

1 September 2023

Diversified Energy Company PLC
("Diversified," "DEC" or the "Group")

Interim Results for the Six Months Ended 30 June 2023

Diversified Energy Company PLC (LSE: DEC) is pleased to announce its Interim Results for the six months ended 30 June 2023 and other recent highlights.

Delivering Reliable Results

- Record avg. net daily production: 852 MMcfepd (142 Mboepd); +4.4% vs 1H22: 816 MMcfepd (136 Mboepd)
 - June 2023 exit rate of 864 MMcfepd (144 Mboepd)
- Maintained industry-leading consolidated corporate decline rate of ~10%
- Increased 1H23 Adjusted EBITDA^(a) of \$283 million (+26% vs 1H22: \$224 million)
 - 1H23 Adjusted Cost per Unit of \$1.66/Mcfe (\$9.96/Boe); -10% vs 2H22: \$1.84/Mcfe (\$11.04/Boe)^(b)
 - 1H23 Adjusted EBITDA Margin^(c) of 52% (1H22: 48%)
- Net Income of \$631 million, which includes \$761 million (pre-tax) of non-cash hedge valuation gain
- Annualized Free Cash Flow Yield of 32%^(d), excluding the impact of working capital
- Leverage ratio of 2.4x^(e)
- Liquidity of ~\$103 million

Executing Strategic Objectives

- Generated \$62 million (net) in liquidity through the monetization of non-core assets^(f)
- Completed \$262 million acquisition of complementary Central Region upstream assets^(g)
- Declared 2Q23 interim dividend of \$0.04375 per share (2Q22: \$0.04250 per share, +3%)
- Paid \$84 million of dividends to shareholders through 2Q23

Creating Value Through Stewardship

- Increased MSCI sustainability rating to AA
- Achieved Project Canary Gold rating for low methane emissions on specific Central Region assets
- Completed >120,000 upstream surveys, with a post-inspection no-leak rate on ~97% of assets
 - Included initial inspections for ~75% of Central Region
- Conducted aerial emissions surveys on ~6,300 miles of midstream systems
- Permanently retired 174 wells in Appalachia, including 87 Diversified wells
 - 66 of 87 external wells retired in conjunction with state orphan well programs
- Converted pneumatic devices on 50+ well pads in Central Region, exceeding FY2023 goal of 50 well pads

Commenting on the results, CEO Rusty Hutson, Jr. said:

"These results reflect the resilience and consistency of our business. The execution of our disciplined strategic plan and the strength of our operational performance translated directly into strong financial results and allowed the Company once again to generate robust cash margins despite lower natural gas prices. Diversified is the right company at the right time to deliver long-term stakeholder returns while also providing the solution to existing, long-life producing wells that have become non-core assets for other operators.

Our seasoned management team and dedicated field personnel remain highly focused on our stewardship model and have a track record of optimizing the technical, commercial, and operational aspects of acquired assets through our Smarter Asset Management. During the first half of the year, we again demonstrated Diversified's prudent and proven consolidation strategy with the Tanos II acquisition, while our operations team remained busy finding new and innovative ways to enhance margins by combining productivity enhancements and cost reductions from our existing assets. We will continue to evaluate and execute transactions that are in the best interest of shareholders, and we appreciate the continued and long-term support of our collective stakeholder base as we continue to implement our well-defined growth through acquisition strategy.

Consistent with our strategy, we delivered on our initiative to realize value from undeveloped acreage and non-core assets with over \$60 million in cash proceeds. We believe that significant opportunities through outright sales, advantageous joint ventures, or other partnership constructs will provide a catalyst to unlock our net asset value upside and drive organic, no-cost production growth.

We are more excited than ever about the future and look forward to continuing to build a company that provides safe, reliable, and responsibly produced energy while delivering meaningful value to stakeholders."

Posting of 2023 Interim Results Report and Presentation

Diversified has published the Company's 2023 Interim Report on its website at <https://ir.div.energy/financial-info> and has also made available a supplementary 2023 Interim Results Presentation at <https://ir.div.energy/presentations>.

Conference Call

DEC will host a conference call today at 12:00pm BST (7:00am EST) to discuss these results. The conference call details are as follows:

US (toll-free) + 1 877 836 0271
UK (toll-free) +44 (0)800 756 3429
Web Audio <https://www.div.energy/news-events/ir-calendarevents>
Replay Information <https://ir.div.energy/financial-info>

Footnotes:

- a) As used herein, Adjusted EBITDA represents earnings before interest, taxes, depletion, depreciation and amortisation, and includes adjusting items that are comparable period-over-period, non-cash items such as gains on the sale of assets, acquisition related expenses and integration costs, mark-to-market adjustments related to Diversified's hedge portfolio, non-cash equity compensation charges and items of a similar nature
- b) As used herein, includes operating expense; employees, administrative costs and professional services and recurring allowance for credit losses, which include fixed and variable cost components; for the purpose of comparability, amounts from Operating Expense relating to Diversified's wholly-owned plugging subsidiary, Next Level Energy, have been excluded (2H22: \$0.05/Mcfe; 1H23: \$0.06/Mcfe)
- c) As used herein, Adjusted EBITDA Margin is measured by reducing Adjusted Total Revenue for operating expenses and Adjusted G&A, expressed as a percentage of Adjusted Total Revenue; Adjusted Total Revenue is calculated as Total Revenue and the applicable gain (loss) on settled derivative instruments during the period
- d) As used herein, Annualized Free Cash Flow Yield represents Free Cash Flow for the six months ended 30 June 2023 as a percentage of Diversified's average total market capitalisation for the six months ended 30 June 2023, annualized; Free Cash Flow is calculated as net cash provided by operating activities less expenditures on natural gas and oil properties and equipment and cash paid for interest; excluding the impact of working capital
- e) Calculated as Net Debt at 30 June 2023 divided by Pro Forma Adjusted EBITDA; Pro Forma Adjusted EBITDA as reported for the twelve months ended 30 June 2023, including the unrealised impact of estimated NTM Adjusted EBITDA for previously announced acquisitions for the twelve months ended 30 June 2023
- f) As previously announced via RNS, includes combined value of the sale of certain leaseholds, acreage positions and non-operated interests in producing properties; Includes ~\$16 million in asset sales that occurred in July 2023
- g) As previously announced via RNS on 08 February 2023

For Company-specific items, refer to the Glossary of Terms and/or Alternative Performance Measures found in the Company's 2023 Interim Report

For further information, please contact:

Diversified Energy Company PLC

Doug Kris
www.div.energy

+1 973 856 2757

dkris@dgc.com

FTI Consulting

US & UK Financial Public Relations

DEC@fticonsulting.com

About Diversified Energy Company PLC

Diversified Energy Company PLC is an independent energy company engaged in the production, marketing, transportation, and retirement of primarily natural gas related to its US onshore upstream and midstream assets.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR WPUAPRUPWPUG