

Diversified Energy Company PLC

Essential to the Energy Transition

Delivering Sustainable Shareholder Value

Capital Markets Day 2021



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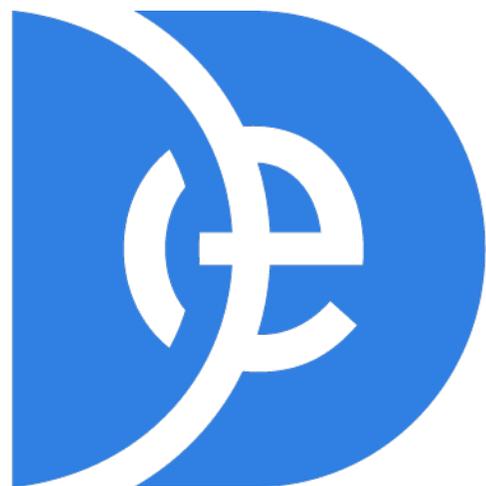
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DIVERSIFIED
energy

Diversified Energy Company

Our new name reflects who we are and represents our long-standing business and growth strategy **underpinned by clean-burning natural gas.**

Diversified is an important provider of energy supply, and **we believe natural gas will play a vital role supporting both domestic and global energy needs** and participate in a transition to increased renewable energy.

A New Logo, A New Horizon

Building upon a rich history of stewardship and shareholder returns, we look forward to **providing sustainable value for the next 20 years** and beyond.



Session

1

- 8:00 – 8:05 **Welcome & Introduction**
- 8:05 – 8:40 **DEC: CEO and Board Perspectives**
- 8:40 – 9:45 **ESG: Environmental Focus**
- 9:45 – 10:15 **Q&A for Session 1**
- 10:15 – 10:30 ***BREAK***

Session

2

- 10:30 – 10:50 **ESG: Social & Governance Focus**
- 10:50 – 11:30 **Operations Business Model**
- 11:30 – 12:05 **Financial Business Model**
- 12:05 – 12:15 **Wrap Up & Closing**
- 12:15 – 12:30 **Final Q&A**





REPRESENTING DIVERSIFIED TODAY

Executive Team



Rusty Hutson, Jr.
Chief Executive Officer



Brad Gray
Chief Operating Officer



Eric Williams
Chief Financial Officer



Jim Rode
Chief Commercial Officer



Ben Sullivan
General Counsel

Asset Operations



Bobby Cayton
Senior Vice President-
Upstream Operations



Maverick Bentley
Senior Vice President-
Midstream Operations

Sustainability & Safety



Sandy Stash
NED, Chair-Sustainability
& Safety Committee



Teresa Odom
Vice President-
ESG & Sustainability



Paul Espenan
Vice President-
EH&S

Finance



Randy Barron
Senior Vice President-
Strategy & Finance



John Crain
Vice President,
Treasurer



Jim Sheehan
Vice President-
Investor Relations

Human Resources



Mark Kirkendall
Senior Vice President-
Human Resources



Laurie Knox
Business Partner-
Human Resources

Marketing



Ron Ridgway
Vice President-
Energy Marketing



Austin McDaniel
Director-
Energy Marketing

Technology



David Myers
Chief Information
Officer

Corporate Overview

Rusty Hutson, Jr
Chief Executive Officer

Poised to Thrive During the Energy Transition

Natural gas focused model provides affordable, reliable and clean natural gas to meet the world's growing energy demands while delivering substantial returns from robust cash margins

Committed to Positively Impacting Climate Change

Establishing annual climate funding commitments with an initial investment of \$15 million in 2022

Setting aggressive climate goals and reducing methane emissions intensity by 30%^(a) in 2026 and 50%^(a) in 2030, driving to our **updated target of carbon neutrality by 2040**

Pursuing proactive, voluntary methane emissions detection and reductions to meet or exceed regulatory requirements

A Responsible, Stewardship-Based Model

Strategic focus on acquiring and optimizing production from existing assets with our Smarter Asset Management (SAM) program to meet strong market demand without reliance on new development

Growing policy support for emerging energy sources, such as blue hydrogen, enhances the outlook for our natural gas-focused company



a) Methane emissions intensity calculated based on Scope 1 emissions and measured from 2020 reported values



DIVERSIFIED TODAY: A 20-YEAR JOURNEY



2011 - 2021

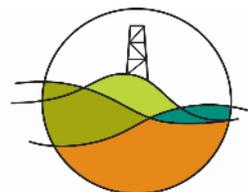
We set it up from day one to focus on free cash flow, and as we've grown, that strategy hasn't changed.

Rusty Hutson, Jr.

2001
Diversified Resources
Privately Held

2017^(a)
Diversified Gas & Oil
LSE Ticker: DGOC

2021
Diversified Energy Company
LSE Ticker: DEC



2017-2021

# of Employees	1	~80	+15x	~1,300 ^(b)
Total Acreage (million acres)	nil	0.8	+11x	~8.6 ^(b)
Avg Production (MBoepd)	.008	3	+43x	133 ^(c)
PDP Reserves (MMBoe)	nil	28	+27x	753 ^(d)
Enterprise Value (\$million)	\$0.4	\$75	+26x	\$1,988 ^(e)
Dividends per Share	N/A	1.99¢	8x	17¢ ^(f)

~5000x growth
in 20 years

a) Data represents year ended 31 December 2016 as a proxy for Diversified's February 2017 IPO

b) Inclusive of Diversified's share of the Company's 2021 Central Region acquisitions

c) Represents 30 September 2021 exit rate as disclosed in 28 October 2021 trading update RNS for 3Q21 results

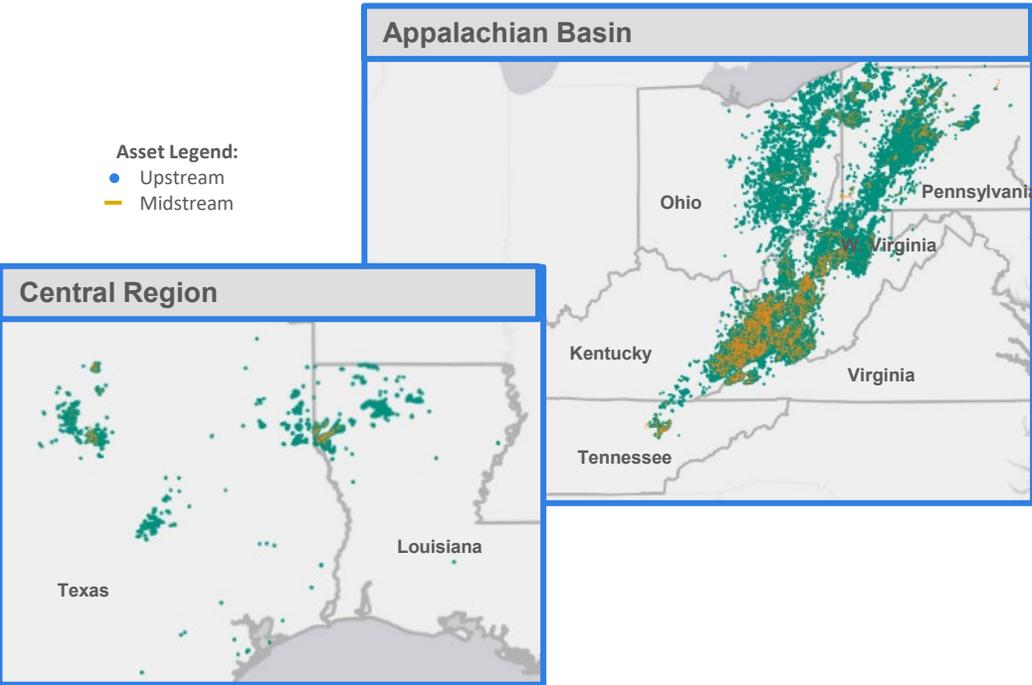
d) Represents reported 31 December 2020 PDP reserves pro forma for DEC's share of the Company's 2021 Central Region acquisitions; PDP defined as Proved Developed Producing

e) Assumes share price and shares outstanding as of 1 November 2021 and 30 June 2021 Net Debt as per 1H21 Interim Results

f) Represents 3Q21 quarterly dividend, annualized, as announced in 28 October 2021 trading update RNS



A DIFFERENTIATED ENERGY COMPANY (LSE: DEC)



Disciplined Growth

*Safeguard the Balance Sheet
Target Accretive Acquisitions*

and

Focused Execution

*Hedge to Protect Cash Flow
Optimize Production*

Value Creation



**Cash Flow Generation
Stakeholder Returns**



**US-Based
Assets**



**London-Listed
Equity Shares**

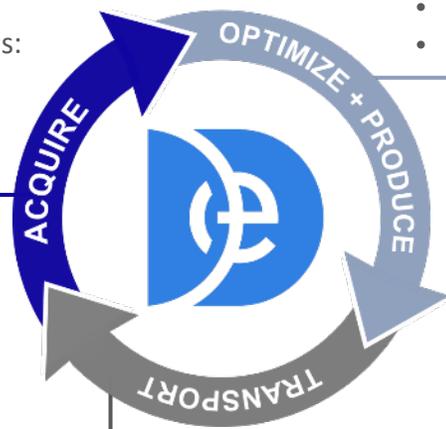
**Considering
Equity Share
Dual-Listing**

Vertically Integrated to Drive Efficiencies

Focused on Sustainability & Environmental Stewardship

Focused on acquisitions:

- low decline,
- long-life,
- existing production



Focused on operations:

- optimize **production**,
- increase **efficiencies**,
- improve **margins**

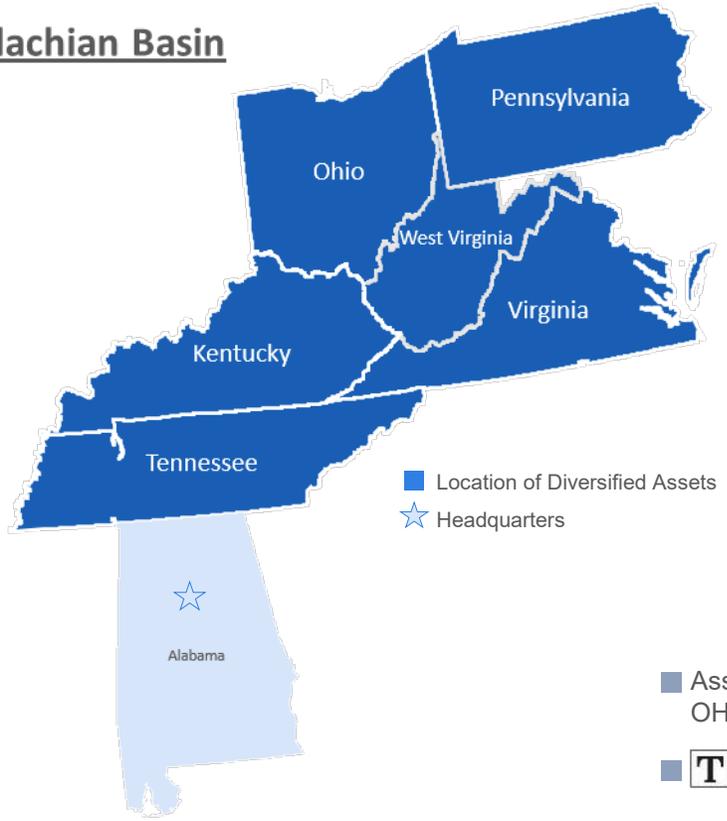
Focused on integration:

- synergistic,
- margin-enhancing,
- controlled midstream

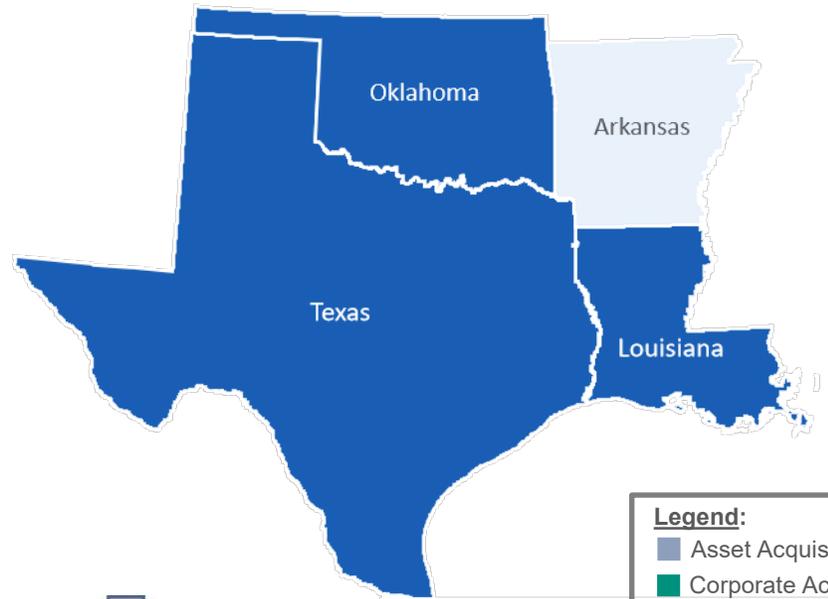


DRIVING VALUE GENERATION THROUGH ACCRETIVE ACQUISITIONS

Appalachian Basin



Central Region



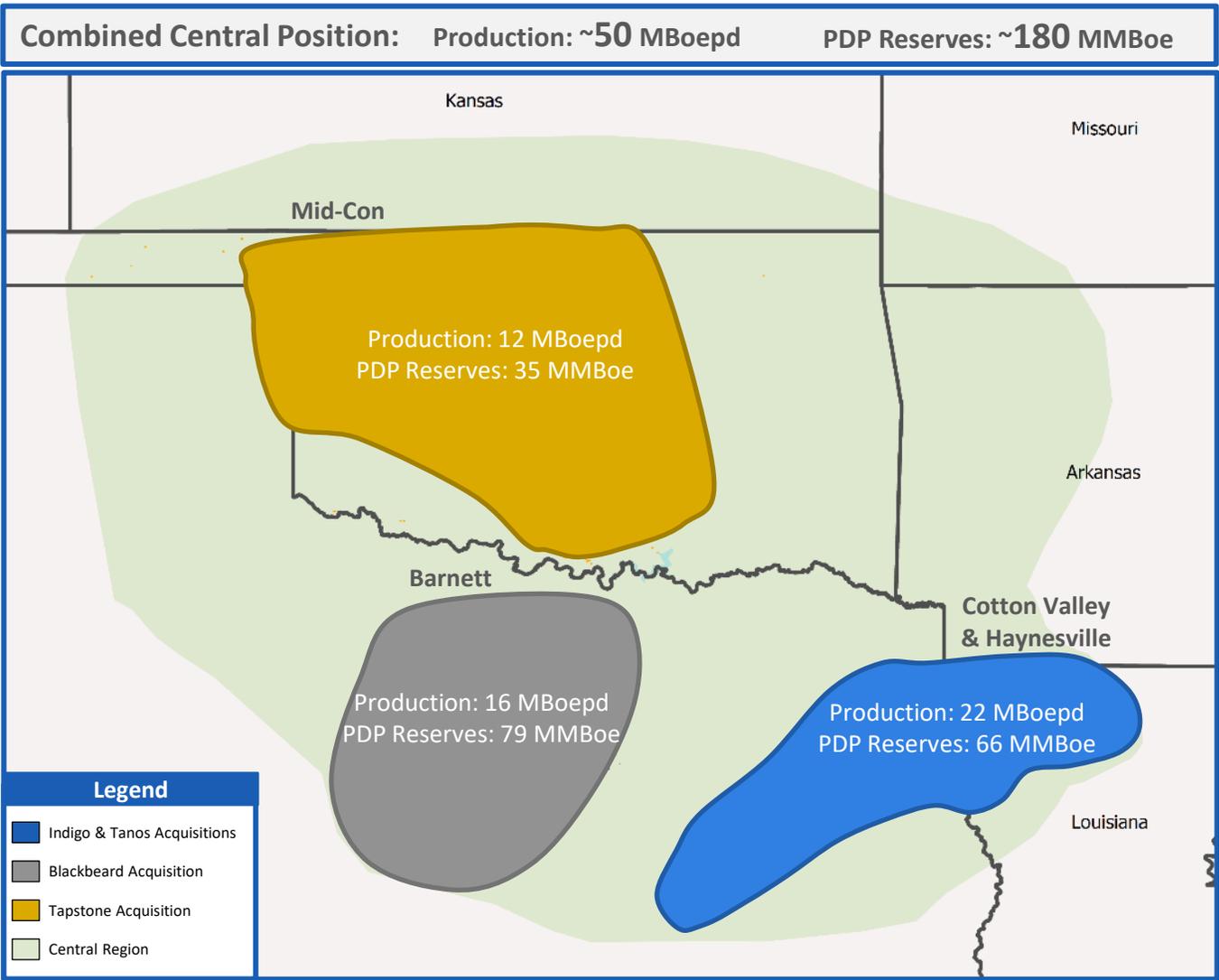
~\$2 Billion
in acquisitions
since 2017 IPO



a) Conditional acquisition; Expected close of Tapstone acquisition subject to customary due diligence procedures



CONTINUED EXPANSION INTO THE CENTRAL REGION



Presented figures represent Diversified production and reserves, all amounts as previously announced

Initial Entry Indigo & Tanos

Initial Central Region position within the **Cotton Valley / Haynesville** producing zones in **Texas and Louisiana**

Expanded Footprint Blackbeard

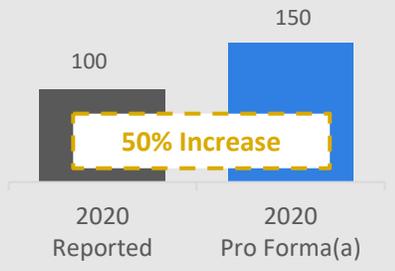
Expanded regional footprint acquiring legacy, low decline producing assets in the **Barnett shale in Texas**

Building Scale Tapstone

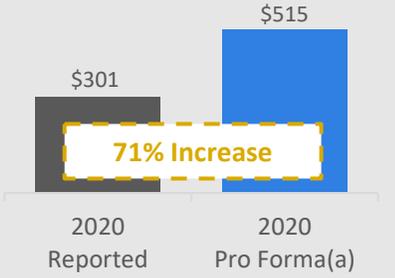
Building scale by broadening footprint of expansive, mature producing properties in the **Mid-Continent area within Oklahoma**

Cumulative Accretive Impact

Net Production (MBoepd)



Adj. EBITDA (\$million)



a) 2020 Pro Forma includes Diversified's announced share, net of Oaktree's respective interest, of net production and Adjusted EBITDA in Indigo, Blackbeard and Tanos and assumes successful completion of Tapstone acquisition with Oaktree's participation



ESTABLISHING A UNIQUE PRESENCE AMONG M&A PARTICIPANTS

Proven consolidator with a **demonstrated ability to access funding** throughout the commodity price cycle to grow our **stewardship model**

Motivated Sellers

STRATEGIC

Developers looking to raise capital to fund organic growth

OPPORTUNISTIC

Private equity and private companies looking to exit with realized gains or reallocate capital to drilling/other opportunities

DISTRESSED

Over-levered or creditor-controlled companies looking to repair their balance sheet

Alternative Buyers

PRIVATE OPERATOR

Limited access to capital and little to no ESG accountability

PRIVATE EQUITY

Value-oriented with a higher cost of capital and limited operational ability, with little to no ESG accountability

PUBLIC COMPANIES

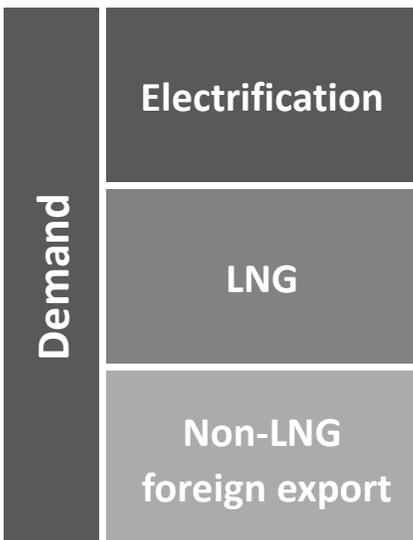
Focus on development is needed to offset high legacy decline rates and reduces interest in mature PDP assets



FAVORABLE US NATURAL GAS FUNDAMENTALS

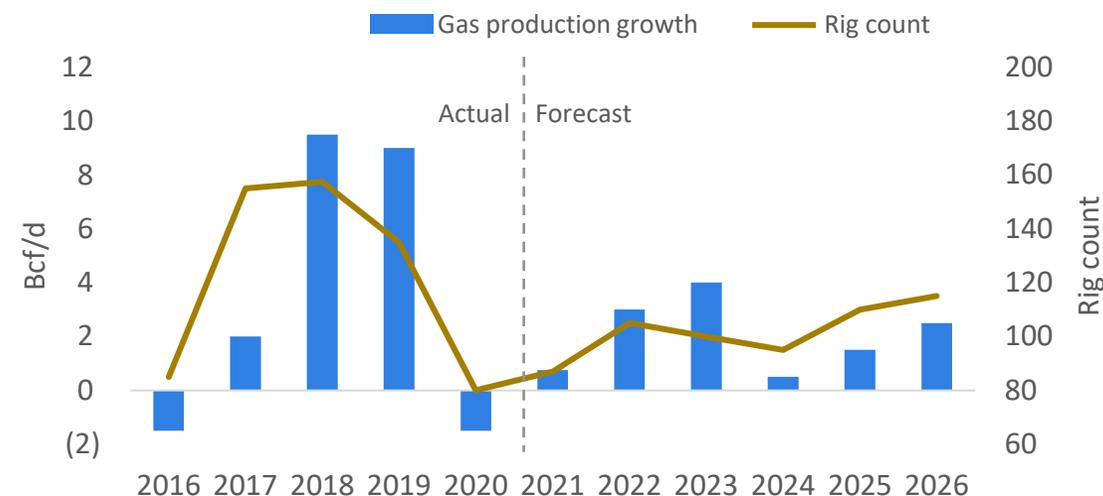


- Markets demanding lower reinvestment rates by public E&Ps which reduces natural gas (and associated gas) production
- Increased pace of M&A means less companies trying to grow and more assets inside disciplined public entities
- Mitigating cycle of too little takeaway and too little expected production growth to build more takeaway

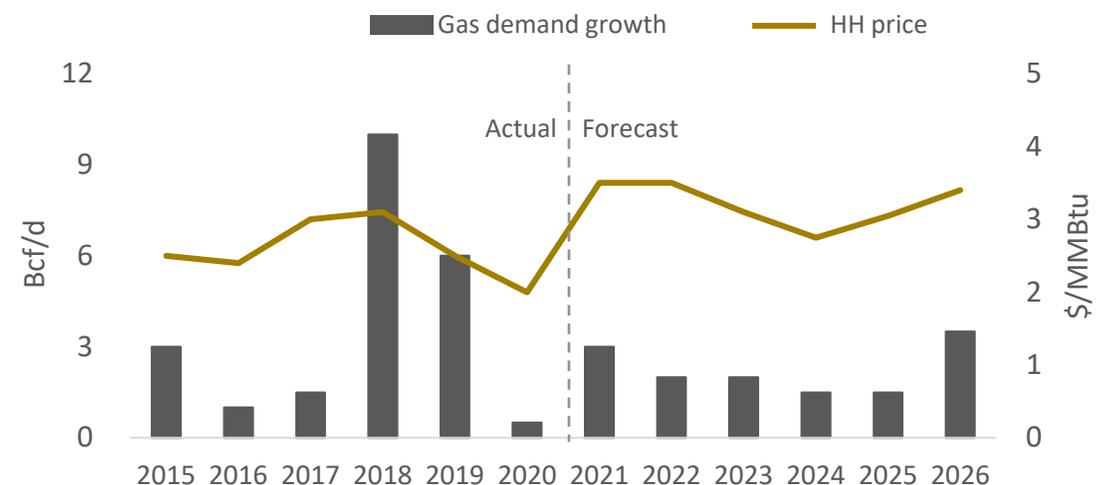


- Momentum of electrification of transportation, industry and others as means to reduce environmental impact
- Continued US export capacity expansion alongside increasing international demand as countries move away from coal
- Feeding gas growth into Mexican infrastructure and North into Canadian LNG; significant shortages in Europe and other areas increasing LNG demand

More measured YOY gas production growth and gas rig count recovery



Steady gas demand growth supports higher price projections



Diversified and Natural Gas: a Board Perspective

Sandy Stash

Independent Non-Executive Director,
Chair of Sustainability & Safety Committee



Recognition of Diversified's “Differentiated Model”

- ✓ A financially sound model that supports customers' and communities' energy and socio-economic needs ...
- ✓ And plays an essential role in the energy transition ...
- ✓ Without the need for extensive new infrastructure ...
- ✓ Supported by financial strength and a commitment to drive continuous improvement ...
- ✓ Until responsible retirement of the assets at end of life.





