# Corporate Presentation

Right Company, Right Time

November 2023

DIVERSIFIED energy

# DISCLAIMER AND FORWARD-LOOKING STATEMENTS

The information contained in this document (the "Presentation") has been prepared by Diversified Energy Company PLC (“Diversified” or the "Company”). This Presentation is not to be copied, published, reproduced, distributed or passed in whole or in part to any other person or used for any other purpose. This Presentation is for general information purposes only and does not constitute an invitation or inducement to any person to engage in investment activity.

While the information contained herein has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates. These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof, such as “outlook”, "plans", "expects" or "does not expect", "is expected", "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "anticipates" or "does not anticipate", or "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", “shall”, "would", "might" or "will" be taken, occur or be achieved. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this Presentation and the Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Presentation.

Accordingly, no assurance can be given that the forward-looking statements will prove to be accurate, and you are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty therein. Past performance of the Company cannot be relied on as a guide to future performance. Nothing in this presentation should be construed as a profit forecast.

In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent.

This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. In particular, this Presentation does not constitute an offer or invitation to subscribe for or purchase any securities in any jurisdiction. Neither this Presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. Any decision to purchase securities in the company should be made solely on the basis of the information contained in a prospectus to be issued by the Company in relation to a specific offering.

This Presentation may not be reproduced or otherwise distributed or disseminated, in whole or part, without the prior written consent of the Company, which may be withheld in its sole and absolute discretion.

The distribution of this Presentation in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this Presentation comes should inform themselves about, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the laws of the relevant jurisdiction. Certain key operating metrics that are not defined under IFRS (alternative performance measures) are included in this Presentation. 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 set forth below are based on information derived from our regularly maintained records and accounting and operating systems.

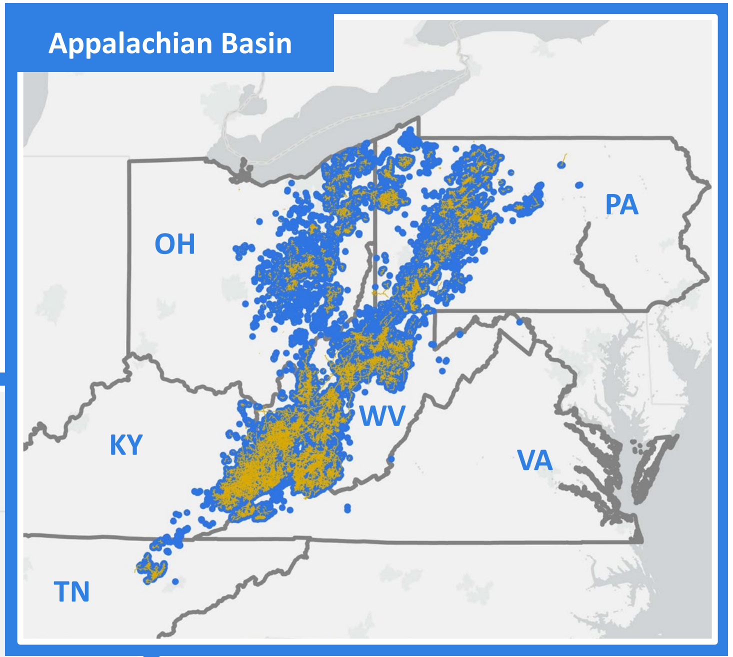
The financial information in this Presentation does not contain sufficient detail to allow a full understanding of the results of the Company. Please refer to the full results announcement for more detailed information. It is our intention that all of the information provided during this presentation or in any follow-up discussion will either be publicly available information or, if not publicly available, information that we do not believe constitutes inside information or material non-public information about the Company. However, you are under an obligation to assess independently for yourself whether you are in possession of inside information, and when you cease to be in possession of inside information.

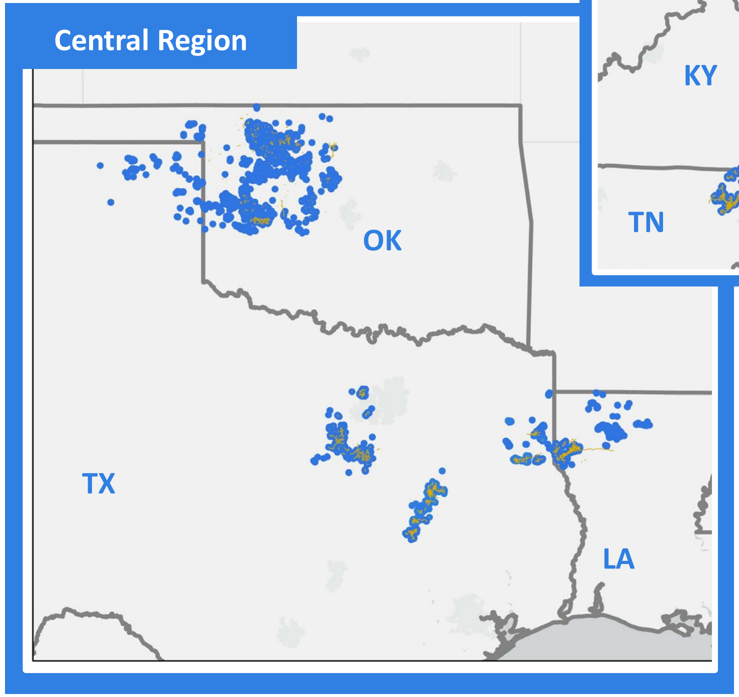
By attending and/or otherwise accessing this Presentation, you warrant, represent, undertake and acknowledge that (i) you have read and agree to comply with the foregoing limitations and restrictions including, without limitation, the obligation to not reproduce this Presentation and (ii) you are able to receive this Presentation without contravention of any applicable legal or regulatory restrictions.

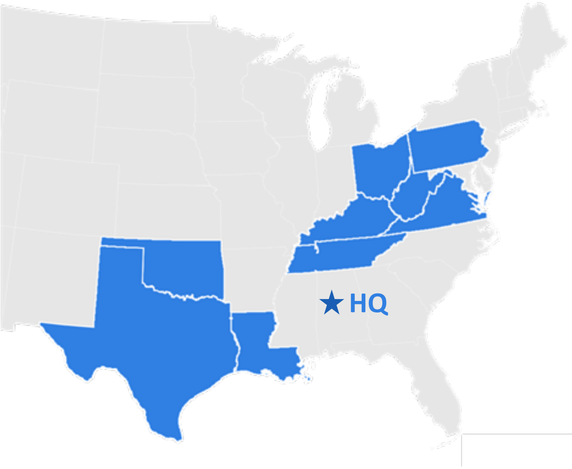
# WHO ARE WE: OPERATOR OF U.S. ONSHORE DEVELOPED ASSETS

**Appalachian Region:**
Pennsylvania, West Virginia, Ohio, Kentucky, Virginia, Tennessee
**~60% of Production**

**Central Region:**
Oklahoma, Texas, Louisiana
**~40% of Production**



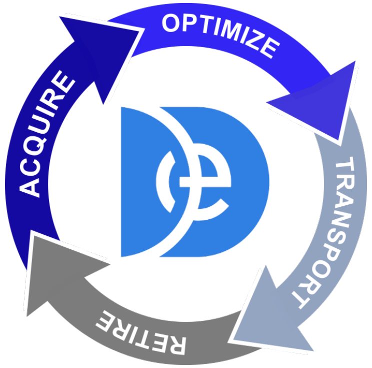




- Upstream Assets
- Midstream Assets

## A differentiated business model focused on:

- ✓ Optimising long-life, low-decline producing assets
- ✓ Strategically hedging to protect cash flow
- ✓ Vertical integration to reduce expenses, expand margins
- ✓ Durable shareholder returns through the cycle
- ✓ Disciplined growth through low-risk PDP assets
- ✓ ESG goals naturally align with stewardship model
- ✓ **Expand Next LVL to become leader in safe, systematic well retirement**




NEXT LVL ENERGY

# DIVERSIFIED ENERGY PROFILE

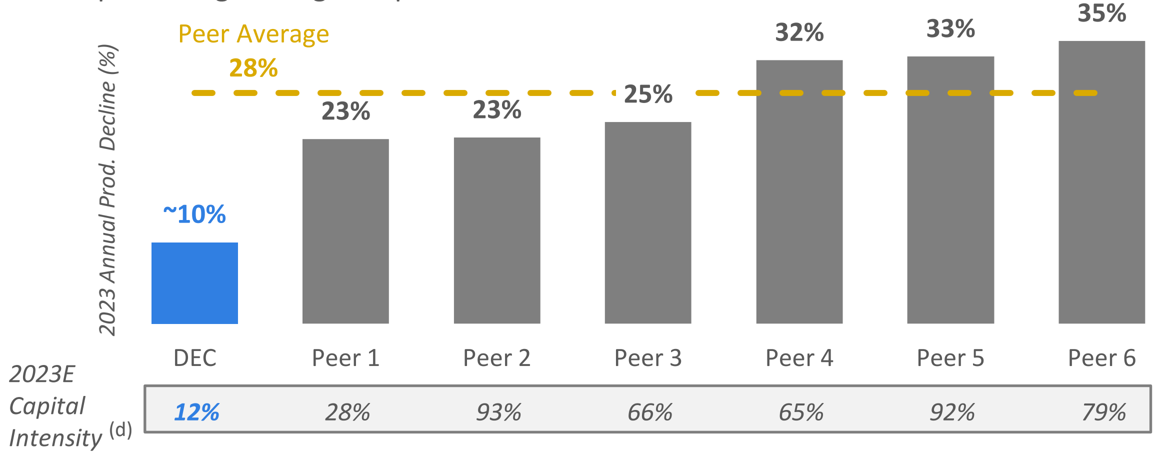
## LSE: DEC (FTSE250)

| **Market and Trading Summary** \| 29 September 2023 *(in millions, except share price)* | |
|---|---|
| **Share Price** | **£0.81 / $0.98** |
| **Market Cap** (MM) | **£782 / $954** |
| **Net Debt**[a] (MM) | **£1,238 / $1,510** |
| **Enterprise Value** (MM) | **£2,019 / $2,464** |
| **Leverage**[b] (MM) | **2.4x** |

| **Diversified Asset Highlights** *(September 2023, except where highlighted)* | |
|---|---|
| **Net Daily Production** (Mboepd / MMcfepd) | **134 / 806** |
| **Natural Gas Production Mix** | **86%** |
| **PDP Reserves**[c] (MMBoe / Tcfe) | **854 / 5.1** |
| **Owned Midstream** (Miles) | **17,700** |

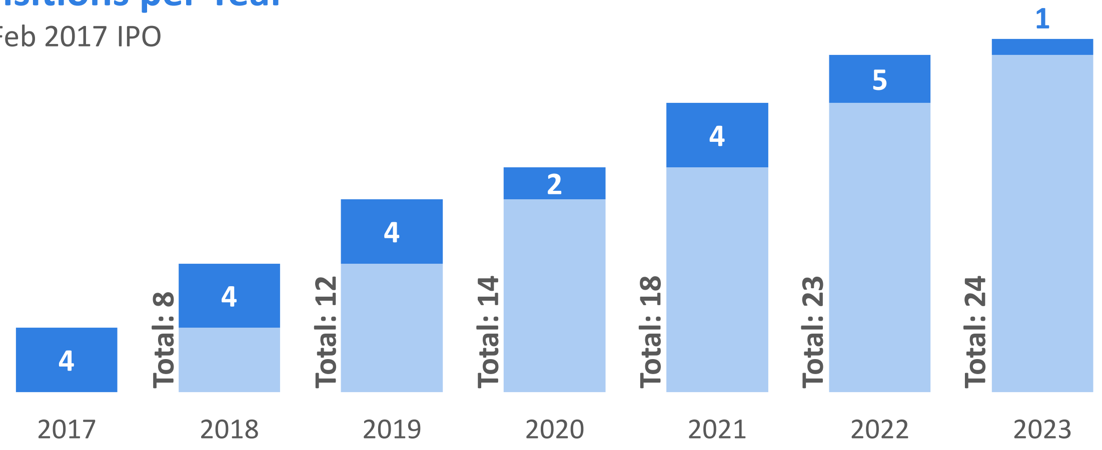
## Industry-Leading Corporate Declines, Capital Intensity[d]

