Carbon TerraVault Provides First Quarter 2024 Update

07.05.2024 | Business Wire

Carbon TerraVault (CTV) today provided an update on its first quarter 2024 operations. California Resources Corp. (NYSE: CRC) conducts its carbon management business through CTV which pursues carbon capture and sequestration (CCS) projects that are directly sited or within close proximity to significant sources of carbon dioxide (CO_2) emissions in California.

"We began our year by continuing to work closely with local communities and other stakeholders on advancing California's first Class VI draft permit through the public opinion period and further strengthening our leading carbon management platform," said Francisco Leon, CRC's President and Chief Executive Officer. "CRC's CCS proposition and its associated decarbonization technologies will further expand and scale up our low-carbon leadership and position CRC to meet the decarbonization needs of California's industrial customers while reducing emissions in our own operations. As we look ahead, CTV and Aera's combined CCS assets and capabilities are expected to further accelerate and expand our decarbonization solutions in the Golden State."

First Quarter 2024 Highlights

- EPA public comment period for draft Class VI well permits for underground CO_2 injection at the 26R storage vault, located at the proposed Clean Energy Park at Elk Hills Field in Kern County has ended
- The CTV JV achieved the milestone for the second installment related to "CTV I - 26R" reservoir pore space contribution in the amount of $46 million
- Anticipating the receipt of final permits for CTV I - 26R reservoir and the release of draft permits for CTV I - A1 / A2 reservoir in the second half of 2024
- Continuing to target the Final Investment Decision (FID) for CTV's first capture-to-storage project at CRC's Elk Hills cryogenic gas plant, located in Kern County in the second half of 2024

EPA Class VI Permitting and Kern County Draft Environmental Impact Review (EIR) Update

In December 2023, the EPA released draft Class VI permits for CTV's "CTV I - 26R" CCS project located at CRC's Elk Hills field in Kern County. These are the first draft permits released by the EPA in California. In December 2023, Kern County also released the draft EIR prepared in connection with the conditional use permit application for CTV I - 26R. In March 2024, the CTV I - 26R Class VI EPA public comment period ended. The EPA is reviewing and developing their results to comments and updating the permit with the goal of permit issuance. CTV anticipates that EPA and Kern County will deliver their final decisions on the permits in the second half of 2024. Additionally, CTV expects the EPA to release draft Class VI permits for CTV's "CTV I - A1 / A2" CCS project located at CRC's Elk Hills field in the second half of 2024.

Pending Aera Merger

On February 7, 2024, CRC entered into a definitive merger agreement (Merger Agreement) to combine with Aera Energy, LLC (Aera) in an all-stock transaction with an effective date of January 1, 2024. The merger will expand CRC's leading carbon management business through the addition of surface acreage and subsurface rights, and significant new CO_2 pore space to enable future CCS development. As a result of this combination, CRC will obtain a pending EPA Class VI permit application for 27 million metric tons (MMT) of storage capacity in the Belridge Field. CRC also expects to submit an additional Class VI permit for approximately 27 MMT of storage at the Coles Levee Field. The Company will have the potential to nearly double its injection rate capacity in the San Joaquin Basin, creating a premier "decarbonization hub" for CO_2 storage.

On March 26, 2024, CRC announced the expiration of the required waiting period under the

Hart-Scott-Rodino Antitrust Improvements Act of 1976 with respect to the pending Aera Merger.

On May 7, 2024, CRC filed the definitive proxy statement for the Aera Merger with the SEC. Closing of the Aera Merger is subject to certain closing conditions, including among others, regulatory approvals and CRC shareholder approval, and is expected to close around mid-year 2024.

For more information about this transaction please visit: https://www.crc.com/news/news-details/2024/California-Resources-Corporation-to-Combine-with-Aera-Energy/default.a

About Carbon TerraVault

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 CO_2 captured from industrial sources into reservoirs to permanently store CO_2 deep underground. For more information about CTV, please visit www.carbonterravault.com.

About Carbon TerraVault Joint Venture

Carbon TerraVault Joint Venture (CTV JV) is a carbon management partnership focused on carbon capture and sequestration development, and was formed between Carbon TerraVault Holdings, a subsidiary of CRC, and Brookfield Renewable. CTV JV will develop both infrastructure and storage assets required for CCS development in California. CRC owns 51% of the CTV JV with Brookfield Renewable owning the remaining 49% interest.

About California Resources Corporation

California Resources Corp. (CRC) is an independent energy and carbon management company committed to energy transition. CRC has some of the lowest carbon intensity production in the US and it is focused on maximizing the value of its land, mineral and technical resources for decarbonization by developing CCS and other emissions reducing projects. For more information about CRC, please visit www.crc.com.

Additional Information and Where to Find It

This communication may be deemed to be solicitation material in respect of the transactions contemplated by the merger agreement pursuant to which California Resources Corp. ("CRC") has agreed to combine with Aera Energy, LLC ("Aera") (the "Merger Agreement"), including the proposed issuance of CRC'S common stock pursuant to the Merger Agreement. In connection with the transaction, CRC filed a proxy statement on Schedule 14A with the U.S. Securities and Exchange Commission ("SEC"), as well as other relevant materials. Following the filing of the definitive proxy statement, CRC mailed the definitive proxy statement and a proxy card to its stockholders. INVESTORS AND SECURITY HOLDERS OF CRC ARE URGED TO READ THE PROXY STATEMENT AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT CRC, AERA, THE TRANSACTION AND RELATED MATTERS. Investors and security holders will be able to obtain copies of the proxy statement (when available) as well as other filings containing information about CRC, Aera and the transaction, without charge, at the SEC's website, www.sec.gov. Copies of documents filed with the SEC by CRC will be available, without charge, at CRC's website, www.crc.com.