DIVERSIFIED'S ESG JOURNEY

2019

2020

2021



Established our Baselines

- Published 2019 inaugural Sustainability Report
- Strategic hire of new VP of EH&S role
- Expanded EH&S staff focused on air quality
- Formalized Enterprise Risk Management Process
- Commenced TCFD reporting and commitments

Expanding our ESG Journey

- Enlarged Board with enhanced diversity
 - Increased female representation
 - Broadened and deepened experience
- Formed Sustainability & Safety Committee

Progressing the Platform

- Initiated **Project Fresh** program to reduce emissions
- Appointed new VP of ESG & Sustainability
- Expanded EH&S staff focused on safety and air quality
- Invested in additional handheld leak detection equipment
- Expanded asset retirement program in West Virginia
- Published second, expanded 2020 Sustainability Report
- Expanded TCFD climate scenario analysis & disclosures
- Increased female Board representation & independence
- Strengthened ESG-linked executive comp metrics
- **Announcing plans to spend an initial \$15 million from 2022 on emission reduction activities and equipment**
- **Announcing methane emissions reduction goals of 30% by 2026 and 50% by 2030^(a)**
- **Announcing updated commitment to net zero by 2040**

a) Methane emissions intensity calculated based on Scope 1 emissions and measured from 2020 reported values



IMPORTANCE OF NATURAL GAS: GLOBALLY

Essential

As global energy consumption increases, natural gas remains an essential energy source to satisfy world demand and to improve quality of life for decades to come

Clean

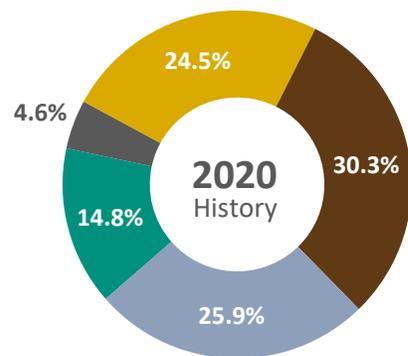
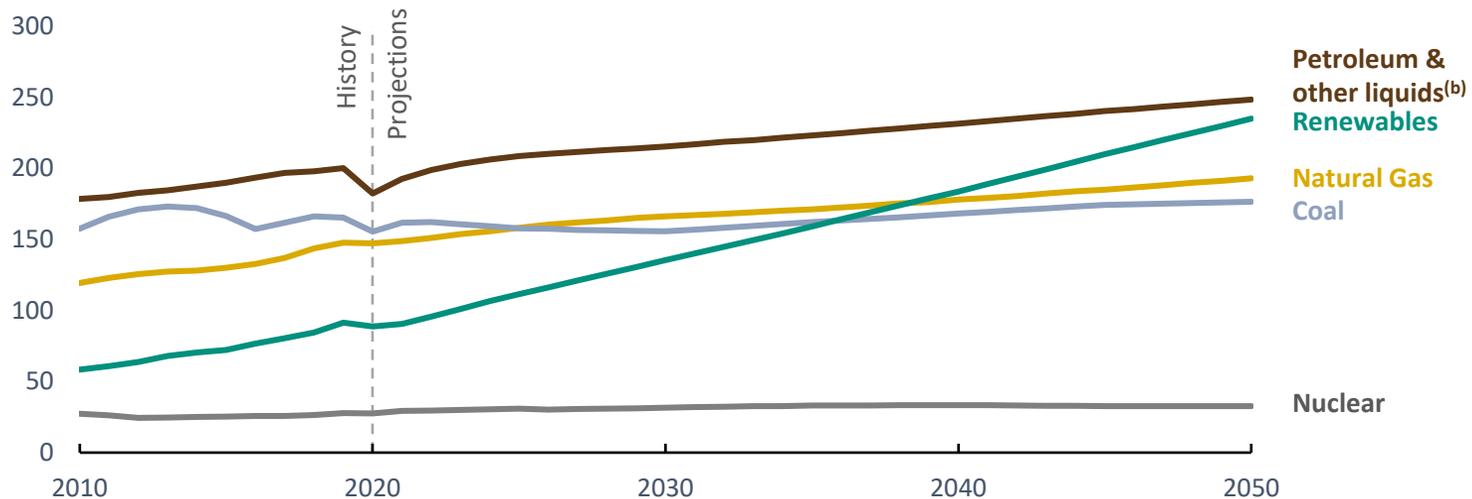
Coal-to-gas switching remains a key element of many global economies' emission reduction goals

Abundant

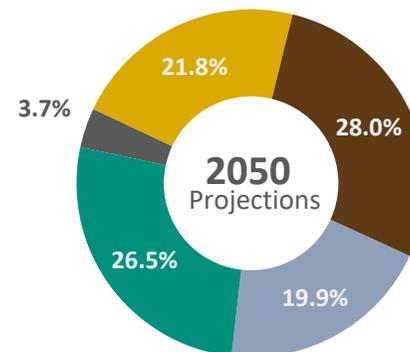
Increasing international demand is satisfied with significant imports of US LNG

World Primary Energy Consumption by Energy Source^(a)

Quadrillion Btu



Petroleum & other liquids^(b)
Renewables
Natural Gas
Coal
Nuclear



a) US Energy Information Administration, International Energy Outlook 2021, Reference Case

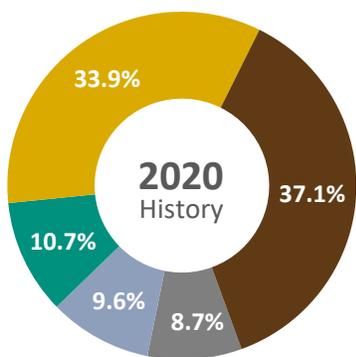
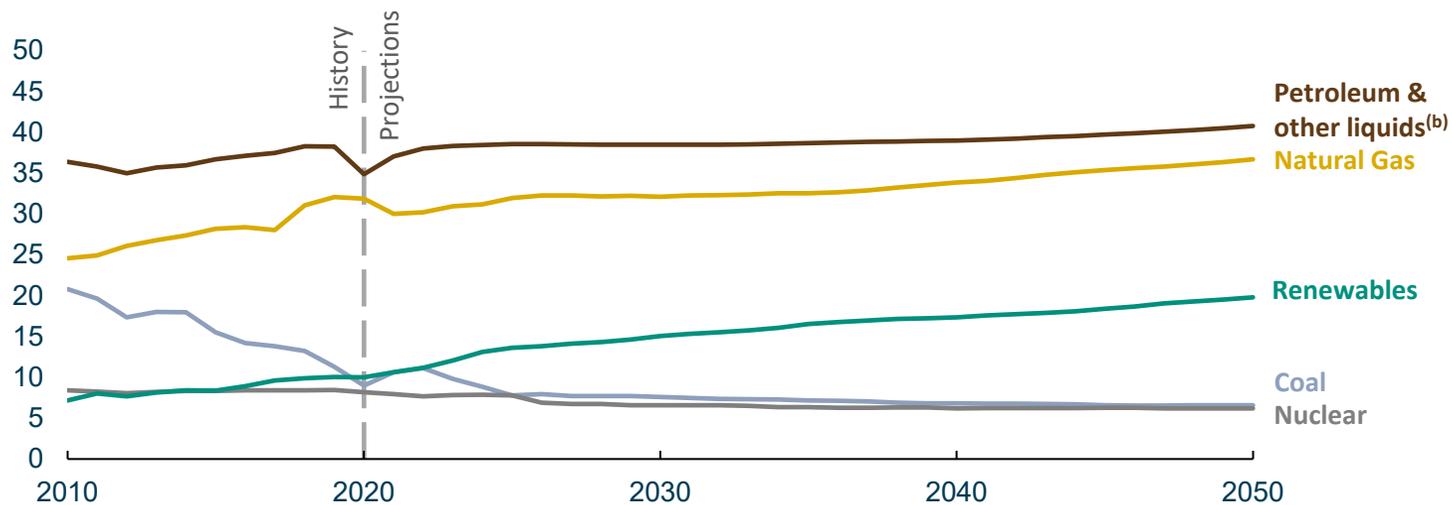
b) Includes biofuels



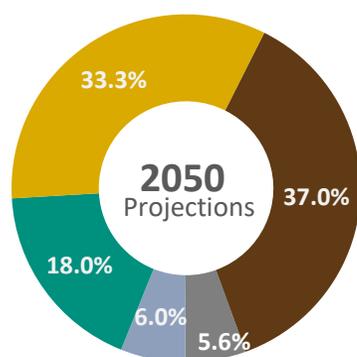
IMPORTANCE OF NATURAL GAS: DOMESTICALLY

Energy Consumption by Fuel^(a)

Quadrillion Btu



Petroleum & other liquids^(b)
 Natural Gas
 Renewables
 Coal
 Nuclear



Essential

Natural gas remains an essential element in meeting total US energy needs, even with the growth of renewable energy sources

Clean

Natural gas increasingly replacing coal as a base load power generation source with significant emission reduction benefits

Resilient

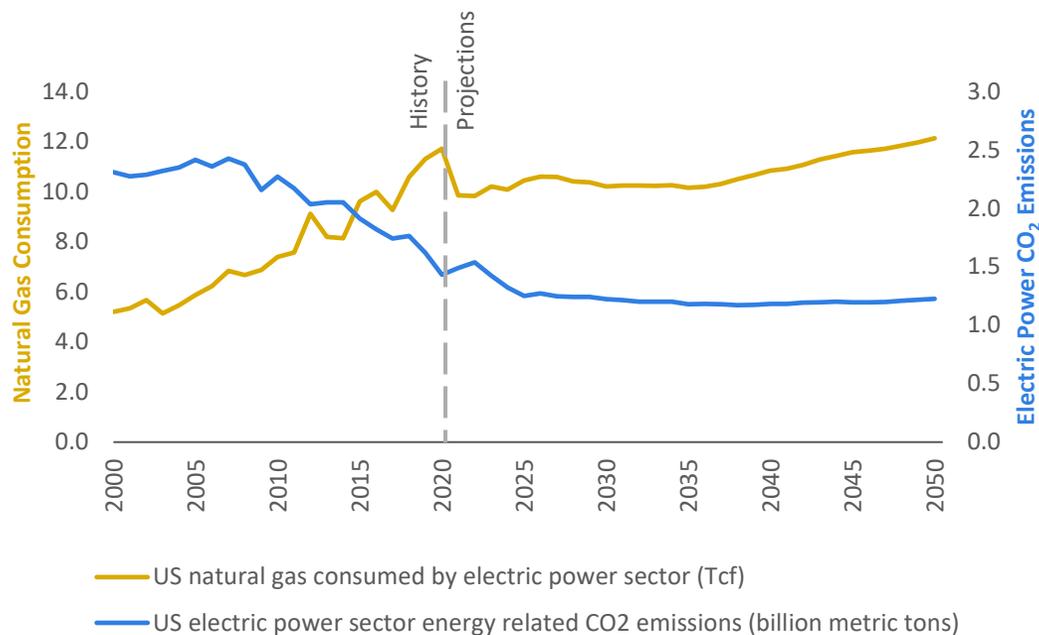
Even in an accelerated energy transition scenario and net zero footprint world, gas demand remains resilient

a) US Energy Information Administration, Annual Energy Outlook 2021, Reference Case

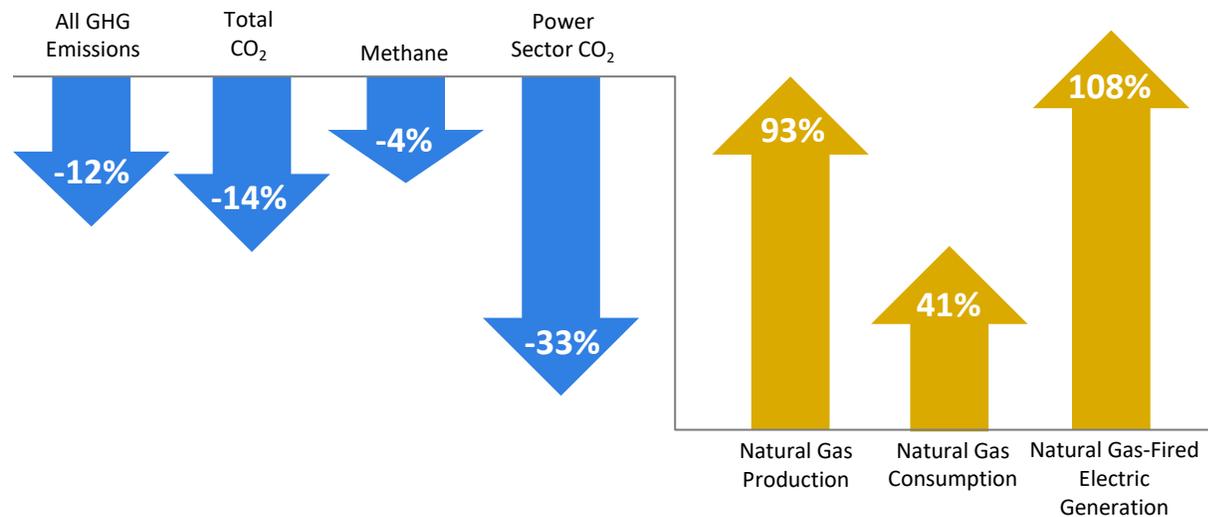
b) Includes biofuels



US Electric Power Sector: Natural Gas Use Increasing while Emissions Are Decreasing



Source: US Energy Information Administration, Annual Energy Outlook 2021, Reference Case



Source: Energy In Depth, represents 2005-2019; GHG defined as greenhouse gas.

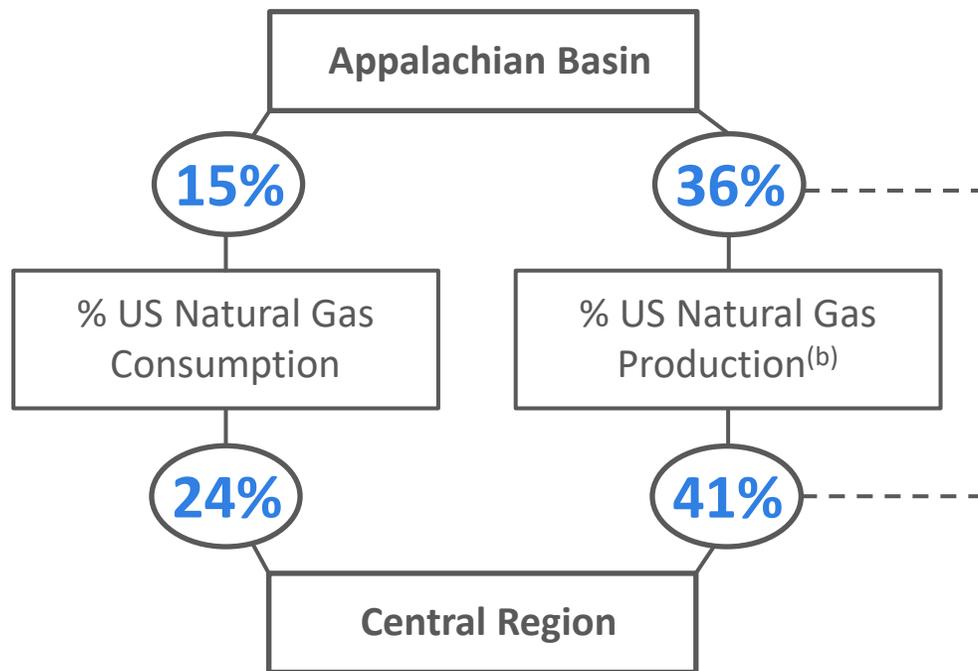


IMPORTANCE OF NATURAL GAS: REGIONALLY

Clean ♦ Reliable ♦ Abundant ♦ Affordable ♦ Efficient



2020 Statistics^(a)



Regional Significance

Collectively, for these 9 states...

77%

of 2020 Total US Natural Gas Production^(b)

~53%

of Net Electricity Generated from Natural Gas^(c)

~47%

of Households Used Natural Gas for Home Heating in 2019^(d)

Source: US Energy Information Administration

a) Total Natural Gas Consumption and Dry Natural Gas Gross Withdrawals and Production as reported at 30 Sep 2021, for primary states of operation where Diversified's gas & oil assets are located

b) Represents Dry Natural Gas and defined as marketed production less extraction losses, or remaining natural gas after liquefiable hydrocarbon has been removed from the gas stream

c) Represents weighted average share (based on megawatt hours) of total utility-scale facility net electric generation from natural gas for July 2021

d) Represents weighted average share (based on Residential natural gas consumption) of households using natural gas for home heating in 2019

e) Monthly Energy Review, Sep 2020 (adjusted)



Risk Management Framework

Overseen by the Board of Directors, the **CEO takes ultimate responsibility** delivering on strategy, financial and operating performance and the Company's impact on Climate Change.



Strategy

- GHG emissions intensity of upstream and midstream assets
- Well age, productivity, decline rate and asset quality of existing and target assets
- Impact to environmental footprint of total asset portfolio



Operations

- Ongoing proactive, voluntary leak detection and mitigation efforts to reduce GHG emissions
- Equipment upgrading and process improvement
- Permanent well retirement



Financials

- Disciplined acquisitions and high-margin business model support operational priorities of safety, asset integrity and emission reductions
- Investment in operational programs, including LDAR, equipment upgrades and plugging
- Executive compensation linked to ESG



The Importance of TCFD^(a)

Aids the Company in **assessing its own long-term climate-related** risks and opportunities

Provides line of sight to setting the Company's emissions intensity reduction plans & targets and reporting of the same

Enhances transparency for investors to better assess the Company's progress and future opportunities

Culture Wins...

Focus on Environmental, Social, Governance

Brad Gray

Chief Operating Officer,
Executive Director



PRESENTING ESG

Executive Team



Rusty Hutson, Jr.
Chief Executive Officer



Brad Gray
Chief Operating Officer



Eric Williams
Chief Financial Officer



Jim Rode
Chief Commercial Officer



Ben Sullivan
General Counsel

Asset Operations



Bobby Cayton
Senior Vice President-
Upstream Operations



Maverick Bentley
Senior Vice President-
Midstream Operations

Sustainability & Safety



Sandy Stash
NED, Chair-Sustainability
& Safety Committee



Teresa Odom
Vice President-
ESG & Sustainability



Paul Espenan
Vice President-
EH&S

Finance



Randy Barron
Senior Vice President-
Strategy & Finance



John Crain
Vice President,
Treasurer



Jim Sheehan
Vice President-
Investor Relations

Human Resources



Mark Kirkendall
Senior Vice President-
Human Resources



Laurie Knox
Business Partner-
Human Resources

Marketing



Ron Ridgway
Vice President-
Energy Marketing



Austin McDaniel
Director-
Energy Marketing

Technology



David Myers
Chief Information
Officer



Our Culture Supports All Aspects of ESG... Always Has and Always Will



Driven by Long-Term Sustainability:

- We generate exceptional returns for our investors *while keeping our ESG commitments*
- We uphold our reputation for taking action *with a continuous improvement focus*
- We deliver our stewardship promise *through our Smarter Asset Management program*

Providing Positive Impacts & Solutions:

-  **E** Environment
-  **S** Employees and communities
-  **G** Investors and other stakeholders



DIVERSIFIED'S IMPORTANT ROLE IN THE ENERGY TRANSITION

IF NOT DIVERSIFIED...THEN WHO?

We are ... an important piece of the energy transition puzzle...

Emphasizing stewardship of mature, mid-life assets

We are... filling gaps daily by “placing” new puzzle pieces...

Deploying solutions to industry challenges others neglect

We are... helping solve the puzzle...

Reducing emissions, improving safety, providing clean, affordable energy



**This puzzle is your reminder...
an investment in Diversified produces a
positive impact on our environment!**

**1,300+ Employees Strong
Helping Solve The Puzzle!**



OUR PROGRESS, FOCUS AND COMMITMENTS



ESG Progress



Environment & Climate

- Progress
- Strategy
- Actions
- Asset Retirement
- Plans to Net Zero



Social



Governance



Climate & ESG Strategy

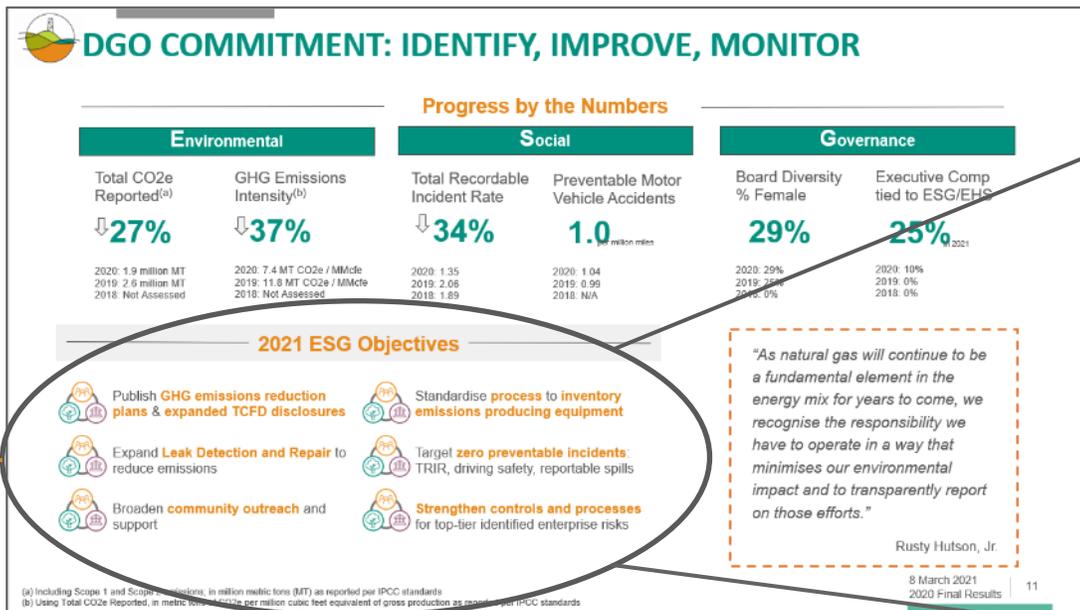
Teresa Odom

Vice President of ESG & Sustainability



KEEPING OUR COMMITMENTS: REMINDER OF 2021 ESG OBJECTIVES

As Published in 2020 Year End Results Presentation



2021 ESG Objectives

- Strengthen controls and processes for top-tier identified enterprise risks
- Publish GHG emissions reduction plans & expanded TCFD disclosures
- Broaden community outreach and support
- Standardize process to inventory emissions producing equipment
- Expand Leak Detection and Repair to reduce emissions
- Target zero preventable incidents: TRIR^(a), driving safety, reportable spills

Solid progress on stated 2021 ESG goals and diligently working to identify appropriate path to net zero



a) TRIR defined as Total Recordable Incident Rate which represents the number of work-related injuries per 100 full-time workers during a one-year period