Compared to gas-weighted producers




## Acquisitions per Year

Since Feb 2017 IPO




Market data sourced from Bloomberg and using GBP:USD exchange rate of 1:0.8197; Volumetric conversion assume Boe:Mcfe conversion rate of 1:6
For Company-specific terms or Non-IFRS measures, please refer to the "Glossary of Terms", "Alternative Performance Metrics" and "Non-IFRS Reconciliations" within the Company's 2023 Interim Report

a) As published within the Company's 2023 Interim Report
b) Measured as Net Debt at 30 September 2023, divided by Pro Forma Adjusted EBITDA for the twelve months ended 30 September 2023, adjusted for the annualised impact of previously announced acquisitions and divestitures
c) Calculated as the value of the Company's reserves at 31 December 2022, adjusted for the pro forma impact of the previously announce Tanos II acquisition
d) 2023E Capital Intensity calculated as 2023 Expenditures on natural gas and oil properties and equipment (consensus estimate) divided by 2023 Adjusted EBITDA (consensus estimate); Peers include AR, CHK, EQT, GPOR, RRC and SWN

# RELENTLESS FOCUS ON INCREASING VALUE

**Acquire.**
Target low-decline, producing assets that complement our returns-focused strategy

**Produce.**
Deploy Smarter Asset Management to enhance economics and reduce emissions

**Transport.**
Leverage synergies available from owned midstream assets to enhance cash margins

**Retire.**
Safely and efficiently retire assets from within our portfolio and for other entities

**806** MMcfepd
*134 Mboepd*
Sep. 2023 Production

**10%** Production Declines
Industry-leading

**50%** Cash Margins
Or higher, since 2017

**80%** NTM Volumes Hedged
Long-lived portfolio

**$800+ Mn**
Return of Capital since IPO[a]

**80%** Amortising Debt
Investment grade
Fixed-rate, ESG-linked

**"Diversified is the right company at the right time to deliver long-term stakeholder returns while also providing the solution to existing, long-life producing wells that have become non-core assets for other operators."**
***-Rusty Hutson, Co-Founder and CEO***

a) Includes the total value of dividends paid and declared and share repurchases (including Employee Benefit Trust) since the Company's February 2017 IPO

# OUTSTANDING EXECUTION IN DYNAMIC ENVIRONMENT

| Achieving Record Production | Delivering Reliable Results | Prioritizing Sustainability Goals |
| --- | --- | --- |
| 814 MMcfepd<br>*136 Mboepd*<br>**3Q23 Average Production[(a)]** | $3.46 per Mcfe<br>*$20.75 per Boe*<br>**Average Realised Price[(b)]** | 118 \| 287<br>**DEC / Total Wells Retired** |
| 806 MMcfepd<br>*134 Mboepd*<br>**September Exit Rate** | $1.63 per Mcfe<br>*$9.81 per Boe*<br>**Adjusted Cost per Unit[(c)]** | 97% Leak-Free[(d)]<br>**Underpins OGMP Gold Standard** |
| 86% \| 11% \| 3%<br>**Gas / NGL / Oil Production Mix** | $140 Million<br>**Adjusted EBITDA** | 50+ well pads<br>**Pneumatic Devices Converted** |

a) Adjusted for the impact of extraordinary midstream maintenance that affected production volumes during the quarter
b) Calculated as Total Revenue, Inclusive of Hedges per unit; Includes the impact of settled derivative instruments, Midstream and Other Revenue , and certain gains from land sales; excludes $0.15/Mcfe of revenue related to the operations of Next LVL Energy
c) For comparability purposes, amount excludes $0.08/Mcfe within Base Lease Operating Expense related to the operations of Next LVL Energy
d) Amount includes asset inspections in the Company's Appalachia and Central Region operating areas; "Leak Free" defined as no detectable emissions when using handheld emissions technology

# VALUE PROPOSITION: DE-RISKED INVESTMENT

## Commodity Price Risk
- ✓ Dynamic hedging sustains realized pricing and delivers consistent cash margins

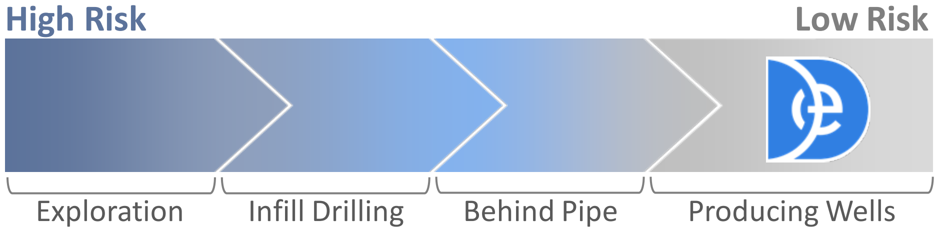
## Development/Operational Risk
- ✓ PDP focus eliminates the need for drill-bit exploration
- ✓ Smarter Asset Management enhances production
- ✓ Predictable, low & peer-leading corporate declines

## Financing Risk
- ✓ Investment grade, low fixed rate, fully amortizing debt limits interest rate and maturity exposure
- ✓ ABS structure provides natural de-leveraging

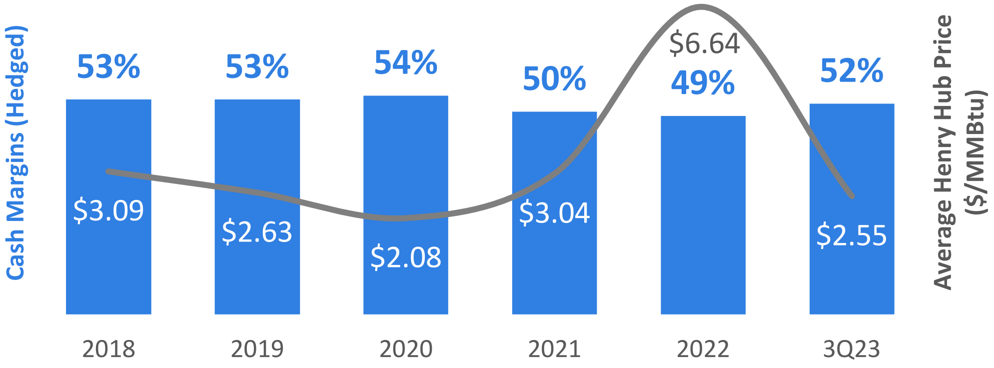
## Environmental Risk
- ✓ Stewardship model focused on reducing emissions and improving already producing long-life assets
- ✓ Best-in-class sustainability reporting