Participants in Solicitation

CRC and its directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the transaction. Information about the directors and executive officers of CRC is set forth in the proxy statement for CRC's 2024 Annual Meeting of Stockholders, which was filed with the SEC on March 21, 2024. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement regarding the transaction when it becomes available.

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 its 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. Additionally, the information in this report contains forward-looking statements related to the recently announced Aera merger.

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 the company'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 than those expressed in its forward-looking statements include:

- fluctuations in commodity prices, including supply and demand considerations for CRC's products and services;
- decisions as to production levels and/or pricing by OPEC or U.S. producers in future periods;
- government policy, war and political conditions and events, including the military conflicts in Israel, Ukraine and Yemen and the Red Sea;
- the ability to successfully integrate the business of Aera once the Aera merger is completed;
- the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the Aera merger that could reduce anticipated benefits or cause the parties to abandon the Aera merger;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement;
- the possibility that the stockholders of CRC may not approve the issuance of new shares of common stock in the Aera merger;
- the ability to obtain the required debt financing pursuant to CRC's commitment letters and, if obtained, the potential impact of additional debt on its business and the financial impacts and restrictions due to the additional debt;
- regulatory actions and changes that affect the oil and gas industry generally and CRC in particular, including (1) the availability or timing of, or conditions imposed on, permits and approvals necessary for drilling or development activities or its carbon management business; (2) the management of energy, water, land, greenhouse gases (GHGs) or other emissions, (3) the protection of health, safety and the environment, or (4) the transportation, marketing and sale of the company's products;
- the impact of inflation on future expenses and changes generally in the prices of goods and services;
- changes in business strategy and CRC's capital plan;
- lower-than-expected production or higher-than-expected production decline rates;
- changes to CRC's estimates of reserves and related future cash flows, including changes arising from the inability to develop such reserves in a timely manner, and any inability to replace such reserves;
- the recoverability of resources and unexpected geologic conditions;
- general economic conditions and trends, including conditions in the worldwide financial, trade and credit markets;
- production-sharing contracts' effects on production and operating costs;
- the lack of available equipment, service or labor price inflation;
- limitations on transportation or storage capacity and the need to shut-in wells;
- any failure of risk management;
- results from operations and competition in the industries in which CRC operates;
- the ability to realize the anticipated benefits from prior or future efforts to reduce costs;
- environmental risks and liability under federal, regional, state, provincial, tribal, local and international environmental laws and regulations (including remedial actions);
- the creditworthiness and performance of CRC's counterparties, including financial institutions, operating partners, CCS project participants and other parties;
- reorganization or restructuring of CRC's operations;
- the ability to claim and utilize tax credits or other incentives in connection with CRC's CCS projects;
- the ability to realize the benefits contemplated by CRC's energy transition strategies and initiatives, including CCS projects and other renewable energy efforts;

- the 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, and the ability to convert CRC's CDMAs to definitive agreements and enter into other offtake agreements;
- the ability to maximize the value of CRC's carbon management business and operate it on a stand alone basis;
- the ability to successfully develop infrastructure projects and enter into third party contracts on contemplated terms;
- uncertainty around the accounting of emissions and the ability to successfully gather and verify emissions data and other environmental impacts;
- changes to CRC's dividend policy and share repurchase program, and the ability to declare future dividends or repurchase shares under its debt agreements;
- limitations on CRC's financial flexibility due to existing and future debt;
- insufficient cash flow to fund CRC's capital plan and other planned investments and return capital to shareholders;
- changes in interest rates;
- CRC's access to and the terms of credit in commercial banking and capital markets, including the ability to refinance its debt or obtain separate financing for its carbon management business;
- changes in state, federal or international tax rates, including the ability to utilize net operating loss carryforwards to reduce CRC's income tax obligations;
- effects of hedging transactions;
- the effect of CRC's stock price on costs associated with incentive compensation;
- inability to enter into desirable transactions, including joint ventures, divestitures of oil and natural gas properties and real estate, and acquisitions, and the ability to achieve any expected synergies;
- disruptions due to earthquakes, forest fires, floods, extreme weather events or other natural occurrences, accidents, mechanical failures, power outages, transportation or storage constraints, labor difficulties, cybersecurity breaches or attacks or other catastrophic events;
- pandemics, epidemics, outbreaks, or other public health events, such as the COVID-19 pandemic; and
- other factors discussed in Part I, Item 1A - Risk Factors in CRC's 2023 Annual Report.

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 it 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.

View source version on businesswire.com: https://www.businesswire.com/news/home/20240507051509/en/

Contact

Joanna Park (Investor Relations)
818-661-3731
Joanna.Park@crc.com

Richard Venn (Media)
818-661-6014
Richard.Venn@crc.com

Dieser Artikel stammt von Rohstoff-Welt.de
Die URL für diesen Artikel lautet:
https://www.rohstoff-welt.de/news/470287--Carbon-TerraVault-Provides-First-Quarter-2024-Update.html

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere AGB/Disclaimer!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere AGB und Datenschutzrichtlinen.