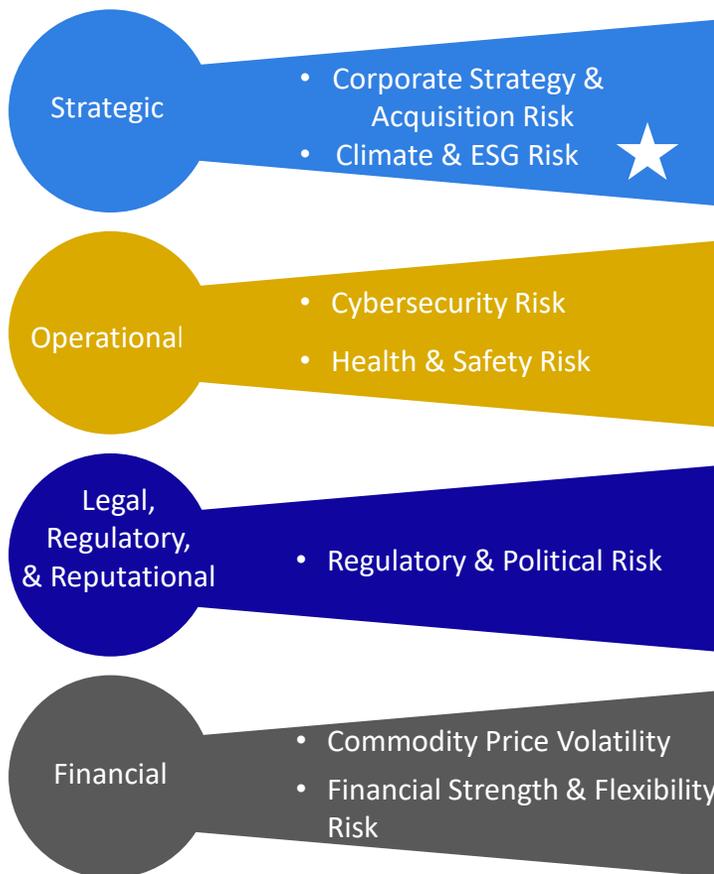


Strengthen controls and processes for top-tier identified enterprise risks

Risk Universe

Principal Risks

Recent & Ongoing Initiatives



- **Climate Risk**
 - Developed robust data governance process for GHG emissions producing equipment
 - Expanded TCFD climate scenario analysis and disclosures
 - Established methane emission intensity reduction targets
 - Engaged independent experts to assist our planning to achieve net zero carbon by 2040

- **Cybersecurity Risk**
 - Leveraging our 100% cloud-based infrastructure to enhance cyber defenses
 - Established an Information Security Management Team to review IT security practices & policies and developed formal cybersecurity response plan for internal communication
 - Implemented employee training programs and enhanced password protection protocols

- **Commodity Price Volatility**
 - Added several high credit quality hedging partners to bank syndicate
 - Enhanced credit review process for hedging counterparty exposures
 - Updating hedging policy to establish volume hedge limits for 1- to 3-year periods

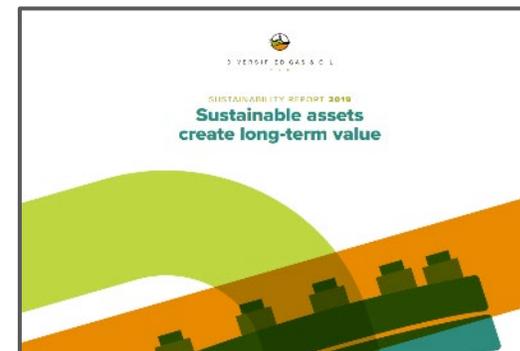


Publish GHG emissions reduction plans & expanded TCFD disclosures

ESG Reporting Processes

- **Robust disclosures** demonstrate our **commitment to transparency**
- **Engaging global consultancy and financial auditors** to ensure high quality disclosure and regulatory compliance
- **Focus on continuous improvements** in reporting processes and content
- **Engaging ESG rating agencies** to ensure reported data and company actions are accurate and validated

2019
Sustainability Report
(inaugural)



2020
Sustainability Report



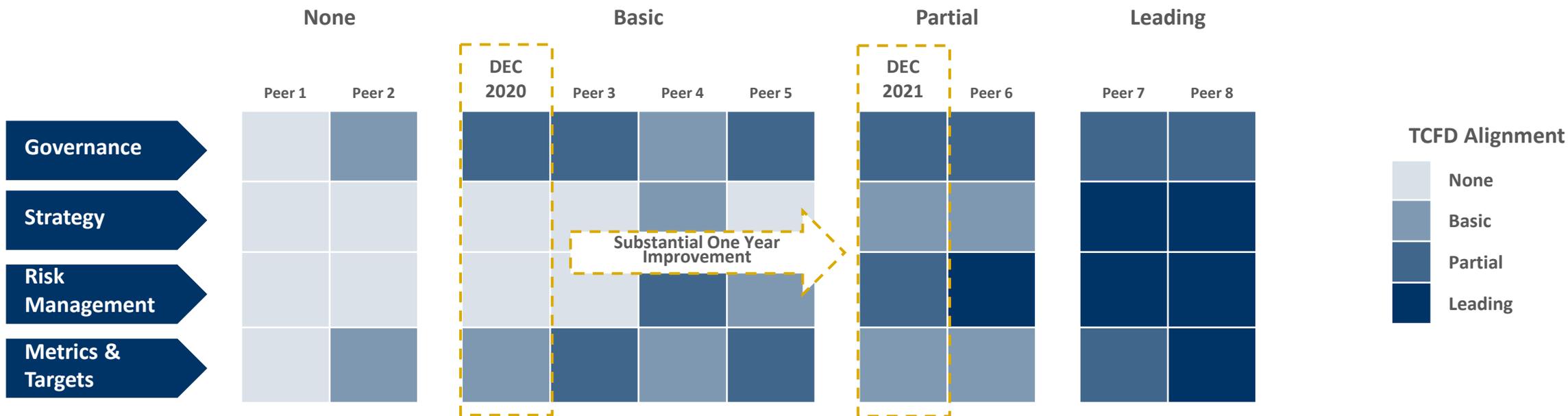
2021
Sustainability Report

... underway!



Publish GHG emissions reduction plans & expanded TCFD disclosures

Improved Disclosures as TCFD Journey Continues



Ongoing Initiatives



GHG M&A screening tool



Enhanced risk management



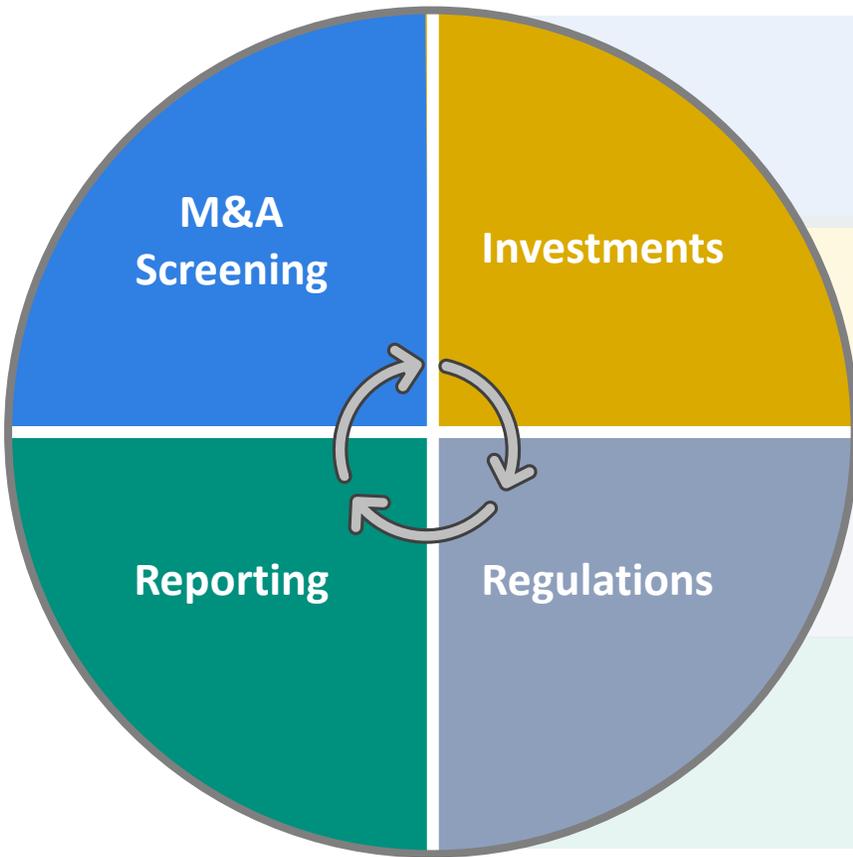
Expanded climate scenario analysis



Expanded CFO role in TCFD



Comprehensive Actions Designed to Meet Stakeholder Expectations



M&A SCREENING

Understanding the emissions status of target assets and, if purchased, identifying opportunities to improve post-closing

INVESTMENTS

Investing in People, Processes and Equipment to proactively innovate and reduce emissions

REGULATIONS

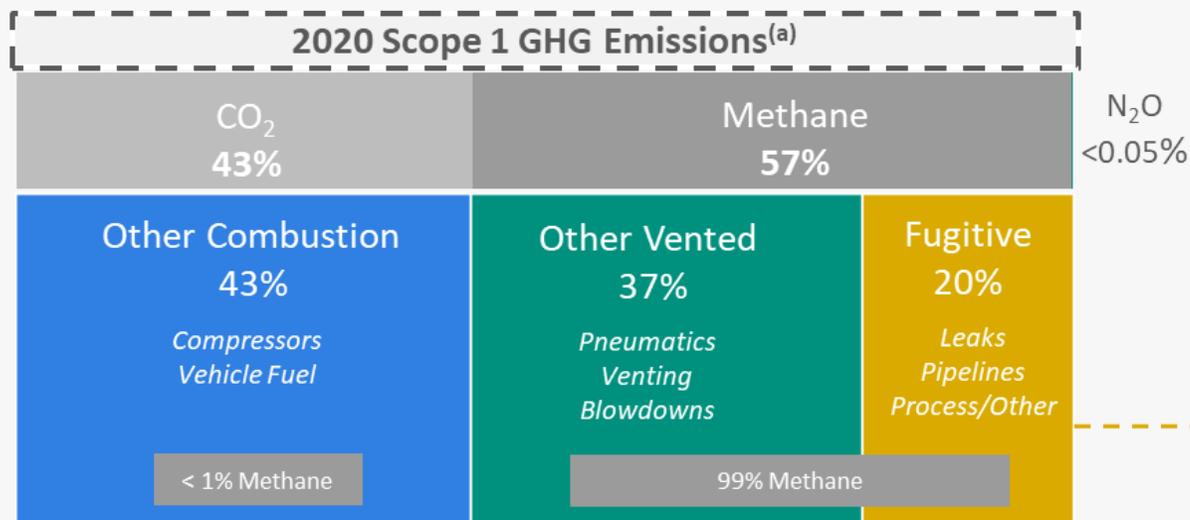
Meet or exceed requirements while engaging with industry associations to support natural gas' role in the energy transition

REPORTING

Exceeding disclosure requirements to provide meaningful data to foster informed decision-making



OUR FOCUS: GHG EMISSIONS REDUCTIONS



2020 Scope 1 Emissions ^(a)	Thousand MT CO ₂ e
Flared Hydrocarbons	0
Other Combustion	813
Other Vented Emissions	703
Fugitive & Process Emissions	366
Total	1,883

Methane emission reduction efforts focused on Pneumatics & Fugitives

YTD Achievements

2021

- **Expanded resources** with people and equipment
 - LDAR and Data Analysts
 - Emissions detection equipment
- Completed 2 voluntary inaugural **Aerial LiDAR flights** for emissions detection
- **Initiated Project Fresh** to improve data accuracy and identify improvement projects
- **Acquisition screening tool** for emissions intensity expectations and improvement opportunities

a) Scope 1 total emissions of 1.88 million metric tons CO₂e, including 1.07 million metric tons methane CO₂e, as reported in 2020 Sustainability Report.



OUR COMMITMENTS: 2022 STEPS TOWARD NET ZERO

Near-Term Plan 2022

- Utilizing new detection equipment, initiate **comprehensive fugitive emissions review & repair**, starting with Appalachia upstream assets
- Install air compression** to eliminate utilization of methane **for pneumatic devices** at 150 well pads or compression facilities by 2026
- Implement **multi-year aerial LiDAR** program to proactively detect fugitive emissions
- Finalize plan to net zero** through partnership with 3rd-party consultant
- Expand asset retirement** commitments & capabilities
- Third-party verification** of 2021 reported GHG emissions
- Continue **elimination or conversion** of **combustion compression**

Initially Investing **\$15 Million** from 2022 for Emissions Reduction

Planned Incremental Activity	Est. Cost (millions)
Air Compression for Pneumatic Devices	\$3.0
Aerial LiDAR	\$3.0
Additional Asset Retirement	\$3.0
Compression Conversion	\$3.0
Fugitive Emission Detection	\$1.5
Environmental Consulting	\$1.0
Tree Planting	<u>\$0.5</u>
TOTAL	\$15.0

Inclusive of expanded EH&S payroll, existing plugging initiatives and SAM program, **total investments exceed \$20 million.**



OUR COMMITMENTS: NAVIGATING THE PATH TO NET ZERO BEYOND 2022

Near-Term Plan

2022

- Utilizing new detection equipment, initiate **comprehensive fugitive emissions review & repair**, starting with Appalachia upstream assets
- **Install air compression** to eliminate utilization of methane **for pneumatic devices** at 150 well pads or compression facilities by 2026
- Implement **multi-year aerial LiDAR** program to proactively detect fugitive emissions
- **Finalize plan to net zero** through partnership with 3rd-party consultant
- **Expand asset retirement** commitments & capabilities
- **Third-party verification** of 2021 reported GHG emissions
- Continue **elimination or conversion of combustion compression**

Mid-Term Plan

2023-2026

- **30% reduction in methane emissions intensity by 2026^(a)**
- Continued **aggressive capital investments** in GHG emissions reduction plans
- **Growth of annual asset retirement** activity
- **Generate carbon offset credits** with accelerated plugging program
- Engage Alvarez & Marsal Energy Transition Consortium for **asset repurposing best practice ideas**
- Conduct **optical imaging and AI software pilots** as innovative emissions detection technologies
- Partner with The Nature Conservancy and other entities for **carbon offset projects**
- Begin to evaluate opportunities to reduce **Scope 2 GHG emissions**

Long-Term Plan

2027+

- **50% reduction in methane emissions intensity by 2030^(a)**
- **Target net zero carbon by 2040**
- Perform feasibility study for conversion of CO₂ production field for **carbon capture & sequestration**
- **Pursue partnerships** with hydrogen production projects **that utilize existing infrastructure**, both wells and pipelines

You cannot **eliminate** your way to a cleaner environment. You can **innovate** your way.

Sen. Joe Manchin (D-WV)

a) Methane emissions intensity calculated based on Scope 1 emissions and measured from 2020 reported values

Environment & Climate

Brad Gray

Chief Operating Officer

Paul Espenan

Vice President of EH&S

RESPECT ENVIRONMENTAL
STEWARDSHIP AS WE MAKE
BUSINESS DECISIONS
COMPANY VALUE





Our Commitment to Progress Begins At Home

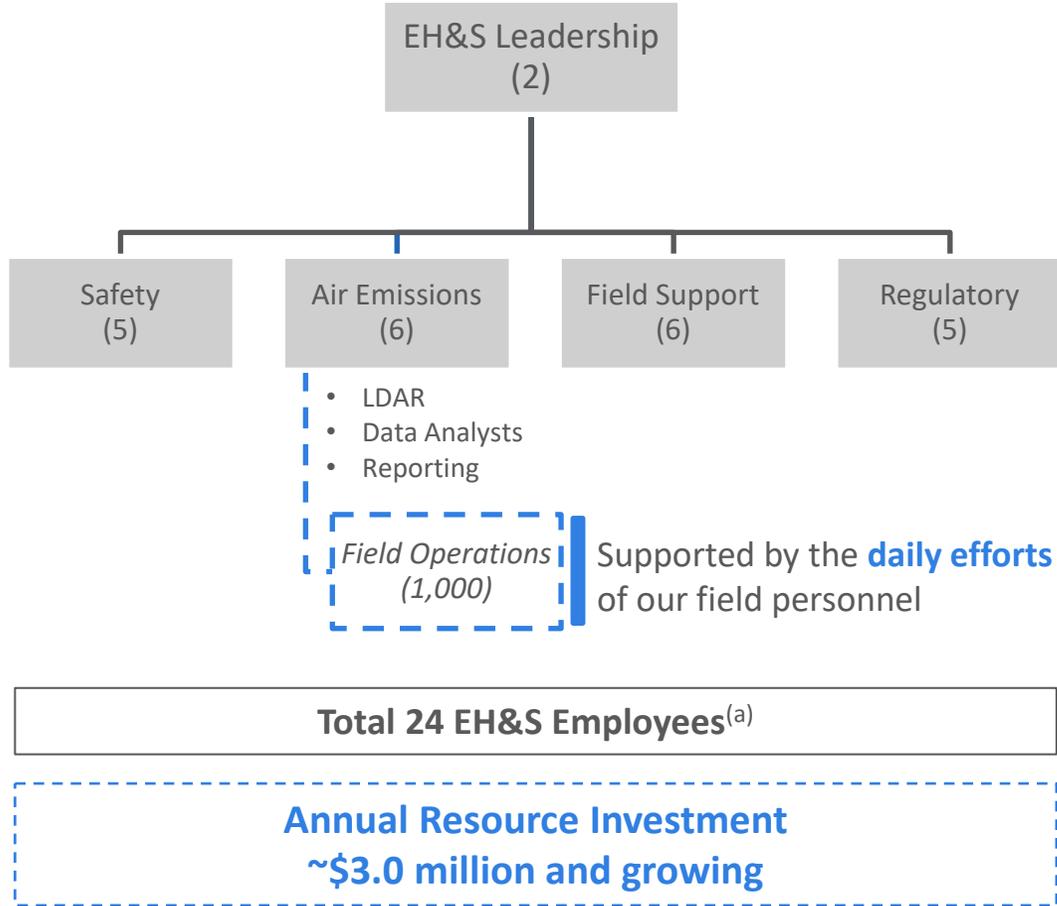
Our EH&S team developed this GHG emissions educational & promotional *DGO Environmental Minute* video for all Diversified employees





INVESTING IN EMISSIONS RESOURCES: INTERNAL TEAM AND PARTNERS

Investing Emissions-Focused EH&S Talent



a) Excludes personnel to be onboarded from Tapstone acquisition upon transaction close

Independent Partners Focused on Emissions

Partnerships: Best Practice Sharing



Consultancies: Experienced Industry Leaders

- **Montrose Environmental**
Net zero program management, strategy development, assurance
- **EPA Systems**
US EPA air emissions reporting and advisory
- **Air Emissions Verification Engineering Firm** *(in process)*
Independent GHG emissions verification
- **Industry-Leading Consultant**
TCFD/climate scenario analysis, sustainability consulting



Standardize process to inventory emissions producing equipment

Objectives:

- Improve the accuracy of GHG emissions with a focus on accurate equipment inventories
- Reduce the use of standard emissions factors, using instead actual emissions measurements
- Identify opportunities for GHG emissions reduction across the portfolio



Project Fresh Accomplishments



Developed accurate inventory of emissions producing equipment (master database)



Developed a robust data governance process to drive reporting efficiencies



Reduced the percentage of theoretical factors included in our GHG emissions calculation



Identified emissions reduction opportunities in both upstream and midstream



Started initial Marginal Abatement Cost Curve (MACC) projects



Expand Leak Detection and Repair to reduce emissions

ZERO Tolerance Policy for Natural Gas Leaks

- Supported by first daily priority of **Safety** and Company Values of **Respecting Environmental Stewardship**
- Repairing and eliminating leaks **has always been a part of our Smarter Asset Management (SAM) program**
- Enhancing SAM practices by expanding emissions detection equipment
- Initiating SAM Emissions Detection program
 - Committed to providing quarterly updates of progress on our SAM Emissions Detection program

By Land and By Air - Making Leaks Rare

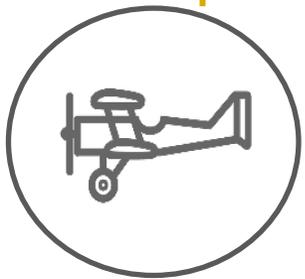


AVO Inspection

'Boots on the ground' well tenders conduct audio-visual-olfactory inspection at every visit to every well site or facility

Remote Leak Detection

Well tenders utilize RMLD and GT44 leak detection devices to capture unintended emissions on well sites and gas pipelines

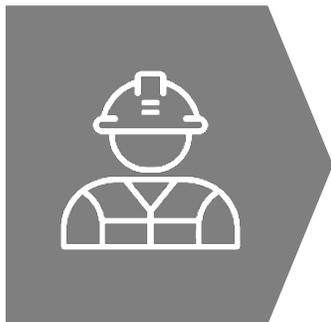


Aerial Surveillance

Inaugural successful flights support partnership development of multi-year plan of aerial LiDAR surveys, initially focused on Appalachia



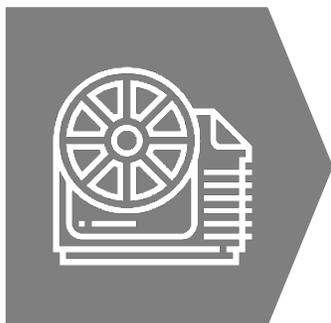
INVESTING IN EMISSIONS RESOURCES: WELL SITE VISITS & NATURAL SENSES



Leverage the **Audio, Visual & Olfactory** (“AVO”) abilities of our ~1,000 experienced field employees, including ~500 Appalachia well tenders

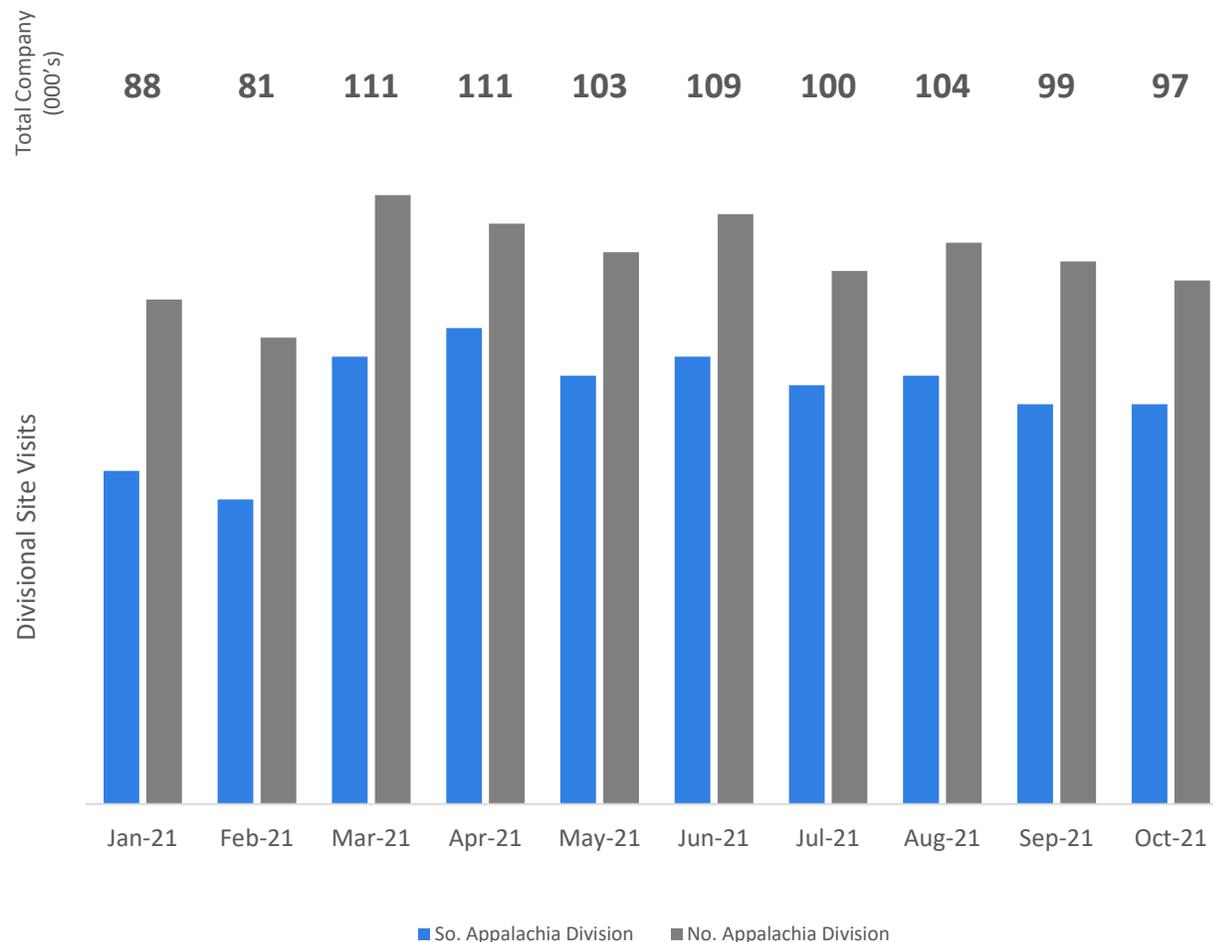


Conduct **~4,600 daily well pad visits**^(a) to continually monitor, evaluate & repair our producing assets