**Diversified's business model reduces exposure to typical industry risk factors**

Oil & Gas Development Risk Spectrum

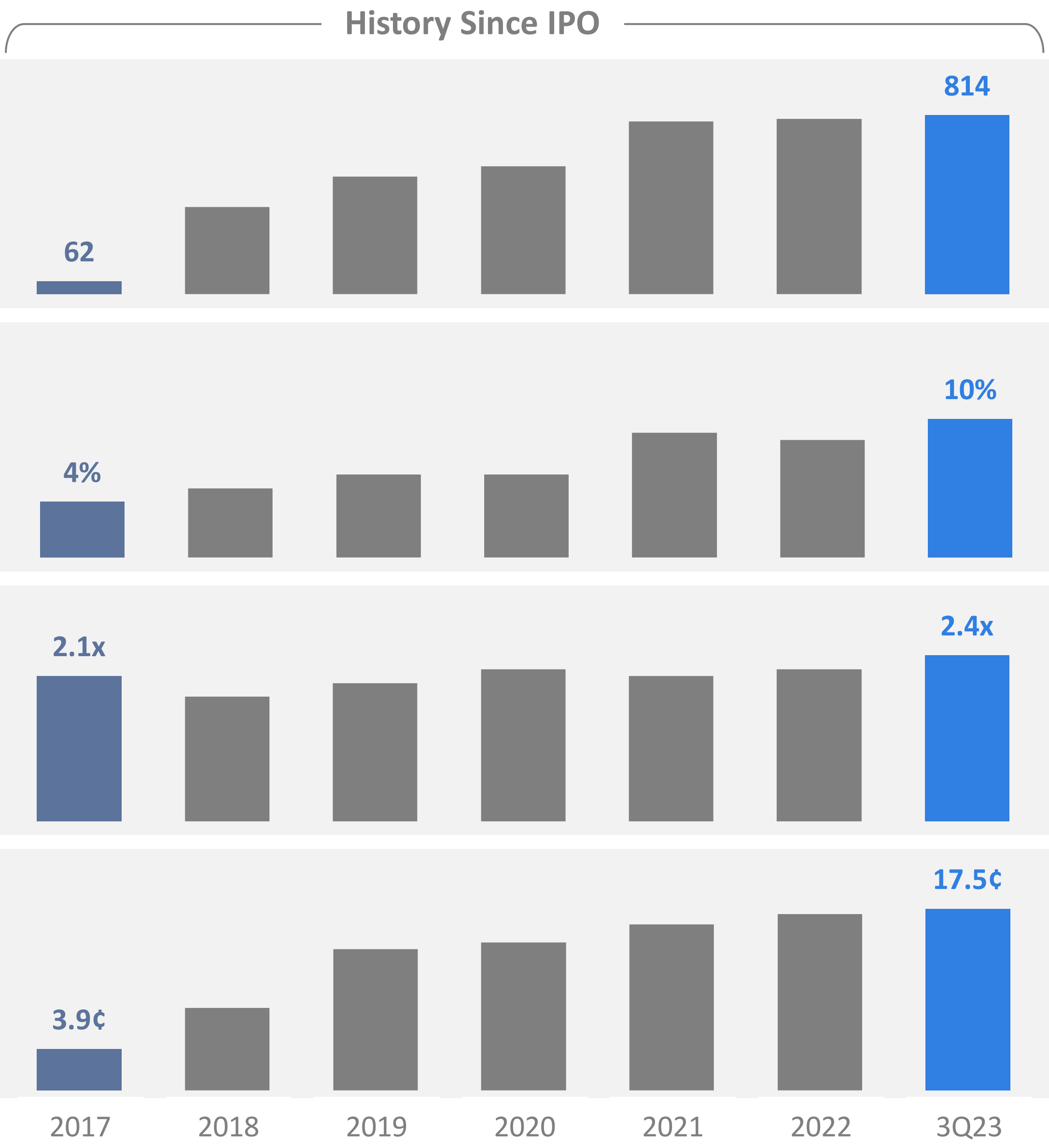



Positioned to Generate Consistent Cash Flow



# TRACK RECORD OF DELIVERING ON STRATEGIC OBJECTIVES

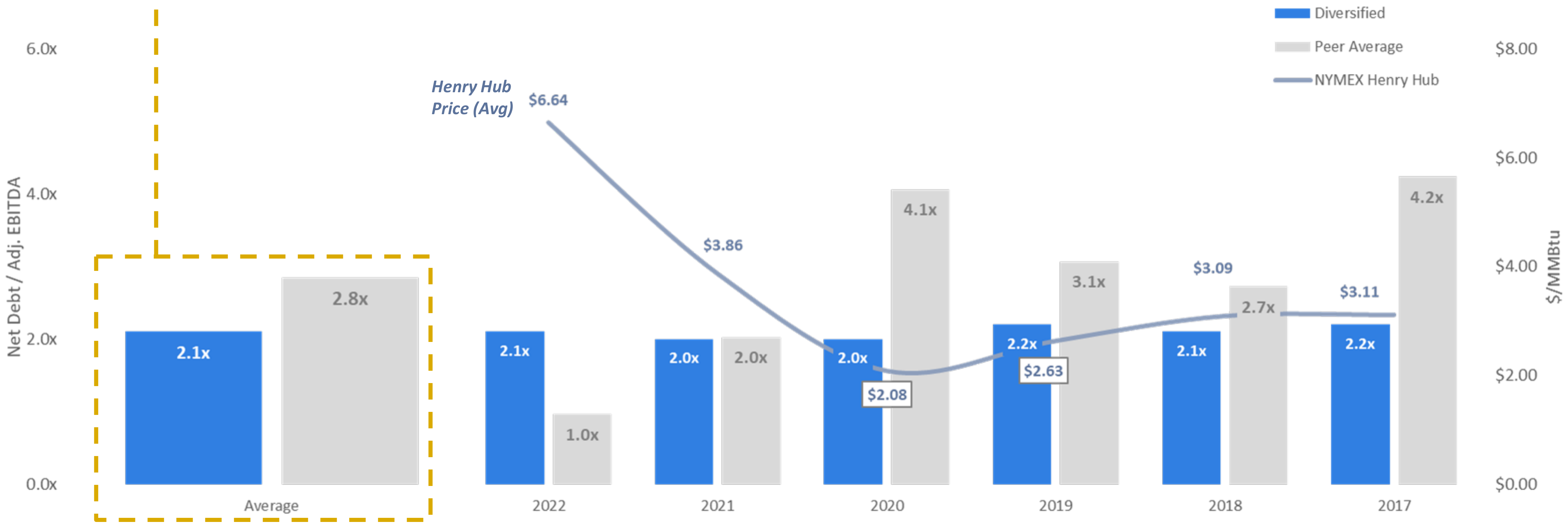
| | 2017 | | 3Q23 | |
|---|---|---|---|---|
| Enhance Scale with Acquisitions | 62 | ➡ | 814 | Daily Production *(MMcfe)* |
| Sustain Low Corporate Declines | 4% | ➡ | 10% | Corporate Decline Rate |
| Maintain a Strong Balance Sheet | 2.1x | ➡ | 2.4x | Net Debt / Adj. EBITDA[(a)] |
| Provide Returns To Shareholders | 3.9¢ | ➡ | 17.5¢ | Dividends per Share |




Historical values as previously reported within the Company's financial reporting and investor materials;
(a) Where applicable, Net Debt / Adj. EBITDA calculated using the Company's pro forma TTM EBITDA, inclusive of the unrealized impact of previously announced intraperiod acquisitions

# MAINTAINING CONSISTENT LEVERAGE THROUGHOUT COMMODITY PRICE CYCLE

Diversified's differentiated, durable leverage profile averages **25% lower than peers** on full-cycle economics



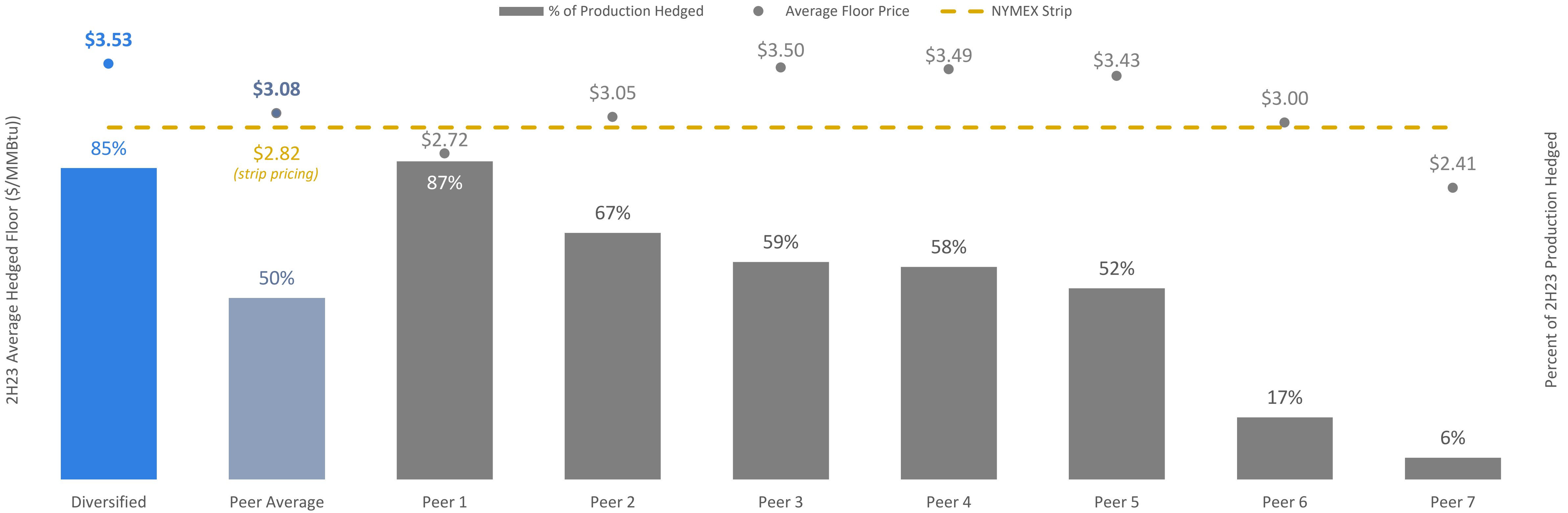

**Durable cash margins drive consistent leverage profile**

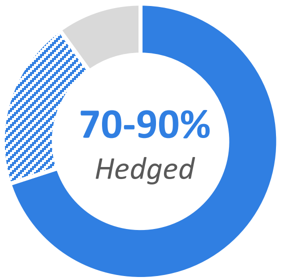
**Industry-leading average 25% lower than peers**

**Disciplined hedging strategy reduces commodity price risk**

Source: Company Data; Bloomberg; "Leverage" defined as Net Debt / Adjusted EBITDA and for Diversified is calculated using Pro Forma TTM EBITDA, inclusive of the unrealized impact of acquisitions at the time of reporting;
(a) Peer group includes: AR, CHK, CNX, CRK, GPOR, EQT, RRC and SWN

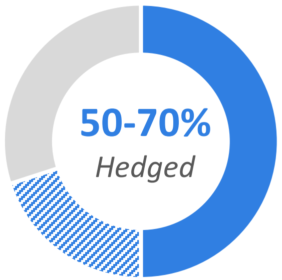
# DISCIPLINED HEDGING STRATEGY MITIGATES RISKS, ENHANCES RETURNS



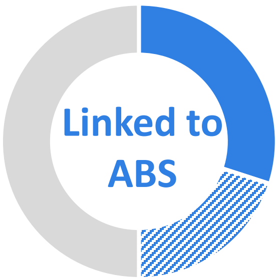

### 1-12 Months

*Maintain robust margins by reducing commodity price risk*




### 13-24 Months

*Opportunistically add value and cover future distribution*

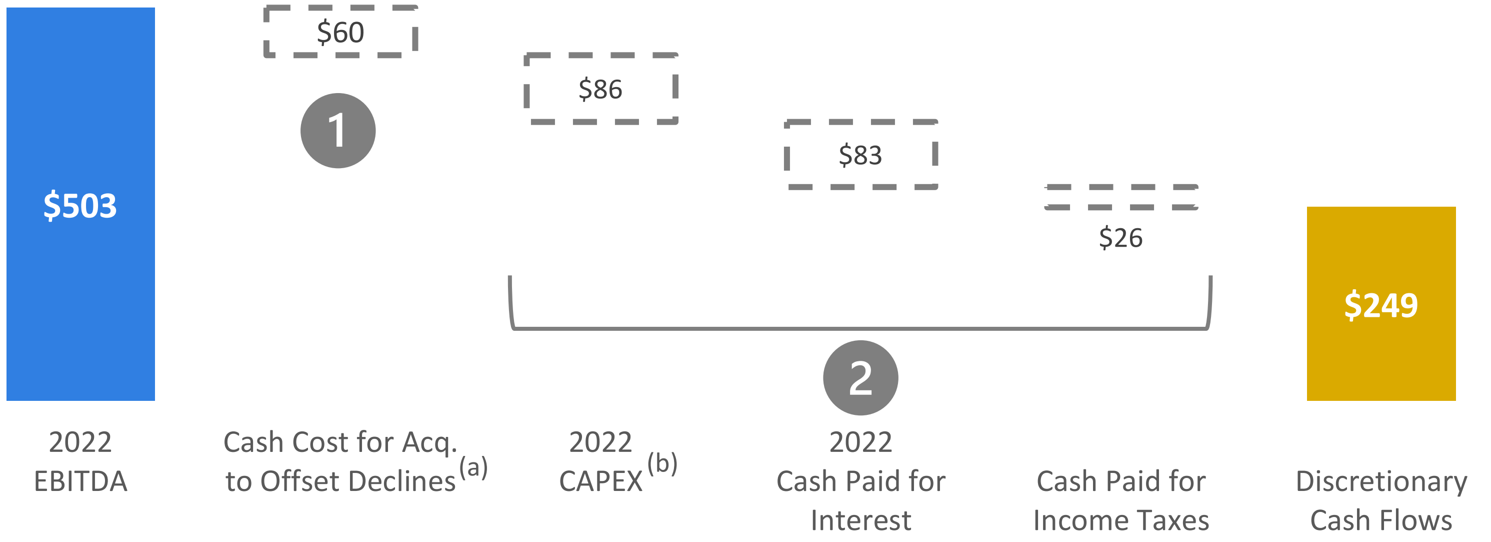



### 25+ Months

*Long-dated Hedge Portfolio underpins investment-grade debt and fully-amortizing notes*

Diversified hedge position as of 30 June 2023; Average contract value shown in Mcf using a Btu richness factor of 1.07
NYMEX Strip for 2023 includes settled contracts for July-August 2023 and futures pricing for September-December 2023; Source: Bloomberg
Peers include AR, CHK, CNX, CRK, GPOR, RRC, and SWN; Source: Company Data and Bloomberg

# SUPERIOR CAPITAL INTENSITY FOR SUPERIOR SHAREHOLDER RETURNS




1 Bolt-on acquisition offsets impact of production declines on NTM cash flows (approx. 8.5%)

2 Efficient field operations and differentiated financing strategy maintain low capital intensity

## Low Production Declines Create Distinct Competitive Advantages

### Superior Capital Intensity

Eases pressure to replace production and maintains generation of free cash flow

### Enhanced Free Cash Flows

Increases availability for reinvestment, return of capital, debt repayment and sustainability investments

### Greater Value Creation & Return

Organic capital generation rate exceeds that available to industry peers with higher capital intensity

a) Cash Cost for Acquisition to Offset Declines calculated assuming a 10% reduction in 2022 reported Hedged Adj. EBITDA resulting from corporate declines (~$50 million), using the 2022-2023 average NTM EBITDA acquisition multiple of 2.4x and assumes historical weighting of approximately 2x leverage for cash costs of ~$60 million

b) 2022 CAPEX includes the impact of one-time investments in ESG technology and infrastructure, capitalized information technology and increased capitalized workover costs, which resulted from the high commodity price environment in 2022

# UNLOCKING UPSIDE VALUE ON NON-CORE ASSET PORTFOLIO

## Undeveloped Acreage Sales
As an operator of producing assets, sale of associated undeveloped acreage provides upside to valuations

## Non-Op Divestitures
Focus on operated properties can provide liquidity and enhance control of field-level costs

## Joint-Venture Agreements
Provide a strategic alternative to unlocking upside potential embedded in undeveloped properties

## DrillCo Partnerships
Enable ability to deliver line-of-sight to longer-term organic growth in production

*executed strategy*

*available strategy*

## History of Realising "Free" Upside
*Allocation of value only to producing assets creates natural runway for value accretion*

