



U.S. EPA Releases Draft Class VI Permits to CRC's Carbon TerraVault for CO₂ Injection and Storage in California

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Milestone Represents Nation's First for Use of Depleted Oil and Natural Gas Fields to Capture CO₂

LONG BEACH, Calif.--(BUSINESS WIRE)-- California Resources Corporation (NYSE:CRC) and its carbon management business, Carbon TerraVault (CTV), today announced that the U.S. Environmental Protection Agency (EPA) released draft Class VI well permits for underground carbon dioxide (CO₂) injection and storage in CTV's 26-R reservoir located within the CTV I carbon capture and storage (CCS) vault at the Elk Hills Field in Kern County, California. This marks an important step in advancing the development of clean energy projects in the state.

The proposed wells are California's first draft permits for underground CO₂ sequestration, as well as the first draft permits utilizing a depleted oil and natural gas field in the U.S.

"This is a significant milestone for California as it moves to attain its ambitious climate goals," said Francisco Leon, CRC President and Chief Executive Officer. "We are committed to supporting the state in reaching carbon neutrality and developing a more sustainable future for all Californians."

The 26-R reservoir at Elk Hills has an expected injection rate of 1.46 million metric tons (MT) per annum and a total estimated capacity of up to 38 million MT. The reservoir is part of CTV I which has a total estimated storage of up to 46 million MT. The Elk Hills Field spans nearly 75 square miles and is of particular focus for future CCS projects due to its significant storage potential through multiple depleted hydrocarbon reservoirs and its industrial location. The California Energy Commission has referred to the Elk Hills Field as "one of the premier CO₂ sequestration sites in the U.S. ...an optimal site for the safe and secure sequestration of CO₂." CTV has partnered with several clean technology companies to develop greenfield projects at Elk Hills. These projects are expected to generate new jobs in new clean energy industries that will rely on the CTV I storage reservoirs.

The draft EPA permits are available for public review (<https://www.epa.gov/publicnotices/intent-issue-class-vi-underground-injection-control-permits-carbon-terravault-jv>) and comment for the next 90 days.

About Carbon TerraVault

Carbon TerraVault (CTV) is CRC's carbon management business and is developing services to capture, transport and permanently store CO₂ for its customers. CTV is engaged in a series of CCS projects that will inject CO₂ captured from industrial sources into depleted underground reservoirs and permanently store CO₂ deep underground. For more information, visit www.carbonterravault.com.

Cautionary Note Regarding Forward-Looking Statements

This press release 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. 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 CRC's 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 include: (i) EPA's decision to issue or withhold final Class VI permits and the availability or timing of, or conditions imposed on, any final Class VI permits issued to CRC; (ii) regulatory actions and changes that affect CRC, including any other permits and approvals necessary for CRC's carbon management business; (iii) CRC's ability to claim and utilize tax credits or other incentives in connection with its CCS projects; (iv) CRC's ability to realize the benefits contemplated by its energy transition strategies and initiatives, including CCS projects and other renewable energy efforts; (v) 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; (vi) CRC's ability to convert its Carbon Dioxide Management Agreements (CDMAs) to definitive agreements and enter into other offtake agreements; (vii) CRC's ability to maximize the value of its carbon management business and operate it on a stand-alone basis; (viii) CRC's ability to successfully develop infrastructure projects and enter into third party contracts on contemplated terms; and (ix) those expressed in its forward-looking statements

include those factors discussed in Part I, Item 1A – Risk Factors in CRC's Annual Report on Form 10-K and its other SEC filings available at www.crc.com. CRC cautions you not to place undue reliance on forward-looking statements contained in this press release, which speak only as of the filing date, and CRC undertakes no obligation to update this information. This press release 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 do not warrant the accuracy or completeness of such third-party information.

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