

8 August 2022

**Diversified Energy Company PLC**  
("Diversified," "DEC" or the "Group")

**Interim Results for the Six Months Ended 30 June 2022**

Diversified Energy Company PLC (LSE: DEC) is pleased to announce its Interim Results for the six months ended 30 June 2022 and other recent highlights

**Period Highlights**

- Declared 2Q22 interim dividend of \$0.0425 per share (2Q20: \$0.0400 per share, +6%)
- Paid \$72 million of dividends to shareholders
- Record average net daily production: 136 MBoepd (+29% vs 1H21: 106 MBoepd), exit rate of 139 MBoepd
- Maintained industry-leading consolidated corporate decline rate of ~8.5%<sup>(a)</sup>
- Achieved 1H22 Adjusted EBITDA<sup>(b)</sup> of \$224 million (+48% vs 1H21: \$151 million) with Cash Margin<sup>(c)</sup> of 48%
- Net Loss of \$935 million which includes \$1.2 billion (pre-tax) of non-cash hedge valuation losses
- Free Cash Flow Yield<sup>(d)</sup> of 22%
- Leverage ratio of 2.2x<sup>(e)</sup> (Adjusted Net Debt of \$1.1 billion<sup>(e)</sup>)
- Completed \$970 million in Asset Backed Securitisations ("ABS") at a blended fixed rate of 5.3%<sup>(f)</sup>
- Liquidity of ~\$469 million
- Closed ~\$60 million in complementary Central Region upstream and midstream acquisitions<sup>(g)</sup>
- Recently announced \$240 million (gross) upstream acquisition from ConocoPhillips in Central Region

**Environmental, Social and Governance ("ESG") Highlights**

- Completed ~90% of the upstream surveys reporting no detectable emissions (~49,000 unique inspections)
- Completed ~40 % of midstream emissions aerial surveys (~6,000 miles)
- Expanded asset retirement programme includes 15x more rigs (FY21: 1) through three recent acquisitions
- Permanently retired 90 wells in Appalachia at an average cost of ~\$21 thousand per well
- Established Gold Standard pathway after joining Oil & Gas Methane Partnership 2.0 ("OGMP") in 1H22

**Commenting on the results, CEO Rusty Hutson, Jr. said:**

*"During first half of 2022, we continued to expand our successes by delivering on a number of key strategic initiatives in line with our long-term growth strategy. Our recent accretive acquisition of low decline, high margin upstream assets complements our existing Central Region operations, allowing us to build scale, improve margins and harvest synergies. In Appalachia, our acquisition and vertical integration of multiple plugging companies expands our asset retirement programme to 15 plugging rigs and enables us to achieve our target of plugging 200 wells per year, while also reducing our effective retirement costs as we earn revenue by retiring wells for others."*

*"We remain committed to tangible shareholder returns, and are delighted to once again declare an additional \$0.0425 dividend of the second quarter, which will add ~\$36 million to the more than \$72 million we already have paid so far this year. Our balance sheet remains healthy as we continue into the second half of 2022 with ample Liquidity, cash generation and financing capacity to fund further complementary growth opportunities."*

*"Importantly, in addition to the expansion of our asset retirement teams, we continue to make significant progress on a number of focused ESG initiatives, having surveyed over ~49,000 unique wells and flown over 6,000 miles of our midstream assets. This progress is consistent with our 2022 target of ~5-10% methane emissions reduction and with our longer term 2026, 2030 and 2040 targets. Our OGMP partnership further affirms our commitment to these initiatives with a pathway to Gold Standard reporting by 2023."*

**Posting of 2022 Interim Results Report and Presentation**

Diversified has published the Company's 2022 Interim Report on its website at <https://ir.div.energy/financial-info> and has also made available a supplementary 2022 Interim Results Presentation at <https://ir.div.energy/presentations>.

**Conference Call**

DEC will host a conference call today at 8:00am BST (3:00am EST) to discuss these results. The conference call details are as follows:

US (toll-free) + 1 877 836 0271  
UK (toll-free) + 44 (0)800 756 3429  
Web Audio <https://www.div.energy/news-events/ir-calendarevents>  
Replay Information <https://ir.div.energy/financial-info>

Footnotes:

- a) Calculated as the change in exit rate as previously announced for December 2021 to June 2022, adjusted for the impact of recently acquired East Texas assets and increases to production in the Central Region due to previously in-process development projects associated with the Tapstone acquisition
- b) As used herein, Adjusted EBITDA represents earnings before interest, taxes, depletion, depreciation and amortisation, and includes adjusting items that are comparable period-over-period, non-cash items such as gains on the sale of assets, acquisition related expenses and integration costs, mark-to-market adjustments related to Diversified's hedge portfolio, non-cash equity compensation charges and items of a similar nature
- c) As used herein, Cash Margin is measured by reducing Adjusted Total Revenue for operating expenses and Adjusted G&A, expressed as a percentage of Adjusted Total Revenue; Adjusted Total Revenue calculated as Total Revenue and the applicable gain (loss) on settled derivative instruments during the period
- d) As used herein, Free Cash Flow Yield represents Free Cash Flow as a percentage of Diversified's average total market capitalisation for the six months ended 30 June 2022
- e) Calculated as Adjusted Net Debt divided by Pro Forma Adjusted EBITDA; Adjusted Net Debt calculated as 30 June 2022 reported Net Debt of \$1,150MM adjusted for the impact of working capital; Pro Forma Adjusted EBITDA as reported for the twelve months ended 30 June 2022, including the unrealised impact of estimated NTM Adjusted EBITDA for previously announced acquisitions for the twelve months ended 30 June 2022
- f) Calculated using the weighted average of original issue values using applicable rates as previously announced and included in the Company's 2022 Interim Report
- g) Includes previously announced upstream assets within East Texas, net of Oaktree Capital Management's participation, and midstream assets within East Texas acquired in April of 2022

*For Company-specific items, refer to the Glossary of Terms and/or Alternative Performance Measures found in the Company's 2022 Interim Report*

For further information, please contact:

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**About Diversified Energy Company PLC**

Diversified Energy Company PLC is an independent energy company engaged in the production, marketing and transportation of primarily natural gas related to its synergistic US onshore upstream and midstream assets.

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