**2019 | $10** Mn
Sale of Proved Undeveloped Wells

**2021 | $34** Mn
Sale of Undeveloped Acreage

**2023 | $40** Mn
Divestiture of Non-Operated Well Interests

**2023 | $22** Mn
Acreage and Leasehold Sales

Acreage and Leasehold Sales for 2023 includes amounts previously announced via RNS that occurred in July of 2023 and did not impact the financial statements of the Company's 2023 Interim Report

# SMARTER ASSET MANAGEMENT IN ACTION

## Strategic Production Curtailment in Central Region

**$2 million net uplift** from temporary shut-in of select wells in low-price environment enhances consolidated economics

- ✓ Reduces produced water volumes
- ✓ Extends reserves into improved pricing
- ✓ Results in no long-term production impact
- ✓ Assets still subject to emissions testing

## Achieving Scale in Contract Management

**$3.5 million net uplift** from proactive contract management and renegotiation

## Managing Gas Flow for Increased Volume

**10% uplift to NGL sales[a]** generated by re-route of gas volumes to alternate facility

## Deferral of Tanos II DUC Completions

**Preserve high-margin initial volumes** for improved natural gas prices

Enhance Production

Offset Declines

Eliminate Emissions

Reduce Costs

Improve Margins

a) Based on projected increase in sold NGL volumes in comparison to recorded NGL production for FY2022; Revenue estimates based on volumetric uplift and current strip pricing

# 3Q23: DELIVERING CONSISTENT CASH GENERATION ON DURABLE MARGINS

**$256 million Total Revenue, Inclusive of Hedges**
Realized price 35% higher than average Henry Hub of $2.55/MMBtu

**$1.63/Mcfe Adjusted Cost per Unit[b]**
Efficiencies drive continued reductions compared to FY2022 and 1H23

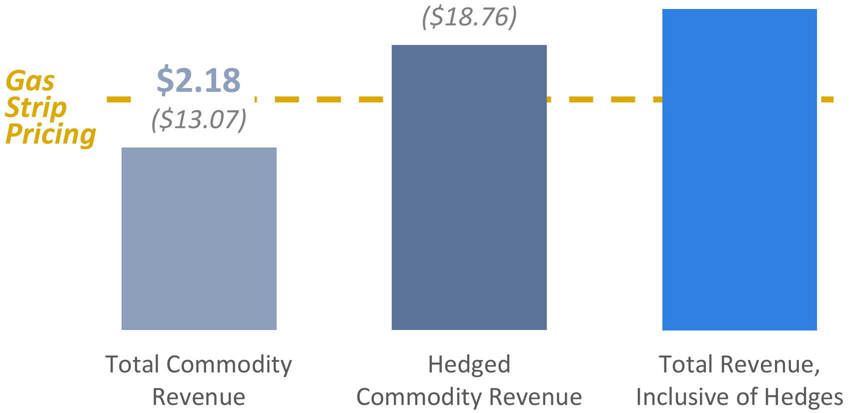
**52% Cash (Adj. EBITDA) Margin**
Disciplined strategy execution generates $240million of Adj. EBITDA

**$343 million Dividend and Amortising Debt Repayments**
Delivering consistent value return to equity and debt investors

**2.4x Net Debt / Adj. EBITDA**
Maintaining consistent leverage profile for differentiated return

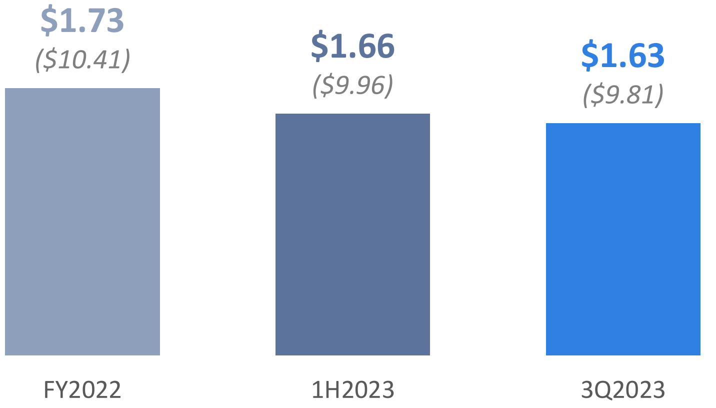
### Revenue per Unit a ~35% Premium to NYMEX[a]

$/Mcfe
($/Boe)




### Efficiencies Result in ~5% Unit Cost Reduction[b]

$/Mcfe
($/Boe)




a) Calculated as Total Revenue, Inclusive of Hedges compared to the average price of NYMEX Henry hub for the three-month period ended 30 September 2023; Henry Hub pricing measured using settled values for front-month contracts; For historical comparability, Total Revenue, Inclusive of Hedges excludes $0.15/Mcfe of revenue attributable to Next Level Energy
b) For the purpose of comparability, amounts from Base Lease Operating Expense relating to Next Level Energy have been excluded from Total Cash Costs per Unit for the periods presented (2022: $0.04/Mcfe; 1H23: $0.06/Mcfe; 2Q23: $0.08/Mcfe)

# CONTINUED COMMITMENT TO STRONG SUSTAINABILITY PRACTICES

ESG AWARDS 2023

MSCI ESG RATINGS AA

GMP Oil And Gas Methane Partnership 2.0

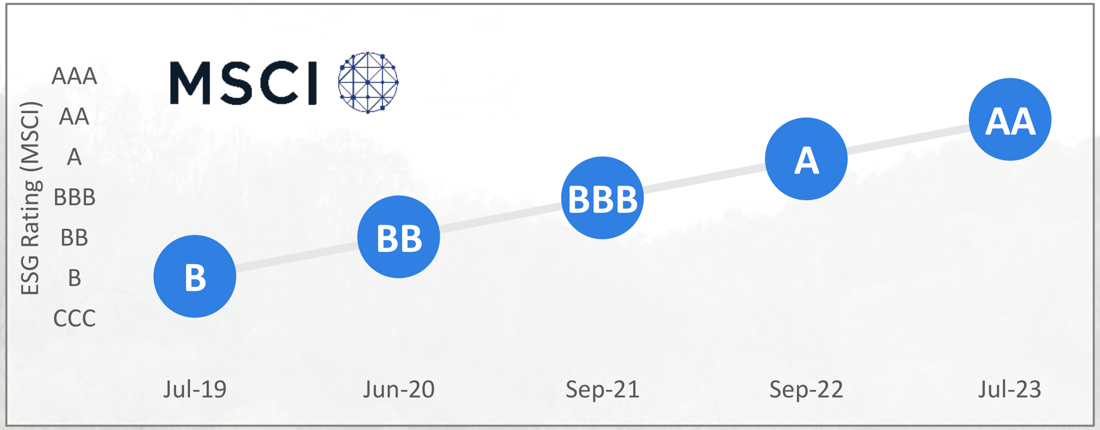
GOLD

| Disclosed State-by-State Economic Analysis | Enhanced Biodiversity & Climate Risk Disclosures | Published 2023 ESG Performance Objectives | Best ESG Report 2023 from ESG Awards | Achieved 'AA' Rating from MSCI Analytics | Awarded OGMP 2.0 Gold Standard |
|---|---|---|---|---|---|

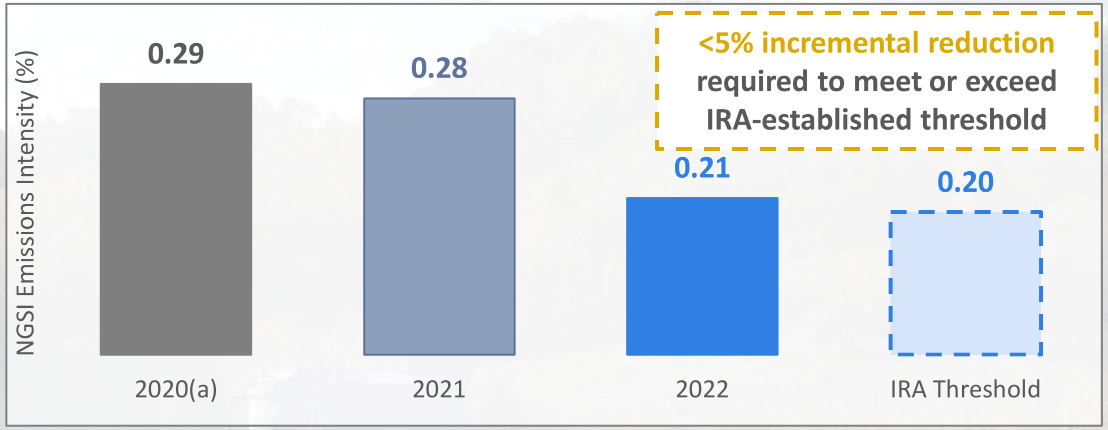
Sustainability Report Highlights

Recent ESG Achievements

### ESG Scores Reflect Commitment to Sustainability and Transparency




### Sustainability Strategy Drives Down Scope 1 Methane Intensity




a) As first reported at year end 2021, emissions data for 2020 have been revised to incorporate the impacts of 2021 Project Fresh initiatives which focused on replacing theoretical emissions figures with more exact metrics as the result of direct measurement and emissions device inventory processes

# NEXT LVL ENERGY: SETTING A NEW STANDARD FOR RETIREMENT

NEXT LVL ENERGY

## Differentiated Outlook on Asset Retirement

Stewardship from acquisition to retirement ensures sustainable operations for the lifetime of assets

## Efficiencies Obtained through Operating Scale

Full suite of service capabilities creates unique capacity for efficient and effective asset retirement

## Uniquely Situated for Program Management

Full-scope services from permitting to plugging enhance ability to deliver internal efficiencies and provide third-party services to states and other operators

## Strategy Driven by Innovation not Repetition

Cumulative experience from internal and third-party retirement provides process enhancement insights

## Positioned to Lead in Appalachian Asset Retirement

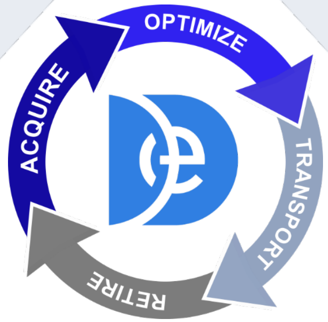
As a wholly-owned subsidiary of Diversified, Next LVL Energy is strategically advantaged among Appalachian retirement companies:

- ✓ Financial stability
- ✓ Corporate support of FTSE 250-listed operator
- ✓ Positioned to innovate well retirement techniques
- ✓ Strong industry and state relationships

**Seasoned management team with proven record of identifying, optimizing and delivering returns from existing producing assets**

Consolidator of choice for US natural gas producing assets

Own the value chain through vertical integration from production through retirement




**Maximize Shareholder Value**


Deploy Smarter Asset Management to increase production, reduce emissions and extend well life

Expand retirement capacity, evolve carbon capture opportunities & lead well retirement innovation

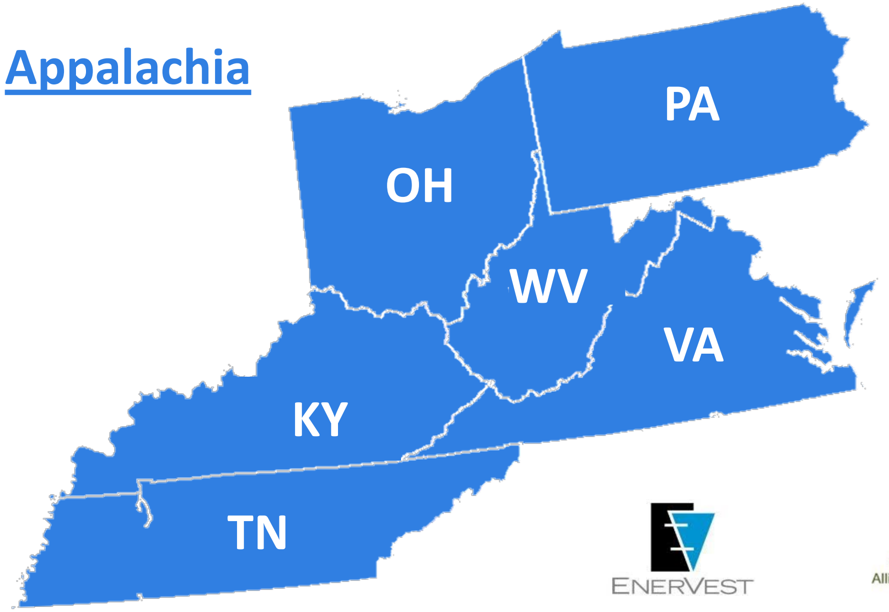
DIVERSIFIED energy

# Vertical Integration Model

# DRIVING VALUE THROUGH ACCRETIVE ACQUISITIONS

Apply industry leading Smart Asset Management (SAM) on larger PDP base without balance sheet stress