Visit major compression facilities daily, performing consistent AVO reviews of our midstream assets

Conducting 100,000^(a) Site Visits Each Month



a) Approximate values based on historical company data, rounded for purposes of presentation



Deploying Multiple and Comprehensive Leak Detection Technologies

Technology

Primary Use

Detection Level^(a)

Units/Coverage

Detection Action

EPA-defined Leak: 500 PPM

EPA 40 CFR 98.234(a)(7)(i)

TELEDYNE FLIR GT-44

Proactive detection for well pads

- 1 PPM
- 600 units
- **Proactive**



~1:1 ratio of units to well tenders

Utilized in ~100,000 site visits/month

HEATH RMLD - CS

Proactive detection for pipelines & well pads

- 1 PPM
- 23 units
- **Proactive**



FLIR GF320

Compression facilities, regulatory detection

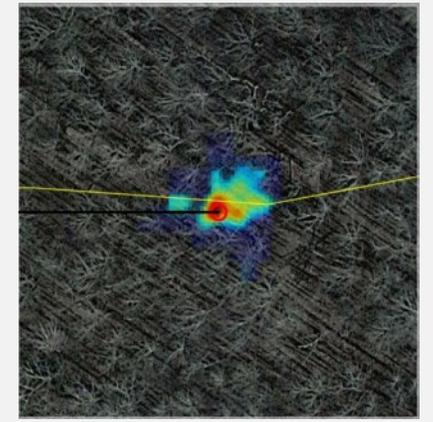
- 100 PPM
- 128 facilities
- Regulatory & **Proactive**



AERIAL SURVEILLANCE

Proactive LiDAR identification for delivery systems

- 200 PPM
- 264 miles (2 inaugural flights)
- **Proactive**



a) Represents typical leak detection setting per device; where PPM is defined as Parts Per Million



Our Principles Drive Us to “Do the Right Thing”

Engaged a leading aerial LiDAR provider to survey a large segment of recently acquired pipeline (pilot program)

Review provided data with outstanding accuracy with a quick turnaround to high-return repairs

Success of pilot drives commitment to expand and extend aerial LiDAR progress for a multi-year period

IMPACT

Annual GHG emissions reductions of **187,411** MT CO₂e

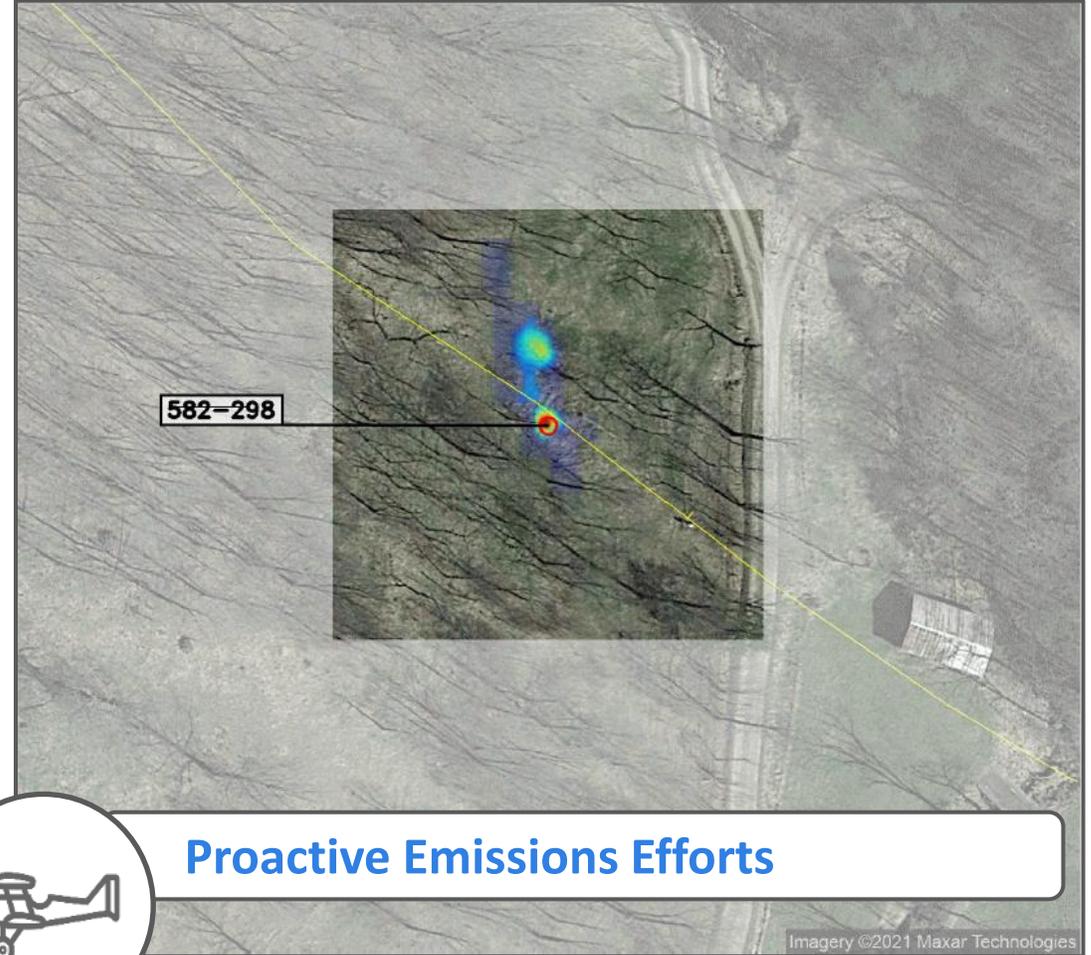
Equivalent to the amount of CO₂ sequestered by:

~230,000 acres of US forests in one year

~3.1 million seedlings grown for 10 years

Natural gas captured and sold:

1,036 Mcfpd / \$1.1 million gross revenue^(a)



Proactive Emissions Efforts

a) Assumes \$3.00/MMBtu gas price

OPPORTUNITY

Field teams identified ~220 wells that utilized a 2-valve system to assist with liquid unloading and are continuing to evaluate other wells

RESOLUTION

Internally engineered single valve well design to assist liquid unloading and and eliminate natural gas emitting from fluid tanks

COST

Limited to Diversified personnel time

IMPACT

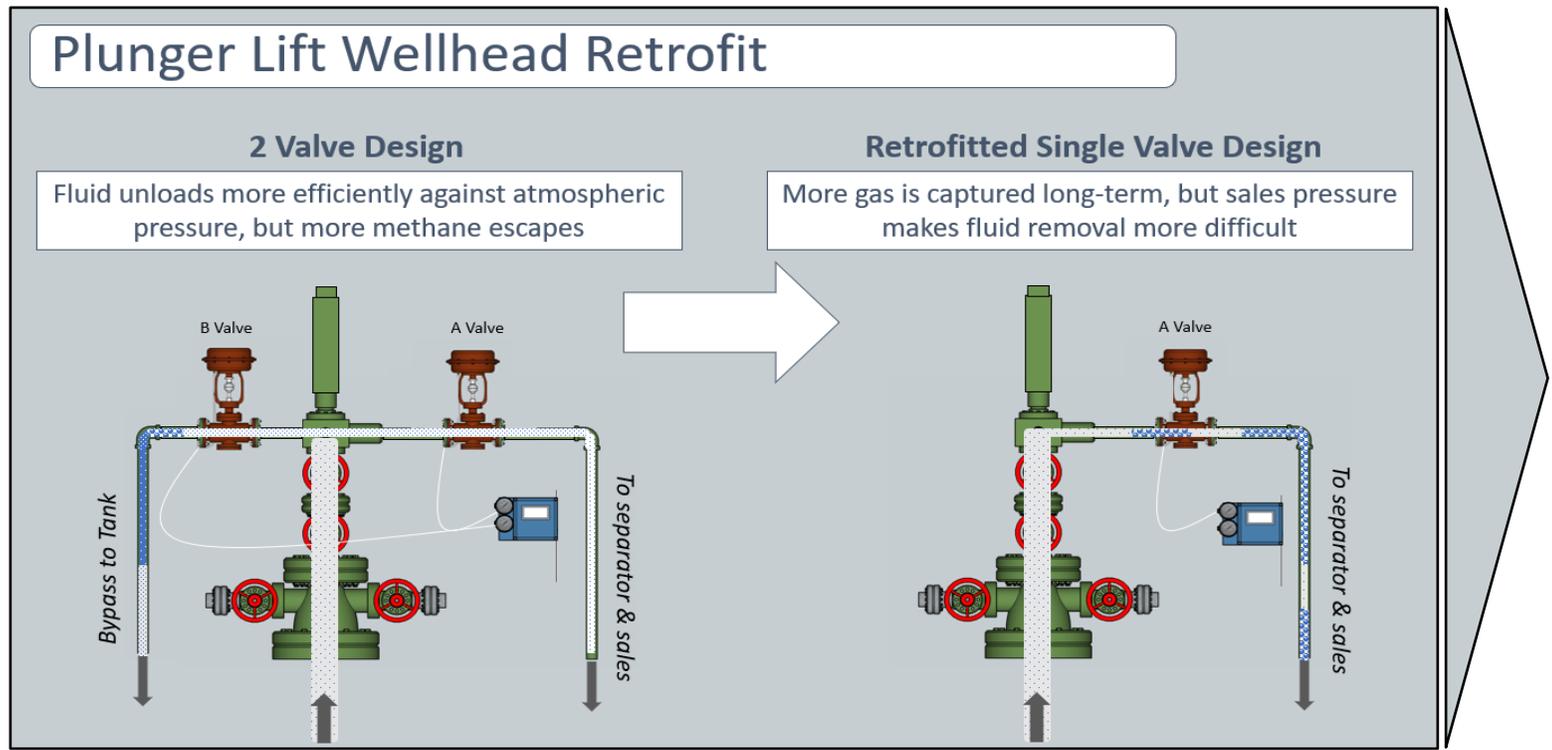
Annual GHG emissions reductions of **18,150** MT CO₂e

Equivalent to the amount of CO₂ sequestered by:

~22,000 acres of US forests in one year

~300k seedlings grown for 10 years

Proactive Emissions Efforts



Efficient
Effective
Innovative



Acquisitions and Asset Optimization Are Part of Diversified’s DNA...

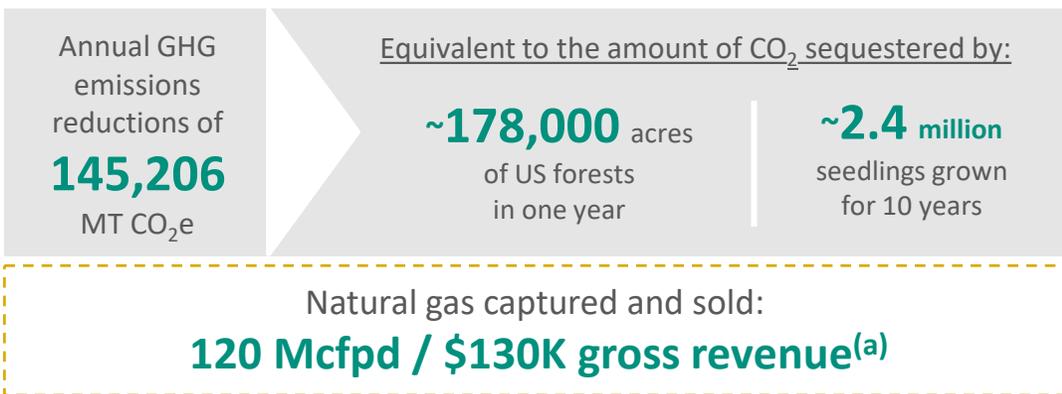
New Assets Bring New Opportunities

2021 Acquisition Screening

- At the Board’s direction, expanded robust acquisition diligence program to include an enhanced GHG emissions screening process
- Initial assessments indicate that the addition of the Central Region assets will lower overall methane intensity
- The Board and Management will review and revise the Company’s net zero plans based on emissions profile of future acquisitions

Barnett Area Methane Reduction Opportunity

IMPACT



Proactive Emissions Efforts

SCREENING TOOLKIT

Internally developed methane intensity calculation tool

Professional experience and knowledge of internal team

Data obtained from sellers and direct interviews with seller personnel

DESIRED RESULTS

Measures projected GHG intensity from the acquired assets

Informs the Board and Management of the seller’s emissions profile

Helps identify opportunities for GHG emission reductions

a) Assumes \$3.00/MMBtu gas price



EMISSIONS REPORTING AS A CONTINUOUS PROCESS

EPA Calculation Considerations

Reported as per EPA guidelines

Blended use of measured emissions and outdated default factors

Required to use best available data at time of submission

Committed to constant emissions improvements beyond the date of submission

Customary to revise EPA submissions when data is improved or changed

Peer survey reflects it's a common practice to amend or modify prior reported emissions

Peer Comparisons

Intensity metric is preferred

Diversified's acquisitions drive absolute increases, all other things being equal

Production-based metric is preferred

Revenue-denominated metrics can be skewed by peer's other lines of business unrelated to gas & oil production

Emissions intensity driven by corporate business models

The number and age of emission producing devices varies by operator

Reporting Frameworks

IPCC Reporting^(a):

- Used in annual Sustainability Report
(data typically compiled as of January)
- Allows use of “best engineering estimates”
- Varies from EPA metrics:
 - Methane factor 28 vs. EPA 25^(b)
 - Pneumatics 5.5 scf vs. EPA 13.5 scf^(c)
 - Vehicle fuel use included in IPCC, not EPA

EPA Reporting:

- Reported annually per statutory guidelines
(typically reported in March)

Committed to **independent third-party verification of reported GHG emissions** beginning with CY21 reported emissions

a) UN Intergovernmental Panel on Climate Change
b) Standard cubic feet/hour
c) Methane factors represent global warming potential (GWP)



ASSET RETIREMENT: DELIVERING, EXPANDING COMMITMENTS IN 2022

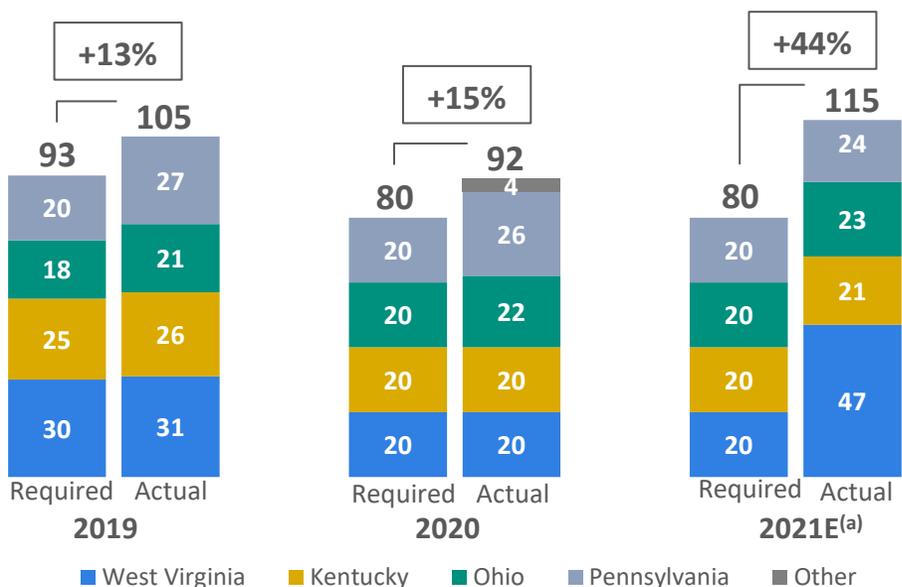
Committed to Retiring Wells Safely & Efficiently

- Our current commitment is unmatched... **We retire more wells in Appalachia than any other operator**
- Existing, proactively negotiated **long-term state agreements are underpinned by significant bonding** arrangements
- States support and value **our financial stability** and our commitment to **responsible and safe operations**

West Virginia Plugging Team Delivering Results

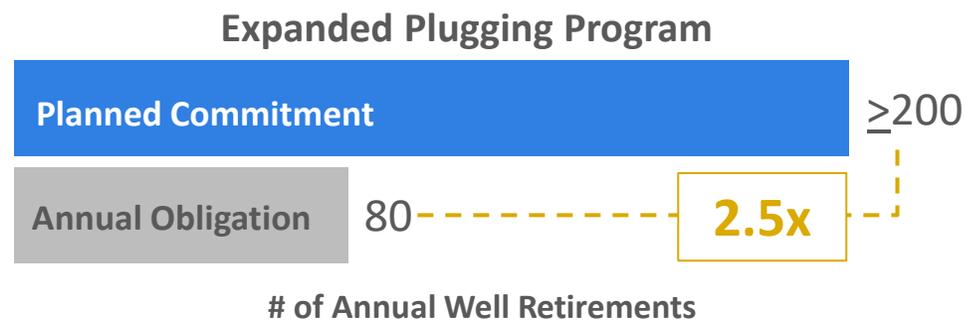
- Delivering ~25% lower plugging costs vs. 3rd-party contractors
- Successful year-to-date pilot of modified plugging procedures yielding intended results at lower costs
- Financially supporting the WV DEP orphaned well plugging fund

Consistently Exceeding Regulatory Requirements



Strengthening Commitments in 2022

- Investing in people and equipment to **increase plugging capacity in Pennsylvania** and assessing further expansion
- Target **annual plugging of ≥200 wells/year**, or 2.5x current state agreements by 2023



a) Year to date October 2021



Engaged Program Manager to Assist in the Development and Publication of 2040 Net Zero Plan



Goals of Engagement

Assess GHG Baseline Emissions and Calculations

Review internally generated GHG emissions for accuracy and completeness

Prioritize and Manage Emission Reduction Projects

Continue MACC^(a) analysis to aid in prioritizing reduction efforts and manage projects

Explore Opportunities to Increase Use of Direct GHG Measures

Assess appropriate frameworks for reducing use of emissions factors in GHG baseline

Evaluate Emission Reduction Technologies & Best Practices

Identify technologies aimed at reducing or eliminating emissions and accurate reporting of the same

Evaluate Purchase of Carbon Offset Alternatives

Review benefits and costs of carbon offset programs

Continue MACC^(a) Assessment

Instrument Air Conversions
(pneumatic devices)

Waste Heat Recovery
(natural gas compressors)

Tank Venting Reductions

Compressor Elimination

Voluntary Leak Detection

Responsibly Sourced Gas (RSG)

Carbon Capture

Carbon Offsets

a) Defined as Marginal Abatement Cost Curve

Right Model, Right People, Right Time

Ushering in the energy transition with the production of primarily cleaner-burning natural gas

Uniquely Situated to Lead the Transition

Financial and operational success position Diversified as an industry leader

Zero-Tolerance Unintended Emissions Program

Daily principals and increased investments in detection technology support focus on emissions reduction

Environmentally Sound Asset Retirement

Established platform for plugging low or non-producing wells is safe, effective and cost-efficient

Responsible Production from Existing Assets

Optimizing and maintain producing properties reduces market reliance on new development

Key Component of the Energy Transition

Natural gas displaces oil and creates a supply for new energy sources such as blue hydrogen

Question & Answer

15 Minute Break to Follow

**OUR #1 DAILY PRIORITY
SAFETY...NO COMPROMISES**

Safety

Paul Espenan
Vice President of EH&S



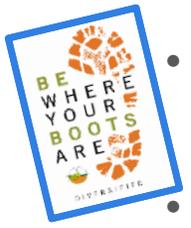


SAFETY: INVESTING EXTENSIVE RESOURCES TO DRIVE RESULTS



Target zero preventable incidents: TRIR^(a), driving safety, reportable spills

- Internally developed incident tracking tool
 - Automated, efficient
 - Tracking lagging and predictive metrics
 - Real-time access to incident events and trends



- Continued expansion of our situational awareness program: **Be Where Your Boots Are**
- Regular, numerous safety programs via various communication channels

- Video Series: **DGO Safety Minute**
- Video Series: **DGO Environmental Minute**
- Newsletter: **Safety Fast Facts**
- Podcast: **Walk the Talk**
- Video Channel: **Cross Roads Training**

- Safety rewards program to encourage, recognize safe driving habits: **Safe Passages**

Technology and Culture Driving Our Safety Focus



a) TRIR defined as Total Recordable Incident Rate which represents the number of work-related injuries per 100 full-time workers during a one-year period

**VALUE THE DIGNITY AND
WORTH OF ALL INDIVIDUALS**
COMPANY VALUE

Social

Mark Kirkendall

Senior Vice President, Human Resources

Laurie Knox

Human Resources Business Partner





SIGNIFICANT EMPLOYMENT OPPORTUNITIES AND BENEFITS

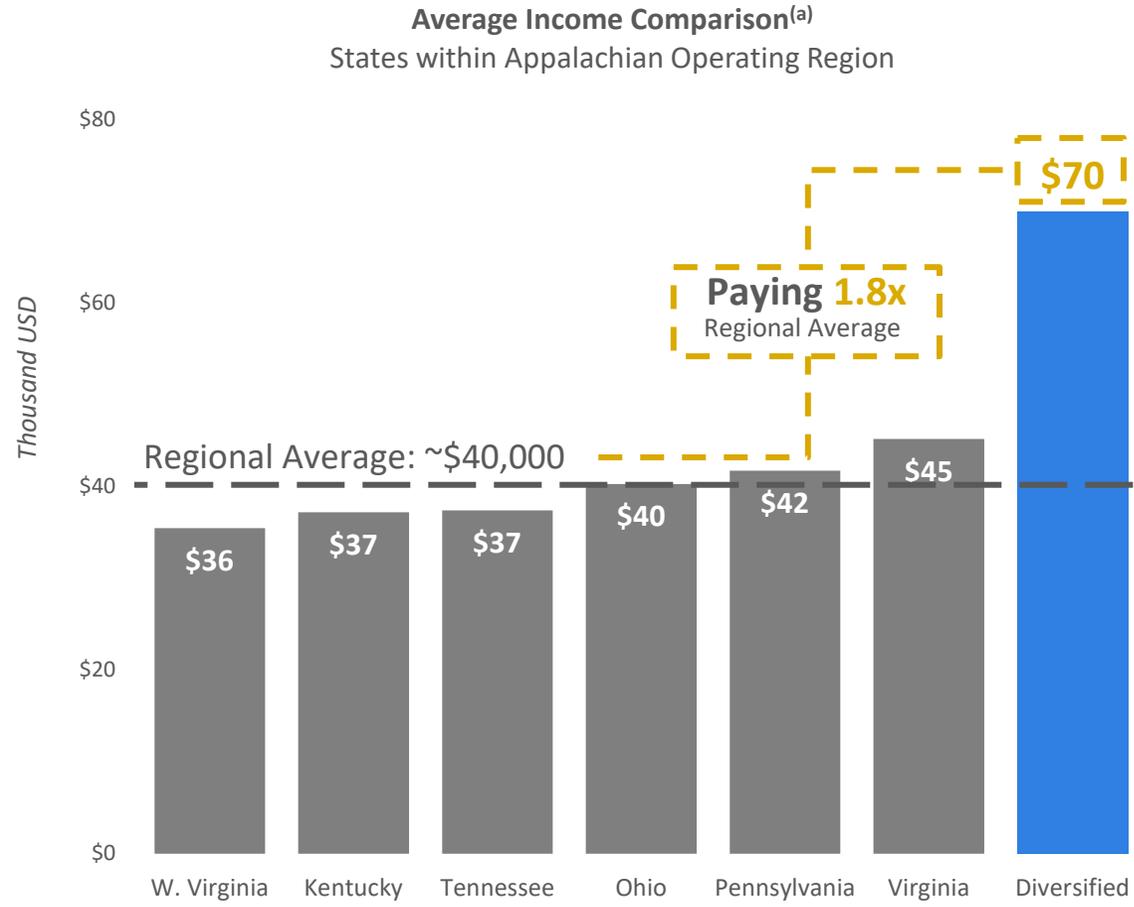
Excellent Compensation & Benefits

- Competitive gas & oil industry wages
- High paying jobs as compared to state averages
- **100% company-paid employee benefits**
 - Medical (employee coverage)
 - Group Life, Long-term/Short-term Disability
- 7% company match in 401(k) plan
 - Utilizes auto-enrollment to encourage participation
 - Diversified contributes ~\$0.81 for every \$1 employees contribute to plan which reflects high participation
- 100% company-paid Employee Assistance Program

