November 23, 2020

Borrowing Base Reaffirmation

BIRMINGHAM, AL / ACCESSWIRE / November 23, 2020 /London-LSE quoted Diversified Gas & Oil PLC (LSE:DGOC) ("DGO" or the "Company"), the U.S. based owner and operator of natural gas, natural gas liquids and oil wells as well as midstream assets, is pleased to announce that the Company's bank lending group, led by KeyBank National Association (the "Bank Group"), has completed the semi-annual redetermination of the Company's senior secured credit facility (the "Credit Facility") and reaffirmed the existing $425 million borrowing base with no changes to pricing, covenants or other material terms.

Following the redetermination, DGO's liquidity[a] exceeds $220 million, comprised of cash on hand and availability under the Credit Facility. The Company's current Net Debt ($730 million) to Adjusted EBITDA ratio approximates 2.2x[b], lower than its stated internal threshold and well below debt covenant threshold.

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

"We are pleased that our strong production profile, robust hedging positions and long-life proved developed producing reserves support a unanimous reaffirmation of our borrowing base. Recognising the challenging times in which we operate and against a backdrop of many borrowing base reductions, I would like to thank our bank group for their continued support of our differentiated business strategy. Evidenced by two consecutive dividend increases representing more than a 14% increase per share since the global pandemic began, our strategy remains highly resilient in the current commodity price environment. As we round out an exceptional year for DGO, we look forward to carrying our positive momentum into 2021."

The Company's next scheduled redetermination is in the second quarter of 2021.

Footnotes:

1. As reported in the 29 October 2020 Trading Update and based on 30 September 2020 revolving credit facility balance and inclusive of cash on the balance sheet, excluding letters of credit.
2. Net debt of $730 million assumes total debt less cash and restricted cash. Adjusted EBITDA of $327 million assumes trailing twelve month hedged EBITDA margin as at 30 September 2020 and average hedged revenue per unit applied to annualised 3Q20 total production to adjust for timing of the Carbon and EQT acquisitions.

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SOURCE: Diversified Gas & Oil PLC