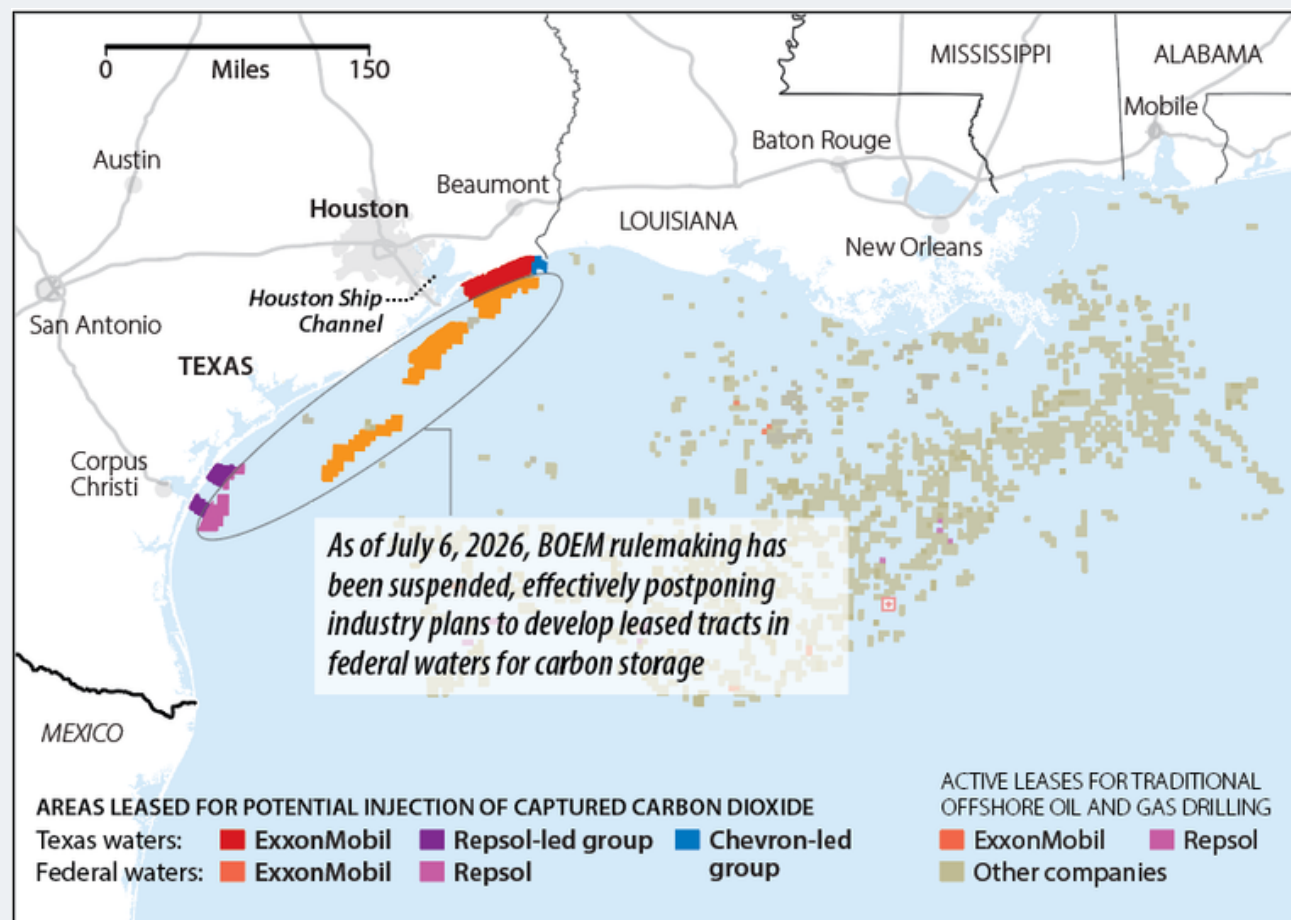


Factsheet

Offshore CO₂ storage project plans emerge on Gulf Coast and Eastern Seaboard

Large active leases for potential carbon dioxide storage in Texas state and federal waters



Sources: Texas General Land Office, BOEM, Company announcements

Corporations are developing plans to establish enormous carbon capture hubs offshore Texas and have moved ahead with the lease of subsea tracts in state territory. Large, speculative leases have also been made in federal waters, despite the absence of the Department of Interior's Bureau of Ocean Energy Management (BOEM) regulations and lease terms governing carbon capture and storage (CCS) projects.

In early July 2026, BOEM rulemaking was removed from the administration's Unified Agenda.¹ In light of this, ExxonMobil will not pursue renewal of those leases. However, the BOEM rulemaking may occur in the future and projects can still proceed in state waters. Project proponents claimed they could store up to 140 million metric tons of CO₂ per year in state and federal areas by 2040—a huge amount compared to the global figure of just 4 million metric tons stored offshore in 2024.² It is unclear how those estimates may change if leases cannot be made in federal waters.

¹ Office of Management and Budget. 2026 Regulatory Plan and the Unified Agenda of Federal Regulatory and Deregulatory Actions. Accessed July 6, 2026.

