

December 29, 2021



# Diversified Closes Sale of Haynesville Undeveloped Acreage

**BIRMINGHAM, AL / ACCESSWIRE / December 29, 2021** Diversified Energy Company PLC (LSE:DEC) ("Diversified" or the "Company") is pleased to announce the closing of its sale of certain predominantly undeveloped Haynesville acreage in Texas as first announced on November 12, 2021. Diversified and Oaktree Capital Management, L.P. ("Oaktree") divested their working interests in the acreage for a total cash consideration of approximately \$67.4 million (net \$34.6 million to Diversified) after closing price adjustments. A second closing under the transaction of up to approximately \$4 million (net \$2 million to Diversified) may be conducted at a date in the near future.

The sale of acreage represented approximately 1,700 net Mcf per day of production as of November, 2021, or just 2% of the production that Diversified originally acquired as part of the Tanos Energy Holdings III LLC ("Tanos") deal in August 2021. Consistent with previous acquisitions, Diversified ascribed no value to the undeveloped Haynesville leasehold though this divestiture effectively reduces the Company's investment in the Assets Diversified acquired from Tanos by 29% to \$83 million from the original \$118 million<sup>(a)</sup>, net of purchase price adjustments. The Company's sale of the Assets reflects its proven ability to purchase predominantly PDP (proved, developed, producing) assets at low multiples and drive further value through the strategic monetization of undeveloped upside potential and non-strategic assets.

Rusty Hutson, Jr., CEO of the Company, commented:

*"Monetizing a portion of the undeveloped Haynesville acreage we acquired in the Tanos transaction marks a strong finish to an exceptional year for Diversified and boosts our returns from that acquisition by reducing our purchase price by nearly 30%. Using the nearly \$35 million of proceeds to reduce the borrowings on our revolving credit facility enhances our financial flexibility as we evaluate other value-accretive opportunities. We enter 2022 with momentum as we integrate our Central Region assets, progress our comprehensive ESG initiatives and remain ever focused on opportunities to expand our portfolio of producing assets."*

Footnotes:

(a) Excludes certain below-market natural gas hedge contracts through 2023 assumed by Diversified, as previously announced via RNS on July 05, 2021

*For Company-specific items, refer also to the Glossary of Terms and/or Alternative Performance Measures found in the Company's 2020 Annual Report and Interim Results for the Six Months Ended June 30, 2021*

For further information, please contact:

**Diversified Energy Company PLC**

+1 205 408 0909

Jim Sheehan

[www.div.energy](http://www.div.energy)

[ir@dgoc.com](mailto:ir@dgoc.com)

**Buchanan**

+44 20 7466 5000

*Financial Public Relations*

Ben Romney

Chris Judd

Jon Krinks

James Husband

[dec@buchanan.uk.com](mailto:dec@buchanan.uk.com)

**About Diversified Energy Company PLC**

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

**SOURCE:** Diversified Energy Company PLC

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