Carbon TerraVault Provides Second Quarter 2025 Update

August 5, 2025

Carbon TerraVault JV Received Authorization to Construct CO_2 Injection Wells From the U.S. EPA

LONG BEACH, Calif., Aug. 05, 2025 (GLOBE NEWSWIRE) -- Carbon TerraVault Holdings, LLC (CTV), a carbon management subsidiary of California Resources Corporation (NYSE: CRC), today provided an update on second quarter 2025 operating and financial results.

"We remain intensely focused on executing CRC's first CCS project at Elk Hills — a foundational step in enabling real decarbonization for California, capturing cross-functional value, and delivering returns," said Francisco Leon, President and CEO of CRC. "With construction targeted for completion by year-end 2025 and EPA permitting milestones achieved, this project cements our leadership in California's energy transition. As the state's first carbon capture and storage initiative, it demonstrates our ability to turn permitting progress into real-world climate solutions — and we're proud that Carbon TerraVault is helping advance California's ambitious climate goals."

Highlights

- CTV JV received authorization to construct from the U.S. Environmental Protection Agency (EPA) for carbon dioxide (CO_2) injection wells for the 26R storage reservoir. For additional information regarding CTV's Class VI permits, please visit www.epa.gov
- Targeting completion of California's first carbon capture and storage (CCS) project at CRC's Elk Hills cryogenic gas plant at or around year-end 2025. Pending the receipt of final regulatory approvals, CTV will be ready to inject early in 2026
- Engaged in discussions with multiple potential counterparties to supply power from the Elk Hills power plant, with a carbon capture and storage pathway leveraging CTV's CO_2 storage reservoirs to enable for a decarbonized energy solution

Carbon Management Business (CMB) Second Quarter 2025 Comparative Financial Results

Selected Financial Statement Data and non-GAAP measures: ($ in millions)	**2nd Quarter 2025**	1st Quarter 2025
Selected Expenses		
Other operating expenses, net[1]	**$ 14**	$ 18
General and administrative expenses	**$ 3**	$ 3
Capital and Non-GAAP Measures		
Capital investments	**$ 5**	$ 2
Adjusted EBITDAX[2]	**$ (17)**	$ (21)

Guidance

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

	3Q25E	**Total Year 2025E**
Capital	$8 - $10	$20 - $30
Other operating expenses, net[1]	$7 - $13	$45 - $60
General and administrative expenses	$2 - $4	$10 - $15
Adjusted EBITDAX[2]	$(15) - $(11)	($68) - ($64)

[1] Other operating expenses, net includes lease cost for sequestration easements, advocacy, and other startup related costs.

[2] See Attachment 3 of CRC's 2Q25 earnings release for the non-GAAP financial measure of adjusted EBITDAX, including a reconciliation to its most directly comparable GAAP measure. See Attachment 2 of CRC's 2Q25 earnings release for the 3Q25 and 2025 estimates of the non-GAAP measure of adjusted EBITDAX, including a reconciliation to its most directly comparable

GAAP measure.

About Carbon TerraVault

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

About Carbon TerraVault Joint Venture

Carbon TerraVault Joint Venture (CTV JV) is a carbon management partnership focused on CCS 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. These 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 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 are described in its most recent Annual Report on Form 10-K and its other periodic filings with the Securities and Exchange Commission. These factors include, but are not limited to: fluctuations in commodity prices; production levels and/or pricing by OPEC, OPEC+ or U.S. producers; government policy, war and political conditions and events; integration efforts and projected benefits in connection with the Aera Merger and other acquisitions, divestitures and joint ventures; regulatory actions and changes that affect the oil and gas industry generally and us in particular; the efforts of activists to delay prevent oil and gas activities or the development of CRC's carbon management segment; changes in business strategy and capital plan; lower-than-expected production; changes to estimates of reserves and related future cash flows; the recoverability of resources and unexpected geologic conditions; general economic conditions and trends; 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; the benefits contemplated by its energy transition strategies and initiatives; CRC's ability to successfully identify, develop and finance carbon capture and storage projects, power projects and other renewable energy efforts; future dividends and share repurchases and de-leveraging efforts; and natural disasters, accidents, mechanical failures, power outages, labor difficulties, cybersecurity breaches or attacks or other catastrophic events.

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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