

Occidental Enters into Agreement to Acquire Direct Air Capture Technology Innovator Carbon Engineering

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HOUSTON, Aug. 15, 2023 - Occidental (NYSE: OXY) today announced that a wholly owned subsidiary has entered into a definitive purchase agreement to acquire all the outstanding equity of Carbon Engineering Ltd. for total cash consideration of approximately \$1.1 billion, to be made in three approximately equivalent annual payments, with the first at closing. This transaction is expected to close before the end of 2023, subject to Canadian court reviews, Canadian and U.S. regulatory approvals and other customary closing conditions.

Occidental has been working with Carbon Engineering on direct air capture (DAC) deployment since 2019. Acquiring Carbon Engineering aligns with Occidental's integrated net-zero strategy and provides Occidental, through its 1PointFive subsidiary, the opportunity to rapidly advance DAC technology breakthroughs and accelerate deployment of DAC as a large-scale, cost effective, global carbon removal solution. Carbon Engineering's DAC-based climate solutions utilize standardized processes and proven industrial equipment.

"We expect the acquisition of Carbon Engineering to deliver our shareholders value through an improved drive for technology innovation and accelerated DAC cost reductions. The technology partnership also adds new revenue streams in the form of technology licensing and royalties. Importantly, the acquisition enables Occidental to catalyze broader development partnerships for DAC deployment in the most capital efficient and valuable way," said Occidental President and CEO Vicki Hollub.

"We look forward to continuing our collaboration with the Carbon Engineering team, which has been a leader in pioneering and advancing DAC technology," Hollub said. "Together, Occidental and Carbon Engineering can accelerate plans to globally deploy DAC technology at a climate-relevant scale and make DAC the preferred solution for businesses seeking to remove their hard-to-abate emissions."

Upon closing, Carbon Engineering would become a wholly owned subsidiary of Oxy Low Carbon Ventures. Carbon Engineering's personnel will continue to drive ongoing DAC technology development efforts and work closely with the Occidental and 1PointFive teams to bring DAC solutions to market. Carbon Engineering's research and development activities and Innovation Center will remain in Squamish, British Columbia.

"We have always believed that global partnerships and cross-industry collaboration would be required to deploy DAC infrastructure at the scale required to make a climate-relevant impact. Carbon Engineering and Occidental have been working increasingly close together for the past five years to address the CO₂ problem, making Occidental a trusted and committed partner for this next chapter in Carbon Engineering's journey," said Carbon Engineering CEO Daniel Friedmann. "At the core of this deeper relationship is the commitment to invest in the development of our technology here in Canada, and the global reach to accelerate implementation of DAC-based climate solutions in the U.S. and around the world."

1PointFive is building Stratos, the world's largest DAC plant, which is expected to be commercially operational in mid-2025, in Ector County, Texas. Occidental and Carbon Engineering are also adapting Stratos' front-end engineering and design study for a DAC plant to be built at King Ranch in Kleberg County, which is part of the South Texas DAC Hub that was selected to receive a grant from the U.S. Department of Energy's Office of Clean Energy Demonstrations.

About Occidental

Occidental is an international energy company with assets primarily in the United States, the Middle East and

North Africa. We are one of the largest oil producers in the U.S., including a leading producer in the Permian and DJ basins, and offshore Gulf of Mexico. Our midstream and marketing segment provides flow assurance and maximizes the value of our oil and gas. Our chemical subsidiary OxyChem manufactures the building blocks for life-enhancing products. Our Oxy Low Carbon Ventures subsidiary is advancing leading-edge technologies and business solutions that economically grow our business while reducing emissions. We are committed to using our global leadership in carbon management to advance a lower-carbon world. Visit oxy.com for more information.

About 1PointFive

1PointFive is a Carbon Capture, Utilization and Sequestration (CCUS) platform that is working to help curb global temperature rise to 1.5°C by 2050 through the deployment of decarbonization solutions, including Carbon Engineering's Direct Air Capture (DAC) and AIR TO FUELS™ technologies alongside geologic sequestration hubs. More at 1PointFive.com.

AIR TO FUELS™ is a registered trademark of Carbon Engineering Ltd.

About Carbon Engineering

Carbon Engineering (CE) is a climate solutions company. CE is focused on the global deployment of large-scale Direct Air Capture (DAC) technology that captures carbon dioxide out of the atmosphere so it can be permanently stored deep underground or used to produce clean, affordable transportation fuels. With its partners, CE is working to deploy large-scale, commercial DAC facilities in multiple markets around the globe. More at carbonengineering.com.

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including those relating to the completion of the proposed transaction and the expected benefits thereof, DOE funding's benefits and related impact on carbon emissions, Occidental's and 1PointFive's deployment and use of DAC technology and project-related community benefits, which are based on Occidental's current expectations, beliefs, plans, estimates, and forecasts. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws. Words such as "will," "may," "expect," "plan," or similar expressions that convey the prospective nature of events or outcomes are generally indicative of forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, Occidental does not undertake any obligation to update, modify, or withdraw any forward-looking statements as a result of new information, future events, or otherwise.

These statements are not guarantees of future performance as they involve assumptions that may prove to be incorrect and risks and uncertainties, including those that are beyond Occidental's control. Factors that may cause actual results to differ materially from forward-looking statements include the occurrence of any event, change or other circumstances that could give rise to the termination of the arrangement agreement relating to the proposed transaction, the risk that the necessary court[, shareholder] or regulatory approvals may not be obtained as a result of conditions that are not anticipated, risks that any of the closing conditions to the proposed transaction may not be satisfied in a timely manner, the failure to realize the benefits of the transaction, the effect of the announcement of the transaction on the ability of Occidental and/o Carbon Engineering to retain customers and key personnel and to maintain relationships with suppliers, Occidental's, 1PointFive's and Carbon Engineering's ability to access necessary technology, to develop and employ existing or new technology on a commercial scale, to access capital, to collaborate with third parties and customers, and to receive approvals from regulatory bodies, as well as market conditions, geopolitical events, and scientific developments. Additional factors that may affect Occidental's and 1PointFive's ability to deploy DAC technology can be found in Occidental's public disclosure and its existing and subsequent filings with the U.S. Securities and Exchange Commission (SEC), which may be accessed at Occidental's website at oxy.com or the SEC's website at sec.gov. Information included herein is not necessarily material to an investor in Occidental's securities.

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