Personal Development and Growth

- Educational Assistance up to \$5,250/year per employee
- Company-paid industry training
- Company-paid Industry Association membership

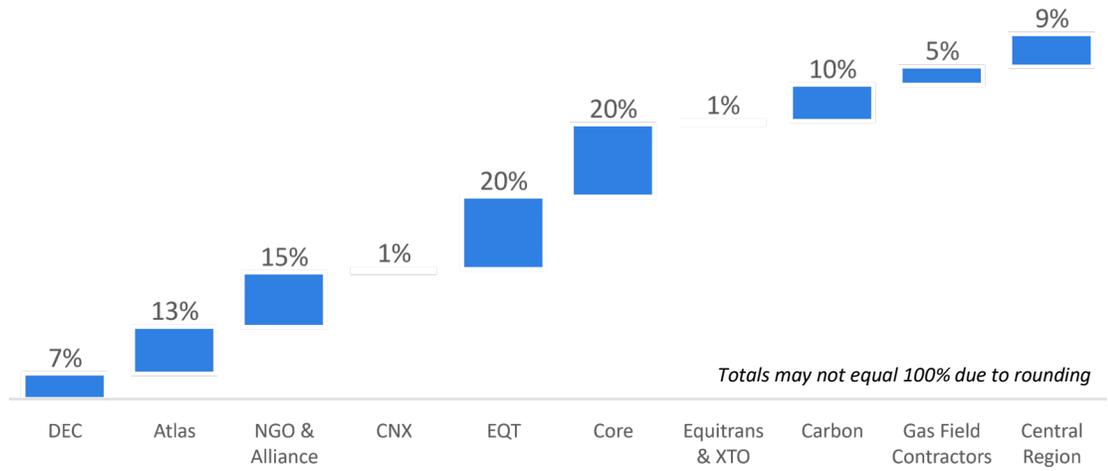
Paying salaries **nearly double** regional average



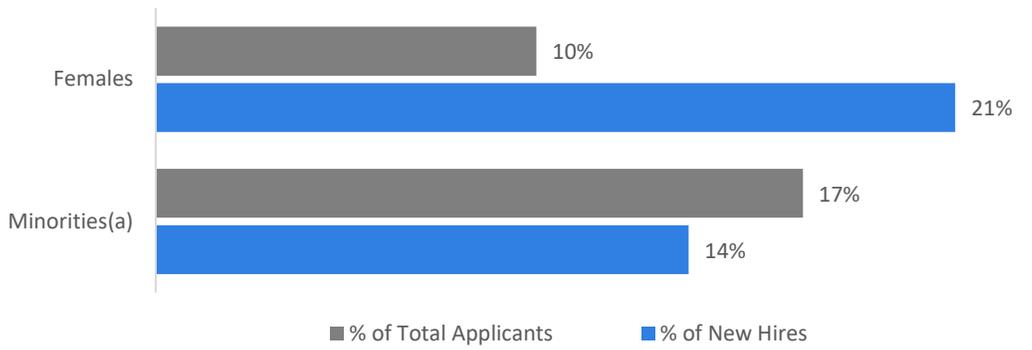
a) Average income based on individual median income per year based on May 2020 estimates published by the US Bureau of Labor Statistics; Regional Average represents simple average of states shown



Staffing Through Acquisitions



2021 Diversity in Hiring



Ongoing Corporate Hiring Initiatives

Implementation of Applicant Tracking System in 1Q21

- Improves tracking and reporting of applicant diversity
- Supports corporate diversity efforts through increased data collection and insights

Consolidation of Legacy Software to a Single Platform

- Enhances internal visibility to all postings
- Promotes career development for existing personnel

Proactive Engagement in Local Communities

- Enriches recruitment activity within operating footprint
Identified 9 district offices in communities with best opportunities for diverse candidates

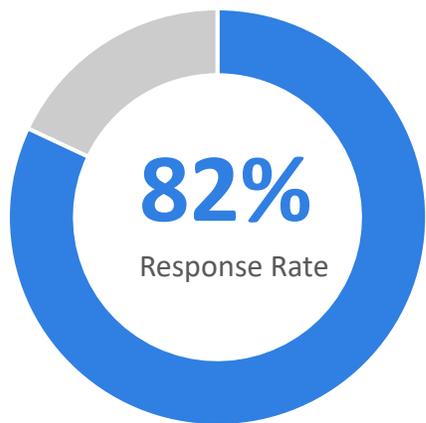
Certification of Talent Acquisition Team^(b)

- Creates better internal programming and oversight through Diversity and Inclusion accreditation

a) Represents African-American, Hispanic/Latino, Asian and Native American ethnicities
 b) Certified in workplace diversity, equity and inclusion through Cornell University and the University of South Florida



EMPLOYEE EXPERIENCE SURVEY



1,029

Responses Submitted

1,247

Employees Surveyed

ENGAGEMENT	77 External Benchmark: 71 +6 pts	Direct measure of employee engagement, derived from questions like: "I am proud to work for this company."
JOB	72 External Benchmark: 70 +2 pts	Reflects employees' perceptions about their day to day job .
MANAGER	82 External Benchmark: 65 +17 pts	Reflects employees' perceptions about their direct manager .
PEOPLE	82 External Benchmark: 69 +13 pts	Reflects employees' perceptions about the people they work with .
ORGANIZATION	59 External Benchmark: 60 -1 pt	Reflects employees' perceptions about their overall work experiences at Diversified .

Exceeding external benchmarks, these measures establish a foundation from which to further strengthen our Employee Experience

Next Steps:

- **Review** insights with independent survey consultants & executive team
- **Communicate** results to all employees
- Create cross-functional team to develop actionable **plan** for addressing employee feedback
- **Implement** plan, follow up with employees and adjust plan accordingly



Professional Development Program (“PDP”)

What Is the PDP?

- **2-year program** designed to **develop personal professional skills** while driving **collaborative corporate & community projects**
- **Diverse group:** gender, age, job location, job responsibilities
- Directly **engaged with the Board’s Non-Executive Employee Representative** and various Diversified officers
 - Reflective of the requirements in the UK Corporate Governance Code

Primary Goals

- **Ensure workforce views and concerns are considered by the Directors**, particularly when making decisions that affect the workforce
- Provide a **feedback mechanism to inform the workforce** of actions Management/Board take to address concerns

2021 Team Focus

- **Consistent and informative internal communications**
 - Created and now routinely distribute the DGO Connection (employee newsletter)
 - A direct response to employee engagement survey
- **Develop plan to strengthen community relations** in support of 2021 ESG Goal to “Broaden Community Outreach and Support”





INVESTING IN FUTURE LEADERS: IN OUR COMMUNITIES

Diversified Scholarship Program

Indiana University of Pennsylvania

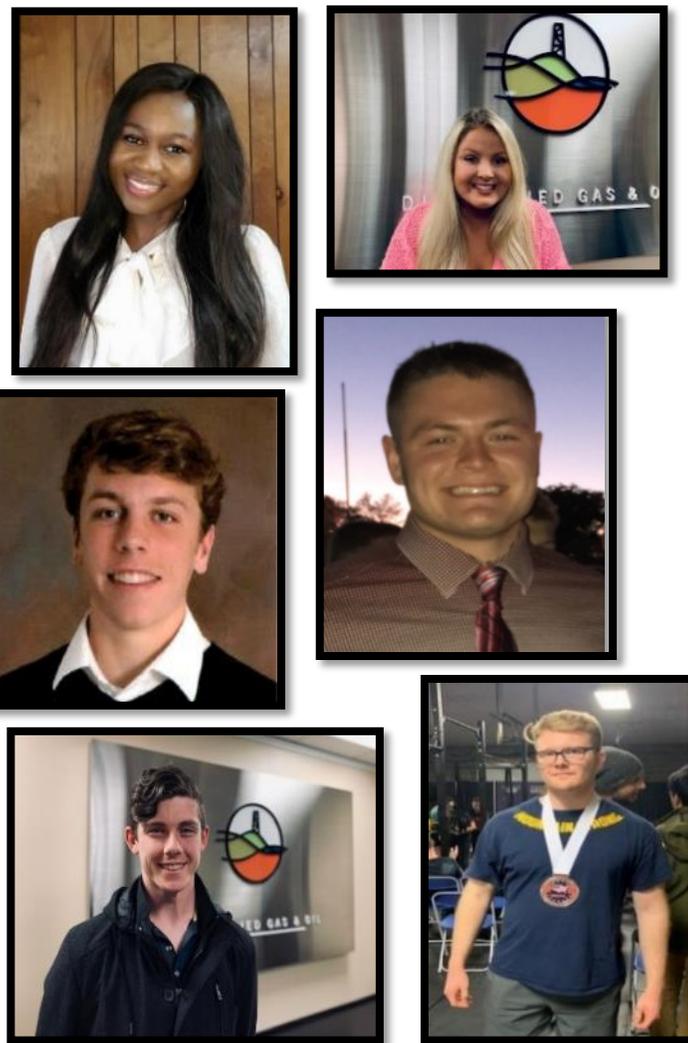
Marietta College

Fairmont State University

Senior, Fairmont State University

"I am truly and sincerely thankful for your funding of this scholarship and for honoring engineering students, such as myself. I aspire to the role of a professional engineer so that I can make a difference in our world at large. Opportunities like these scholarships encourage and acknowledge to me that women and minorities are recognized as pivotal to the innovation and success of all industries. Thank you for investing in my future!"

Summer Internship Program



6
University Seniors

5
DEC Departments Served

5
Universities Represented

5
Technical Degrees Under Study



INVESTING IN OUR COMMUNITIES: BY GIVING BACK



Broaden community outreach and support

Committed to Outreach

- Our company values drive us to
“Serve and support our teams and communities with passion and enthusiasm”
- We not only operate in communities, we live in them
- Our PDP Team developed company-wide programs to enhance our community outreach:
 - Community relations program
 - Employee volunteer program
 - Charitable donation match program
- **Beginning in 2022, we will invest up to \$2.0 million for community outreach & support programs**

Diversified At Work in Our Communities

>1,300 Local Jobs^(a) **\$130 million** Salaries & Community Outreach^(b) **\$50 million** Tax Payments^(c) **\$89 million** Landowner Royalties^(d)



a) Includes Indigo and Blackbeard personnel that onboarded with Diversified following the close of those acquisitions earlier this year.
 b) Represents 30 Sep 2021 gross salaries, payroll taxes and employee benefits, annualized, plus year-to-date community contributions through 30 Sep 2021.
 c) Includes estimated federal, state and production taxes for 2021
 d) Represents 30 Sep 2021 year to date actuals plus three months of Sep 2021 month to date.

**ACT WITH PERSONAL AND
BUSINESS INTEGRITY**
COMPANY VALUE

Governance

Ben Sullivan
General Counsel





COMMITTED TO BOARD DIVERSITY AND DEVELOPMENT

Rusty Hutson, Jr.
Co-Founder & Chief Executive Officer

Brad Gray
Chief Operating Officer

David Johnson
Non-Executive Chairman

Martin Thomas
Non-Executive Vice Chair

Sylvia Kerrigan
Non-Executive Director

Melanie Little
Non-Executive Director

Sandy Stash
Non-Executive Director

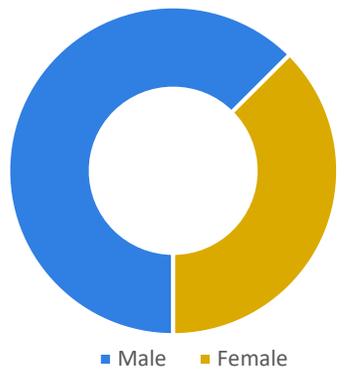
David Turner, Jr.
Non-Executive Director



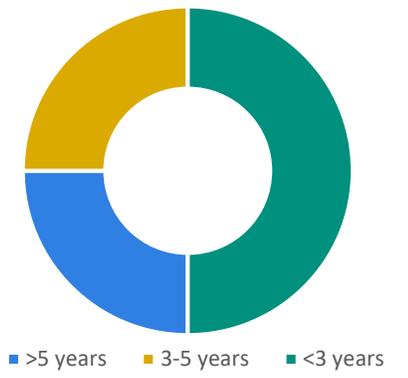
	Audit & Risk	Remuneration	Nomination	Sustainability & Safety
Rusty Hutson, Jr.				
Brad Gray				●
David Johnson		●	●	●
Martin Thomas			▲	
Sylvia Kerrigan			●	
Melanie Little	●	▲		●
Sandy Stash	●	●		▲
David Turner, Jr.	▲		●	

Appointment reflects an acceleration of our **commitment to Board diversity** as recommended by the Hampton-Alexander Review

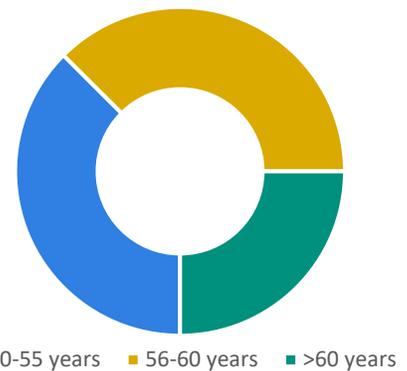
Gender Diversity



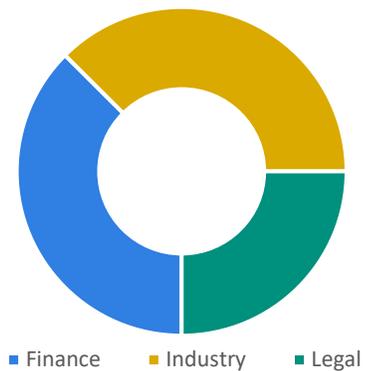
Tenure Diversity



Age Diversity



Skill Diversity



Independent of Management ▲ Committee Chair ● Committee Member



2020 Adoption of the UK Governance Code

Reflects requirements for a Premium-listed company

Transitioned from the Quoted Companies Alliance Corporate Governance Code

Ongoing Compliance Monitoring Activities

Continuous review ensures continued best practices in Corporate Governance policies and compliance

- ✓ Monthly compliance roundtables with US/UK advisors
- ✓ Bi-annual board training led by legal counsel
- ✓ Adoption of disclosure manual for MAR adherence
- ✓ Committee-level governance obligation checklists
- ✓ Utilization of 3rd party best-practice consultations
- ✓ Annual board and executive reviews:
 - Senior independent director review of Chairman
 - Chairman review of CEO
 - 3rd party Board review





OVERVIEW OF GOVERNANCE POLICIES

The Board is currently evaluating all existing policies for continued applicability and completeness as part of its annual policies review process.



Share Dealing Code

Process Update

Adopted independent administration of platform for share-based employee incentive compensation, allowing for improved documentation and execution while ensuring strict adherence to corporate share dealing code



Anti-Bribery Policy



Human Rights Policy



Whistleblowing Policy



Environmental, Health and Safety Policy



Corporate Social Responsibility Policy



Climate Policy

Policy Update

New policy to be adopted in the near term



As published in Diversified's 2020 Sustainability Report

All current Governance policies available at:
<https://www.div.energy/about-us/governance>



COMMITTED TO CONSTRUCTIVE ENGAGEMENT WITH STAKEHOLDERS

Involvement with State Regulators

- Proactive communication
- Rapid responses
- Timely corrective action for citations
- Keeping our commitments
- Available to assist agencies with technical needs

Participation in Industry Associations

- Remain abreast of changing rules and regulations
- Ensure knowledge of best-in-class practices and trends
- Partner with industry peers on areas of interest/community support efforts, etc.
- Engage regulators as a united voice



DEC Industry Association Service

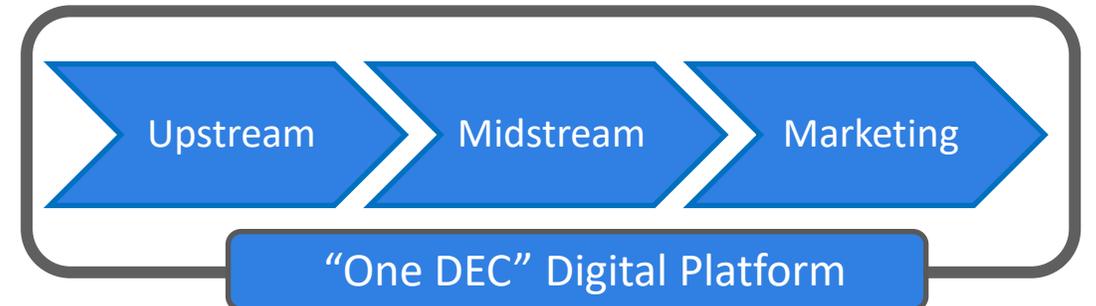


Operations Business Model

Brad Gray

Chief Operating Officer

***“SOME COMPANIES ARE BUILT TO DRILL,
AND SOME TO OPERATE. DIVERSIFIED IS
BUILT TO OPERATE VERY EFFICIENTLY.”***





PRESENTING OPERATIONS

Executive Team



Rusty Hutson, Jr.
Chief Executive Officer



Brad Gray
Chief Operating Officer



Eric Williams
Chief Financial Officer



Jim Rode
Chief Commercial Officer



Ben Sullivan
General Counsel

Asset Operations



Bobby Cayton
Senior Vice President-
Upstream Operations



Maverick Bentley
Senior Vice President-
Midstream Operations

Sustainability & Safety



Sandy Stash
NED, Chair-Sustainability
& Safety Committee



Teresa Odom
Vice President-
ESG & Sustainability



Paul Espenan
Vice President-
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Finance



Randy Barron
Senior Vice President-
Strategy & Finance



John Crain
Vice President,
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Jim Sheehan
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Human Resources



Mark Kirkendall
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Laurie Knox
Business Partner-
Human Resources

Marketing



Ron Ridgway
Vice President-
Energy Marketing



Austin McDaniel
Director-
Energy Marketing

Technology

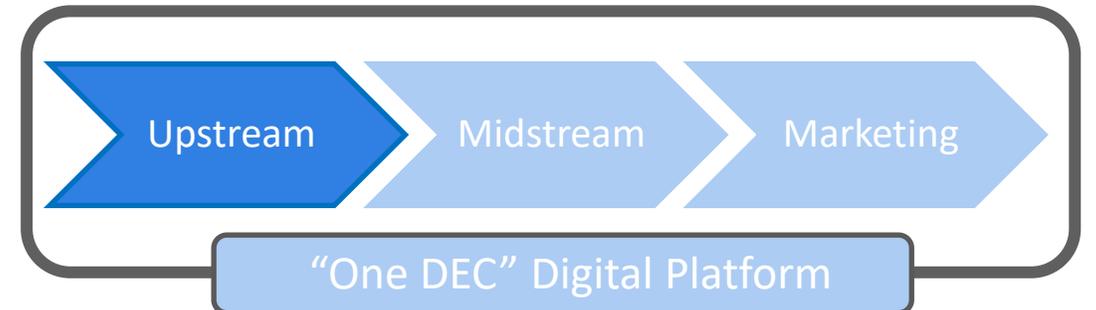


David Myers
Chief Information
Officer

Upstream Operations

Bobby Cayton

Senior Vice President of Upstream Operations





UPSTREAM OPERATING PHILOSOPHY



Ownership

We teach ownership & we empower

Accountability

We set plans & we follow up

Data + Human Interaction

We conduct well reviews, develop plans & “get to the well and do something”

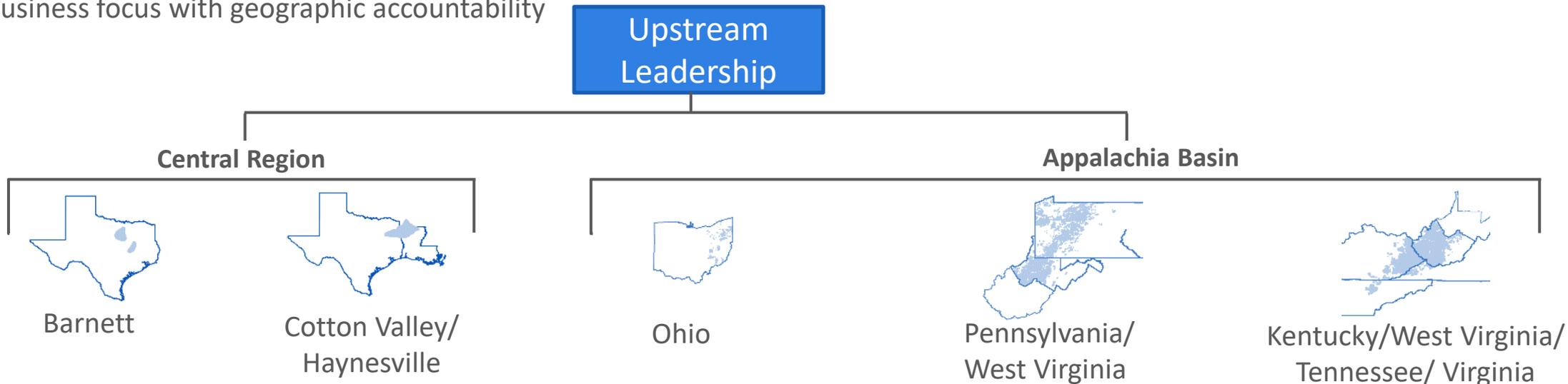
Development

We develop skills and knowledge for our teams



Production Operations by Region

Line of business focus with geographic accountability



By the Numbers

<u>Central</u>		<u>Appalachia</u>
2	States	6
109	Employees	939
25	% of Production	75
3,000	Operated Wells ^(a)	61,000



a) Represents gross operated wells; values rounded to the nearest thousand



UPSTREAM SMARTER ASSET MANAGEMENT (SAM)

Increasing Production & Improving Margins

GOAL

Improve safety, optimize production, increase expense efficiency & improve emissions profile

PROCESS

“Data + Human Interaction” coupled with production technology systems drive well activities, process enhancements, refine best practice techniques

RESULT

Practical, profit-focused **SOLUTIONS** developed by our experienced teams



SAM initiatives also designed to **detect and reduce or eliminate emissions**

Example Smarter Asset Management Activities



Illustrative Well Site

- 1 **Well Pressure (Fluid Load)**
Plunger Lift, Pumpjack Installation
- 2 **Wellbore Cleanout**
Water, Salt or Soap Stick Treatments
- 3 **Wellhead Optimization**
Wellhead Configuration, Sensor Equipment Set Up
- 4 **Compression**
Assistance, Right Sizing or Removal



We challenge our teams to look beyond the status quo and **seek innovative, efficient SOLUTIONS**



SAM Drives Efficiency and Sustainability

Continuing Our Pursuit of Small Victories and Generating BIG Wins



Universal

- Return idle or shut-in wells to production
- Install optimal artificial lift equipment
- Complete workovers with accelerated payback periods
- Review vendor spend for scale opportunities



Appalachia

- Swab wells to relieve hydrostatic pressure
- Reset tubing depth to increase fluid removal and improve productivity
- Repair production pipelines to ensure units are delivered to sales meters



Central

- Optimize wellhead compression
- Optimize contractor expense to improve productivity and profitability
- Partner with third-party midstream operators to lower line pressure



Return to Active Production

Louisiana

- **Well Review:** Identified wells shut-in from previous operator
- **SAM Actions:**
 - Developed a plan to turn back in line 5 wells per week
- **Results:** Returned to production **60 wells** to date, with total production of **~300,000 Mcf**



Acquired Non-Producing Wells

Pennsylvania

- **Well Review:** Identified Marcellus wells shut-in from previous operator
- **SAM Actions:**
 - Proactively engaged pipeline company to remove restrictions
 - Sourced and installed \$100,000 of equipment
- **Results:** Wells now **flowing ~5,000 Mcf/d**



Downhole Pump Replacement

Ohio

- **Well Review:** Identified 100 wells to complete small workovers
- **SAM Actions:**
 - Repaired or replaced downhole pumps
 - Adjusted tubing depths
 - Worked with vendors to offset costs
- **Results:** Increased oil production **16,500 Bbls**

