



Occidental, SK Trading International sign first agreement for net-zero oil created from captured atmospheric carbon dioxide

- SK Trading International may purchase up to 200,000 barrels of net-zero oil per year for five years to develop net-zero products, such as lower-carbon aviation fuel
- Net-zero oil expected to be created by Occidental using environmental attributes generated from carbon dioxide (CO₂) removed from the atmosphere by 1PointFive's planned Direct Air Capture (DAC) facility

HOUSTON and SEOUL — March 22, 2022 — [Occidental](#) (NYSE: OXY) today announced an agreement with an affiliate of SK Trading International, a subsidiary of SK Innovation Co. Ltd. (KRX: 096770), for the first net-zero oil⁽¹⁾ created by combining crude oil together with environmental attributes generated from the sequestration of atmospheric carbon dioxide (CO₂) captured via 1PointFive's planned large-scale Direct Air Capture (DAC) facility and sequestered in Occidental's enhanced oil recovery (EOR) reservoirs in the U.S. Permian Basin. SK Trading International expects to convert the net-zero oil into net-zero products. This is one step both companies are taking together in furtherance of their net-zero ambitions and commitments to address climate change.

Under the agreement, Occidental's marketing affiliate may provide SK Trading International's affiliate with an opportunity to purchase up to 200,000 barrels of net-zero oil per year for five years. To produce the environmental attributes that are utilized for the net-zero oil for this agreement, Occidental plans to inject approximately 100,000 tonnes of captured atmospheric CO₂ volumes per year, which is equal to the expected CO₂ emissions from the entire crude oil lifecycle, including extraction, transportation, storage, shipping, refining, subsequent use, and combustion. Net-zero oil, which is compatible with existing refinery infrastructure, can help hard-to-abate industries advance their net-zero commitments by providing an affordable, scalable fuel option that does not contribute to additional atmospheric CO₂.

1PointFive's first DAC facility, which is expected to be online in late 2024 and also will include pure sequestration, is in the process of being deployed using Carbon Engineering's industrial-scale DAC solution. The facility will extract atmospheric CO₂ and permanently store it deep underground in geologic formations delivering permanent and verifiable carbon dioxide removal.

"Net-zero oil is an important component of the energy transition and provides a critical bridge as society moves to a net-zero economy. As Occidental advances our Pathway to Net Zero, we are excited to partner with SK Trading International and leverage our licensed direct air capture technology and EOR experience to create a new solution for the transportation sector," said Richard Jackson, President, U.S. Onshore Resources and Carbon Management, Operations, Occidental.

SK Trading International, along with SK Innovation, has declared its 2050 Net Zero Journey and is actively developing its action plans to become net zero and even accomplish it earlier than planned. Under its "Carbon to Green" strategy, the company is transforming its overall portfolio with an emphasis on low-carbon business, and is also pursuing measures to manage Scope 3 carbon emission intensity.

The introduction of net-zero oil is well aligned with the company's net-zero commitments and is expected to not only tackle climate change but also accelerate the company's sustainable growth.

"We are pleased to be a part of the world's first carbon emission reduction initiative that is underpinned by processing net-zero oil on a life-cycle analysis basis. We are also thrilled to team up with Occidental, one of the most respected energy companies in the world," said SUH Sokwon, President & CEO of SK Trading International and President of SK Energy Refinery Business.

He added, "In the midst of energy transition, one of the biggest changes in our time, the sustainable business ecosystem built around net-zero oil and low carbon products will contribute to Global Net Zero efforts in a new way."

⁽¹⁾ The term "net-zero oil" indicates crude oil combined together with environmental attributes generated through the removal and sequestration of atmospheric CO₂ through an EOR process in an amount equivalent to the CO₂ associated with the production, delivery and refining of the crude oil and the use of the resulting product.

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 SK Innovation

Established as South Korea's first oil refining company in 1962, SK Innovation engages in diverse areas of business, including exploration and production (E&P), batteries, and information and electronics materials. It owns SK Energy, South Korea's No. 1 refining company; SK geo centric, the leader in the domestic petrochemical industry; SK Lubricants, a global lubricants company; SK Incheon Petrochem, a refining and chemical company; SK Trading International, a trader of crude oils and petrochemicals; SK Earthon, South Korea's longest and largest independent exploration and production (E&P) company; and SK IE Technology, a global information and electronic material solution company. As part of their management system, SK Innovation pursues the maximization of happiness for all stakeholders.

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 Occidental's deployment and use of DAC technology to create net-zero oil as part of its net-zero strategy, 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 Occidental'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 ability to deploy DAC technology can be found in Occidental's public disclosure and its 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.

Contacts

Occidental

Media

Eric Moses

713-497-2017

eric_moses@oxy.com

SK Innovation

Media

Claire Lee

1-82-10-4130-8106

clairelee@sk.com

Investors

Jeff Alvarez

713-215-7864

jeff_alvarez@oxy.com

Investors

Joonwoo Park

1-82-10-3770-0259

jwpark0306@sk.com