

March 10, 2025



Diversified Energy, FuelCell Energy, and TESIAC Collaborate to Form an Acquisition and Development Company to Leverage Coal Mine Methane and Natural Gas for Off-Grid Data Center Power Projects

Projects aim to be responsive to the energy needs of data centers by offering an abundant supply of operational power within two years

Projects target the provision of on-site, continuous, and scalable power generation, and securing data center uptime even in volatile market conditions

The partnership would involve innovative capital structuring coupled with environmental credit cash flow generation from the fuel cell platforms and coal mine methane (CMM)

Clean fuel cell technology can reduce the carbon footprint of data center and other high-volume electrical off-takers

Projects aspire to create jobs and other economic benefits focused on the Appalachian region

BIRMINGHAM, Ala. and DANBURY, Conn. and SAN FRANCISCO, March 10, 2025 (GLOBE NEWSWIRE) -- Diversified Energy Co. PLC (NYSE: DEC, LSE: DEC) ("**Diversified Energy**"), FuelCell Energy, Inc. (NASDAQ: FCEL) ("**FuelCell Energy**"), and TESIAC ("**TESIAC**") announced a strategic partnership intended to address the urgent energy needs of data centers by supplying as much as 360 megawatts of electricity to three distinct locations in Virginia, West Virginia and Kentucky.

The partnership has agreed to create an Acquisition and Development Company ("**ADC**") focused on delivering reliable, cost efficient, net-zero power from natural gas and captured coal mine methane ("**CMM**") to meet the soaring demand of data centers for reliable power.

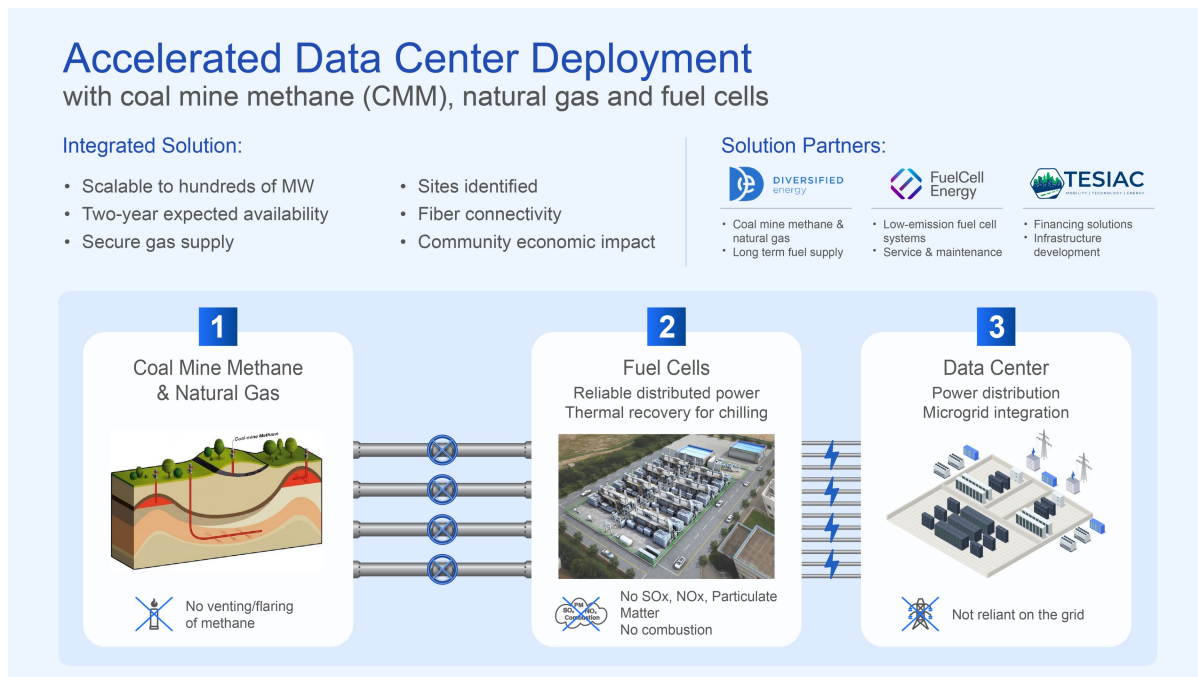
The collaboration among the three companies would leverage in-basin natural gas production, advanced energy generation via fuel cell technology, and infrastructure financing to create a highly efficient, scalable, and sustainable energy solution tailored for the rapid expansion of data center power capacity requirements.

Natural gas or CMM, extracted from coal mines by Diversified Energy and delivered via pipeline to fuel cells, would generate power through the electrochemical conversion of

methane to hydrogen, and then to electricity. This combustion-free process is virtually free of air pollution emissions, speeding air permitting and enabling the system to be brought online faster than combustion-based systems. Heat that is co-generated by the fuel cells can be harnessed and converted to chilling for the data center, thus increasing overall system efficiency and further enhancing economic value. Importantly, this process qualifies for established environmental and tax credits that have the potential to provide meaningful cash flow in addition to the economic benefits of gas and power sales.

The parties are structuring the terms of the agreement to include:

- **Diversified Energy** supplying natural gas and CMM or captured waste methane from coal mines that otherwise would have been vented into the atmosphere, from its Appalachian Basin production as the base fuel.
- **FuelCell Energy** deploying its fuel cell energy platforms, delivering distributed, high-efficiency baseload power generation, emissions management, and thermal energy solutions. This includes electricity and waste heat driven absorption chilling, ensuring data centers achieve unmatched efficiency, carbon reduction, and resilience.
- **TESIAC** leveraging its investment and development expertise, securing highly competitive financing options to accelerate deployment while maintaining long-term profitability and scalability.



