



Chesapeake Utilities Corporation to Acquire Elkton Gas

December 9, 2019

DOVER, Del., Dec. 9, 2019 /PRNewswire/ -- Chesapeake Utilities Corporation (Chesapeake Utilities) (NYSE: CPK) and South Jersey Industries (SJI) (NYSE: SJI) today announced they have entered into an agreement, dated Dec. 5, 2019, under which Chesapeake Utilities will acquire SJI subsidiary Elkton Gas, which operates in Cecil County, Maryland. Upon completion of the transaction, Elkton Gas will become a wholly-owned subsidiary of Chesapeake Utilities. The transaction was approved by the SJI Board of Directors and by Chesapeake Utilities' Investment Committee, which is comprised of five of the Company's Board members. The acquisition, which is expected to close in the first half of 2020, is subject to approval by the Maryland Public Service Commission.

Incorporated in 1863, Elkton Gas delivers safe, reliable and affordable natural gas to approximately 7,000 residential and commercial customers within a franchised area of Cecil County, Maryland. Elkton Gas will continue to operate out of its existing office with the same local personnel. Customers can expect to continue to receive the same high quality service that they have experienced with the local office and its team members. Elkton Gas has also been a long-term customer of Eastern Shore Natural Gas Company, an interstate transmission pipeline company that is a wholly-owned subsidiary of Chesapeake Utilities Corporation.

Chesapeake Utilities currently serves another franchised area of Cecil County, Maryland with natural gas service and has been managing its expansion into this area largely from its Delaware operations.

"This is an exciting fit and aligns with our Company's growth strategy to identify new investment opportunities to further our future earnings growth. The acquisition of Elkton Gas is significant in that it jumpstarts our current operation, enabling us to more quickly expand our footprint in Cecil County," said Jeff Householder, President and CEO of Chesapeake Utilities Corporation. "We are excited about our prospects for natural gas distribution growth in this growing area and are committed to delivering superior service to the customers and communities we serve by: increasing their energy options; growing our systems and infrastructure in order to provide safe and reliable delivery of energy to customers; and providing exceptional customer service."

"Acquiring these operational resources in Cecil County offers close proximity to the I-95 interstate corridor and to our existing Cecil County service territory which will better position us for the commercial, industrial and residential growth opportunities projected for the area," said Shane Breakie, Vice President of Chesapeake Utilities Corporation, who oversees the Company's Delmarva natural gas operations including Cecil County. "Adding the Elkton Gas platform including their talented team of employees to our existing presence creates a stronger consolidated operation to better support customers and the natural gas infrastructure in the area."

The specific terms of the transaction were not publicly disclosed. The transaction is expected to close in the first half of 2020.

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy company engaged in natural gas distribution and transmission; electricity generation and distribution; propane gas distribution; and other businesses. Information about Chesapeake Utilities Corporation's businesses is available at www.chpk.com, through the Company's Investor Relations App and on the Annual Report Microsite at cpkannualreport.com.

About SJI

SJI, an energy services holding company based in Folsom, NJ, delivers safe, reliable, affordable natural gas service to approximately 681,000 customers in New Jersey and Maryland through its three regulated natural gas utilities - South Jersey Gas, Elizabethtown Gas and Elkton Gas. SJI's non-utility businesses within South Jersey Energy Solutions promote efficiency, clean technology and renewable energy by providing customized wholesale commodity marketing and fuel management services; and developing, owning and operating on-site energy production facilities. SJI Midstream houses the company's interest in the PennEast Pipeline Project. Visit sjiindustries.com for more information about SJI and its subsidiaries.

Please note that Chesapeake Utilities Corporation is not affiliated with Chesapeake Energy, an oil and natural gas exploration company headquartered in Oklahoma City, Oklahoma.

Cautionary Note Regarding Forward-Looking Statements: Statements in this release that are not historical are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "expect," "likely," "outlook," "forecast," "would," "could," "should," "can," "will," "project," "intend," "plan," "goal," "target," "continue," "sustain," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that could cause actual results to vary materially from those indicated, including the factors described in Item 1A (Risk Factors) of our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, each of which is incorporated herein by reference, and in other documents that we file or furnish with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Except to the extent required by law, the Company does not undertake, and expressly disclaims, any duty or obligation to update publicly any forward-looking statement after the date of this release, whether as a result of new information, future events, changes in assumptions or otherwise.

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