative or regulatory changes, including those related to direct air capture and the availability of related tax credits; our ability to successfully develop and finance direct air capture projects, including our ability to obtain funding from the federal government and other financing sources; availability or timing of, or conditions imposed on, permits and approvals necessary for direct air capture and other carbon management projects; and the other risks and uncertainties set forth in the CRC’s Annual Report on Form 10-K for the year ended December 31, 2021 (especially in Part I, Item 1A. Risk Factors and Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations) and in the CRC’s other filings with the SEC. There may be other factors of which CRC is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. CRC does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.

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