



NEXT Carbon Solutions and California Resources Corporation Agree to FEED Study

May 5, 2022

HOUSTON--(BUSINESS WIRE)--May 5, 2022-- NEXT Carbon Solutions (NCS), a subsidiary of NextDecade Corporation (NASDAQ: NEXT) and California Resources Corporation (NYSE: CRC) today jointly announced the execution of an agreement (Agreement) to further explore the decarbonization of CRC's Elk Hills Power Plant. Through the deployment of NCS' proprietary post-combustion carbon capture processes for CRC's CalCapture CCS+ project, the companies seek to capture and utilize the emissions from the Elk Hills Power Plant for permanent storage in oil producing reservoirs.

Pursuant to the Agreement, NCS will perform a front-end engineering design (FEED) study for the post combustion capture and compression of up to 95% of the carbon dioxide (CO₂) produced at the Elk Hills Power Plant, a 550-megawatt (MW) natural gas, combined-cycle power plant, located in Kern County, California. The FEED is projected to take approximately six (6) months to complete. During the FEED, NCS and CRC expect to finalize definitive commercial documents allowing the CalCapture CCS+ project to proceed with a final investment decision following completion of the FEED.

"NEXT Carbon Solutions is developing proprietary processes which are expected to capture up to 95% of CO₂ emissions at the Elk Hills Power Plant while lowering the cost of post combustion carbon capture," said Matt Schatzman, Chairman and CEO of NextDecade Corporation. "We look forward to advancing NEXT Carbon Solutions' proprietary processes for CRC's CalCapture CCS+ project and with their leading CCS position in California."

Mac McFarland, President and Chief Executive Officer of California Resources Corporation stated, "CRC is committed to responsibly meeting California's energy demands while reducing our carbon intensity. The CalCapture CCS+ project has the potential to be the first homegrown net zero barrel made in California by Californians while capturing and storing 28 million metric tonnes of CO₂ over its project life. This locally created energy is crucial for a state with high environmental standards that also imports over 70 percent of its crude oil needs with a higher carbon intensity than what can be made locally. We are excited by NCS' proprietary carbon capture processes which lower costs and demonstrate scalable carbon solutions to help California achieve its energy goals."

About NextDecade Corporation

NextDecade Corporation (NextDecade) is a clean energy company accelerating the path to a net-zero future. Leading innovation in greener LNG and carbon capture solutions, NextDecade is committed to providing the world access to cleaner energy. Through its wholly owned subsidiaries Rio Grande LNG and NEXT Carbon Solutions, NextDecade is developing a 27 mtpa LNG export facility in South Texas along with one of the largest carbon capture and storage projects in North America. NextDecade is also working with third-party customers around the world to deploy its proprietary processes to lower the cost of carbon capture and storage and reduce CO₂ emissions at their industrial-scale facilities. NextDecade's common stock is listed on the Nasdaq Stock Market under the symbol "NEXT." NextDecade is headquartered in Houston, Texas. For more information, please visit www.next-decade.com.

About California Resources Corporation

California Resources Corporation (CRC) is an independent oil and natural gas company committed to energy transition in the sector. CRC has some of the lowest carbon intensity production in the US and we are focused on maximizing the value of our land, mineral and technical resources for decarbonization by developing carbon capture and storage (CCS) and other emissions reducing projects. For more information about CRC, please visit www.crc.com.

NextDecade Forward-Looking Information

This press release contains forward-looking statements within the meaning of U.S. federal securities laws. The words "anticipate," "contemplate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "might," "will," "would," "could," "should," "can have," "likely," "continue," "design" "assume," "budget," "guidance," and "forecast" and other words and terms of similar expressions are intended to identify forward-looking statements, and these statements may relate to the business of NextDecade and its subsidiaries. These statements have been based on assumptions and analysis made by NextDecade in light of current expectations, perceptions of historical trends, current conditions and projections about future events and trends and involve a number of known and unknown risks, which may cause actual results to differ materially from expectations expressed or implied in the forward-looking statements. These risks include NextDecade's progress in the development of its LNG liquefaction and export projects and CCS projects and the timing of that progress; the timing of achieving a final investment decision on the Rio Grande LNG terminal (the "Terminal"); reliance on third-party contractors to successfully complete the Terminal, the pipeline to supply gas to the Terminal and any CCS projects; ability to develop NCS' business through implementation of CCS projects; ability to secure

additional debt and equity financing in the future to complete the Terminal and CCS projects on commercially acceptable terms; accuracy of estimated costs for the Terminal and CCS projects; ability to achieve operational characteristics of the Terminal and CCS projects, when completed, including liquefaction capacities and amount of CO₂ captured and stored, and any differences in such operational characteristics from expectations; development risks, operational hazards and regulatory approvals applicable to NextDecade's development, construction and operation activities and those of its third-party contractors and counterparties; technological innovation which may lessen NextDecade's anticipated competitive advantage or demand for its offerings; global demand for and price of LNG; availability of LNG vessels worldwide; changes in legislation and regulations relating to the LNG and CCS industries, including environmental laws and regulations that impose significant compliance costs and liabilities; scope of implementation of carbon pricing regimes aimed at reducing greenhouse gas emissions; global development and maturation of emissions reduction credit markets; adverse changes to existing or proposed carbon tax incentive regimes; global pandemics, including the 2019 novel coronavirus pandemic, the Russia-Ukraine conflict, other sources of volatility in the energy markets and their impact on NextDecade's business and operating results, including any disruptions in its operations or development of the Terminal and the health and safety of its employees, and on its customers, the global economy and the demand for LNG; risks related to doing business in and having counterparties in foreign countries; NextDecade's ability to maintain the listing of our securities on the Nasdaq Capital Market or another securities exchange or quotation medium; changes adversely affecting the businesses in which NextDecade is engaged; management of growth; general economic conditions; ability to generate cash; and the result of future financing efforts and applications for customary tax incentives; and other matters discussed in the "Risk Factors" section of NextDecade's most recent Annual Report on Form 10-K and subsequent reports filed with the Securities and Exchange Commission. Additionally, any development of the Terminal or CCS projects remains contingent upon completing required commercial agreements, securing all financing commitments and potential tax incentives, achieving other customary conditions and making a final investment decision to proceed. The forward-looking statements in this press release speak as of the date of this release. Although NextDecade believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that the expectations will prove to be correct. NextDecade may from time to time voluntarily update its prior forward-looking statements, however, it disclaims any commitment to do so except as required by securities laws.

California Resources Corporation Forward-Looking Statements

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

- fluctuations in commodity prices and the potential for sustained low oil, natural gas and natural gas liquids prices;
- 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 projects;
- changes in business strategy and CRC's 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;
- CRC's ability to realize the benefits of business strategies and initiatives related to energy transition, including carbon capture and storage projects and other renewable energy efforts;
- CRC's ability to finance and implement its carbon capture and storage projects;
- 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 CRC's 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 CRC's 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 CRC's ability to achieve expected synergies;
- CRC's ability to utilize its net operating loss carryforwards to reduce its income tax obligations;

- CRC's ability to successfully gather and verify data regarding emissions, its environmental impacts and other initiatives;
- the compliance of various third parties with CRC's policies and procedures and legal requirements as well as contracts CRC enters into in connection with its climate-related initiatives;
- the effect of CRC's stock price on costs associated with incentive compensation;
- changes in the intensity of competition in the oil and gas industry;
- effects of hedging transactions;
- equipment, service or labor price inflation or unavailability;
- 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 its other SEC filings available at www.crc.com.

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 we have not independently verified them and do not warrant the accuracy or completeness of such third-party information.

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