OPAL Fuels Inc. Announces Commencement of Exchange Offer and Consent Solicitation Relating to Warrants

November 18, 2022

WHITE PLAINS, N.Y.--(BUSINESS WIRE)--Nov. 18, 2022-- OPAL Fuels Inc. ("OPAL Fuels" or the "Company") (Nasdaq: OPAL), a leading vertically integrated producer and distributor of renewable natural gas, today announced that it has commenced an exchange offer (the "Offer") and consent solicitation (the "Consent Solicitation") relating to its outstanding (i) public warrants to purchase shares of Class A common stock of the Company, par value $0.0001 per share (the "Class A common stock"), which warrants trade on The Nasdaq Capital Market under the symbol "OPALW" (the "public warrants"), and (ii) private placement warrants to purchase shares of Class A common stock (the "private placement warrants" and, together with the public warrants, the "warrants"). The purpose of the Offer and Consent Solicitation is to simplify the Company's capital structure and reduce the potential dilutive impact of the warrants, thereby providing the Company with more flexibility for financing its operations in the future.

Exchange Offer and Consent Solicitation Relating to Warrants

The Company is offering to all holders of the warrants the opportunity to receive 0.250 shares of Class A common stock in exchange for each outstanding warrant tendered by the holder and exchanged pursuant to the Offer. Pursuant to the Offer, the Company is offering up to an aggregate of 3,861,623 shares of its Class A common stock in exchange for the warrants.

Concurrently with the Offer, the Company is also soliciting consents from holders of the warrants to amend the warrant agreement that governs all of the warrants (the "Warrant Agreement") to permit the Company to require that each warrant that is outstanding upon the closing of the Offer be exchanged for 0.225 shares of Class A common stock, which is a ratio 10% less than the exchange ratio applicable to the Offer (such amendment, the "Warrant Amendment"). Pursuant to the terms of the Warrant Agreement, all except certain specified modifications or amendments require the vote or written consent of holders of at least 65% of each of the outstanding public warrants and the outstanding private placement warrants. Parties representing approximately 53.30% of the outstanding public warrants and approximately 100% of the outstanding private placement warrants have agreed to tender their public warrants and private placement warrants (as applicable) in the Offer and to consent to the Warrant Amendment in the Consent Solicitation, pursuant to a tender and support agreement. Accordingly, if holders of an additional approximately 11.70% of our outstanding public warrants consent to the Warrant Amendment in the Consent Solicitation, and the other conditions of the Offer are satisfied or waived, then the Warrant Amendment will be adopted. The offering period will continue until 11:59 p.m., Eastern Time, on December 16, 2022, or such later time and date to which the Company may extend (the "Expiration Date"), as described in the Company's Schedule TO and Prospectus/Offer to Exchange (each as defined below). Tendered warrants may be withdrawn by holders at any time prior to the Expiration Date.

The Offer and Consent Solicitation are being made pursuant to a prospectus/offer to exchange, dated November 18, 2022 (the "Prospectus/Offer to Exchange"), and Schedule TO, dated November 18, 2022 (the "Schedule TO"), each of which have been filed with the U.S. Securities and Exchange Commission (the "SEC") and more fully set forth the terms and conditions of the Offer and Consent Solicitation.

The Company's Class A common stock and public warrants are listed on The Nasdaq Capital Market under the symbols "OPAL" and "OPALW," respectively. As of November 17, 2022, there were (i) 25,671,390 shares of Class A common stock outstanding, (ii) 144,399,037 shares of the Company's Class D common stock, par value of $0.0001 per share, outstanding, and (iii) a total of 15,446,494 warrants outstanding, consisting of 6,223,233 public warrants and 9,223,261 private placement warrants. Assuming all warrant holders tender their warrants for exchange in the Offer, the Company would expect to issue up to 3,861,623 shares of Class A common stock, resulting in 29,533,013 shares of Class A common stock outstanding (an increase of approximately 15.0% of total Class A common stock outstanding and an increase of approximately 2.3% in total issued share capital), and no public or private placement warrants outstanding.

