

Diversified Energy Completes Canvas Energy Acquisition

Diversified Energy Completes Canvas Energy Acquisition

BIRMINGHAM, Ala., Nov. 24, 2025 (GLOBE NEWSWIRE) -- Diversified Energy Company (NYSE:DEC; LSE:DEC) ("Diversified" or the "Company") announces the closing of its previously announced, accretive acquisition of Canvas Energy ("Canvas"), which adds complementary operated producing properties and acreage positions in Oklahoma (the "Assets", together with Canvas, the "Acquisition"). In conjunction, the Company closed on a \$400mm asset backed securitization ("ABS") to fund the Acquisition.

Acquisition Highlights

- Current net production of ~147 MMcfepd (24 Mboepd)^(a)
 - ~13% increase to stand alone Diversified^(a)
 - Significant operational overlap in Central Oklahoma, with a combined ~1.6 million net acres
- Purchase price of ~\$550 million with a purchase price multiple of ~3.5x on NTM EBITDA^(b)
 - Estimated NTM EBITDA of ~\$155 million^(b), before anticipated synergies
- Proved PV-10 of ~\$690 million^(c), and ~200 MMBoe of Total Reserves^(d)
- Anticipate meaningful annual run rate synergies
- Acquisition includes commercially attractive undeveloped acreage with meaningful development locations, providing optionality for portfolio optimization activities

ABS Financing Highlights

- \$400 million ABS XI note structured as a master trust
- Privately rated & bi-laterally structured that was provided by Carlyle managed funds and a select group of co-investors.
- "A" tranche notes priced at blended coupon of 5.97%, benefited by an investment grade rating

Issue of shares

In connection with the Acquisition, the Company has issued 3,720,125 new shares of common stock, par value \$0.01 each, in the capital of the Company (the "Consideration Shares") to the former holders of all of the issued and outstanding equity interests in

Canvas. The Consideration Shares will be listed on the New York Stock Exchange and will rank pari passu in all respects with Diversified's existing shares of common stock.

Applications have been made to (i) the Financial Conduct Authority (the "FCA") for admission of the Consideration Shares to listing on the equity shares (international commercial companies secondary listing) category of the Official List; and (ii) London Stock Exchange plc for admission of the Consideration Shares to trading on its main market for listed securities (together, "Admission"). It is expected that Admission will occur at 8.00 a.m. (London time) on November 25, 2025.

Total voting rights

For the purposes of the FCA's Disclosure Guidance and Transparency Rules, the total number of shares of common stock, par value \$0.01 each in the capital of the Company in issue as of November 24, 2025, is 80,445,793 with each share of common stock carrying the right to one vote. There are no shares of common stock held in treasury and therefore the total number of voting rights in the Company as of November 24, 2025, is 80,445,793.

The above figure may be used by stockholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Legado Capital Advisors, LLC and TCG Capital Markets are serving as joint structuring agents and advisors for the ABS.

Footnotes:

- a) Diversified exit rate production for June 2025. Canvas Energy production as of July 2025
- b) Diversified 2025 Management Adjusted EBITDA Guidance (midpoint of range), as previously announced by Diversified Internal Management Projections for Canvas NTM EBITDA for the twelve months based upon the effective date of July 1, 2025; for more information, please refer to the "use of Non-IFRS and Non-GAAP Measures."
- c) Diversified PDP PV-10 as of August 11, 2025. Canvas PDP PV-10 includes producing wells, current wells in progress and certain development evaluation locations; based upon internal Company analysis, determined in accordance with generally accepted PRMS standards, using current strip prices as of August 7, 2025; for more information, please refer to "Use of Non-IFRS and Non-GAAP Measures."
- d) Diversified Total Proved PV-10 as of August 11, 2025. Canvas Total Proved PV-10 as of March 21, 2025, including producing wells, and undeveloped wells, as provided by the Canvas; for more information, please refer to "Use of Non-IFRS and Non-GAAP Measures."

For Further information, please contact

About Diversified Energy Company

Diversified is a leading publicly traded energy company focused on acquiring, operating, and optimizing cash generating energy assets. Through our unique differentiated strategy, we acquire existing, long-life assets and invest in them to improve environmental and operational performance until retiring those assets in a safe and environmentally secure manner. Recognized by ratings agencies and organizations for our sustainability leadership, this solutions-oriented, stewardship approach makes Diversified the **Right Company at the Right Time** to responsibly produce energy, deliver reliable free cash flow, and generate shareholder value.

