

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 11, 2022

SPRAGUE RESOURCES LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36137
(Commission
File Number)

45-2637964
(IRS Employer
Identification No.)

**185 International Drive
Portsmouth, NH 03801**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (800) 225-1560

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Units Representing Limited Partner Interests	SRLP	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On January 11, 2022, Sprague Resources LP, a Delaware limited partnership (the “Partnership”), issued a press release announcing that the board of directors of its general partner has received an unsolicited non-binding proposal from Hartree Partners, LP (“Hartree”), the owner of the Partnership’s general partner, to acquire all of the outstanding common units of the Partnership not already owned by Hartree or its affiliates in exchange for \$16.50 in cash for each such common unit.

A copy of the press release is attached as Exhibit 99.1 to this report and incorporated into this Item 7.01 by reference.

The information contained in this Current Report on Form 8-K (including the Exhibit 99.1) is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. Additionally, the information contained in this Current Report on Form 8-K shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT DESCRIPTION

99.1	Sprague Resources LP Press Release, dated January 11, 2022
104	Cover Page Interactive Data File (formatted in Inline XBRL)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SPRAGUE RESOURCES LP

By: Sprague Resources GP LLC, its General Partner

By: /s/ Paul A. Scoff

Paul A. Scoff

Vice President, General Counsel,
Chief Compliance Officer & Secretary

Dated: January 11, 2022



News Release

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Sprague Resources Announces Receipt of Proposal to Acquire All of its Outstanding Common Units

PORTSMOUTH, N.H., January 11, 2022 -- Sprague Resources LP (“Sprague”) (NYSE: SRLP) announced today that it received an unsolicited non-binding proposal from Hartree Partners, LP (“Hartree”) dated January 11, 2022, pursuant to which Hartree would acquire all of the outstanding common units of Sprague (the “Common Units”) that Hartree and its affiliates do not already own in exchange for \$16.50 in cash per Common Unit. Hartree and its affiliates hold approximately 74.5% of the outstanding Common Units of Sprague as of January 11, 2022.

The proposed consideration of \$16.50 per Common Unit represents a premium of approximately 10.6% to the closing price of the Common Units on January 10, 2022, a premium of approximately 22.5% to the 30-day volume weighted average price of the Common Units prior to January 10, 2022, and a price equal to the \$16.50 per common unit price that affiliates of Hartree paid to an affiliate of Axel Johnson Inc. to acquire the 61.2% limited partner interest in Sprague in a transaction entered into on April 20, 2021.

The board of directors of Sprague’s general partner expects to delegate the authority to evaluate and negotiate the proposal to its conflicts committee. The conflicts committee, which will be composed of only independent directors of the board of directors of Sprague’s general partner, will consider the proposal in accordance with provisions contained in Sprague’s partnership agreement and is expected to engage legal and financial advisors in connection with its consideration of the proposal. The proposal is non-binding and is subject to the negotiation and execution of a mutually acceptable merger agreement and appropriate supporting agreements which would set out all of the terms and conditions relevant to the proposed transaction. These agreements, if executed, would be subject to customary closing conditions, including any necessary regulatory approvals.

A copy of the unsolicited non-binding proposal letter is included below:

January 11, 2022

Board of Directors
Sprague Resources GP LLC
185 International Drive
Portsmouth, New Hampshire 03801

Re: Proposal to Acquire All Outstanding Publicly Held Common Units Representing Limited Partner Interests in Sprague Resources LP

Ladies and Gentlemen:

On behalf of Hartree Partners, LP (“Hartree”), I am pleased to submit to you this proposal (the “Proposal”) pursuant to which Hartree or certain of its affiliates would acquire for cash all of the outstanding common units representing limited partner interests (“Common Units”) of Sprague Resources LP (“Sprague LP”) not already beneficially owned by Hartree (the “Transaction”), at a price of \$16.50 per Common Unit, subject to the negotiation of satisfactory definitive agreements and the other matters described below.

As you are aware, Hartree owns, through its wholly owned subsidiary, Sprague HP Holdings, LLC, (i) 19,548,849 Common Units, representing 74.5% of the limited partnership interest in Sprague LP (based on the number of outstanding Common Units reported by Sprague LP in its Quarterly Report on Form 10-Q filed with the SEC on November 4, 2021) and (ii) 100% of the outstanding incentive distribution rights of Sprague LP. In addition, Hartree owns 100% of the non-economic general partner interests in Sprague LP through its indirect wholly owned subsidiary, Sprague Resources GP LLC, the general partner of Sprague LP (“Sprague GP”).

