



NEWS RELEASE

Carbon Engineering Announces Investment from Oxy Low Carbon Ventures and Chevron Technology Ventures to Advance Innovative Low-Carbon Technology

These investments highlight the first significant collaboration between the air capture field and two energy industry leaders

Squamish, B.C. (January 9, 2019) – Carbon Engineering Ltd. (CE), a Canadian clean energy company, has received equity investment from two global energy companies: Oxy Low Carbon Ventures, LLC (OLCV), a subsidiary of Occidental Petroleum Corporation; and Chevron Technology Ventures (CTV), the venture capital arm of Chevron Corporation. These investments will accelerate the commercialization of CE's proven Direct Air Capture (DAC) technology that removes carbon dioxide (CO₂) directly from the air.

This announcement highlights the first significant collaboration between a DAC developer and the energy industry, with two global energy leaders investing in DAC as a mechanism to reduce emissions from transportation and enable permanent capture of existing atmospheric CO₂ that can be utilized both in oil production and in direct synthesis of fuels.

"CE's relationships with Occidental and Chevron, and these new investments, will allow us to accelerate the deployment of our DAC and AIR TO FUELS™ technologies," said Steve Oldham, CEO of CE. "With an increasing focus worldwide on the need for aggressive emissions reductions, CE's technology can play a major role, and energy industry leaders like Occidental and Chevron will greatly accelerate commercialization of CE's technology."

CE has been developing DAC technology since 2009 and capturing CO₂ from the atmosphere at a pilot plant in Squamish, B.C. since 2015. The DAC plants are location-independent and can be co-located with an oilfield operation for enhanced oil recovery (EOR). Occidental Petroleum is the industry leader in using CO₂ to enable low-cost EOR, which can increase oil recovery by 10 to 20 per cent in the fields where it is employed, while at the same time permanently sequestering the CO₂ in the reservoir. Using atmospheric CO₂ for oil recovery in this way greatly reduces the net addition of CO₂ to the atmosphere from oil production and fuel use. It opens a pathway to producing fully carbon-neutral or even net-negative fuels.

"OLCV is dedicated to advancing innovative low-carbon technology solutions that enhance Occidental's business both for today and tomorrow," said Occidental Petroleum's Senior Vice President, Operations Support, Richard Jackson. "Carbon Engineering's direct air capture technology has the unique capability to capture and provide large volumes of atmospheric CO₂. This capability complements Occidental's enhanced oil recovery business and provides further synergies by enabling large-scale CO₂ utilization and sequestration."

CE's complementary AIR TO FUELS™ process – which combines CO₂ from DAC with clean hydrogen from water electrolysis – provides a second pathway for reducing transportation emissions by synthesizing



ultra-low carbon intensity liquid fuels. CE's AIR TO FUELS™ products are fully compatible with existing cars, trucks, ships and planes, allowing existing vehicles to dramatically reduce their carbon emissions without modification.

“At the core of what we do is develop the energy that powers the world forward, which means providing affordable and reliable energy while reducing carbon emissions,” said Barbara J. Burger, President of Chevron Technology Ventures. “Novel pathways such as through CE's AIR TO FUELS™ technology represent a prime target area for our investment efforts that look to cut greenhouse gases through new low carbon value chains.”

This announcement coincides with the arrival of market conditions that enable the widespread commercialization of DAC and AIR TO FUELS™ technologies.

“It is a very important time for the air capture field right now,” said Steve Oldham, CEO of CE. “We're seeing leading jurisdictions, like California and British Columbia, creating markets for low carbon fuels and technologies like DAC, through effective climate policy. These efficient market-based regulations, and action from energy industry leaders like Occidental and Chevron, show the power of policy in driving innovation and achieving emissions reductions while delivering reliable and affordable energy.”

Fort Capital acted as advisors to CE on this transaction.

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About Carbon Engineering (CE):

Founded in 2009, CE is a Canadian-based clean energy company leading the commercialization of groundbreaking technology that captures CO₂ directly from the atmosphere, and synthesizes it into clean, affordable transportation fuels. From a pilot plant in Squamish, B.C., CE has been removing CO₂ from the atmosphere since 2015 and converting it into fuels since 2017.

About Oxy Low Carbon Ventures (OLCV):

Oxy Low Carbon Ventures, LLC (OLCV) is a subsidiary of Occidental Petroleum Corporation, an international oil and gas exploration and production company with operations in the United States, Middle East and Latin America. Occidental's global strategy includes active investment in carbon dioxide enhanced oil recovery (CO₂-EOR) and carbon capture, utilization and storage (CCUS), as well as other emissions reducing technologies. OLCV capitalizes on Occidental's EOR leadership by developing CCUS projects that source anthropogenic CO₂ and promotes innovative technologies that drive cost efficiencies and economically grows Occidental's business while reducing emissions.

About Chevron Technology Ventures (CTV)

Formed in 1999, CTV pursues new business solutions and externally-developed technologies that have the potential to enhance the way Chevron produces and delivers affordable, reliable and ever-cleaner energy. CTV fosters innovation and champions the integration of novel technologies and business



models that add value to Chevron's businesses while helping to shape the future of energy. Through its technology deployments and venture capital portfolio, CTV has supported a wide range of pioneering companies and technologies.

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