“Low carbon intensity fuel for today, Net Zero fuel for the future”

CTV’s First Permanent Carbon Storage Project

December 07, 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 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) the location, drilling, completion, well stimulation, operation, maintenance or abandonment of wells or facilities, (ii) the management of energy, water, land, greenhouse gases (GHGs) or other emissions, (iii) the protection of health, safety and the environment, (iv) the availability of and our ability to claim and utilize tax credits or other incentives, or (v) the transportation, marketing and sale of our products and CO2;
- 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 cashflows and the inability to replace reserves;
- Our ability to achieve similar financial or operational results in the future as in prior periods, including with respect to free cash flow;
- the recoverability of resources and unexpected geologic conditions;
- 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 the benefits contemplated by the business strategies and initiatives related to energy transition, including carbon capture and storage projects and other renewable energy efforts;
- our 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;
- our ability to finalize definitive documents and reach a final investment decision with respect to the project contemplated by a carbon development management agreement, and our ability to enter into new carbon development management agreements that are under discussion with other counterparties;
- the ability of the Lone Cypress Hydrogen Project to achieve expected production volumes of hydrogen and associated CO2 and the ability of the CTV JV to sequester such CO2 volumes;
- global geopolitical, socio-demographic and economic trends and technological innovations;
- changes in our dividend policy and our ability to declare future dividends under our debt agreements;
- changes in our share repurchase program and our capacity to repurchase shares under our debt agreements;
- 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 our capital plan and other planned investments, stock repurchases and dividends;
- insufficient capital or lack of liquidity in the 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;
- our ability to achieve expected synergies from joint ventures and acquisitions;
- our ability to utilize our net operating loss carryforwards 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

We caution you not to place undue reliance on forward-looking statements contained in this document, which speak only as of the filing date, 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.
Announcing a CDMA for CTV I’s First Storage Project
Signed CDMA for 100,000 MTPA CO₂ storage project²

In Advanced Discussions on CDMA Terms with ~1 MMTPA of Emissions
On track to achieve CTV JV CO₂ sequestration goal of 5 MMTPA by YE 2027
Most advanced Class VI EPA permits application position in California

Introducing The Net Zero Industrial Park
Leveraging world class Elk Hills CO₂ sequestration assets and surface footprint to partner with greenfield projects to create a Net Zero Industrial Park within Elk Hills

The Carbon Dioxide Management Agreement (CDMA) Outlines Material Economics and Key Terms and Provides a Clear Path for the Parties to Negotiate Definitive Documents and Reach Final Investment Decision

Est. California’s Total CCS Market Opportunity¹
150 - 210 MMTPA

Ongoing discussions for
~ 8 MMTPA

Advanced discussions on CDMA terms
~ 1 MMTPA

CDMA for California’s first 100,000 MTPA CO₂ Storage Project

Note: CCS = Carbon Capture and Sequestration. MTPA = metric tons per annum. MMTPA = million metric tons per annum. MMT = million metric tons. CTV = Carbon TerraVault. CTV I = CTV’s previously announced 26R and A1/A2 vaults at Elk Hills field with total sequestration capacity of ~ 40 MMT. CTV JV = Carbon management partnership focused on CCS development, which was formed between CTV, a subsidiary of CRC, and Brookfield Renewable. (1) Internal estimates. (2) Definitive agreements are subject to CTV JV project development and investment committee approval.
CTV JV Continues to Accelerate The Energy Transition in California With Its First CDMA

CDMA DETAILS FOR CTV I’s FIRST STORAGE PROJECT

- Lone Cypress to construct a 30 tons per day (TPD) blue hydrogen facility at Elk Hills using its proprietary technology
- CTV JV will provide permanent sequestration for 100,000 MTPA using CTV I 26R storage vault, including compression and the lease of land
- Project FID targeted in late 2023; commercial operations targeted in late 2025
- CTV JV will receive an injection fee to be paid on a per ton basis that fits within our previously disclosed economic type curve for storage only projects that do not require capture capital or significant transportation costs
- Combination of CTV I first storage project and Lone Cypress hydrogen facility will be eligible for 45Q tax credits as well as LCFS credits
- CTV JV has the right to participate in the blue hydrogen facility up to and including a majority equity stake
- Expansion of the blue hydrogen facility to 60 tons per day is under consideration

Note: MTPA = metric tons per annum. The exact Lone Cypress Hydrogen Project location within Elk Hills is TBD. IRR = Internal Rate of Return. (1) See slides 27, 28, 30 and 38 of CRC’s 3Q22 earnings deck for the latest details on the CTV JV project economic type curve. (2) This project would qualify for LCFS credits to the extent it sells the blue hydrogen to the mobility market (e.g., hydrogen powered vehicles). (3) Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP measure. EBITDA estimates include 45Q tax credits. (4) Depicts illustrative examples of expected IRR, EBITDA and capital expenditure requirements based on internal estimates. Actual results could differ materially.
New Energy Projects

Hydrogen
- Elk Hills Lone Cypress Hydrogen Project with CTV JV as a Key Partner
  - 30 TPD blue hydrogen steam methane reforming (SMR) facility
  - Targeted FID in late 2023
    - Finalize engineering in 1H23
    - Formalize off-take arrangements by 2H23
      - The majority of the hydrogen production volume is expected to be supported by off-takers committed to energy transition in California once the project is FID
- First hydrogen production targeted in late 2025
- Confidential - Lone Cypress Hydrogen Facility, Canada – Project Manager (Currently in late-stage development)
  - 30 TPD SMR Facility

Waste and Energy
- Waste to Renewable Fuels Facilities

Source: Lone Cypress. For more information, please visit www.lonecypressenergyservices.com.

“CTV’s unique expertise in subsurface operations and permitting, large CO₂ storage position and ability to deliver on highly complex and capital-intensive projects provide us with a clear line of sight as we continue to evaluate additional projects in California …”

- Greg Brooks, President and Founder of Lone Cypress Energy Services
Leveraging CRC’s Flagship Elk Hills Asset to Create a Net Zero Industrial Park

Elk Hills provides ideal conditions to attract greenfield projects, given

- Large 47,000 acres land position at Elk Hills for potential infrastructure development
- Built out advanced infrastructure including midstream, roads, water, power and gas
- Proximity to ~40 MMT of EPA Class VI reservoirs with most advanced permits in California (filed in 2021)
- Additional Elk Hills reservoirs are currently being evaluated for new EPA Class VI permit applications

By combining CRC’s Elk Hills surface acreage and world class CO₂ sequestration reservoirs, CTV JV can potentially replicate greenfield opportunities such as the Lone Cypress Hydrogen Project multiple times over to create a Net Zero Industrial Park.

“\textit{We established ambitious and necessary goals to reduce carbon emission ... We provided the tools industry needs to capture and store carbon before it hits the atmosphere ... creating jobs that will support families across the state.}”

- G. Newsom, Governor of California, November 16, 2022

Highlights CRC’s strong energy transition commitment through the economic repurposing of legacy assets and employment creation

- Provides incremental pore space to support the Net Zero Industrial Park
- Converts decommissioning liability from depleted reservoirs into revenue generating assets
- Access to land and amenities incentivizes low carbon investments
- Access to skilled energy transition workforce for operations and construction

Note: The exact Lone Cypress Hydrogen Project location within Elk Hills is TBD. MMT = million metric tons. (1) Internal estimates. (2) Additional infrastructure development requires Conditional Use and other permits from Kern County.