



PRESS RELEASE: FOR IMMEDIATE RELEASE

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## Lapis Energy to Develop Carbon Capture & Sequestration Project with LSB Industries

Lapis Energy (Lapis) and LSB Industries, Inc. (LSB) (NYSE: LXU) today announced that they entered into an agreement to capture and permanently sequester more than 450,000 metric tons of CO<sub>2</sub> per year at LSB Industries' El Dorado facility in Arkansas. The project will start immediately, with the first CO<sub>2</sub> injection expected by 2025, and positions LSB as a leader in the production of blue hydrogen and ammonia via CO<sub>2</sub> sequestration. More broadly, the award of this project positions Lapis as a partner of choice for industrial de-carbonisation projects in the United States and internationally.

Hamish Wilson, Lapis CEO stated "The Lapis team is excited and honoured to be selected by LSB to develop this project, and looks forward to working with LSB as it takes its first step in creating and promoting low carbon products. Our vision for Lapis playing a significant role in enabling industrial decarbonisation in both the United States and internationally is becoming a reality and, in working with LSB, we are privileged to be at the forefront of large-scale carbon capture and sequestration (CCS) projects. This project also helps demonstrate that the United Nations' Intergovernmental Panel on Climate Change (IPCC) recommendations on the role of CCS in achieving global climate change goals are commercially viable."

The El Dorado project is the first CCS project in the state of Arkansas, and only the third project from ammonia production in the United States. The El Dorado facility is uniquely located above deep geological formations capable of sequestering decades worth of CO<sub>2</sub> production from the plant. The project will allow LSB to become one of the first suppliers of low carbon or "blue" ammonia, while reducing its scope 1 GHG emissions by 25%.

Mark Behrman, President, and Chief Executive Officer of LSB Industries, says: "Lapis is the perfect partner for us in our initial low carbon ammonia project given their significant experience and knowledge in the clean energy space. We are pleased to be working with them as we begin what we expect to be the first of several projects that will position LSB as a leader in the decarbonization of hydrogen and ammonia and generate significant long-term value for our shareholders."

Lapis is enabled by significant funding from Cresta Fund Management (Cresta). Chris Rozzell, Managing Partner of Cresta, commented that "this agreement with LSB further validates our confidence in the Lapis team and their strong technical and commercial approach to CCS projects. We think this project is the first of many on the path to worldwide decarbonization, and we are excited about our role in positioning Lapis to create a world class, pure-play CO<sub>2</sub> management company."



Notes for Editors:

### **About Lapis Energy LP**

Lapis, founded in 2020 by a team of industry-leading experts and backed by Cresta Fund Management, is a Dallas-based, vertically integrated energy infrastructure development firm focused entirely on decarbonization through CCS. With teams located in Europe and Asia Pacific, Lapis is actively building a global portfolio of CCS projects. For more information: [www.lapisenergy.com](http://www.lapisenergy.com).

### **About Cresta**

Cresta is an investment manager with over \$1 billion of assets under management funding specialized middle market infrastructure opportunities. Founded in 2016 and headquartered in Dallas, Texas, Cresta's team has a strong operational history, with decades of combined development, engineering, commercial, trading, legal and financial experience in the infrastructure industry, and its founding partners have worked together as a team since 2007. For more information, please visit [www.crestafunds.com](http://www.crestafunds.com).

### **About LSB Industries, Inc**

LSB Industries, Inc., headquartered in Oklahoma City, Oklahoma, manufactures and sells chemical products for the agricultural, mining, and industrial markets. The Company owns and operates facilities in Cherokee, Alabama, El Dorado, Arkansas and Pryor, Oklahoma, and operates a facility for a global chemical company in Baytown, Texas. LSB's products are sold through distributors and directly to end customers primarily throughout the United States. Committed to improving the world by setting goals that will reduce our environmental impact on the planet and improve the quality of life for all of its people, the Company is well positioned to play a key role in the reduction of global carbon emissions through its planned carbon capture and sequestration, and zero carbon ammonia strategies. Additional information about LSB can be found on its website at [www.lsbindustries.com](http://www.lsbindustries.com).