This unique partnership intends to create a decentralized, high-performance, and sustainable energy solution to meet the demands of data centers that enable rapidly growing AI and high-performance graphics processing units. The partnership initiative, using U.S.-made technology and materials, could create hundreds of well-paying jobs in construction, operation, maintenance, and assembly and engineering, as well as indirect economic benefits, all while driving a new era of innovation in the data center industry, alongside other high-volume electric off-take markets.

Other key attributes include:

- **Behind-the-Meter Solutions:** Rather than rely on grid-based power, this model is expected to be designed to provide on-site, continuous, and scalable power generation, securing data center uptime even in volatile market conditions with optionality to sell into the grid.
- **Disruptive Financing Model:** Innovative capital structuring will target faster deployment and stronger financial resilience compared to traditional investment structures.
- **Carbon-Optimized Power Generation:** The integration of captured methane, distributed fuel cells and emissions capture ready technology to reduce a customer's carbon footprint, setting a new industry standard.

Brad Gray, President and Chief Financial Officer of Diversified Energy, said:

"Our natural gas and coal mine methane asset footprint is advantageously positioned in the Appalachian Region to support the power generation needs of data centers directly. The market demand for the type of reliable, quickly dispatchable power that only natural gas can deliver is incredibly strong, and we're excited about the potential of this partnership to deploy Diversified Energy-produced natural gas and coal mine methane (CMM) and pair it with Fuel Cell's advanced industrial-scale technology to create an efficient, cost-effective, environmentally sound solution for the next generation power needs of data centers."

Jason Few, President and CEO of FuelCell Energy, stated:

"We're excited by the opportunity to partner with the Diversified Energy and TESIAC teams, merging their resources with our electrochemical technology to deliver a scalable, distributed baseload power solution. We believe the future of AI and other high-performance computing will require an abundant supply of clean, reliable, and locally generated power, ensuring that data centers can operate with maximum efficiency and sustainability. By leveraging an abundant supply of natural gas and coal mine methane (CMM), we're confident we can address data center energy needs more quickly and cleanly than other market alternatives, accelerating the time to revenue for data centers and their customers."

Karen Morgan, Managing Partner at TESIAC, said:

"We anticipate there will be multiple benefits for communities from this collaboration. Stabilizing the energy supply, while capturing methane emissions, turns an environmental challenge into an economic growth opportunity, creating steady job growth as a result of bringing the supply chain closer to the source of power and the end user. By combining our expertise with Diversified Energy and FuelCell Energy, we are creating a model for the future of data centers, one that is strategic, sustainable and built for long-term growth."

The companies look forward to sharing further information about the partnership, specific projects, and development timelines soon.

About Diversified Energy

Diversified Energy is a leading publicly traded energy company focused on natural gas and liquids production, transport, marketing, and well retirement. Through our unique differentiated strategy, we acquire existing, long-life assets and invest in them to improve environmental and operational performance until retiring those assets in a safe and environmentally secure manner. Recognized by ratings agencies and organizations for our sustainability leadership, this solutions-oriented, stewardship approach makes Diversified Energy the Right Company at the Right Time to responsibly produce energy, deliver reliable free cash flow, and generate shareholder value.

FuelCell Energy

FuelCell Energy, a pioneer in clean energy technology, provides efficient and sustainable power, carbon capture, and hydrogen solutions worldwide. The company's fuel cells have been in commercial operation for more than 20 years and are able to run on various fuels including natural gas, hydrogen, and biofuel. The company's installations have a wide variety of applications, including support of the electric grid, distributed baseload power on site for data centers, industrial operations, and major manufacturers. Founded in 1969 in Danbury, Connecticut, FuelCell Energy holds more than 450 patents that enable solutions for today's energy needs. Learn more about our groundbreaking technology at fuelcellenergy.com.

About TESIAC

TESIAC is a trusted investment and development platform company focused on regional economic development, enabling and accelerating the transition to sustainable energy infrastructure, establishing workforce development, and accelerating community centered reinvestment opportunities. TESIAC enables integrated and interoperable systems to enhance overall efficiencies, increase operational performance, and create layers of sustainable value. TESIAC brings together an experienced interdisciplinary team and partners with new and advanced technologies, as well as flexible and innovative capital structures. TESIAC's mission-driven "Art of the Possible" (AOP) approach avoids silos, delivers optimized solutions, uses proven technologies, and is aligned with their Partner Network to maximize value to stakeholders.

Forward-Looking Statements

This announcement includes forward-looking statements. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "targets", "may", "will", "could", "can", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "projects", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. TESIAC or their respective management concerning, among other things, statements regarding the ADC partnership, including its timing, benefits and impact, descriptions of the collaboration and its operations, integration and transition plans, opportunities and anticipated future operational and financial performance. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of Diversified Energy, FuelCell Energy and TESIAC and all of which are based on the current beliefs and expectations of their respective management about future events, including the expected timing and likelihood of the ADC partnership, including the ability to successfully execute the collaboration, the occurrence of any event, change or other circumstances that could give rise to the termination of the ADC partnership and the risk that the ADC partnership may not achieve synergies as expected and other important factors that could cause actual results to differ materially from those projected.

For further information, please contact:

Diversified Energy Company PLC

Doug Kris

Senior Vice President, Investor Relations & Corporate Communications

+1 973 856 2757

dkris@dgoc.com

www.div.energy

FTI Consulting

U.S. & UK Financial Public Relations

dec@fticonsulting.com

A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/620926c7-78b8-41b8-a3cd-b15e9ca6b518>



Source: Diversified Energy PLC