## Appalachia




**~$2.7 Billion**

22 acquisitions since 2017 IPO

## Central


**2001** – Company Founded: Diversified Resources Inc.

**2016**: Eclipse Resources; Seneca Resources

**2017** – IPO on AIM (2/3/2017): EnerVest; Titan Energy; Titan Energy; NGO

**2018**: APC Alliance Petroleum Corporation; CNX; EQT; Core Appalachia

**2019**: HG Energy LLC; EdgeMarc; Dominion Energy; equitrans Midstream

**2020** – Uplist to Main Market: EQT; carbon

**2021** – Entry to Central Region: Indigo; Blackbeard Operating, LLC; Tanos; Tapstone Energy

**2022**: Central Region Midstream; East Texas Upstream; ConocoPhillips

**2023**: Tanos

Total acquisition count reflective of announced acquisitions since February 2017 IPO and not inclusive of acquired asset retirement companies and equipment

# GROWTH VIA ACQUISITION WITH LOW-RISK UPSIDE

Utilise **track record** of underwriting, buying and managing undervalued assets as a competitive advantage

Leverage **long-standing relationships** with advisors, investment banks and lenders to source unique opportunities

Remain disciplined in acquiring assets at **accretive multiples**

Underwrite and analyze PDP and upside potential, but focus on producing **predictable cash flow**

**Optimise assets** post transaction by lowering cost structure workovers and targeted capital spending

**Market Volatility & Dislocation = Opportunity Set**

More economic to buy reserves which yields low capital expenses, ability to return cash to shareholders and ample cash flows for reinvestment

**Results**

**Created significant, low decline production** with substantial inventory of capital efficient **redevelopment opportunities** across a core asset base that allows for synergies from both personnel and skillsets

# EXECUTING PROVEN ACQUISITION STRATEGY TO DRIVE VALUE

## Upstream
2022 Acquisitions

### Improving operating scale and density in the Central Region

- ✓ Added **~13 Mboepd** of production and **49 MMboe** of reserves
- ✓ Strategically **consolidated assets within operating footprint**
- ✓ Purchased at a combined **2.2x NTM EBITDA** multiple[(a)] and a **25% discount to PDP PV-10** of $399 million[(a)]
- ✓ Centralized administrative **support provides immediate synergies** without the need for incremental costs

## Midstream
2022 Acquisitions

### Enhancing margins and increasing control over product flow

- ✓ **95% of system volumes** from Diversified-operated assets
- ✓ Combined purch. price represents **2.5x cash flow multiple[(b)]**
- ✓ Owned systems provide **improved product flow** and **incremental third-party revenues** (80% capacity remaining)
- ✓ Owned NGL processing facility in Louisiana **reduces costs** and **adds revenue-generating potential** (operating at 25% capacity)

## Implementing Standardised Post-Acquisition Processes

**Integrate**

*Onboard employees, integrate processes and systems to drive efficiencies and standardisation*

**Optimise**

*Empower retained personnel to apply DEC's SAM techniques on acquired assets*

**Consolidate**

*Enhance operating, marketing relationships with increasing scale in region*

**One DEC**

*Foster a culture of operational excellence through integration of **People, Process and Systems***

a) Calculated using the aggregate NTM EBITDA estimates, Net Purchase Price and respective PDP PV-10 for the East Texas and ConocoPhillips acquisitions, as previously announced
b) Calculated using the aggregate NTM cash flow estimate and Net Purchase price for midstream systems and processing facilities acquired in 2022

# ENHANCING OPERATING SCALE AND EFFICIENCIES THROUGH ACQUISITIONS

**$322 Million**
of Complementary Acquisitions in 2022

**$566 Million**
Including Tanos Energy II (2023)

### East Texas Bolt-On
**Allocate value to PDP assets with embedded upside potential**

**$35MM**
Estimated Adj. EBITDA[(a)]

**>PV40**
Equivalent Purchase Price[(b)]

**1.4x**
Purchase Price Multiple[(c)]

### ConocoPhillips
**Proximity to existing assets builds line-of-sight to future synergies**

**$82MM**
Estimated Adj. EBITDA[(a)]

**~PV17**
Equivalent Purchase Price[(b)]

**~2.5x**
Purchase Price Multiple[(c)]

### Midstream Systems
**Enhance control of product flow and regional cash margins**

**95%**
Equity Volumes Transported

**80%**
Transport Capacity Remaining

**2.4x**
Purchase Price Multiple[(c)]

### Asset Retirement
**Reduce third party reliance and provide long-term cost control**

**12**
Retirement Rigs Added

**~350**
Annual Well Retirement Capacity[(d)]

**150+**
External Retirement Contracts in 2023

Source: Company Data
a) Estimated Adjusted EBITDA reflects the previously announced next twelve months adjusted EBITDA from anticipated and respective close dates of acquisitions and assumes NYMEX pricing as commensurate with acquisition evaluation and announcement date; amounts not reflective of synergies that may be realised following post-acquisition integration
b) PV-10 values as previously announced and reflective of the NYMEX strip pricing commensurate with acquisition evaluation and announcement date as applicable for effective date of PDP reserves
c) Calculated as estimated net purchase price divided by estimated NTM Adjusted EBITDA; net purchase price assumes estimated and customary purchase price adjustments
d) Annual well-retirement capacity calculated as 30 wells plugged per year, per crew, and includes wells plugged for Diversified, state regulators and other operators; Actual amounts may vary due to nature and timing of wells plugged

# TANOS ENERGY ACQUISITION HIGHLIGHTS

## Acquisition Valuations

| ~PV17 | 2.3x | ~PV28 | 20% | 19% |
|---|---|---|---|---|
| Equivalent PDP Purchase Price[(a)] | PDP Purchase Price Multiple[(b)] | PDP+ Undeveloped[(a)] | Accretive to Adj. FCF | Accretive to Adj. EBITDA |

## Adds Scale-Driving Synergies

**Assets are contiguous with owned assets, increasing density and enhancing scale; Improves current unit-cost metrics**

## Expands Undeveloped Upside Opportunities

**~50 undeveloped locations with a PV10 of ~$280MM[(c)] complementary to ~300 previously acquired locations in region**

## Demonstrated Emphasis on ESG

**Continuous monitoring of emissions on >90% of production complements existing emissions detection activities**

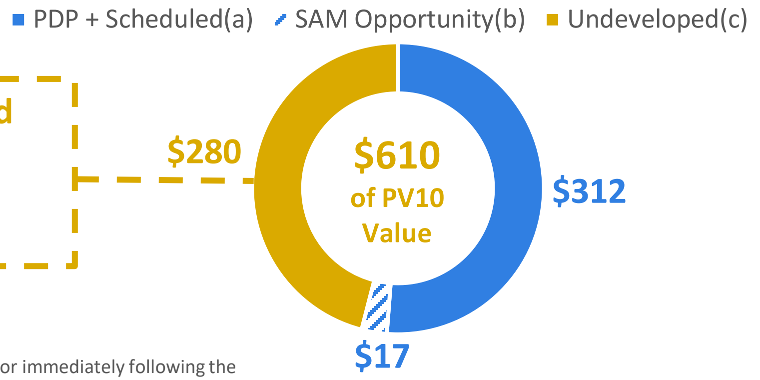
## Acquisition Highlights

| | |
|---|---|
| Purchase Price ($MM)[(d)] | $250 |
| Estimated NTM EBITDA ($MM)[(e)] | $107 |
| Acquired PDP Reserves (MMBoe and Bcfe)[(f)] | 25 / 152 |
| PV10 of Acquired Producing Reserves ($MM)[(f)] | $312 |
| PV10 Undeveloped Reserves ($MM)[(c)] | $279 |
| Current Production (Mboepd / MMcfepd) | 17 / 101 |
| Total Cash Costs ($/Boe)[(g)] | $5.10 - $5.70 |
| Total Cash Costs ($/Mcfe)[(g)] | $0.85 - $0.95 |
| Estimated EBITDA Margin[(e)] | ~80% |

## Undeveloped Location Inventory Adds Substantial Upside

*May be monetized or opportunistically developed*

**Additional ~300 Undeveloped Locations**
*from prior acquisitions provides incremental upside*

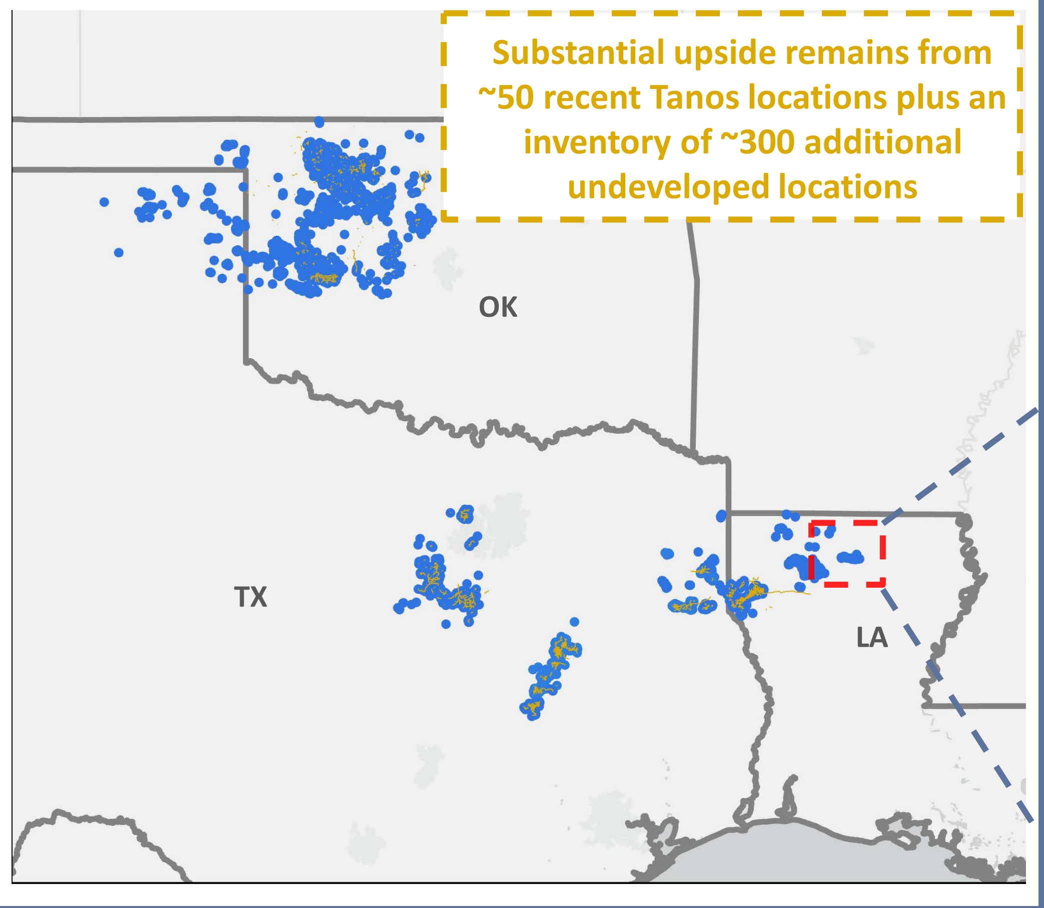



a) Approximate value calculating using the acquisition purchase price and reserves economics data as detailed within footnotes (c) and (d)
b) Calculated as acquisition purchase price (see footnote (d) ) divided by the estimated Next Twelve Months ("NTM") EBITDA
c) Using NYMEX strip pricing as of 12 January 2023 for producing reserves and as of 12 December 2022 for undeveloped reserves; Producing reserves includes PDP and wells scheduled for completion before or immediately following the expected close date; Undeveloped reserves exclude reserves associated with wells scheduled for completion before or immediately following the expected close date
d) Purchase price excludes ~$7 million for hedge positions to be acquired from the seller with a value of ~$10 million as of 27 January 2023
e) Reflects the Acquisition's estimated NTM EBITDA for PDP wells and wells scheduled for completion before or immediately following the close date; assumes historical cost structure using NYMEX strip as of 12 January 2023; does not assume any post-acquisition synergies; Estimated EBITDA Margin calculated as the NTM estimated EBITDA as a percentage of total revenue
f) Measured at acquisition effective date of 1 February 2023 and using NYMEX strip pricing as of 12 January 2023; Producing reserves includes PDP and wells scheduled for completion before or immediately following the expected close date
g) Utilizes historical cost structure and assumes no immediate synergies; Represents Base LOE, Gathering and Transportation costs and Production Taxes and G&A

