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Diversified Energy Announces Acquisition of Appalachian Plugging Company

BIRMINGHAM, AL / ACCESSWIRE / July 27, 2022 /Diversified Energy Company PLC (LSE:DEC) ("Diversified" or "the Company") announces that it has acquired the well services and plugging assets and operations of Contractor Services Inc. of West Virginia ("ConServ" or the "Acquisition"), representing the Company's third acquisition of an Appalachian asset retirement operator during 2022. Located in Spencer, West Virginia, ConServ is a privately held business led by David and Scott Freshwater that was formed in 1970 and has become an established Appalachian plugging and well services provider.



The Acquisition enhances Diversified's ability to retire more wells, scales the business to drive further efficiencies in the Company's internal well plugging program, and provides additional third-party revenues from other operators and state agencies to offset Diversified's own well retirement costs. As part of the Acquisition, Diversified will add the ConServ well services and plugging division to the existing Next LVL Energy asset retirement platform.

Diversified's plugging programme now includes 15 well plugging rigs (+70% vs 1Q22) and an expanded portfolio of services that enhance the Company's ability to retire wells and perform related site preparation and reclamation activities. The Acquisition adds 3 derrick rigs that supplement the servicing and retiring of both deep vertical and unconventional wells, and also includes a number of service rigs and auxiliary equipment. Diversified's expanded suite of offerings now includes cementing, wireline, trucking and construction services, which reduce the need to incur related contractor expenses and provide incremental revenue streams.

The Acquisition significantly enhances the visibility by which Diversified will meet its stated commitment to retire at least 200 wells per year across the Company's Appalachian footprint, well in excess of state minimum plugging requirements and with locally based internal equipment and crews.

Commenting on the acquisition, Brad Gray, Executive Vice President & Chief Operating Officer said:

"We are very excited to welcome the ConServ employees to our asset retirement team at Next LVL Energy and honored to carry forward the great work of the Freshwater family in the Appalachian energy industry. Our investments to vertically integrate asset retirement

expertise and equipment have positioned us as one of the largest full-service plugging providers in the region, and benefit both our existing operations and the plugging needs of others in the Appalachian basin."

"This acquisition serves to not only highlight our long-standing commitment as responsible assets stewards and operators from acquisition to retirement, but also our dedication to doing so in a manner that is beneficial to all of our stakeholders and the environment. With our expanded asset retirement capacity, we are efficiently delivering on our plugging commitments as well as servicing the needs of other companies and state governments as the premier Appalachian plugging service provider."

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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.

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