



PRESS RELEASE

NACERO ANNOUNCES FIRST U.S. MANUFACTURING FACILITY TO PRODUCE GASOLINE FROM NATURAL GAS AT PENWELL LOCATION WEST OF ODESSA.

FOR RELEASE:

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(ODESSA, TX.) The Odessa Development Corporation and Nacero Inc., a Houston-based company, announced plans on Wednesday to build a \$6.5 - \$7.0 billion lower carbon gasoline manufacturing facility at a site in Penwell, Texas, in two phases. Phase one will produce 70,000 barrels per day of gasoline component (ready for blending). Phase two will increase that capacity to 100,000 barrels per day. The gasoline produced at the facility will contain no sulfur and have half the lifecycle carbon footprint of traditional gasoline. The gasoline will be made from a combination of natural gas, captured bio-methane and mitigated flare gas.

The Odessa Development Corporation and the Economic Development Department of the Odessa Chamber of Commerce led the negotiations that resulted in Penwell being chosen for this important facility.

Nacero gasoline will be useable in today's cars and trucks without modification, will be sold locally in addition to being distributed widely, and will be cost competitive with traditional gasoline. Construction of the Penwell facility will employ a peak of 3,500 skilled workers during the four years of phase one construction. When fully operational, the plant will employ 350 full time operators and maintenance personnel in three shifts with a forecast annual salary of approximately \$85,000 per person.

All of the plant's electricity will come from renewable sources, much of which will be produced on-site from solar panels co-located with the manufacturing facilities on Nacero's 2,600 acre site. The plant will be the first in the US to make gasoline from natural gas and the first in the world to do so with carbon capture and sequestration. Sequestered CO₂ will be transported via an existing on-site pipeline.

Nacero plans to actively engage with the local community and local educational and training institutions. The facility will include a visitors' center with interactive educational displays.

"Ector County is the ideal location for us," said Nacero President and Chief Executive Officer Jay McKenna. "From a geographic and logistics standpoint you can't beat it. We will be a major new market and beneficial home for the natural gas that is currently flared in the Permian Basin. Our zero-sulfur gasoline will reduce ground level ozone in cities across Texas and the Southwest, which is causing illness and limiting economic growth."

Nacero's Chief Operating Officer Hal Bouknight credited the overwhelming enthusiasm and support of the Odessa Development Corporation, Odessa's business leaders and taxing entities, and its local residents as a key factor in Nacero's decision to locate in Penwell. "I'd always heard that Odessa's citizens have a "can-do spirit," but I was really impressed by just how hard people were willing to work to help bring us to the area," states Bouknight.

Odessa Development Corporation Chairman Tim Edgmon said, "This project proves once again that West Texas in general, and Odessa in particular, leads the nation in energy innovation and production."

Odessa Chamber of Commerce Economic Development Director Wesley Burnett described Nacero as a perfect fit for Ector County. "The regional economic impact of this single facility will be in the tens of billions of dollars. I thank my staff and all those who worked with them for their hard work in bringing this incredible opportunity here," states Burnett.

State Representative Brooks Landgraf said he is thrilled to welcome Nacero to West Texas. "This world-class, innovative company will use 100% American resources to make 100% American affordable gasoline for everyday American drivers. Nacero will diversify our economy and remind the world of Ector County's leadership in the oil and gas industry."

Nacero is on a mission to prove that cleaner energy doesn't have to cost more. Nacero is planning additional facilities in Pennsylvania and Arizona.

Construction is slated to begin in Penwell before the end of this year.

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