# EXTRACTING VALUE ON UNDEVELOPED ACREAGE (ILLUSTRATIVE EXAMPLE)

## Advantageous Joint Venture

*Accretive opportunity to add upside*

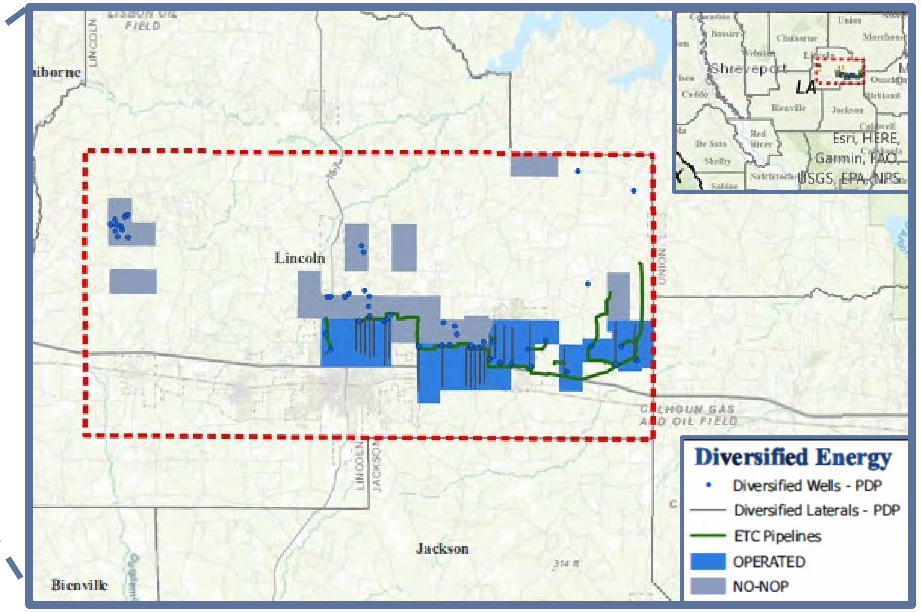



**Monetization of economic locations**
~$25 million (50/50 split to Oaktree) and $8-$12 million carry on future development

**Realization of value for undeveloped acreage**
PV12 to PV15 value on PDP and $1,000-$1,500 per net acre on undeveloped acres

**Adding incremental upside**
There were no near-term plans to develop this acreage joint owned with Oaktree

**Further development opportunity**
If successful, intention is to develop the rest of the field




**~7,500**
Net Acres

**1-4**
Development Wells in Cotton Valley

**50%**
PDP Production

# SMARTER ASSET MANAGEMENT PROVIDES ONGOING VALUE

## RTP Wells
**Return to Production**

- ✓ Turn acquired idle wells back into production and cash flows
- ✓ **~340 wells RTP'd** in Central Region during 2022
- ✓ Typically **low-cost, high return** RTP is accretive to deal economics

## Workovers
**and Recompletion**

- ✓ Enhance production with low-cost, capitalised maintenance
- ✓ **305 workovers completed** in Diversified's Central Region
- ✓ High return projects feature low **payback of just 2 months**

## Optimisation
**of Central Compression**

- ✓ Leverage scale to reduce midstream operating costs
- ✓ **$1.5 million in annualized savings** generated during 2022
- ✓ Continued **growth creates add'l opportunity** for optimisation

## Re-Route
**Appalachian Volumes**

- ✓ Redirect gas volumes to alternative processing facility
- ✓ **Increases sold NGL volumes by ~10%** of 2022 production[(a)]
- ✓ Re-route creates **annualized revenue uplift of ~$15 million**[(a)]

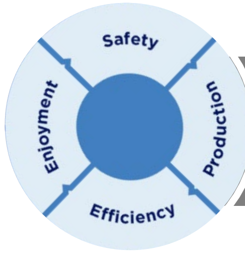
## Value Added Workovers

### Low Cost
**Average ~$45K per well**

### Increased Production
**Added ~40 Mmcfe per day** *(gross)*

### High Returns
**2-month payback; +175% return**

### Impact
**~10% uplift in Central Region production** *(net)*




**Daily Operating Priorities**

a) Based on projected increase in sold NGL volumes in comparison to recorded NGL production for FY2022; Revenue estimates based on volumetric uplift and current strip pricing

# CREATING VALUE ACROSS OPERATING REGIONS

## Multiple Operating Regions = Multiple Resource Pools

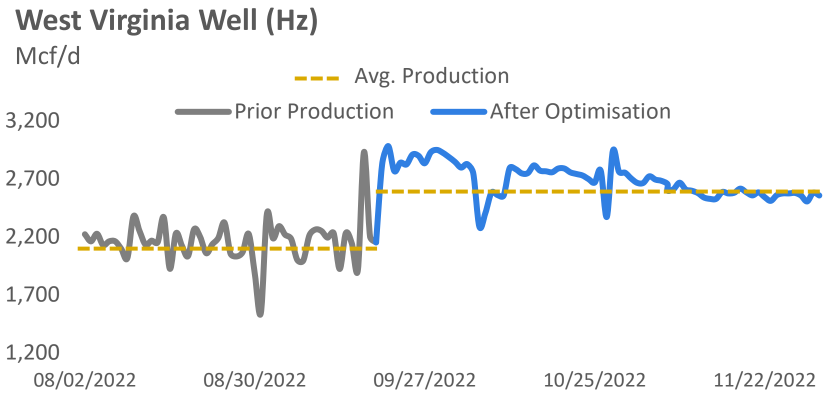
Expansion to the Central Region increased the potential for knowledge-sharing and transfer of available inventory

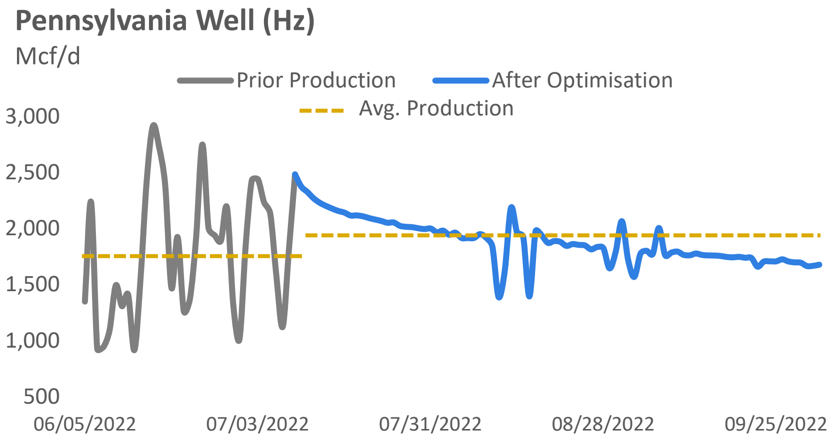
## Operating Scale Results in Smarter Asset Management Win

Operations identified the ability to utilize surplus capillary string equipment in Central Region for well optimization in Appalachia

## Capillary String Well Treatment Applied in Appalachia

Implementation in Appalachia was highly successful and multiple well sites are under review for continued utilisation




**Capillary string well treatments improves production without the need for workover rigs or artificial lift systems**

# OPERATIONAL INSIGHTS DRIVEN BY TECHNOLOGY INVESTMENTS

### Well-Level Data Capture

Data + Human interaction of wellhead LTE connectivity, SCADA architecture and manual field data capture

### Cloud-Based Infrastructure

Enables remote access to data, eliminates technical debt and enhances information security across the organization

### Real-Time Monitoring

Leverage data visualization and operations technology to assist 24/7 monitoring of production, transportation and emissions

### Emissions Detection

Invest in connected emissions monitoring systems like Qube and Project Canary, creating a pathway to certified RNG

## Centralized Control and Visibility of Operations

### Upstream Systems

- ✓ **Mitigates impact** of production disruptions
- ✓ **Assists production optimisation** activities
- ✓ **Enhances EHS awareness and responses**
- ✓ **Capacity to expand** to additional owned systems

### Midstream Systems

- ✓ Enhances **visibility to product volume and flow**
- ✓ **Provides centralized oversight** for multiple systems
- ✓ Informs gas control technicians with **real-time reports**
- ✓ **Capacity to expand** to additional owned systems

EHS is a common acronym for Environment, Health and Safety

# MIDSTREAM OPERATIONS

## Enhancing margins and increasing control over product flow

- ✓ **95% of system volumes** from Diversified-operated assets
- ✓ Owned systems provide **improved product flow** and **incremental third-party revenues** (80% capacity remaining)
- ✓ Owned NGL processing facility in Louisiana **reduces costs** and **adds revenue-generating potential** (operating at 25% capacity)

## 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 Smarter Asset Management

| | |
|---|---|
| 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** |

## Enhancing Value through Vertical Integration

### 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 margin

# Supplemental Information

# COMMODITY DERIVATIVES PORTFOLIO (as of 30 September 2023)

| Natural Gas Annual Summary[(a)] | 2023 | 2024 | 2025 |
|---|---|---|---|
| | $3.79/Mcf<br>*~85% Hedged* | $3.31/Mcf<br>*~80% Hedged* | $3.26/Mcf<br>*~70% Hedged* |

