FINANCIAL ASSURANCE
40 CFR 146.85

GULF COAST SEQUESTRATION
PROJECT MINERVA

Facility name: Project Minerva
Wells 1-4

Facility contact: Benjamin Heard, Principal
2417 Shell Beach Drive, Lake Charles, Louisiana 70601
(713) 320.2497; bheard@gcscarbon.com

Well location: Calcasieu/Cameron Parish, Louisiana
[redacted]

Gulf Coast Sequestration ("GCS") intends to demonstrate and maintain financial responsibility (assurance) as outlined in 40 C.F.R. 146.85 to the satisfaction of the Director. GCS is using a surety bond and insurance (the "Financial Instruments") to cover the costs of: Corrective Action, Emergency and Remedial Response, Injection Well Plugging, and Post-Injection Site Monitoring, Care and Site Closure.

The estimated costs of each of these activities, are shown below in Table 1.

Table 1. Summary of Cost Estimates and Documentation Index

[redacted]

GCS provided in Table 1 a written estimate, in US dollars, of the cost of performing Corrective Action on wells in the Area of Review ("AoR"), Injection Well Plugging, Post-Injection Monitoring, Care and Site Closure, and Emergency and Remedial Response.

Each cost estimate has been performed for each phase separately and was based on the costs to the regulatory agency of hiring a third party to perform the required activities.

GCS engaged an independent third party, RPS Group plc ("RPS") to provide cost estimates for the categories listed in Table 1. Founded in 1970, RPS is a leading global professional services firm. RPS is a publicly traded company whose shares trade on the London Stock Exchange (LSE: RPS.L). RPS operates across six lines of business, energy, property, transport, defense and government services, water and resources, with approximately 5,000 employees and consultants in 125 countries around the world. RPS has a market capitalization in excess of £300 million with 2020 revenue of £540 million. RPS is a recognized global leader in energy consulting with significant expertise in subsurface analysis and consulting. RPS has a significant presence in North America with subject matter expertise in infrastructure and energy in the Louisiana Gulf Coast of the United States.

The supporting information and documentation on the individual plans are included in the respective reports for each category which have been separately submitted pursuant to the Class VI permit application. In addition, GCS has provided cost estimate summary tables for each activity in the [redacted] included separately with this submission. Detailed breakdowns of each line item listed in the summary tables are included in the associated [redacted]

The Financial Instruments approved by the Director will satisfy the financial responsibility requirements independently of GCS's financial strength or performance. The Financial Instruments will be sourced from the providers that are signatories to the letters in [redacted] The providers of the instruments chosen have been vetted for financial strength based upon credit ratings and other available data. Injection Well Plugging, and Post-Injection Site Monitoring, Care and Site Closure will be covered under a surety bond. [redacted]

In the event that GCS or a third-party provider of a financial responsibility becomes insolvent, GCS will notify the Director by certified mail of the commencement of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming GCS as debtor, within 10 days after commencement of the proceeding.

The Financial Instruments chosen by GCS and accepted by the Director will come into effect prior to injection activities and will remain in effect until the Director has approved the post-injection site care plan and approved the site closure.

The Financial Instruments will contain protective conditions of coverage such as cancellation, renewal, and continuation provisions to the satisfaction of the Director.

GCS will provide updated information related to their financial responsibility (assurance) instruments on an annual basis and if there are any changes, the Director will evaluate, within a reasonable time, the financial responsibility demonstration to confirm that the Financial Instruments used remain suitable for use. GCS will maintain financial responsibility (assurance) requirements throughout the Director's review of the annual or periodic changes.

During the active life of the geologic sequestration project, GCS will adjust the cost estimate for inflation and any project amendments within 60 days prior to the anniversary date of the establishment of the Financial Instrument(s) and provide this adjustment to the Director. The Director has the right to determine if a cost adjustment is necessary and will inform GCS with 60 days' notice to adjust the value of the Financial Instruments.

[redacted]