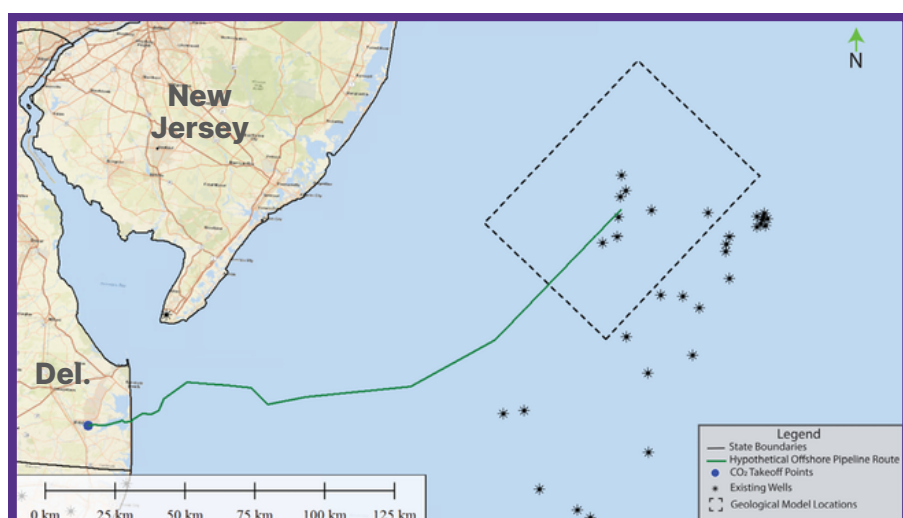
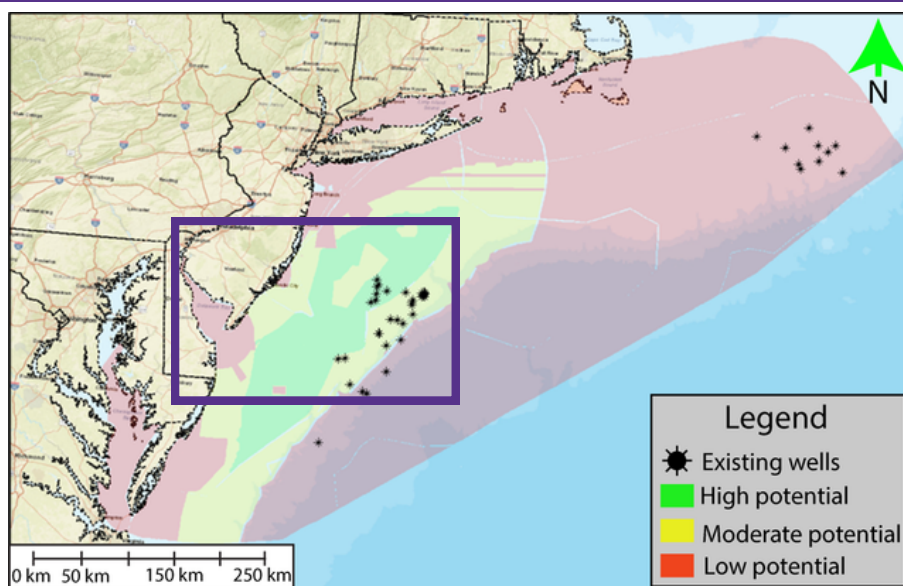
² IEEFA. Out of Sight, Out of Mind: Pushing CO₂ Storage Offshore. March 2026.



Offshore CO₂ storage project plans emerge on Gulf Coast and Eastern Seaboard

Potential large-scale CO₂ storage project offshore mid-Atlantic states³

- Project magnitude is comparable to the large, proposed offshore CO₂ storage hubs in the Gulf of Mexico
- Up to 500 million metric tons CO₂ injected over 30 years
- Total injection project area is 124 square miles
- The pipeline route would originate onshore and would require multiple spurs from emitting facilities in the region
- Nearly 125 miles of CO₂ pipeline would be required offshore to service 8 injection wells
- Proponents suggest offshore mid-Atlantic storage provides the most practical option for fossil-based industry in the Northeast. This would require an extensive CO₂ pipeline buildout



45Q, the federal tax credit for carbon capture and use or storage, is currently \$85 per metric ton of CO₂

45Q credits are issued by the IRS and claims of CO₂ captured and stored or used are confidential

Currently, 45Q is available for 12 years. Assuming an average annual inflation rate of 2.49%⁴ and an average annual injection rate of 16.7 million metric tons, companies capturing CO₂ could claim:

\$19.5 billion in 45Q credits over 12 years

The project proposes continuing injection for 30 years. If 45Q is extended and is available for 30 years, in line with industry interest, the potential cost to taxpayers balloons:

\$62 billion over 30 years if 45Q is expanded

³ Energies. Defining Infrastructure Feasibility for Hub-Scale Offshore Atlantic Carbon Storage in the Northeastern United States. March 2026.

⁴ Federal Reserve Bank of St. Louis. 10-Year Expected Inflation. 2.49% as of June 2026.