**Natural Gas Financial Derivatives Contracts**

| Natural Gas (MMBtu, $/MMBtu) | | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NYMEX NG Swaps(a) | Volume | 53,638,196 | 57,319,297 | 54,336,680 | 51,080,260 | 51,710,825 | 52,758,817 | 51,713,087 | 48,814,166 | 216,374,433 | 204,996,894 | 166,055,120 | 111,470,730 |
| | Swap Price | $3.56 | $3.58 | $3.51 | $3.55 | $3.07 | $3.11 | $3.10 | $3.06 | $3.55 | $3.08 | $3.05 | $2.97 |
| NYMEX NG Costless Collars | Volume | 1,038,000 | 130,400 | 119,600 | 1,257,700 | 2,559,500 | - | - | - | 2,545,700 | 2,559,500 | - | - |
| | Ceiling | $10.67 | $3.90 | $3.90 | $6.28 | $5.84 | $0.00 | $0.00 | $0.00 | $7.84 | $5.84 | $0.00 | $0.00 |
| | Floor | $6.10 | $3.05 | $3.05 | $3.96 | $3.77 | $0.00 | $0.00 | $0.00 | $4.60 | $3.77 | $0.00 | $0.00 |
| NYMEX NG Costless Collars | Volume | 3,600,000 | - | - | - | - | - | - | - | 3,600,000 | - | - | - |
| | Ceiling | $3.37 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $3.37 | $0.00 | $0.00 | $0.00 |
| | Floor | $2.63 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $2.63 | $0.00 | $0.00 | $0.00 |
| | Sub-Floor | $2.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $2.00 | $0.00 | $0.00 | $0.00 |
| Consolidated NYMEX Hedges | Volume | 58,276,196 | 57,449,697 | 54,456,280 | 52,337,960 | 54,270,325 | 52,758,817 | 51,713,087 | 48,814,166 | 222,520,133 | 207,556,394 | 166,055,120 | 111,470,730 |
| | Wtd Average Price | $3.54 | $3.58 | $3.51 | $3.56 | $3.10 | $3.11 | $3.10 | $3.06 | $3.55 | $3.09 | $3.05 | $2.97 |

| Natural Gas (MMBtu, $/MMBtu) | | FY27 | FY28 | FY29 | FY30 |
|---|---|---|---|---|---|
| NYMEX NG Swaps(a) | Volume | 91,004,375 | 32,190,000 | 29,190,000 | 5,450,000 |
| | Wtd Average Price | $3.01 | $1.97 | $1.97 | $1.90 |
| NYMEX NG Costless Collars | Volume | 1,414,243 | 5,382,462 | 3,726,485 | - |
| | Ceiling | $6.70 | $6.45 | $7.02 | $0.00 |
| | Floor | $4.00 | $4.00 | $4.00 | $0.00 |
| NYMEX NG Puts | Volume | - | 22,618,008 | - | - |
| | Floor | $0.00 | $3.00 | $0.00 | $0.00 |
| NYMEX NG Put Spread | Volume | 4,906,152 | 31,585,108 | 30,066,401 | 14,491,673 |
| | Floor | $2.10 | $2.73 | $2.73 | $2.74 |
| | Sub-Floor | $1.80 | $1.80 | $1.80 | $1.80 |
| Consolidated NYMEX Hedges | Volume | 97,324,770 | 91,775,578 | 62,982,886 | 19,941,673 |
| | Wtd Average Price | $2.98 | $2.61 | $2.45 | $2.51 |

| Natural Gas Basis (MMBtu, $/MMBtu) | | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Consolidated Basis Hedges | Volume | 35,724,718 | 51,572,855 | 51,198,213 | 50,397,088 | 38,016,167 | 36,604,859 | 36,225,339 | 34,450,528 | 188,892,874 | 145,296,892 | 25,550,000 | 10,950,000 |
| | Wtd Average Price | ($0.59) | ($0.62) | ($0.61) | ($0.61) | ($0.63) | ($0.65) | ($0.65) | ($0.65) | ($0.61) | ($0.65) | ($0.20) | ($0.20) |

a) Illustrative percent of production hedged calculated using the company's published derivatives portfolio and illustrative production volume, calculated using reported production and declines; Corporate Btu factor of 1.07 should be used when converting Natural Gas pricing from MMBtu to Mcf.
b) Excludes sold calls on 56,000 MMbtu/d in 2023 at a weighted average price of $2.75/MMBtu, and 60,000 MMBtu/d at a weighted average price of $4.00/MMBtu in 2026; Prices above exclude the impact of the cash settlement of deferred premiums from previous hedge optimisations, which include expected payments on settled derivative instruments of ~$43 million in 2023, ~$50 million in 2024 and ~$35 million in 2025

# COMMODITY DERIVATIVES PORTFOLIO (as of 30 September 2023)

| NGLs Annual Summary[a] | 2023 | 2024 | 2025 |
|---|---|---|---|
| | $37.42/bbl ~ 80% Hedged | $37.74/bbl ~ 60% Hedged | $30.22/bbl ~40% Hedged |

| Oil Annual Summary[a] | 2023 | 2024 | 2025 |
|---|---|---|---|
| | $69.31/bbl ~ 70% Hedged | $62.54/bbl ~ 40% Hedged | $59.01/bbl ~40% Hedged |

**Natural Gas Physical Contracts**

| Natural Gas + Basis (MMBtu, $/MMBtu) | | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NYMEX Contracts | Volume | 3,600,000 | 1,820,000 | 1,840,000 | 1,840,000 | - | - | - | - | 9,100,000 | - | - | - |
| | Fixed Price | $7.85 | $4.40 | $4.40 | $4.40 | $0.00 | $0.00 | $0.00 | $0.00 | $5.76 | $0.00 | $0.00 | $0.00 |
| All-In Physical Contracts | Volume | - | - | - | - | - | - | - | - | - | - | - | - |
| | Fixed Price | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Consolidated Basis Contracts | Volume | 9,770,000 | 1,820,000 | 1,840,000 | 1,840,000 | - | - | - | - | 15,270,000 | - | - | - |
| | Wtd Average Price | ($0.71) | ($1.11) | ($1.11) | ($1.11) | $0.00 | $0.00 | $0.00 | $0.00 | ($0.85) | $0.00 | $0.00 | $0.00 |

**Natural Gas Liquids Financial Derivatives Contracts**

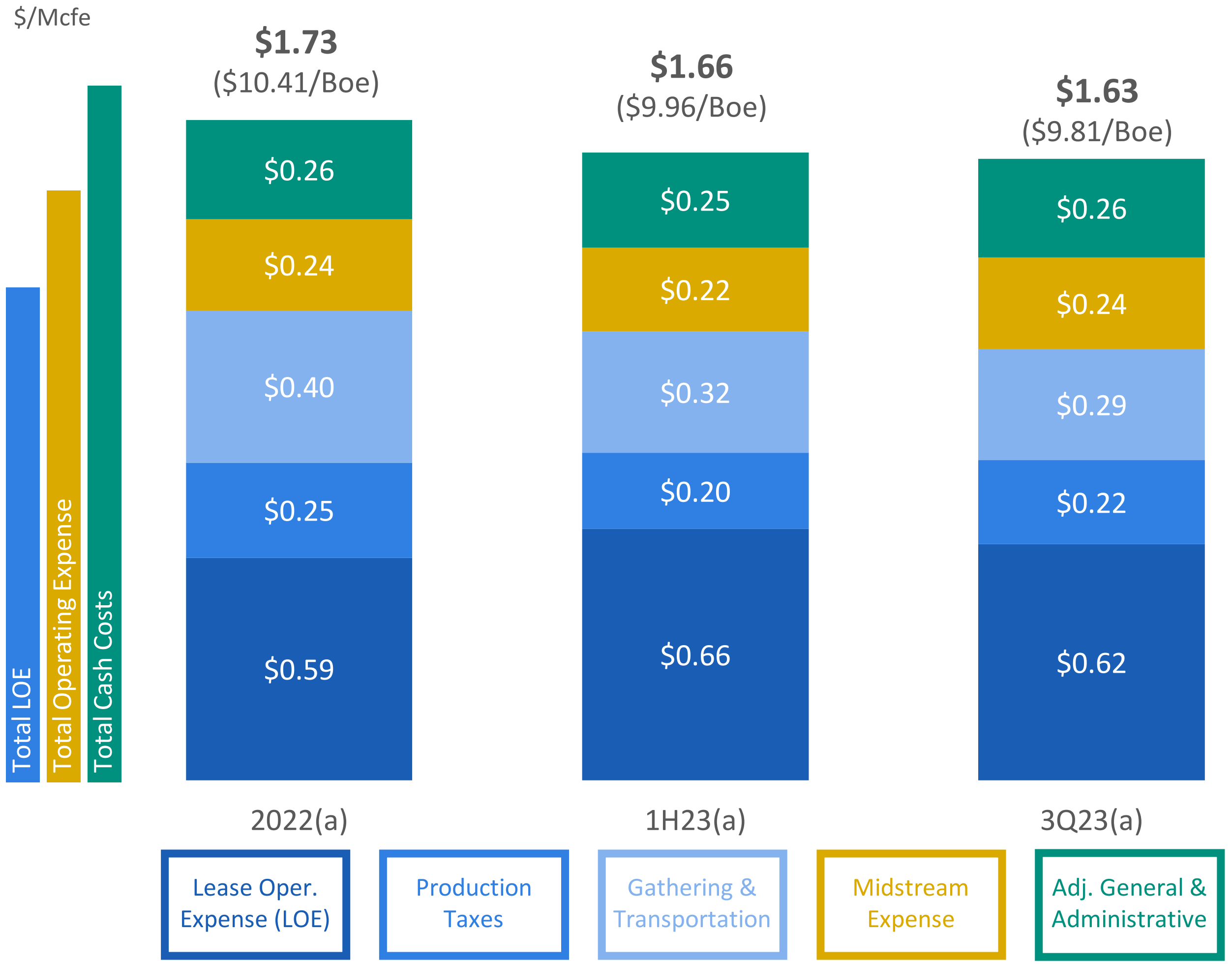
| NGL (bbl, $/bbl) | | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Consolidated NGL Hedges | Volume | 1,167,196 | 1,173,553 | 1,146,166 | 1,126,502 | 846,234 | 831,288 | 818,568 | 805,001 | 4,613,417 | 3,301,090 | 2,143,442 | 1,097,240 |
| | Wtd Average Price | $37.30 | $37.39 | $37.47 | $37.50 | $37.71 | $37.72 | $37.75 | $37.77 | $37.42 | $37.74 | $30.22 | $27.68 |

**Oil Financial Derivatives Contracts**

| Oil (bbl, $/bbl) | | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Consolidated WTI Hedges(b) | Volume | 250,711 | 240,981 | 229,172 | 218,991 | 115,334 | 110,101 | 105,441 | 100,105 | 939,855 | 430,981 | 365,644 | 282,770 |
| | Wtd Average Price | $69.61 | $69.37 | $69.19 | $69.04 | $62.62 | $62.50 | $62.41 | $62.62 | $69.31 | $62.54 | $59.01 | $59.48 |

a) Illustrative percent of production hedged calculated using the company's published derivatives portfolio and illustrative production volume, calculated using reported production and declines pro forma for the impact of the previously announced Tanos II acquisition;
b) Excludes sold calls of ~1,000 bbl/d at $24.78/bbl in 2023 and ~2,500 bbl/d at $31.29/bbl in 2024
c) Excludes sold calls of ~320 bbl/d at $53.20 in 2023 and ~500 bbl/d at $70.00/bbl in 2024

# HISTORICAL OPERATING EXPENSES BY NATURE




## Efficiencies Offset Inflationary Pressure

Adjusted Cost per Unit continues to improve even as inflationary pressures persist

