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NAVIGATOR CO₂
VENTURES LLC

Valero and BlackRock Partner with Navigator to Announce Large-Scale Carbon Capture and Storage Project

NAVIGATOR LAUNCHES A NON-BINDING OPEN SEASON TO SOLICIT INTEREST IN FIRM CAPACITY

SAN ANTONIO – March 16, 2021 – Valero Energy Corporation (NYSE: VLO, “Valero”) and BlackRock Global Energy & Power Infrastructure Fund III announced today that they are partnering with Navigator Energy Services (“Navigator”) to develop an industrial scale carbon capture pipeline system (“CCS”). The initial phase is expected to span more than 1,200 miles of new carbon dioxide gathering and transportation pipelines across five Midwest states with the capability of permanently storing up to 5 million metric tonnes of carbon dioxide per year. Pending third party customer feedback, the system could be expanded to transport and sequester up to 8 million metric tonnes of carbon dioxide per year. Valero, the largest renewable fuels producer in North America, is expected to become an anchor shipper by securing a majority of the initial available system capacity. Navigator is expected to lead the construction and operations of the system and anticipates operations to begin late 2024. In the coming months, Navigator will seek additional commitments to utilize the remaining capacity via a binding open season process.

The CCS project seeks to provide biorefineries and other industrial participants a long-term, economic path to materially reduce their carbon footprint while maximizing the value of their end-product in a cost-effective manner that is safe for the environment.

“This project demonstrates our leadership in energy transition through innovation in renewables,” said Joe Gorder, Valero Chairman and Chief Executive Officer. “We continue to expand our long-term competitive advantage with investments to produce lower carbon fuels.”

“We are very excited to partner with Valero and Navigator in the development of this project,” said Mark Florian, Head of BlackRock’s Global Energy & Power Infrastructure team, which invests in essential, long-term infrastructure investments in the energy and power sector and sits within BlackRock Real Assets. “Carbon capture infrastructure is a key part of reducing global carbon dioxide emissions, and we look forward to executing this important project with high-quality industry partners and creating a strong investment for our funds.”

“Now is the time for industry-leading market participants to join forces to complete an environmentally focused midstream project of this size and scale. Harnessing our collective resources and strengths will create a unique infrastructure project that changes the way carbon emissions are managed,” said Matt Vining, Navigator’s Chief Executive Officer.

Proposed System Details

Navigator will work with each counterparty to install or connect the applicable carbon capture equipment to the pipeline at various receipt points in Nebraska, Iowa, South Dakota, Minnesota, and Illinois. The proposed system plans to transport liquefied carbon dioxide through the pipeline, ranging from 6" to 16" in diameter, for delivery into a central sequestration facility contemplated to be in south-central Illinois. The system is expected to have the ability to expand materially if driven by demand.

Open Season

Prior to participating in the non-binding open season, interested parties must execute a confidentiality agreement to govern the receipt of the open season documentation. All potential shippers must submit non-binding information by 12:00 p.m. Central Time on April 30, 2021 as an expression of interest to continue in the binding process. The Notice of Open Season is available on the Project's website at www.navigatorco2.com. More information about the open season is also available by contacting Navigator's Chief Commercial Officer, Laura McGlothlin, at (214) 880-6003 or lmcglathlin@nesmidstream.com.

About Valero

Valero Energy Corporation, through its subsidiaries (collectively, "Valero"), is an international manufacturer and marketer of transportation fuels and petrochemical products. Valero is a Fortune 50 company based in San Antonio, Texas, and it operates 15 petroleum refineries with a combined throughput capacity of approximately 3.2 million barrels per day and 13 ethanol plants with a combined production capacity of approximately 1.69 billion gallons per year. The petroleum refineries are located in the United States ("U.S."), Canada and the United Kingdom ("U.K."), and the ethanol plants are located in the Mid-Continent region of the U.S. Valero is also a joint venture partner in Diamond Green Diesel, which owns and operates a renewable diesel plant in Norco, Louisiana. Diamond Green Diesel is North America's largest biomass-based diesel plant. Valero sells its products in the wholesale rack or bulk markets in the U.S., Canada, the U.K., Ireland and Latin America. Approximately 7,000 outlets carry Valero's brand names. Please visit www.investorvalero.com for more information.

About BlackRock Real Assets

In today's dynamic and complex global investing market, BlackRock Real Assets seeks to help clients access real assets that could help meet their investment goals by providing a distinct range of well defined, outcome orientated strategies, along the investment risk-return spectrum. BlackRock Real Assets' dedicated teams of industry and sector specialists deliver global reach, with deep local expertise. They have decades of relevant experience, are deeply embedded in their operating industries by sector and geography and have developed strong partnership networks over time. BlackRock's culture of risk management, knowledge sharing and investment discipline sets BlackRock Real Assets apart and underpins all that they do. With over 390 professionals in 30 offices managing over US\$60 billion in client commitments as of December 31, 2020, BlackRock Real Assets partners with clients to provide solutions tailored to individual portfolio needs such as income, growth, liquid or balanced real assets outcomes.

About Navigator Energy Services

Headquartered in Dallas, Navigator Energy Services provides comprehensive midstream services including product gathering, transportation and storage. More information is available at www.nesmidstream.com.

Safe-Harbor Statement

Statements contained in this release that state Valero's or management's expectations or predictions of the future are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. The words "believe," "expect," "should," "estimates," "intend," "target," "will," "plans," "forecast," and other similar expressions identify forward-looking statements. It is important to note that actual results could differ materially from those projected in such forward-looking statements based on numerous factors, including those outside of the company's control, such as delays in construction timing and other factors. For more information concerning factors that could cause actual results to differ from those expressed or forecasted, see Valero's annual reports on Form 10-K, quarterly reports on Form 10-Q, and other reports filed with the Securities and Exchange Commission and available on Valero's website at www.valero.com.

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