

November 12, 2021



# Diversified Energy Company PLC Monetizes Haynesville Undeveloped Acreage

**BIRMINGHAM, AL / ACCESSWIRE / November 12, 2021** /Diversified Energy Company PLC (LSE:DEC) ("Diversified" or the "Company") is pleased to announce that the Company and Oaktree Capital Management, L.P. ("Oaktree") have entered into a Purchase and Sale Agreement to divest their working interest in certain predominantly undeveloped Haynesville acreage in Texas (the "Assets") for estimated total cash consideration at Closing of approximately \$72.8 million (net \$37.3 million to Diversified).

Net to Diversified, the sale includes nearly \$33.7 million for 22,729 net acres of predominantly undeveloped Haynesville Shale leasehold in Harrison, Leon, Panola, Robertson and Rusk counties, and \$3.6 million for 38 gross Haynesville Shale wells on this acreage producing approximately 1,700 net Mcf per day as of November, 2021 (representing just 2% of the production that Diversified originally acquired from Tanos Energy Holdings II LLC ["Tanos"] in August 2021). Diversified retains an overriding royalty interest on certain of the undeveloped leasehold in Panola and Rusk Counties along with the development rights to all geologic formations other than the Haynesville Shale in the divested acreage.

Diversified's successful monetizing of these Assets effectively reduces its investment in the previously announced Tanos transaction by 30% to \$81 million from the original \$118 million<sup>(a)</sup>, net of purchase price adjustments. Consistent with previous acquisitions, the Company ascribed no value to the undeveloped Haynesville leasehold. Accordingly, 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. Diversified expects to close the transaction in mid to late December subject to the purchaser's normal and customary diligence.

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

*"I am proud of our team's actions to enhance the value of our recent Tanos acquisition, significantly reducing our net purchase price by successfully monetizing these Assets. This transaction exemplifies our strategy of efficiently managing our producing assets and extracting maximum value from predominantly undeveloped resources. The sale proceeds enhance our liquidity as we evaluate other value-accretive opportunities. We remain focused on completing the integration our Central Region acquisitions, delivering operational and administrative synergies and implementing our ESG initiatives and Smarter Asset Management program across the portfolio."*

## Footnotes:

(a) Excludes certain below-market natural gas hedge contracts through 2023 assumed by Diversified, as previously announced via RNS on 05 July 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 30 June 2021*

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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.

**SOURCE:** Diversified Energy Company PLC

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