

For Immediate Release

Texas Coastal Exchange and Valero Announce Carbon Sequestration Partnership

Agreement focuses on an environmental partnership to Sequester Carbon in Jefferson County

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The Texas Coastal Exchange (TCX) today announced an innovative soil carbon sequestration partnership with Valero that works hand-in-hand with the environment and preserves and maintains a healthy ecological system with the potential expansion of salt brackish marsh and coastal wetlands in Jefferson County in Texas.

Valero is providing funding to TCX to capture 10,000 tons of carbon dioxide in marsh, prairie and woodland habitat, thereby creating numerous environmental, social, and economic benefits. With Valero's assistance TCX will now be able to make financial grants to landowners covering more than 4,000 acres in Jefferson County in exchange for their commitment to protect the land from development for a period of ten years. Doing this will preserve and support ecosystems along the coast and sequester carbon dioxide underground.

According to Jim Blackburn, president of TCX, "We formed TCX to enable companies and landowners to come together to help address climate-related challenges for their mutual benefit. This agreement between Valero, TCX and the LaBelle Ranch exemplifies the partnership that can be created between industry and landowners to provide environmental benefits across this country through the sustainable management of grasslands, marshes and forested woodlands of the coast and other parts of Texas and the United States. This agreement is an example of Valero's commitment to the environment, through investment in a nature-based climate solution which will provide a wide range of environmental, social, and economic benefits to the residents of Jefferson County and the Texas gulf coast. Nature-based carbon solutions are a critical tool in our effort to reduce CO2 in the environment and they provide companies like Valero with additional opportunities to create carbon offsets as they work to provide clean, reliable energy."

Valero is the largest renewable fuels producer in North America. For years, Valero's Port Arthur refinery, located in Jefferson County, has hosted a steam methane reformer carbon capture project, and it remains the only U.S. refinery doing so, with more than 1 million tons captured each year. Valero continues to expand its renewable fuels business and has committed to invest 40% of its growth capital expenditures in renewable projects in 2020 and 2021. In addition, Valero has developed plans to reduce and offset 63% of its global refining Scope 1 and 2 emissions by 2025 through refining investments and renewable projects.

Jimmy Broussard, a partner in the LaBelle Ranch, said "For our part, we are thrilled that a program exists such as the TCX's carbon capture grant program. We will be working with TCX and Valero to store carbon dioxide in our soil and to develop methods to increase the carbon yield of our lands while doing our part to reduce hurricane surge and flood impacts. This is a very important program for the long term protection of historic ranches and important natural areas benefiting the public along the Texas coast."

About TCX:

TCX was formed in 2018 and made its first payments to landowners in 2019 in the amount of about \$30,000. In 2020, TCX will make about \$250,000 in landowner grants and hopes to continue to increase these awards as interest in nature-based carbon dioxide storage grows. For more information, please to the Texas Coastal Exchange website at <https://www.texascoastalexchange.org/>.