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# Diversified Gas & Oil Acquisitions to Increase Production by Nearly 175 Percent

*Diversified to acquire Alliance Petroleum and CNX Resources, bolstering Appalachian Basin operations*

BIRMINGHAM, Ala.--(BUSINESS WIRE)-- Diversified Gas & Oil PLC (AIM: DGOC) ("Diversified" and the "Company"), a U.S.-based acquirer and operator of oil and gas producing assets, today announced that it has entered into conditional purchase and sale agreements for the acquisitions of Alliance Petroleum (Alliance) and the conventional, Appalachian assets of CNX Resources (CNX) for a combined purchase price of \$180 million. The Company intends to fund the cash purchase price with its current cash balance and with the net proceeds of a recently completed equity offering (pending shareholder approval on February 19, 2018).

Combined, the proposed acquisitions generate net daily production of approximately 107,000 cubic feet equivalent (Mcf) or 17,800 barrels of oil equivalent (Boe), which will increase Diversified's total net daily production by nearly 175 percent to approximately 170,000 Mcf or 28,000 Boe. Additionally, the proposed acquisitions will increase Diversified's total proved developed producing reserves by nearly 220 percent to 173 million Boe from 55 million Boe, and further establish Diversified as a capable consolidator of large packages of mature producing wells, positioning the Company for additional growth in the region.

"Both Alliance Petroleum and CNX Resources' Appalachian assets provide a broad base of producing wells that complement our existing portfolio of assets and would significantly increase our net production, related cash flows and allow us to progress our dividend to shareholders," said Rusty Hutson, CEO and founder of Diversified. "These proposed acquisitions advance our clearly defined strategy of gaining scale within the Appalachian Basin by acquiring assets that allow us to realize operating efficiencies, enhancing our operating margins."

Alliance and CNX's assets are geographically situated within Diversified's existing footprint in the mineral-rich Appalachian Basin, and are concentrated in Ohio, Pennsylvania and West Virginia, with more than 90 percent of the assets located within a 125-mile radius from the center of the region.

"We have a longstanding commitment to job creation in the Appalachian Basin, and we look forward to continuing our investment in Appalachia with this significant expansion of our footprint in the region," Hutson said. "We continue to evaluate similar acquisition opportunities in the Basin, targeting mature producing wells that allow us to return cash to shareholders through a regular dividend."

Diversified would assume operations of Alliance's conventional, natural gas-producing assets with net production of 53,000 Mcfe/d or 8,800 Boe/d. The \$95 million cash transaction is expected to close on March 7, 2018.

Diversified would assume operations of CNX's conventional natural gas assets with a production of 54,000 Mcfe/d or 9,000 Boe/d. The \$85 million cash transaction is expected to close on March 31, 2018.

### **About Diversified Gas & Oil**

Diversified Gas & Oil (AIM: DGOC) acquires and operates oil- and gas-producing assets in the Appalachian Basin of the United States. Diversified employs a disciplined investment strategy to acquire conventional and unconventional low-risk wells, enhance operations efficiently and maximize profitability for its shareholders. Founded in 2001, Diversified operates approximately 18,000 producing wells with the highest standards of safety, governance and transparency. For more information, visit us online at [www.diversifiedgasandoil.com](http://www.diversifiedgasandoil.com).

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