Proposal

The proposed consideration represents:

- A 10.6% premium to the closing price of the Common Units on January 10, 2022, and more importantly, a 13.9% premium to the closing price of the Common Units on January 10, 2022 on an ex-Q4 2021 distribution basis;
- A 22.5% premium to the volume-weighted average price of the Common Units over the last 30 calendar days through January 10, 2022; and
- A price equal to the \$16.50 per common unit price that affiliates of Hartree paid to an affiliate of Axel Johnson Inc. to acquire the 61.2% limited partner interest in Sprague LP in a transaction entered into on April 20, 2021, and a 10.3% premium to that price including the \$1.54 in aggregate distributions paid to Sprague LP unitholders with a record date following the closing of the transaction with Axel Johnson.

Structure and Closing Conditions

We expect that the Transaction would be structured as a merger, through which a Hartree-controlled acquisition vehicle would merge into Sprague LP, with Sprague LP surviving the merger.

We expect the Transaction’s definitive agreements would contain terms customary for a transaction of this type, including a customary condition to closing related to obtaining the approval of holders of a majority of the Common Units. Hartree and its affiliates have access to sufficient funds to consummate the Transaction.

Process

We anticipate that the Board of Directors of Sprague GP will form a Conflicts Committee comprised entirely of directors satisfying the independence requirements of Sprague LP’s partnership agreement, and delegate to the Conflicts Committee the authority to evaluate and negotiate the Proposal, including, for the avoidance of doubt, the authority to reject the Proposal. We also anticipate that the Conflicts Committee will engage independent legal and financial advisors selected by the Conflicts Committee to advise it in connection with evaluating this Proposal.

In anticipation of such a delegation, we want to advise you that we are interested only in acquiring Common Units of Sprague LP and are not interested in selling any of our equity interests in Sprague LP or pursuing other strategic alternatives involving Sprague LP.

We would welcome the opportunity to present the Proposal in more detail to the Conflicts Committee and its advisors as soon as possible.

Advisors

We have engaged Evercore Group L.L.C. as our financial advisor and Vinson & Elkins LLP as our legal advisor, and we are prepared to dedicate such resources as may be necessary to complete negotiations, execute definitive agreements and close the Transaction as promptly as practicable.

Internal Approvals

This Proposal has been approved by Hartree’s Management Committee. Notwithstanding this approval, the entry into any definitive agreement is conditioned upon the negotiation of definitive agreements and the approval of those agreements by Hartree’s Management Committee as well as by the Board of Directors of Sprague GP.

Disclosures

We expect to make appropriate amendments to Hartree's Schedule 13D, as required under applicable securities laws, disclosing this Proposal promptly upon delivery.

Legal Effect

The Proposal is non-binding, and no agreement, arrangement or understanding between the parties with respect to the Proposal or any other transaction (including any agreement to commence or continue negotiations) shall be created until such time as mutually satisfactory definitive agreements have been executed and delivered.

Hartree is well positioned to negotiate and complete the Transaction in an expeditious manner. If this Proposal is acceptable to the Conflicts Committee, Hartree is prepared to immediately negotiate definitive agreements in respect of the Transaction.

We look forward to receiving the Conflicts Committee's response to this Proposal and working with you to complete a transaction that we believe is attractive to Sprague LP's public unitholders.

Sincerely,

/s/ Stephen M. Hendel

Stephen M. Hendel
Managing Director
Hartree Partners, LP

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Forward Looking Statements

This press release includes forward-looking statements. These forward-looking statements involve risks and uncertainties and other factors that are difficult to predict and many of which are beyond management's control. Although Sprague believes that the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements are inherently uncertain and involve risks that may affect our business prospects and performance causing actual results to differ from those discussed in the foregoing release. A number of important factors could cause actual results or events to differ materially from those indicated by such forward-looking statements, including the board of directors' delegation of authority to the conflicts committee; the advisors expected to be retained by the conflicts committee; the parties' ability to enter into the proposed transaction; the parties' ability to consummate the proposed transaction; and the conditions to the completion of the proposed transaction, including the receipt of any necessary regulatory approvals. These are not all of the important factors that could cause actual results to differ materially from those expressed in the forward-looking statements. Other applicable risks and uncertainties related to our business have been described more fully in Sprague's most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 5, 2021, and in Sprague's subsequent Form 10-Q and Form 8-K filings, and other documents filed with the SEC. Sprague undertakes no obligation and does not intend to update any forward-looking statements to reflect new information or future events. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release.

About Sprague Resources LP

Sprague Resources LP is a master limited partnership engaged in the purchase, storage, distribution and sale of refined petroleum products and natural gas. Sprague also provides storage and handling services for a broad range of materials. More information concerning Sprague can be found at www.spragueenergy.com.

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