Midstream Operations

Maverick Bentley

Senior Vice President of Midstream Operations





Different Asset Type, Consistent Operating Philosophy



Ownership

We teach ownership & we empower

Accountability

We set plans & we follow up

Data + Human Interaction

We conduct facility reviews, develop plans & take action

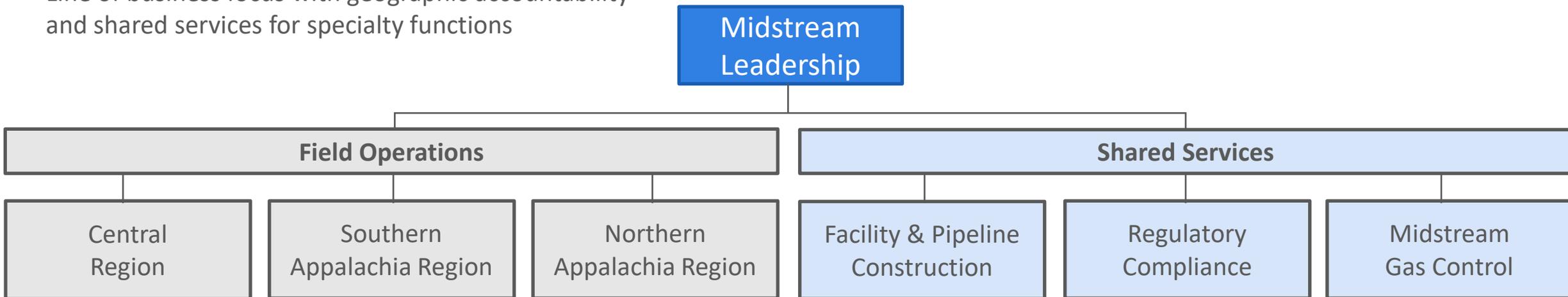
Development

We develop skills and knowledge for our teams



Midstream Operations by Region

Line of business focus with geographic accountability and shared services for specialty functions



By the Numbers

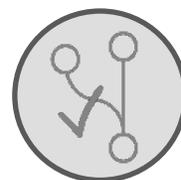
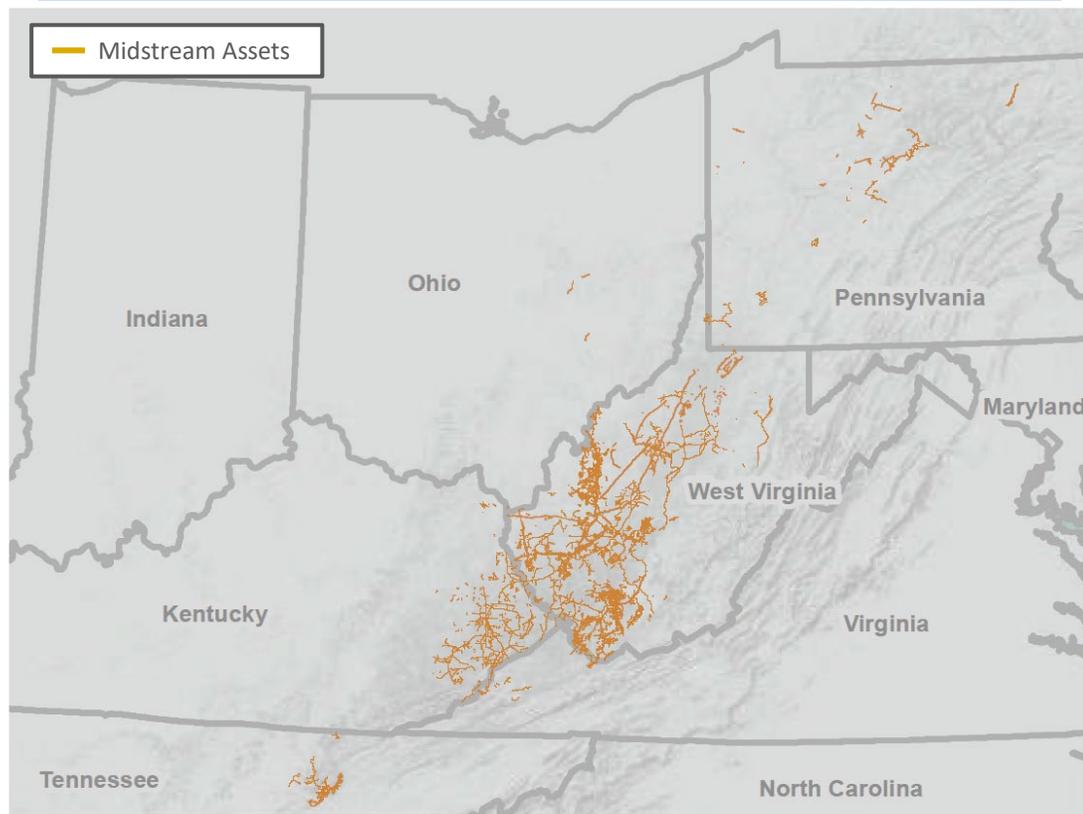
<u>Central</u>		<u>Appalachia</u>
2	States	6
17	Employees	268
74,800	Compression HP	256,000
<500	Miles of Midstream	17,000





Enhancing Value through Vertical Integration

Midstream Assets in Appalachia



Flow Assurance

Navigating system downtime and moving Diversified volumes on owned systems



Pricing Optimization

Gaining access to better priced markets and additional end users



Revenue Diversification

Generating predictable 3rd-party midstream revenues to offset midstream expense



Expense Optimization

Eliminating 3rd-party costs and inefficiencies to improve per unit costs and margins



MIDSTREAM SMARTER ASSET MANAGEMENT

Production Enhancing Actions & Consistent Uptime

GOAL

Improve safety, optimize production, increase expense efficiency & improve emissions profile

PROCESS

“Data + Human Interaction” coupled with technology systems drive process enhancements, refine best practice techniques

RESULT

Practical, profit-focused SOLUTIONS developed by our experienced teams



We challenge our teams to look beyond the status quo and **seek innovative, efficient SOLUTIONS**



EXPERIENCE AND SCALE BRING OPPORTUNITIES



Moonraker Pad

Ohio

- **Objective:** Stabilize and increase production due to higher line pressures (August 2021)
- Worked with 3rd-party compression provider for future flexibility
- Successfully mitigated higher line pressures and increased production over 30%



Bradley Pipeline

West Virginia

- **Objective:** Reroute gas sales to higher margin markets (November 2021)
- Leveraged resources from our EH&S, compression, construction and pipeline teams
- Moving gas from the DomSouth negative basis market to the East Tennessee positive basis market
- Significant annual margin enhancement opportunity



Red Oak Facility

Louisiana

- **Objective:** Eliminate excess compression (December 2021)
- During asset diligence, identified opportunity to eliminate excess compression
- No negative impacts to production
- Annual savings of \$750,000

Future Opportunities

Objective: Enhance Margins

Scale & growth provide many options for synergistic projects

Currently Considering:

- Re-route gas to increase NGL production (Appalachia)
- Re-route gas and eliminate unneeded compression to reduce G&T expense (Central)
- Consolidation of Gas Control to reduce overhead and improve overall performance

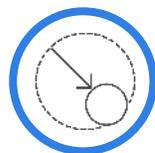
Internally Managed Projects Drive Efficient Timelines & Cost Savings



Successful Consolidation of Appalachia Assets Drives Significant Midstream Scale and Opportunities for Improvement



Asset Optimization



Emissions Reductions



Expense Efficiencies

Proactive, Voluntary Emissions Efforts

Eliminated **21,300 horsepower** of compression since 2018 entry in southern Appalachia

IMPACT

Annual GHG emissions reductions of **93,500** MT CO₂e ^(a)

Equivalent to the amount of CO₂ sequestered by:

~114,500 acres of US forests in one year

~1.5 million seedlings grown for 10 years

Generated **\$2.0 million** in direct expense reduction through compression elimination

a) GHG emissions reductions represent CO₂e and assumes IPCC conversion factor of 28

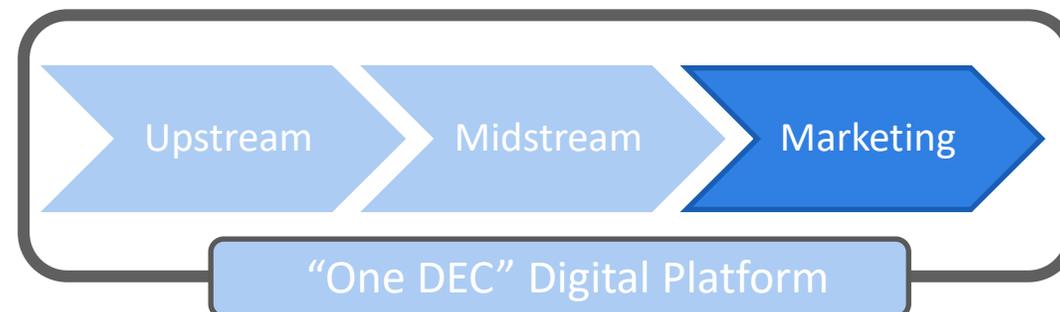
Energy Marketing

Ron Ridgway

Senior Vice President of Energy Marketing

Austin McDaniel

Director of Energy Marketing



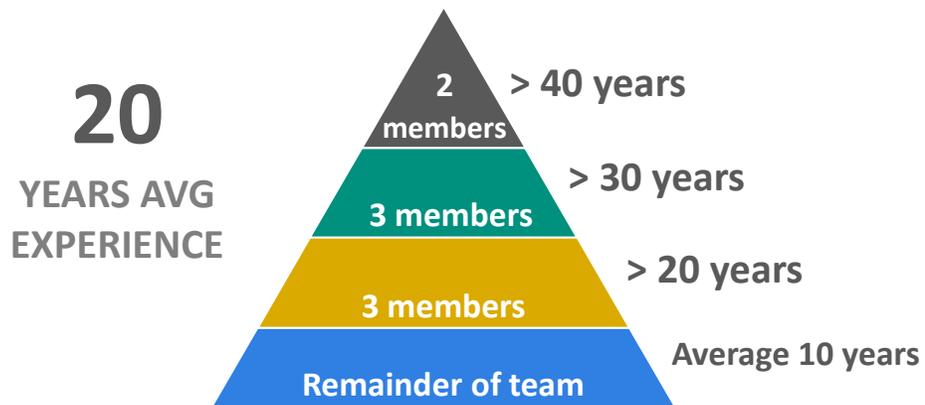


A **Top 25** Marketer^(a)

/ Active in **20+** Markets

Experienced Team

- Gas & NGL Marketing
- Scheduling
- Origination
- Producer services
- Midstream
- Gas accounting



Summary of Assets Managed

Gas Marketing

- **1.2 BCF** of gas marketed per day
- **211** actively managed sales points
- **250,000** dth/day of interstate capacity

Midstream Gathering

- **90,000+** dth/day of 3rd-party gas gathered & purchased
- **700+** 3rd party gathering & purchase contracts
- **4,000+** 3rd party midstream receipt points

NGL Marketing

- **640,000** gallons/day of liquids production
- Receive NGLs from **12** processing facilities



Leverage Experience



Optimize Pricing



Reduce Costs



Stabilize Cash Flow

a) Compared to Natural Gas intelligence's 1Q2021 Top North American Gas Marketers report



MARKETING 99% OF PRODUCED VOLUMES TO MAXIMIZE PRICING

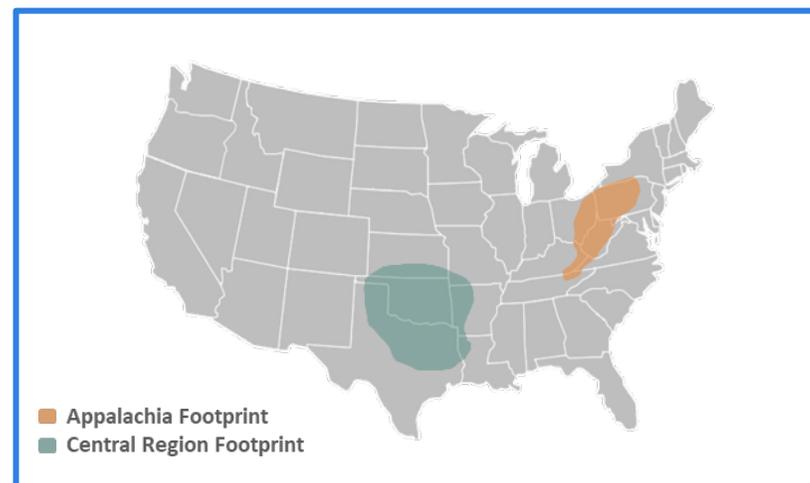
Advantages in Appalachia

Managing volumes through owned midstream assets allows:

- Gas reroutes to highest value markets
- Avoid interstate capacity constraints without firm transport

~20% of regional sales occur on Midstream system to end-users and LDCs^(a)

- Volumes receive premium pricing compared to standard sales
- Not subject to firm transportation requirements



Central Region Expansion

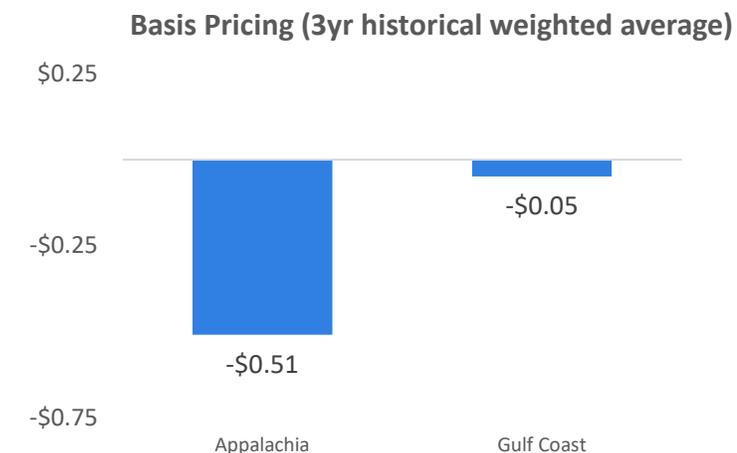
Introduces Exposure to Favorably-Priced Commodity Market

- Positively impacts company-wide realized pricing
- Reduces or eliminates need for firm transportation contracts

Market Fundamentals Feature Minimal Pricing

- Proximity to geographic hubs and long-term demand for LNG exports drive strong and consistent demand

Regional Basis Pricing^(b)



a) Local Distribution Companies

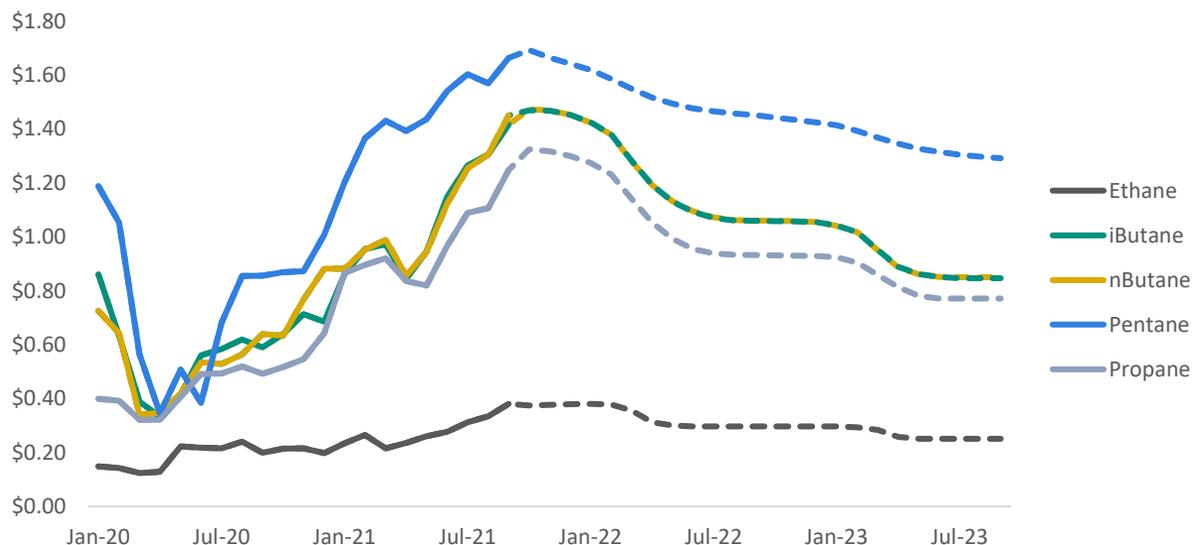
b) Weighted average pricing based on Diversified's July production by basis point, applied to historical prices between October 2018 through September 2021.



Portfolio of NGL Assets Provide Strong NGL Uplift

- 19 million gallons per month of NGL production
- Majority of NGL production is from Langley Plant in Pike County, Kentucky – receive liquids from equity & 3rd-party gas processed
- Indigo, Blackbeard and Tanos acquisitions have added +10 million gallons per month of NGL production, from 9 facilities
- Strong NGL pricing enhances overall value of gas production

Improving Macro Environment for NGL Pricing (\$/gal)^(a)

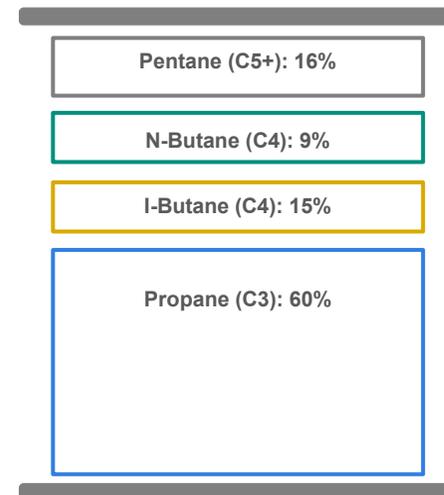


a) Source: OPIS as of 5 November 2021

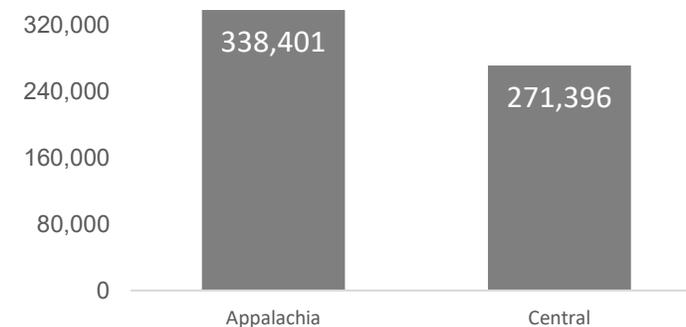
b) Based on July 2021 production estimates for Appalachia, Indigo and Blackbeard assets; represents Marketed composition where ethane is typically rejected and remains in the gas sales stream

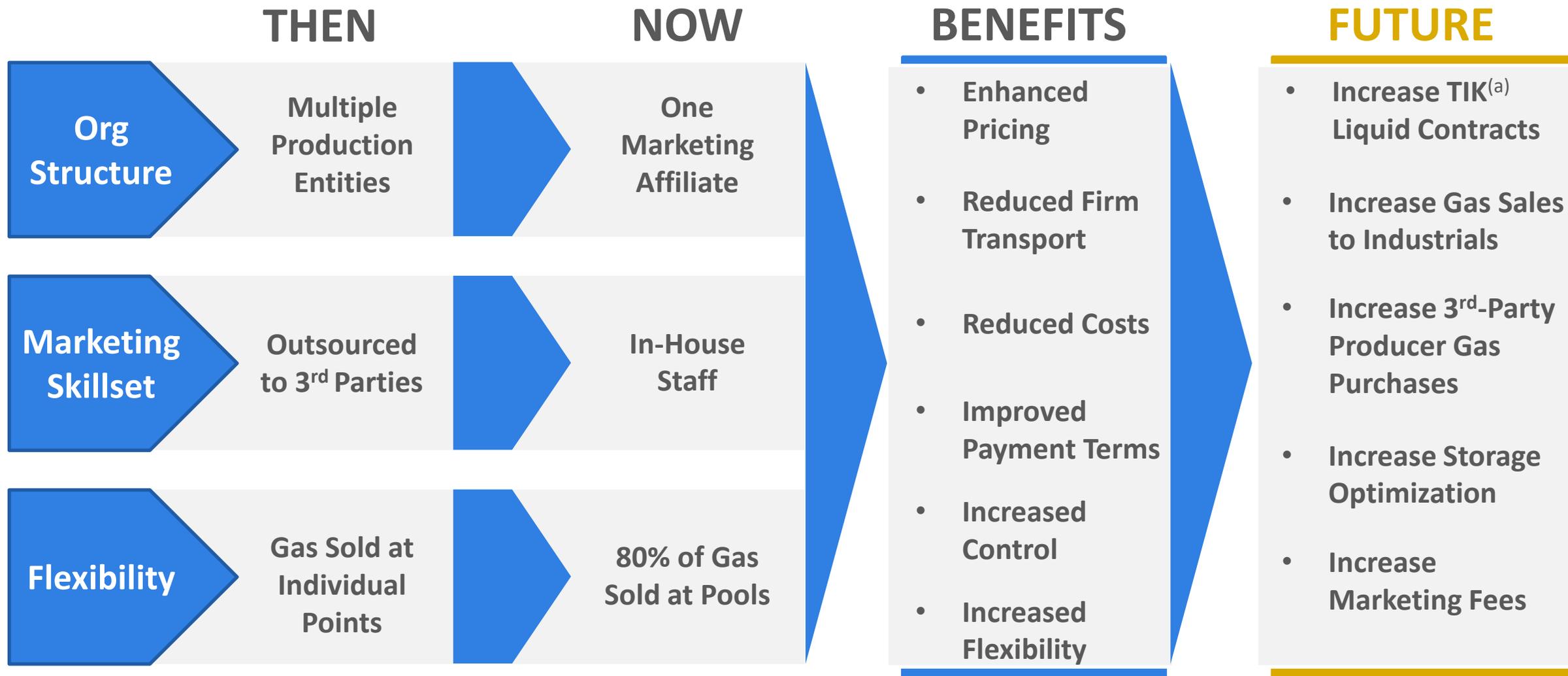
c) Includes Appalachian, Indigo, Blackbeard and Tanos assets and represents a September 2021 production forecast

2021 NGL Marketed Composition^(b)



NGL Production (Gallons per Day)^(c)





a) Defined as Take-in-Kind, represents liquids volumes that the Company reserves the right to self-market.

