

# Suburban Propane Partners, L.P. Announces Deal to Acquire 39% Stake in Oberon Fuels and Additional Investments to Support the Ongoing Development of Innovative Solutions to Reduce Carbon Emissions

WHIPPANY, N.J., Sept. 17, 2020 /PRNewswire/ -- Suburban Propane Partners, L.P. (NYSE: SPH), a nationwide distributor of propane, fuel oil and related products and services, as well as a marketer of natural gas and electricity, today announced a deal to purchase a 39% stake in Oberon Fuels, Inc. ("Oberon") based in San Diego, California. Oberon, a development-stage producer of low carbon, renewable dimethyl ether (rDME) transportation fuel, has been focused on the research and development of a practical and affordable pathway to zero-emission transportation through its proprietary production process. Oberon's rDME fuel is a cost-effective, low-carbon, zero-soot alternative to petroleum diesel. Pursuant to the agreements between the parties, Suburban Propane has also committed to provide additional funding to support continued development efforts to begin commercializing a rDME/propane blended product.

"At Suburban Propane, we recognize the need to reduce the nation's carbon footprint and improve overall air quality. The current clean-burning attributes of propane are a positive contributor to the goals of decarbonization, particularly when used as a replacement for gasoline and diesel in the transportation sector. Through our *Go Green with Suburban Propane* initiative, we are committed to the development of innovative solutions to further reduce the emissions profile of propane and to creating a pathway to zero carbon emissions," said Michael Stivala, Suburban Propane President and Chief Executive Officer. "Our investment in Oberon Fuels is perfectly aligned with our strategic growth initiatives, and our commitment to being a pioneer in the transition to a sustainable energy future. We are very excited to partner with the team at Oberon Fuels to realize our joint vision of bringing DME technology together with propane to dramatically lower the carbon footprint."

With recent grant funding from the California Energy Commission, Oberon is developing rDME for a novel use: a blending agent with propane. Traditional clean-burning propane can offer immediate opportunities to reduce carbon emissions in the transportation sector compared to gasoline and ultra-low sulfur diesel. With an estimated Carbon Intensity (CI) value of -278 according to the California Air Resources Board, and similar handling and storage properties as propane, rDME can be an ideal blending agent that can reduce the carbon intensity of propane. Under the United States Environmental Protection Agency's Renewable Fuel Standard, rDME is eligible for renewable identification number ("RIN") credits when produced from dairy biogas using the Oberon process. During 2021, Oberon is expected to begin production of rDME from pulp mill waste (with an annual production capacity estimated at 1.6 million gallons) at its demonstration facility in California's Imperial Valley. Suburban Propane will have the exclusive rights to work with Oberon to market and sell rDME and rDME/propane blends in the United States, Canada and Mexico.

In connection with the transaction, Oberon Fuels President, Rebecca Boudreaux, Ph.D., has been named President and Chief Executive Officer, taking over from longtime investor and former CEO, Ruben S. Martin III, who now owns an equal equity stake in Oberon with Suburban Propane. Mr. Martin is a veteran of the midstream oil and gas industry and transportation space, serving as President of Martin Resource Management Company since 1981 and its publicly traded affiliate, Martin Midstream Partners, L.P. Oberon's co-founder and longtime Chief Operating Officer, Elliot Hicks, will continue leading Oberon's operational and engineering efforts, and the management of Oberon will retain their current ownership interests in Oberon.

"Suburban Propane is making a bold statement that innovative approaches can drive sustainability across the industry," said Rebecca Boudreaux, Ph.D., Oberon Fuels President and Chief Executive Officer. "This is an opportunity for two molecules – DME and propane – to come together and provide the world with a cost-effective, clean-burning fuel that offers a pathway to carbon neutrality. We could not be happier to be working with Suburban Propane to bring this technology to the market and meet the increasing demands for lower emissions."

Proskauer Rose LLP served as counsel to Suburban Propane and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. served as counsel to Oberon.

For more information, please visit [www.suburbanpropane.com/oberon/](http://www.suburbanpropane.com/oberon/)

## **About Suburban Propane**

Suburban Propane Partners, L.P. (SPH), is a nationwide distributor of propane, fuel oil and related products and services, as well as a marketer of natural gas and electricity, servicing over 1 million customers through its 700 locations across 41 states. The company proudly celebrated 90 years of innovation, growth and quality service in 2018. The brand is currently focused on three core elements including Suburban Commitment - showcasing the company's 90+ year legacy of flexibility, reliability and

dependability, Suburban Cares - highlighting dedication to serving local communities across the nation and Go Green with Suburban Propane - promoting the affordable, clean burning and versatile nature of propane as a bridge to a green energy future. Suburban Propane is a New York Stock Exchange listed limited partnership headquartered in Whippany, NJ. For additional information on Suburban Propane, please visit <http://www.suburbanpropane.com>.

#### **About Oberon Fuels**

California-based Oberon Fuels is on a mission to decarbonize transportation by converting biogas and industrial waste streams into high-performing, high-value molecules. Using its proprietary small-scale process, Oberon Fuels focuses on the production of renewable dimethyl ether (rDME) from waste and/or renewable resources. Oberon Fuels' pilot plant in Brawley, California, produced the first fuel-grade DME in North America, which has been used by several major international OEMs for vehicle demonstrations around the world. More information about Oberon Fuels is available at [www.oberonfuels.com](http://www.oberonfuels.com).

SOURCE Suburban Propane Partners, L.P.

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