Forward-Looking Statements

This announcement contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995). These forward-looking statements, which contain the words "anticipate", "believe", "intend", "estimate", "expect", "may", "will", "seek", "continue", "aim", "target", "projected", "plan", "goal", "achieve", "opportunity" and words of similar meaning, reflect the Company's beliefs and expectations and are based on numerous assumptions regarding the Company's present and future business strategies and the environment the Company will operate in and are subject to risks and uncertainties that may cause actual results to differ materially. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Expected benefits of the Acquisition and the ABS transaction, including the impact of the Acquisition and the ABS transaction on the company's cash flows and cash margins, as well as expected benefits of the Admission may not be realized. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, including the risk factors described in the "Risk Factors" section in Diversified Energy Company PLC's Annual Report and Form 20-F for the year ended December 31, 2024 and the risk factors described in the "Risk Factors" section of the prospectus dated November 19, 2025 filed by Diversified Energy Company PLC on November 20, 2025, filed with the United States Securities and Exchange Commission on March 17, 2025 and November 2025, respectively. Forward-looking statements speak only as of their date and neither the Company nor any of its directors, officers, employees, agents, affiliates or advisers expressly disclaim any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so under applicable law. As a result, you are cautioned not to place undue reliance on such forward-looking statements.

Use of Non-IFRS Measures

Certain key operating metrics that are not defined under IFRS (alternative performance measures) are included in this announcement. These non-IFRS measures are used by us to monitor the underlying business performance of the Company from period to period and to facilitate comparison with our peers. Since not all companies calculate these or other non-IFRS metrics in the same way, the manner in which we have chosen to calculate the non-IFRS metrics presented herein may not be compatible with similarly defined terms used by other companies. The non-IFRS metrics should not be considered in isolation of, or viewed as substitutes for, the financial information prepared in accordance with IFRS. Certain of the key operating metrics are based on information derived from our regularly maintained records and accounting and operating systems.

Adjusted EBITDA

As used herein, EBITDA represents earnings before interest, taxes, depletion, depreciation and amortization. Adjusted EBITDA includes adjusting for items that are not comparable period-over-period, namely, accretion of asset retirement obligation, other (income) expense, loss on joint and working interest owners receivable, (gain) loss on bargain purchases, (gain) loss on fair value adjustments of unsettled financial instruments, (gain) loss on natural gas and oil property and equipment, costs associated with acquisitions, other adjusting costs, non-cash equity compensation, (gain) loss on foreign currency hedge, net (gain) loss on interest rate swaps and items of a similar nature.

EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for operating profit or loss, net income or loss, or cash flows provided by operating, investing, and financing activities. However, we believe such measures are useful to an investor in evaluating our financial performance because they (1) are widely used by investors in the natural gas and oil industry as an indicator of underlying business performance; (2) help investors to more meaningfully evaluate and compare the results of our operations from period to period by removing the often-volatile revenue impact of changes in the fair value of derivative instruments prior to settlement; (3) with respect to Adjusted EBITDA, is used in the calculation of a key metric in one of our Credit Facility financial covenants; and (4) are used by us as a performance measure in determining executive compensation. We are unable to provide a quantitative reconciliation of forward-looking EBITDA and Adjusted EBITDA to the most directly comparable forward-looking IFRS measures because the items necessary to estimate such forward-looking IFRS measures are not accessible or estimable at this time without unreasonable efforts. The reconciling items in future periods could be significant.

PV-10

PV-10 is a non-IFRS financial measure and generally differs from Standardized Measure, the most directly comparable IFRS measure, because it does not include the effects of income taxes on future net cash flows. While the Standardized Measure is free cash dependent on the unique tax situation of each company, PV-10 is based on a pricing methodology and discount factors that are consistent for all companies. In this announcement, PV-10 is calculated using NYMEX pricing. It is not practicable to reconcile PV-10 using NYMEX pricing to standardized measure in accordance with IFRS at this time. Investors should be cautioned that neither PV-10 nor the Standardized Measure represents an estimate of the fair market value of proved reserves.



Source: Diversified Energy PLC