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Diversified Gas & Oil Expands Credit Facility Borrowing Base with Improved Pricing

Borrowing Base Increases 31% to \$950 Million as New Banks Also Join the Syndicate

BIRMINGHAM, AL / ACCESSWIRE / April 24, 2019 London-AIM quoted Diversified Gas & Oil PLC (AIM: DGOC, "Diversified" or the "Company"), a U.S.-based owner and operator of natural gas, natural gas liquids, oil wells and midstream assets in the Appalachian Basin, is pleased to announce details of its expanded and fully underwritten borrowing base of \$950 million.

Following the Company's recent successful acquisition of Appalachian gas producing assets from HG Energy II Appalachian, LLC, Diversified's bank syndicate, led by KeyBank National Association, has been enlarged. Accordingly, the borrowing base available under its \$1.5 billion facility has been increased 31% from \$725 million to \$950 million. Funded in part by its senior secured revolving credit facility first agreed to in March 2018, the Company has acquired more than \$1.3 billion of long-life, low-decline gas and oil producing assets in the Appalachian Basin contributing to pro-forma daily net production of more than 90,000 barrels of oil equivalent per day.

The bank syndicate has been increased from 12 to 14 banks and now includes DNB Bank ASA ("DNB") and BBVA Compass. Royal Bank of Canada ("RBC") also joined the bank syndicate at the Company's previous redetermination in December 2018.

In addition, the Company has negotiated a 25 basis points reduction to each tier of the facility's pricing grid, lowering the spread by nearly 10%. The current pricing grid for amounts drawn on its facility is LIBOR plus 2.0%-3.0%, depending on utilization.

Reflective of the higher borrowing base and underpinned by the quality of the acquired assets, the Company's post-acquisition liquidity exceeds pre-acquisition levels while leverage remains unchanged at 1.8x Net Debt-to-EBITDA. Diversified's current liquidity is approximately \$330 million and remains available to fund organic development and further acquisitions.

Rusty Hutson, Jr., CEO of Diversified, commented, "I would like to express my gratitude to our banking group for their continued commitment to Diversified's vision. We are thrilled to welcome RBC, DNB and BBVA Compass to the family of world-class banks participating in our facility. It's hard to believe that the credit facility we established in March 2018 with a borrowing base of \$200 million has grown nearly 500% in just one year to its current \$950 million level, which is a reflection of the high-quality, long-life reserves that underpin our assets. With liquidity exceeding \$330 million and a lower interest rate on borrowings, we can complete meaningful acquisitions without the need for additional equity raises while

simultaneously maintaining our commitment to low leverage with Net Debt-to-EBITDA of approximately 2x."

For more information, visit www.dgoc.com.

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About Diversified Gas & Oil

Diversified Gas & Oil (AIM: DGOC) acquires and operates gas- and oil-producing assets in the Appalachian Basin of the United States. Diversified employs a disciplined investment strategy to acquire conventional and unconventional low-risk wells, enhance operations efficiently and maximize profitability for its shareholders. Founded in 2001, Diversified operates a growing portfolio of producing wells with the highest standards of safety, governance and transparency. For more information, visit us online at www.dgoc.com.

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