Enabling the Digital Gas Field

Supporting a High Growth Model

Brad Gray
Chief Operating Officer





Vision: **Drive Value** from the Wellhead to the Board Room



Goals

- Build a **scalable** platform
- Ensure **speed** of integration & **actionable** information
- Maintain **low total cost** of ownership (“TCO”)



Strategy

- **Safety First** – increase defences and reduce risk
- **Cloud First** – 100% cloud-based
- **Remote First** – provide mobility and flexibility



Results

- **Scalable digital platform...** supporting rapid acquisition model
- **Common systems & data consistency...** with our “ONE DEC” digital platform
- **Maintaining low TCO...** the right combination of internal resources and managed service providers

Finance

Eric Williams

Chief Financial Officer

Randy Barron

Senior Vice President, Strategy & Finance

John Crain

Vice President, Treasurer



PRESENTING FINANCE

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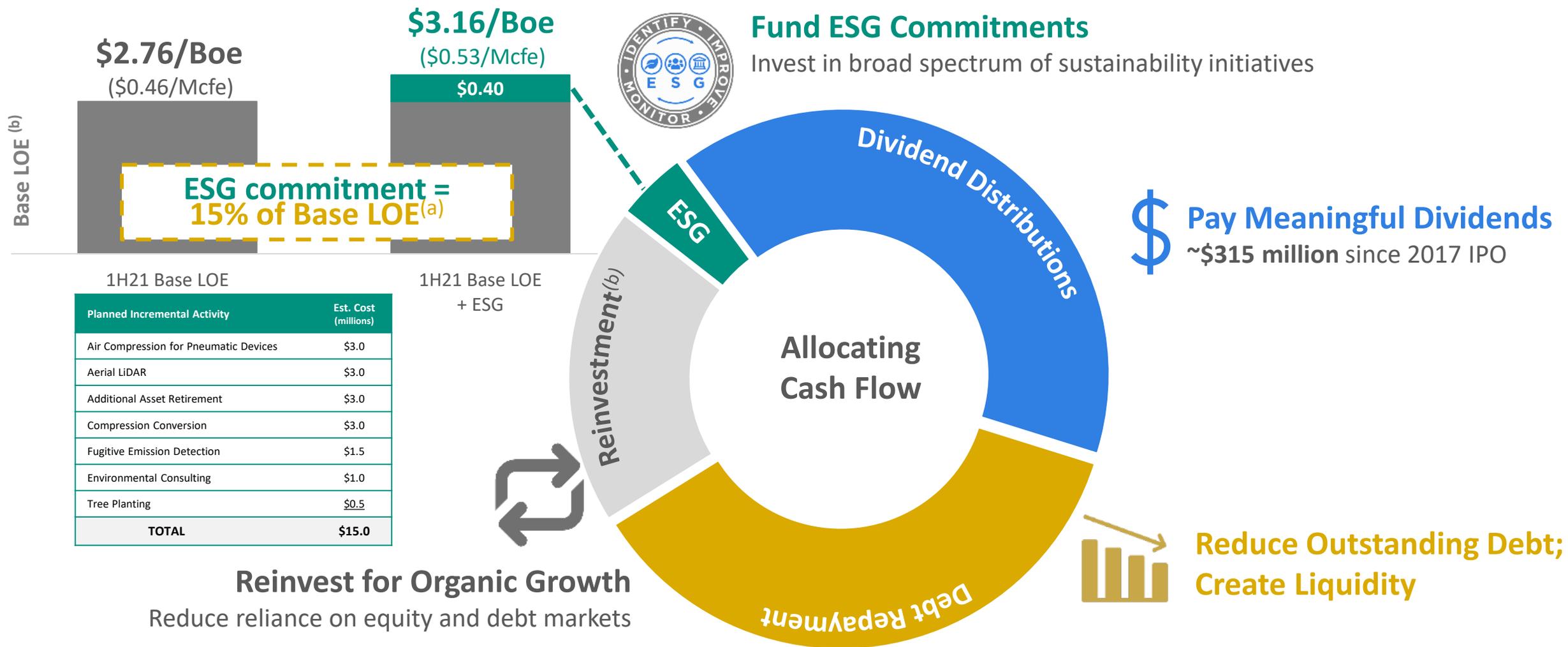
Technology



David Myers
Chief Information
Officer



PRUDENT ALLOCATION OF CASH FLOW

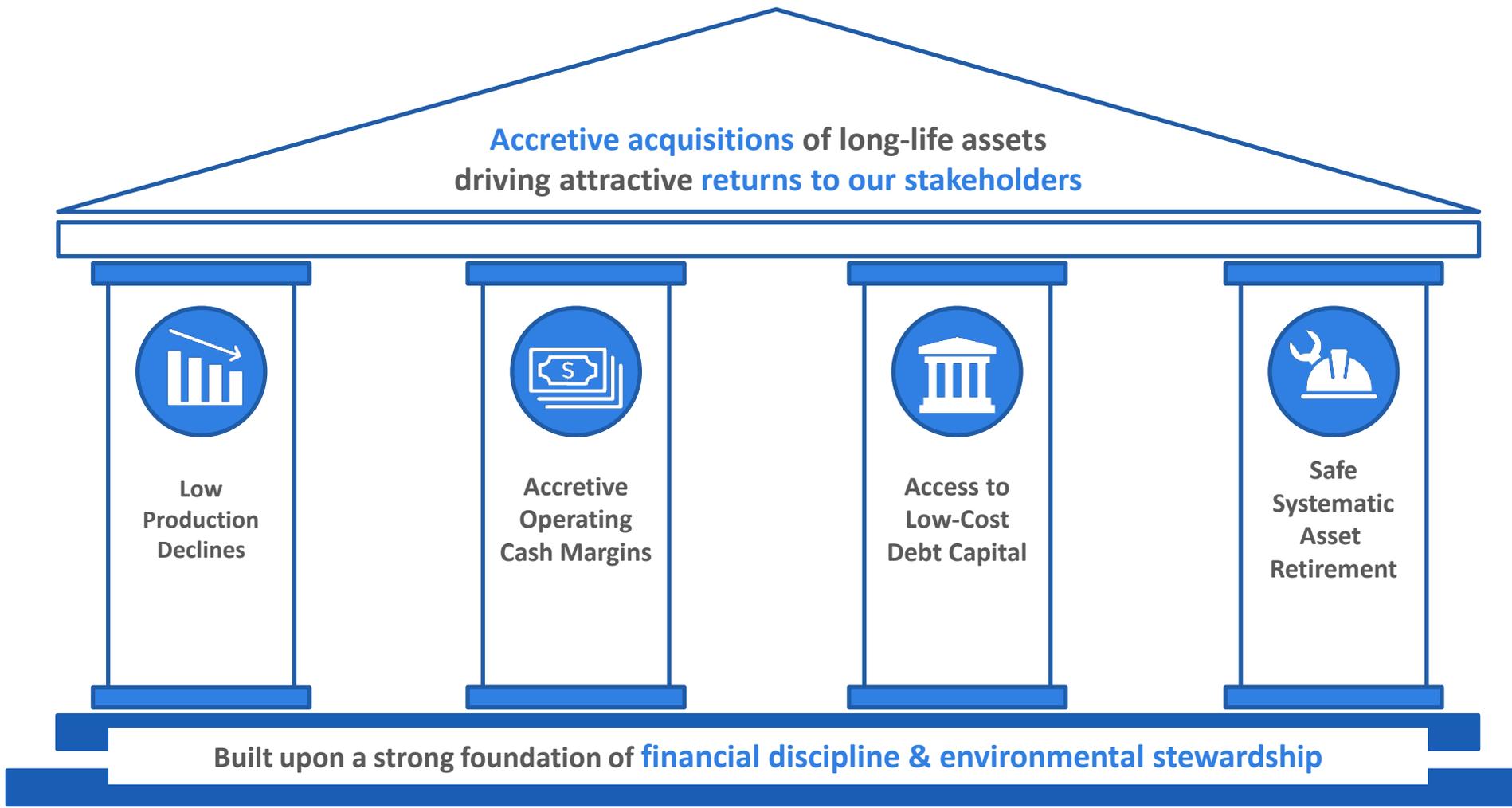


a) Base LOE represents Base Lease Operating Expense; Incremental funding of \$0.40/Boe calculated using \$7.5 million (one half of full commitment) divided by 1H21 production, as previously reported

b) Reinvestment represents operating outflows including capital expenditures, cash taxes, cash interest expense and non-recurring items, including acquisition and integration costs



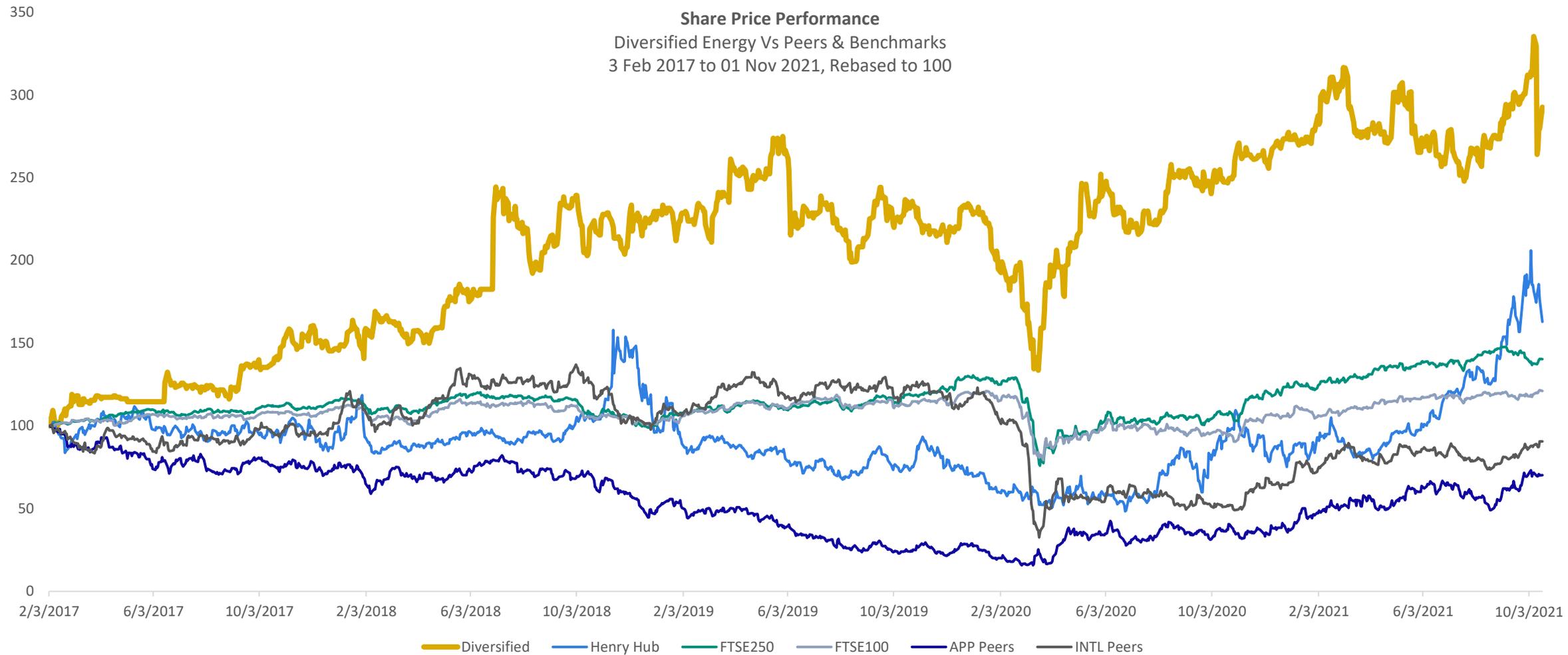
PROVEN STEWARDSHIP MODEL DELIVERING RETURNS





TOTAL RETURNS SINCE IPO REFLECT THE DIVERSIFIED DIFFERENCE

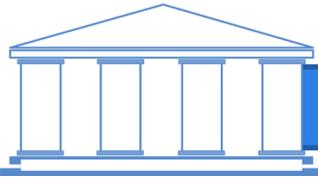
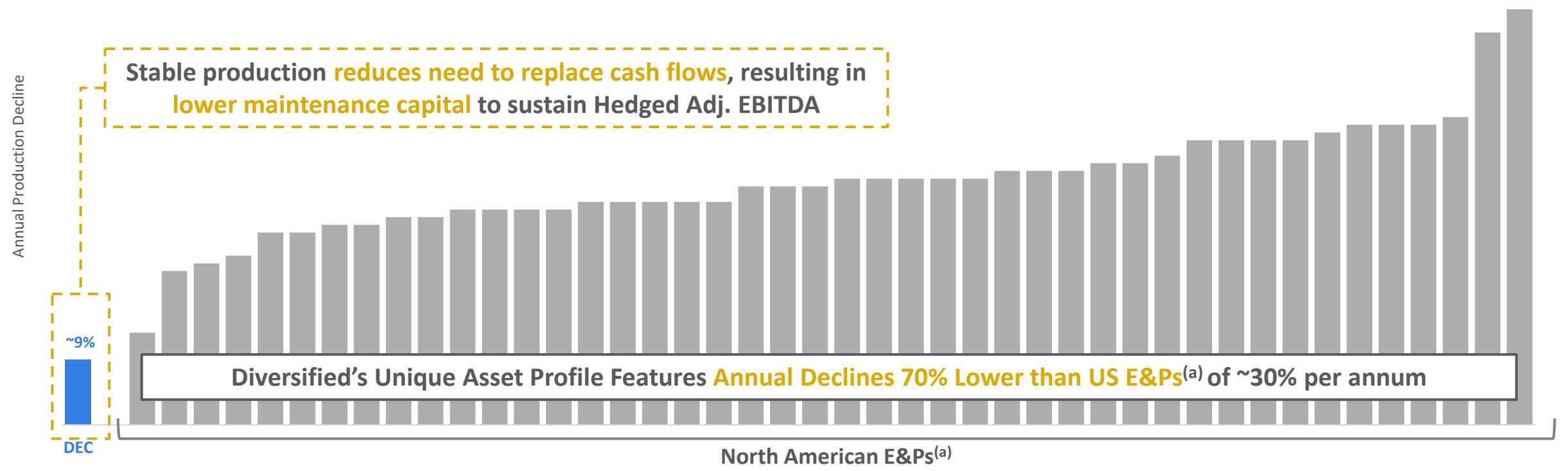
Uniquely Built to Generate Sustainable Cash Flows & Delivers Nearly 200% In Cumulative Returns Since IPO



a) Measured as share price performance from 2 February 2017 through 18 October 2021 and assumes reinvestment of net dividends at date of distribution; Amounts rebased to 100 at start date; Appalachian (APP) peers include AR, CNX, EQT, RRC and SWN; International (INTL) peers include ENOG, PHAR, HBR, SEPL, TLW; All share price and dividend data per Bloomberg



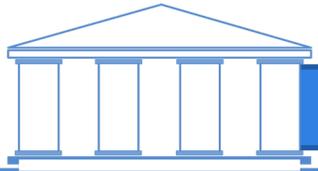
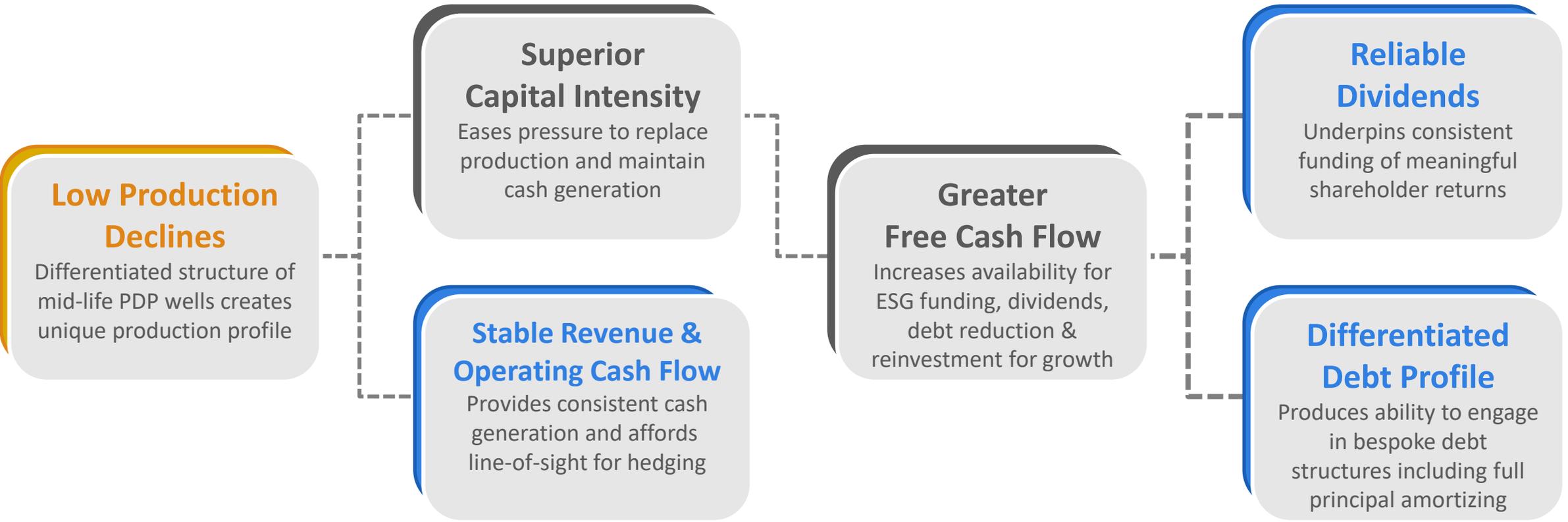
Creating a Distinct Competitive Advantage With Low Corporate Declines



Source: Enverus, 2021; declines for Diversified as presented within; declines for North American E&Ps represent gross-operated production only
 a) North American E&Ps includes the following companies: AAV, APA, AR, ARX, Ascent, BCEI, BTDR, CDEV, CHK, CLR, COG, CPE, CRK, DEN, DVN, EOG, EQT, ERG, FANG, GPOR, HES, LPI, MGY, MRO, NOG, NVA, OAS, OVV, OXY, PDCE, PEY, POU, PVAC, PXD, RRC, SBOW, SM, SNX, SWN, TOU, VEI, WCP, WLL, XEC; average rate of decline based on figures shown herein



LOW DECLINES CREATE DISTINCT COMPETITIVE ADVANTAGES





DELIVERING HIGH CASH MARGINS THROUGHOUT THE PRICE CYCLE

Focus on Producing Assets

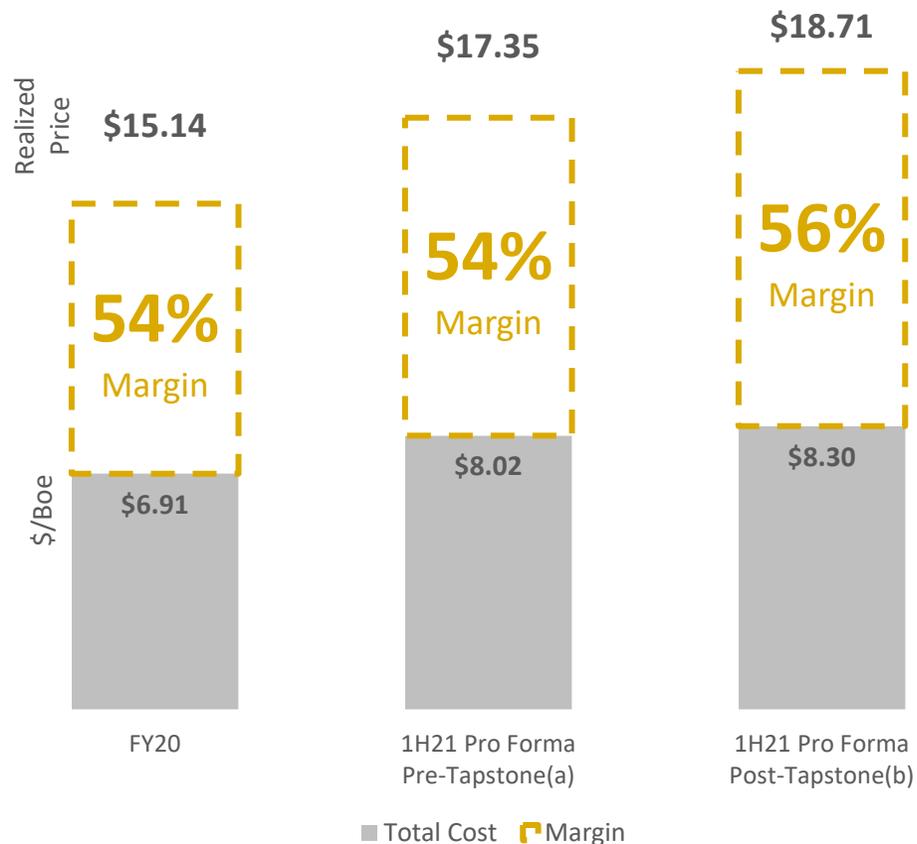
Cultivate core competency in efficient operations with SAM creating incremental upside

Hedge to Protect Revenues

Limit exposure to commodity price volatility and increase line of sight to cash generation

Leverage Scale & Ops Efficiency

Reduce operating costs with consolidation and generate synergies that enhance margins



Low Production Declines

Accretive Cash Margins

Access to Low-Cost Debt

Safe, Systematic Retirement

a) Calculated using 1H21 as reported, adjusted for the illustrative six-month contribution of previously announced acquisition of Indigo, Blackbeard and Tanos assets (net of Oaktree participation) using strip pricing as of 30 July 2021
 b) Calculated using 1H21 as reported, adjusted for the illustrative six-month contribution of Tapstone assets (net of Oaktree participation) using strip pricing as of 28 September 2021 and Indigo, Blackbeard and Tanos assets (net of Oaktree participation) using strip pricing as of 30 July 2021



HEDGE PROGRAM SUPPORTS STABLE FINANCIAL PROFILE

Rolling Coverage Targets Reduce Exposure to Price Volatility, Complement Stable Production

Focus on price protection provides significant visibility to both near and long-term cash flow generation from portfolio of stable, low-decline assets

Current Year (Months 1-12)

Create Line of Sight to Cash Generation

Target Range:
70-90%
 of Production

Near-term robust hedge level provides high degree of visibility into cash flow generation for distributions and debt reduction

Year 2 (Months 13-24)

Opportunistically Add Value

Target Range:
50-70%
 of Production

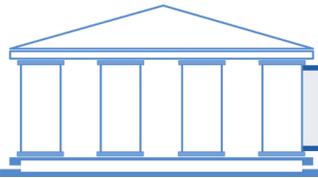
Medium-term coverage targets protect base level of cash flow and provide exposure to higher price movements

Year 3+: (Months 25 and beyond)

Support Debt Paydown

Target Range:
30-50%
 of Production

Longer-term strategy supports deleveraging and debt reduction on amortizing instruments, helping to ensure financial strength





DISCIPLINE AFFORDS ACCESS TO LOW-COST DEBT

Differentiated Access to Capital Markets

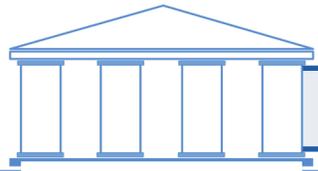
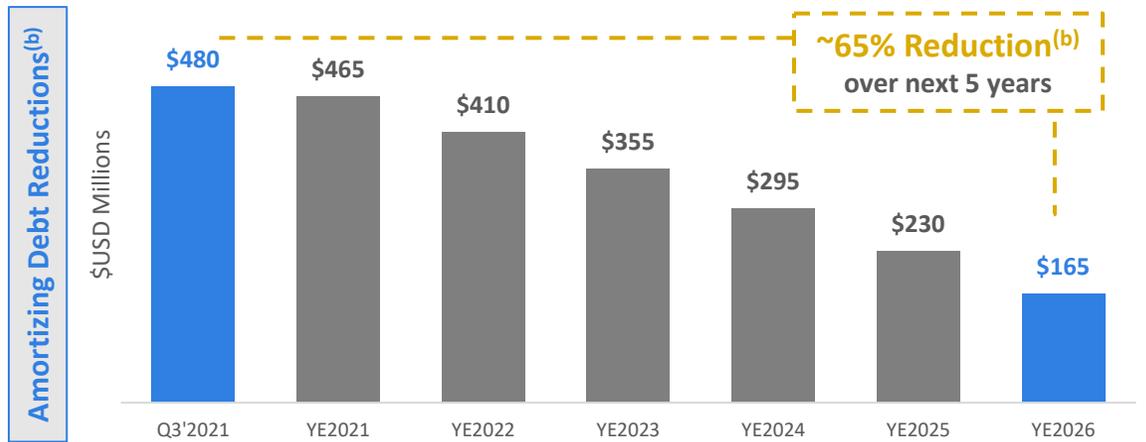
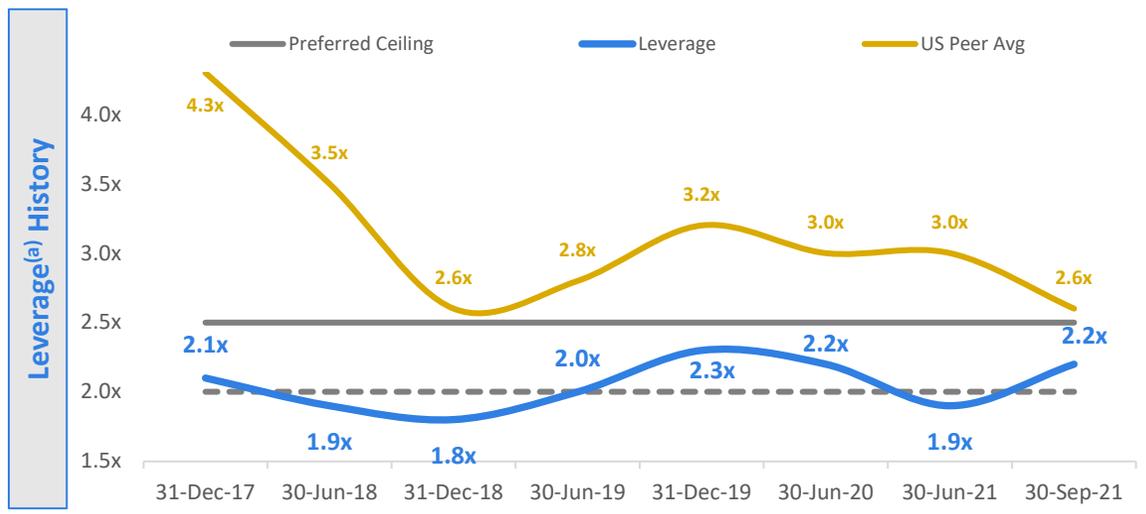
- **Consistently supportive** capital markets for the Company's highly accretive growth provides **substantial advantage**