The Company has engaged BofA Securities as the dealer manager for the Offer and Consent Solicitation (the "Dealer Manager"). Any questions or requests for assistance concerning the Offer and Consent Solicitation may be directed to BofA Securities at:

BofA Securities
NC1-004-03-43
200 North College Street, 3rd floor
Charlotte NC 28255-0001
Attn: Prospectus Department
Email: dg.prospectus_requests@bofa.com

D.F. King & Co., Inc. has been appointed as the information agent for the Offer and Consent Solicitation (the "Information Agent"), and Continental Stock Transfer & Trust Company has been appointed as the exchange agent (the "Exchange Agent").

Important Additional Information Has Been Filed with the SEC

Copies of the Schedule TO and Prospectus/Offer to Exchange will be available free of charge at the website of the SEC at www.sec.gov. Requests for documents may also be directed to the Information Agent at (800) 549-6864 (for warrant holders) or (212) 269-5550 (for banks and brokers) or via the following email address: opal@dfking.com. A registration statement on Form S-4 relating to the securities to be issued in the Offer has been filed with the SEC but has not yet become effective. Such securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective.

This announcement is for informational purposes only and shall not constitute an offer to purchase or a solicitation of an offer to sell the warrants or an offer to sell or a solicitation of an offer to buy any shares of Class A common stock in any state in which such offer, solicitation, or sale would be unlawful before registration or qualification under the laws of any such state. The Offer and Consent Solicitation are being made only through the Schedule TO and Prospectus/Offer to Exchange, and the complete terms and conditions of the Offer and Consent Solicitation are set forth in the Schedule TO and Prospectus/Offer to Exchange.

Holders of the warrants are urged to read the Schedule TO and Prospectus/Offer to Exchange carefully before making any decision with respect to the Offer and Consent Solicitation because they contain important information, including the various terms of, and conditions to, the Offer and Consent Solicitation.

None of the Company, any of its management or its board of directors, or the Information Agent, the Exchange Agent, or the Dealer Manager makes any recommendation as to whether or not holders of warrants should tender warrants for exchange in the Offer or consent to the Warrant Amendment in the Consent Solicitation.

About OPAL Fuels Inc.

OPAL Fuels Inc. (Nasdaq: OPAL) is a leading vertically integrated renewable fuels platform involved in the production and distribution of renewable natural gas (“RNG”) for the heavy-duty truck market. RNG is a proven low-carbon fuel that is rapidly decarbonizing the transportation industry now while also significantly reducing fuel costs for fleet owners. OPAL Fuels captures harmful methane emissions at the source and recycles the trapped energy into a commercially viable, lower-cost alternative to diesel fuel. The Company also develops, constructs, and services RNG and hydrogen fueling stations. As a producer and distributor of carbon-reducing fuel for heavy-duty truck fleets for more than a decade, OPAL Fuels delivers complete renewable solutions to customers and production partners.

Forward-Looking Statements

Certain statements in this communication may be considered forward-looking statements within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts and generally relate to future events or OPAL Fuels’ (the “Company’s”) future financial or other performance metrics. In some cases, you can identify forward-looking statements by terminology such as “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “target,” “plan,” “expect,” or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those expressed or implied by such forward looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by the Company and its management, as the case may be, are inherently uncertain and subject to material change. Factors that may cause actual results to differ materially from current expectations include various factors beyond management’s control, including, but not limited to, general economic conditions and other risks, uncertainties and factors set forth in the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in the Company’s quarterly report on Form 10-Q, and other filings it makes with the Securities and Exchange Commission. Nothing in this communication should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements in this communication, which speak only as of the date they are made and are qualified in their entirety by reference to the cautionary statements herein. Except as required by law, the Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

Disclaimer

This communication is for informational purposes only and is neither an offer to purchase, nor a solicitation of an offer to sell, subscribe for or buy, any securities, nor shall there be any sale, issuance or transfer or securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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