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Sundrop Fuels to use ExxonMobil MTG technology for nation's first "green gasoline" production facility

LONGMONT, COLORADO [June27, 2012] – Sundrop Fuels, Inc., a gasification-based drop-in advanced biofuels company, today announced that it has finalized a licensing agreement to use ExxonMobil Research and Engineering Company's methanol-to-gasoline (MTG) technology to be incorporated into the nation's first "green gasoline" production facility. Located near Alexandria, Louisiana, Sundrop Fuels plans to break ground late this year on its inaugural commercial plant, which will produce up to 50 million gallons of renewable gasoline annually.

Sundrop Fuels will use a multi-phase process to convert sustainable forest waste into clean, affordable bio-based "green gasoline" for use in today's combustion engines. A gasification process will convert the forest waste combined with hydrogen from clean-burning natural gas into a synthesis gas, which will then be converted into methanol. The MTG synthesis process works by feeding the methanol into a fixed-bed reactor system, turning it into hydrocarbons and water. The end product is zero-sulfur, ultra-low benzene gasoline that can be used directly or blended with petroleum-based gasoline—both compatible with the nation's existing fuel distribution infrastructure.

The Sundrop Fuels installation represents the first commercial production of biofuels using the MTG process. The MTG technology was originally developed in the 1970s and was successfully commercialized for a large-scale natural gas to gasoline plant during the 1980s in New Zealand.

"ExxonMobil Research & Engineering's MTG technology gives Sundrop Fuels a proven fuels synthesis method to maximize the economic and environmental benefits gained through our company's production of clean, bio-based renewable gasoline," said Sundrop Fuels Chief Executive Officer Wayne Simmons. "This combination of technologies represents an important milestone in America's path to energy independence and the integration of environmentally beneficial, domestic gasoline into our nation's transportation fuel supply."

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Sundrop Fuels, Inc.

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The company's first facility will also provide an operational platform for Sundrop Fuels to begin field integration of its proprietary *RP Reactor*[™] radiant particle heat transfer gasification technology. The super-efficient, ultra high-temperature process will drive Sundrop Fuels' future massive-scale biofuels plants, which will produce more than 300 million gallons of renewable, drop-in biofuels annually.

Plans are for Sundrop Fuels to achieve a combined production capacity of more than one billion gallons by 2020 – a significant percentage of the cellulosic advanced biofuels goal set by the nation's Renewable Fuels Standard (RFS).

Significant backing for Sundrop Fuels comes from Chesapeake Energy Corporation (NYSE: CHK), the largest producer of natural gas in northern Louisiana's Haynesville Shale Field and second-largest producer in the nation. Chesapeake invested \$155 million in Sundrop Fuels in mid-2011.

The company's investors also include two of the world's premier venture capital firms, Oak Investment Partners and Kleiner Perkins Caulfield & Byers.

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About Sundrop Fuels, Inc.

Sundrop Fuels, Inc. is a gasification-based drop-in advanced biofuels company based in Longmont, Colorado. Backing for Sundrop Fuels comes from its strategic partner, Chesapeake Energy Corporation, and by two of the world's premier venture firms, Oak Investment Partners and Kleiner Perkins Caulfield & Byers. Sundrop Fuels plans to build and operate large-scale biorefineries each generating more than 300 million gallons of drop-in transportation biofuels annually. For more information visit www.sundropfuels.com.

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About ExxonMobil Research and Engineering Company

EMRE is the research and engineering arm of Exxon Mobil Corporation, a leading global oil, natural gas, and petrochemicals company whose subsidiaries have operations in nearly 200 countries and territories. Additional information regarding ExxonMobil and technologies it licenses can be found at <http://www.exxonmobil.com/refiningtechnologies>.