Committed to Maintaining Low Leverage

- Hedge-protected margins and low-decline assets create a **differentiated and sustainable leverage profile**
- Utilization of amortizing instruments naturally reduces debt over time and support **low weighted average interest cost of just 4.7%**

Highly Supportive Bank Group

- Recently amended **17-member syndicate aligned with** Diversified's strategic objectives and business profile



a) Leverage calculated as Net Debt/Adjusted EBITDA; Company leverage per previous disclosures; Company leverage as of 30 September 2021 calculated using Net Debt as of 30 September 2021 pro forma for the estimated net purchase price of the Tapstone acquisition and Adjusted EBITDA represents annualised 3Q21 Hedged Adjusted EBITDA pro forma for the annualised impact of the previously announced Tanos and Tapstone acquisitions, which is not reflective of synergies that may be realized following post-acquisition integration and is not intended in any way to constitute a projection of actual results attributable to these acquisitions or the consolidated pro forma company; Peer average includes AR, CHK, CNX, EQT, RRC and SWN; peer data obtained via Bloomberg

b) Debt reductions based on scheduled minimum payments for Diversified's amortizing debt instruments



EXPANDING ASSET RETIREMENT COMMITMENTS

Historical Progress of the Retirement Program

Establishing the Program

Diversified proactively engaged with State regulators in 2018-2019 to create minimum plugging commitments of 80 per year

Exceeding the Commitment

300+ well retirements since 2019 have exceeded state minimums by ~25%

Building for the Future

An inaugural in-house plugging team in West Virginia was established in 2021

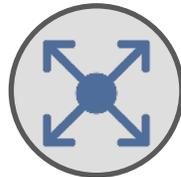
The pilot has been a success with well retirements at costs 25% lower than market

Growing the Retirement Program



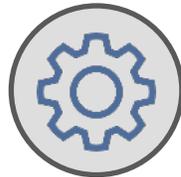
Increase Retirements per Year

Extend annual plugging volume to 200 per year by 2023, representing 250% of minimum requirements



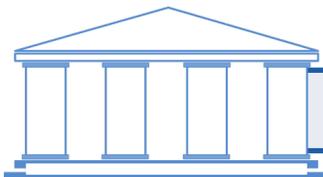
Expand Internal Capacity

Develop in-house capabilities to include an additional plugging team in the state of Pennsylvania



Invest in Future Infrastructure

Deploy available capital into further building internal capacity, if market constraints limit total plugging volume



Low Production Declines

Accretive Cash Margins

Access to Low-Cost Debt

Safe, Systematic Retirement



ANALYSIS OF THE ASSET RETIREMENT OBLIGATION

Significant Inputs to the Liability

Timing of Well Retirements

Economic well life is primary determinant, with many wells continuing to produce for another 50+ years

Commitment to plug 200 wells per year by 2023

Cost to Plug

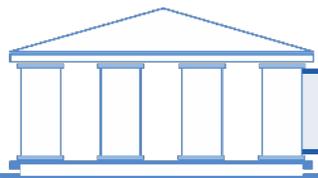
Influenced by well dynamics and location, and cumulative historical experience lends significant costing insight

Average Cost per Well: \$25,000

Discount Rate Applied

Net discount rate required by IFRS as best assessment of the time value of money and risks specific to the liability

Net Rate Applied: 2.9%^(a) (30 June 2021)



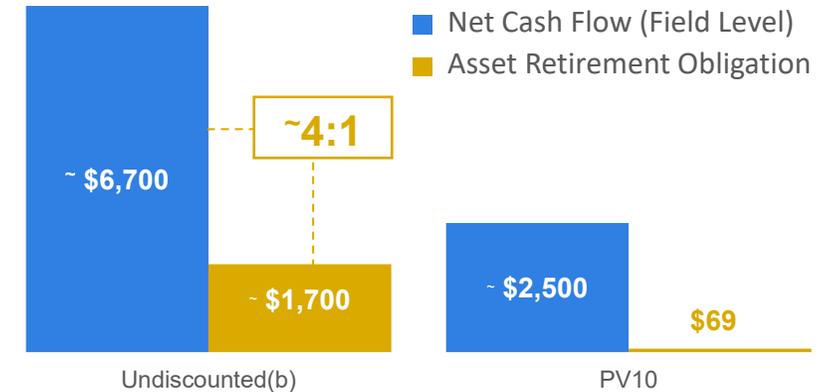
Low Production Declines

Accretive Cash Margins

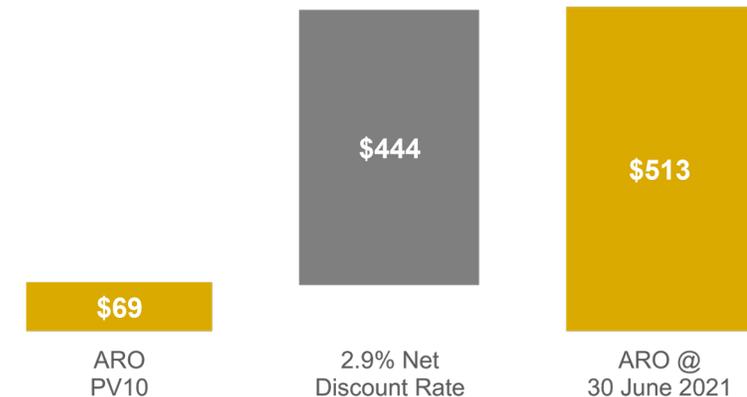
Access to Low-Cost Debt

Safe, Systematic Retirement

Cash Flow and PV10 Analysis



Bridging PV10 to Balance Sheet



Amounts presented above relate to the Asset Retirement Obligation as record for 30 June 2021

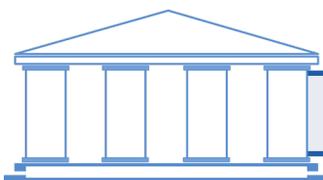
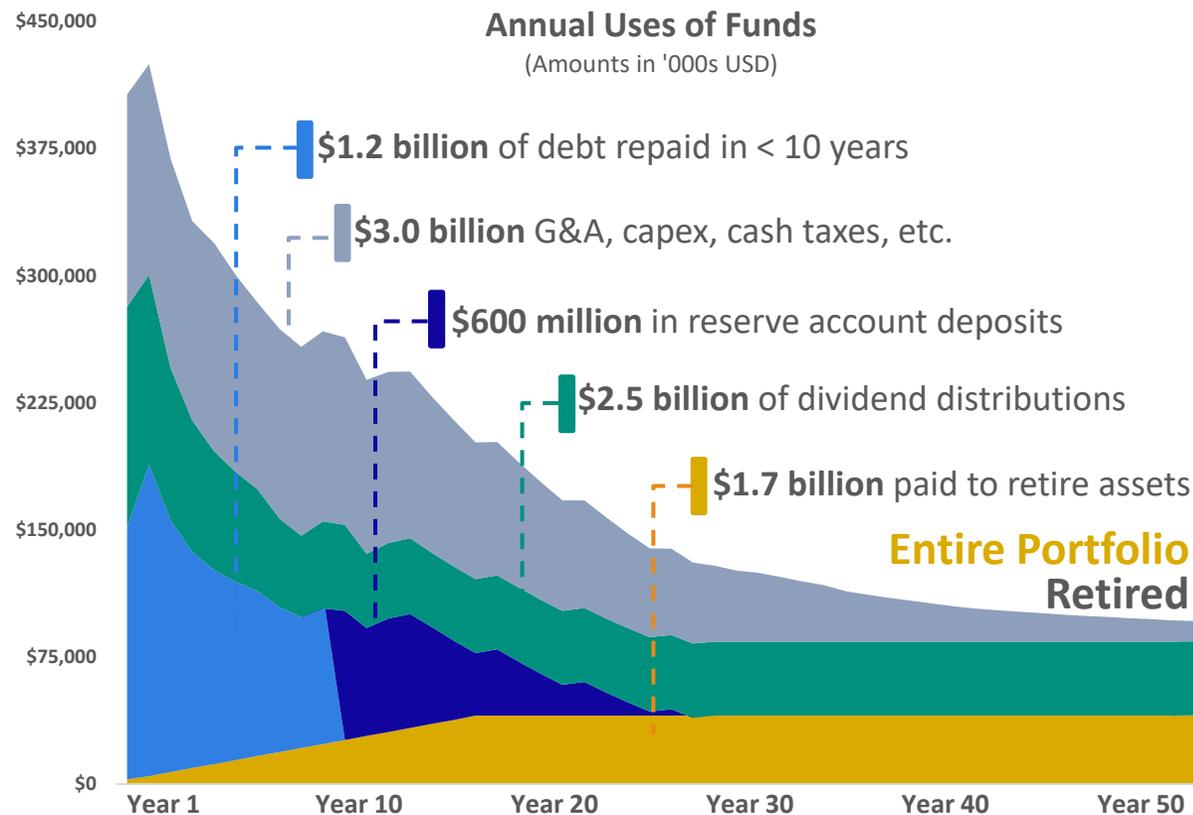
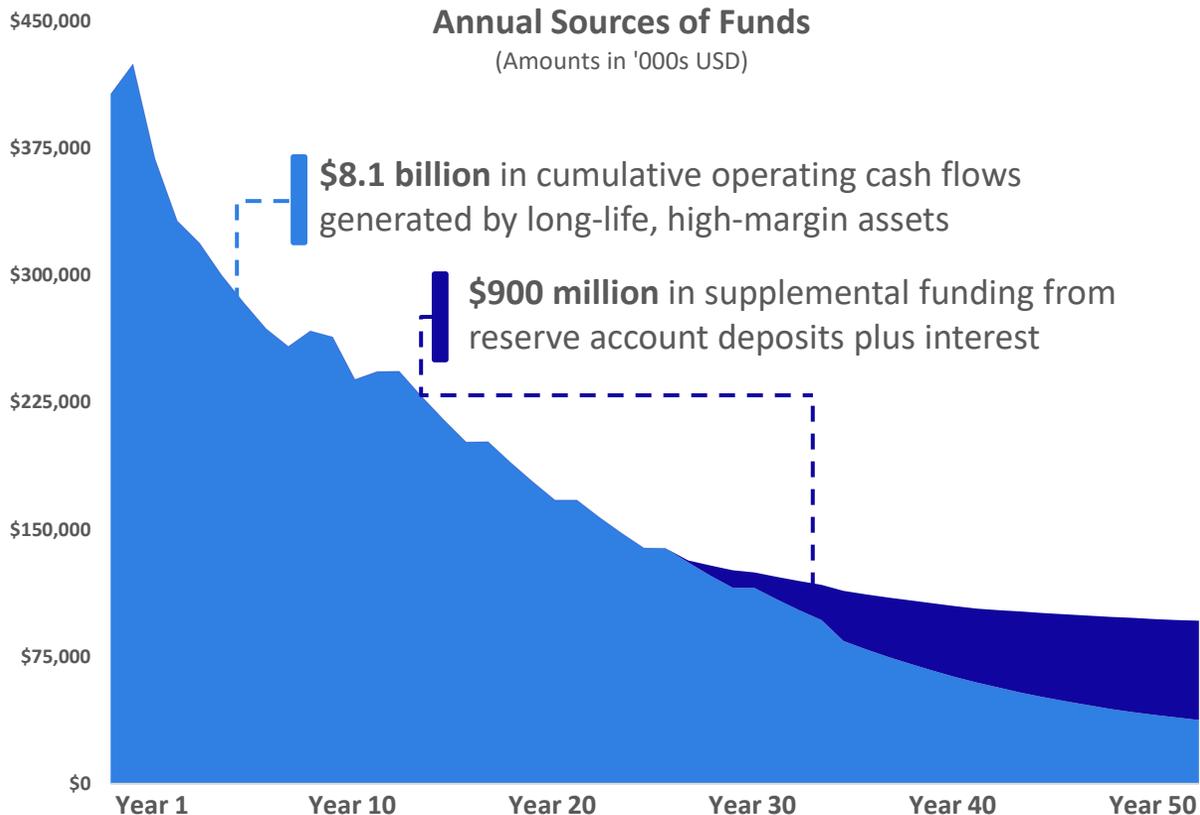
a) Net rate of 2.9% is calculated as discount rate of 5.4% (discount rate for BB-rated US Energy bond) offset by a 2.5% risk adjustment factor (e.g. inflation)

b) Represents the undiscounted gross value of the field level cash flows from PDP assets and related retirement (plugging) obligation, respectively



PDP ROLL-OFF SCENARIO (ILLUSTRATIVE)

Demonstrating ability to fully fund retirement of all wells while providing substantial investor returns



Low Production Declines

Accretive Cash Margins

Access to Low-Cost Debt

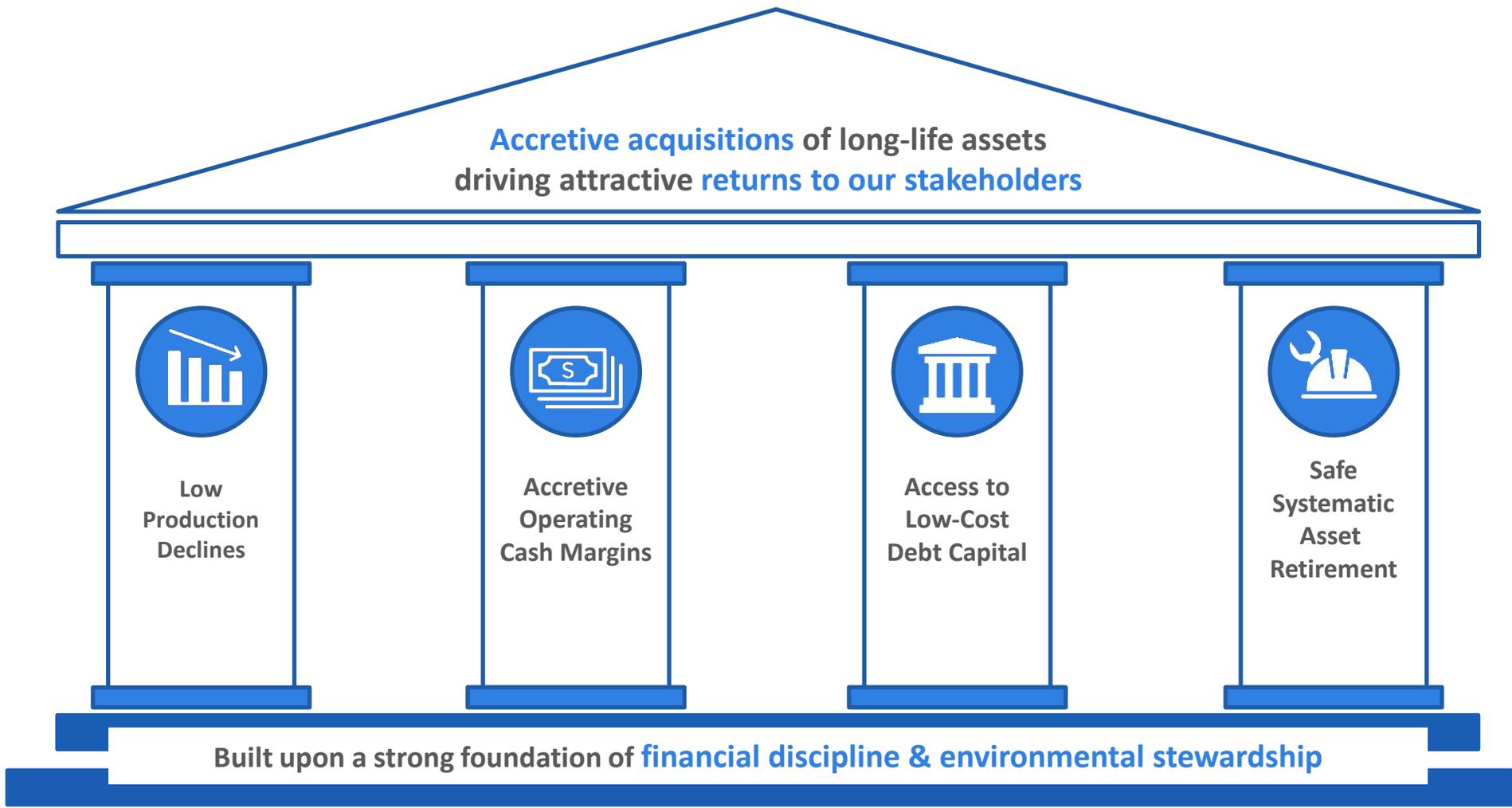
Safe, Systematic Retirement

a) PDP Roll-off major assumptions: 10-year natural gas strip pricing with \$0.12 per MMBtu increase every 5 years until reaching \$3.15, flat thereafter; 5% production terminal decline rate; actual hedges as of Oct. 15, 2021; dividends greater of 40% FCF or \$43.75 million annually; variable LOE expenses declining with production; fixed LOE/well declining as wells are plugged; G&A and midstream expense declining 3% annually; production taxes 4% of revenue; no cash tax benefits included; upstream and midstream capex declining 5% and 4% per year, respectively; reserve account invested at 3% annual, approximating long-term investment grade corporate bond rate

b) Volume of wells retired based on gross well count (operated and non-operated) as of 30 June 2021, prior to Oaktree participation in Indigo



PROVEN STEWARDSHIP MODEL DELIVERING RETURNS





DIVIDEND STRATEGY

Long-Term Dividend Sustainability

- Target dividend distributions of ~40% of Free Cash Flows
- Supported by significant Cash Margins of 50% or more

Moderate Responsible Dividend Growth

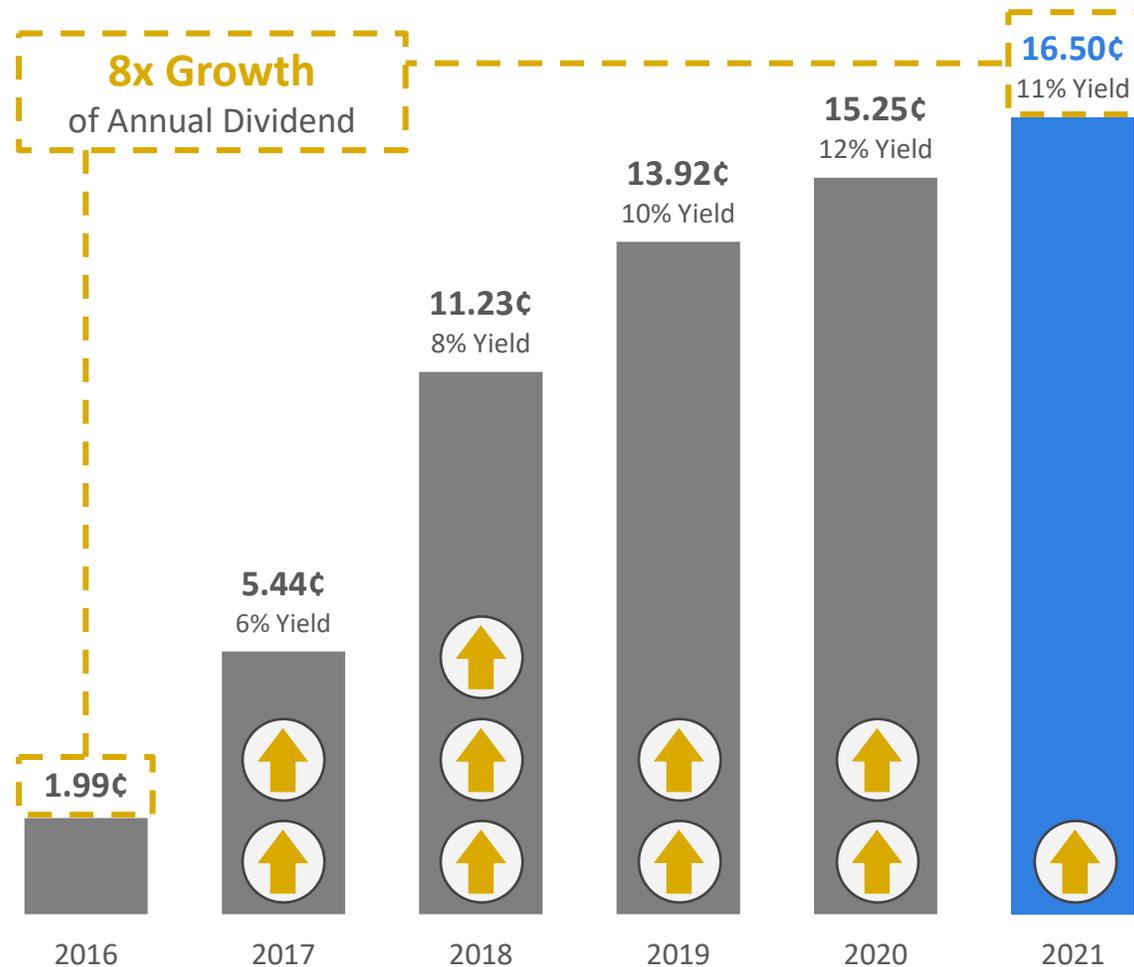
- Analyze yield in context of dividend-paying E&Ps
- Current yields > 500 bps more than major integrations^(a)

Consider Other Accretive Uses of Cash

- Allocate additional cash for non-dilutive, organic growth expanded ESG initiatives or share buy-backs

Sustainable Long-Term Dividend Growth^(b)

↑ 10 Raises Since Feb 2017 IPO



a) Bps represents abbreviation for Basis Points; Diversified yield calculated using annualized 3Q21 dividend of 17c/sh; Major integrated based on estimated NTM yield for global major integrations, including: ACOPETL, ARAMCO, BP, CVE, CVX, ENI, EQNR, GALP, IMO, MOL, OMV, ONGC, PETR4, RDSA, REP, SU, TPF, TTE, XOM, China Petroleum & Chemical, PetroChina

b) Represents dividends declared for the relevant operating period; assumes 3Q21 dividend of 4.25c/sh held flat for 4Q21; dividend yields calculated using annual average of daily volume-weighted average share price, 2021 calculated using YTD average as of October 31, 2021



Committing \$15 Million of Additional ESG Funding in 2022

- ✓ Accelerated annual asset retirement targets
- ✓ Expanded internal well plugging capacity
- ✓ Improved emissions reductions, reporting & disclosures
- ✓ Broadened investment in leak detection capabilities
- ✓ Increased human capital committed to ESG activities
- ✓ Enlarged field measurement device inventory

Driving stakeholder value through increased investments in ESG

Sustaining a culture of continuous ESG improvements

Committing to industry leading ESG reporting and transparency

Conclusion

Rusty Hutson, Jr.
Chief Executive Officer



Delivering Shareholder Value: Environmental Performance, Disciplined Growth and Asset Stewardship

Solving the Puzzle

Provide an essential role for mature assets in the energy transition

Consolidator of Choice

Continue driving value via proven ability to execute acquisitions

PDP-Focused Operations

Reduce reliance on drilling with stewardship of existing assets

Potential Dual Listing

Pursue opportunity to improve liquidity, expand shareholder base





If You Want To Invest In A Company That...

- Has a zero tolerance for methane leaks and is focused on identification and reduction of emissions
- Maintains a disciplined approach to acquisition valuations, low leverage and strong liquidity
- Protects cash flows and investor returns with a prudent hedge strategy and operational excellence
- Focuses on efficient operations and earning high operational margins
- Retires wells safely and systematically at the end of their economic lives
- Prioritizes stakeholder returns

...Then
Invest In

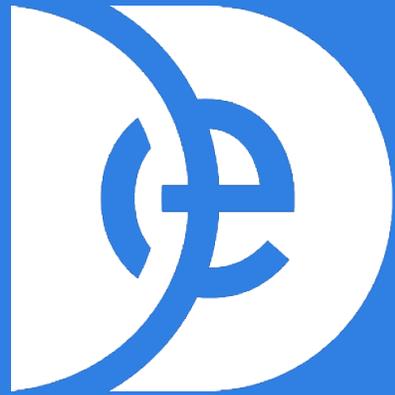


Question & Answer

Diversified Energy Company PLC

Essential to the Energy Transition

Delivering Sustainable Shareholder Value
Capital Markets Day 2021



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energy

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