## Vertically Integrated for Cost Insulation

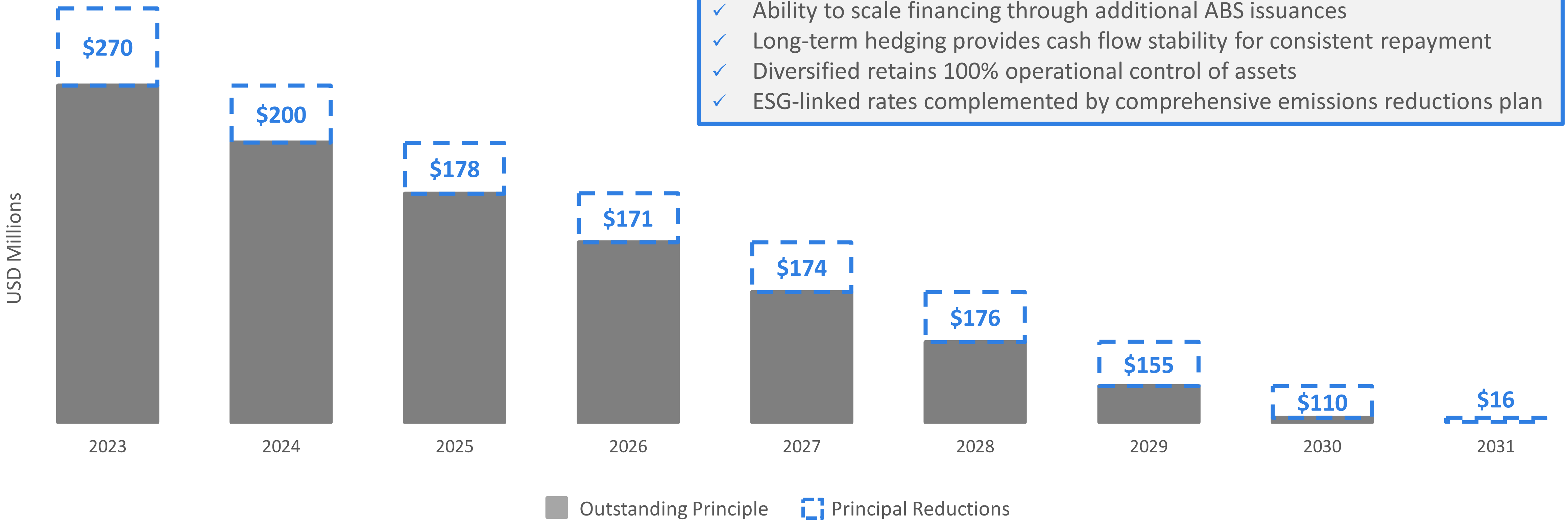
Integrated marketing, midstream and asset retirement limit inflationary cost pressure

## Strategically "Hedging" Variable Costs

Diversification of operating regions increases durability of margins throughout the price cycle

For Company-specific terms or Non-IFRS measures, please refer to the "Glossary of Terms", "Alternative Performance Metrics" and "Non-IFRS Reconciliations" within the Company's 2022 Annual Report
For all periods presented, certain expenses relating to Next LVL Energy have excluded from Base LOE (2022: $0.04/Mcfe; 1H23: $0.06/Mcfe; 2Q23: $0.08/Mcfe)

# AMORTISING DEBT STRUCTURES DRIVE DISCIPLINED REPAYMENT




### Key Attributes for Diversified

- ✓ Ability to scale financing through additional ABS issuances
- ✓ Long-term hedging provides cash flow stability for consistent repayment
- ✓ Diversified retains 100% operational control of assets
- ✓ ESG-linked rates complemented by comprehensive emissions reductions plan

**Naturally aligned with Diversified's long-life, low decline production**

**Scheduled for full repayment 8-10 years before legal maturity**

**Creates clear line-of-sight to uses of cash and capacity for deleveraging**

Illustrative schedule of amortising payments relates to Diversified's long-term securitised instruments, inclusive of ABS structures announced through 27 October 2022 and secured term loan; actual payment amounts per year may differ from the above due to 25% excess amortization requirement for ABS I; For more information regarding Diversified's total borrowings, please refer to the Company's 2022 Annual Report

# DEMONSTRATING OUR COMMITMENT TO SUSTAINABLE OPERATIONS

## 2022 ESG and Sustainability Highlights

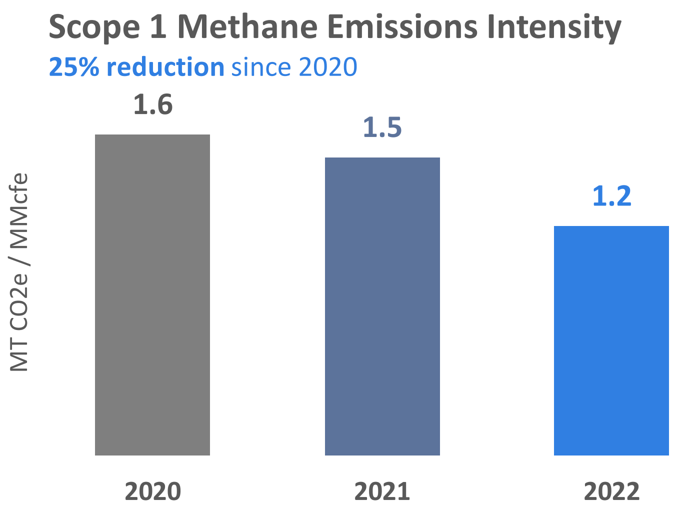
- ✓ **Achieved OGMP 2.0 "Gold Standard " for Emissions Reporting**
  *1 of 5 US operators to receive designation in 2022*
- ✓ **Conducted ~174,000 Handheld Inspections for Fugitive Emissions**
  *Completed two or more inspections on 95% of producing wellsites in Appalachia*
- ✓ **11,000 Miles of Midstream Pipelines Surveyed via Aerial Lidar**
  *65% of Appalachia assets surveyed, Includes ~10,500 wells and facilities*
- ✓ **More Than 500% Increase on Near Miss/ Good Catch Reporting**
  *OneDEC safety culture expands awareness, reporting and training programs*
- ✓ **Top 3 in Energy Sector of FTSE250 - Women's Review Performance Report**

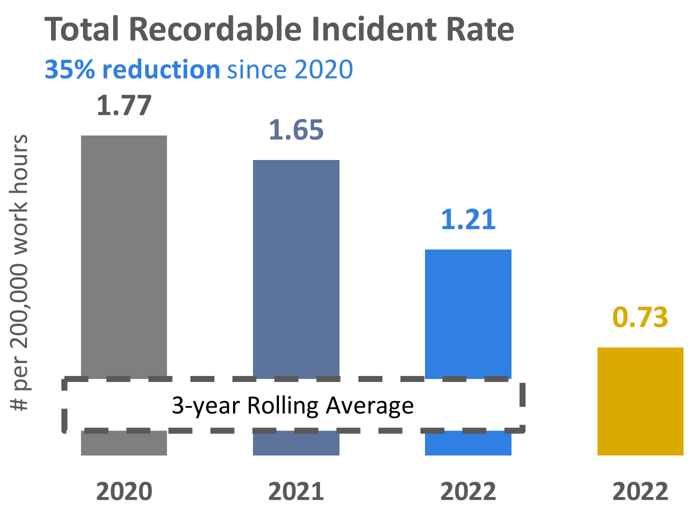
## 2023 Emissions Reduction Initiatives

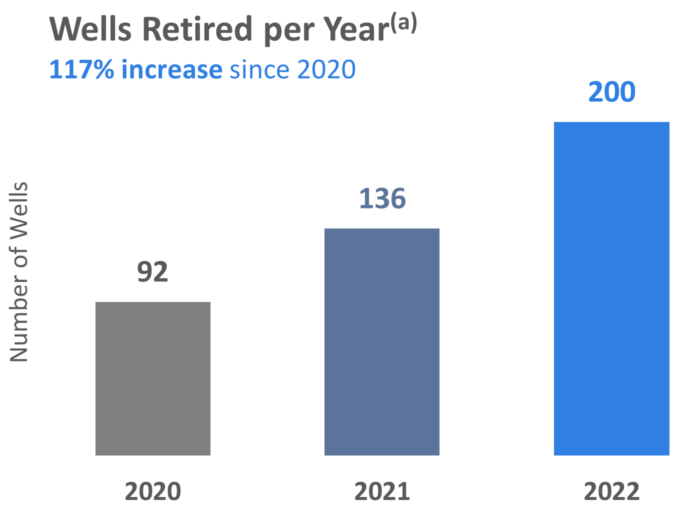
**Central Region Handheld Deployment**
Conduct emissions surveys on 100% of upstream assets

**Ongoing Pneumatic Device Replacement**
Convert existing devices to compressed air / solar

**Continuation of Aerial LiDAR Surveys**
Progress midstream emissions surveillance in Appalachia




a) For comparative purposes, 2022 excludes 14 wells retired in 2022 within Diversified's Central Region

DIVERSIFIED energy

# Financial Statements

## Including APMs and Non-IFRS Reconciliations

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Unaudited | | | | Audited | |
|---|---|---|---|---|---|---|
| | Six Months Ended | | | | Year Ended | |
| | | 30 June 2023 | | 30 June 2022 | | 31 December 2022 |
| Revenue | $ | 487,305 | $ | 933,528 | $ | 1,919,349 |
| Operating expense | | (227,299) | | (206,357) | | (445,893) |
| Depreciation, depletion and amortisation | | (115,036) | | (118,480) | | (222,257) |
| **Gross profit** | | **144,970** | | **608,691** | | **1,251,199** |
| General and administrative expense | | (55,156) | | (114,282) | | (170,735) |
| Gain (loss) on natural gas and oil property and equipment | | 7,729 | | 1,050 | | 2,379 |
| Gain (loss) on derivative financial instruments | | 812,113 | | (1,673,841) | | (1,758,693) |
| Gains on bargain purchases | | - | | 1,249 | | 4,447 |
| **Operating profit (loss)** | | **909,656** | | **(1,177,133)** | | **(671,403)** |
| Finance costs | | (67,736) | | (39,162) | | (100,799) |
| Accretion of asset retirement obligation | | (13,991) | | (14,003) | | (27,569) |
| Other income (expense) | | 327 | | 171 | | 269 |
| **Income (loss) before taxation** | | **828,256** | | **(1,230,127)** | | **(799,502)** |
| Income tax benefit (expense) | | (197,324) | | 294,877 | | 178,904 |
| **Net income (loss)** | | **630,932** | | **(935,250)** | | **(620,598)** |
| Other comprehensive income (loss) | | (88) | | 132 | | 940 |
| **Total comprehensive income (loss)** | **$** | **630,844** | **$** | **(935,118)** | **$** | **(619,658)** |
| | | | | | | |
| **Net income (loss) attributable to:** | | | | | | |
| Diversified Energy Company PLC | $ | 629,985 | $ | (937,412) | $ | (625,410) |
| Non-controlling interest | | 947 | | 2,162 | | 4,812 |
| **Net income (loss)** | $ | 630,932 | $ | (935,250) | $ | (620,598) |
| | | | | | | |
| **Earnings (loss) per share attritubale to Diversified Energy Company PLC** | | | | | | |
| Earnings (loss) per share - basic | $ | 0.68 | $ | (1.10) | $ | (0.74) |
| Earnings (loss) per share - diluted | $ | 0.67 | $ | (1.10) | $ | (0.74) |
| Weighted average shares outstanding - basic | | 926,066 | | 849,621 | | 844,080 |
| Weighted average shares outstanding - diluted | | 937,838 | | 849,621 | | 844,080 |

Amounts in thousands, except per share and per unit data;
The notes on pages 26 to 46 are an integral part of the Company’s 2023 Interim Report and the Condensed Consolidated Financial Statements published within

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited 30 June 2023 | | Audited 31 December 2022 | |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets:** | | | | |
| Natural gas and oil properties, net | $ | 2,690,050 | $ | 2,555,808 |
| Property, plant and equipment, net | | 465,118 | | 462,860 |
| Intangible assets | | 20,798 | | 21,098 |
| Restricted cash | | 32,402 | | 47,497 |
| Derivative financial instruments | | 35,541 | | 13,936 |
| Deferred tax assets | | 176,709 | | 371,156 |
| Other non-current assets | | 3,678 | | 4,351 |
| **Total non-current assets** | **$** | **3,424,296** | **$** | **3,476,706** |
| **Current assets:** | | | | |
| Trade receivables, net | | 195,038 | | 296,781 |
| Cash and cash equivalents | | 4,208 | | 7,329 |
| Restricted cash | | 8,786 | | 7,891 |
| Derivative financial instruments | | 114,695 | | 27,739 |
| Other current assets | | 15,982 | | 14,482 |
| **Total current assets** | | **338,709** | | **354,222** |
| **Total assets** | **$** | **3,763,005** | **$** | **3,830,928** |

| | Unaudited 30 June 2023 | | Audited 31 December 2022 | |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| **Shareholders' equity:** | | | | |
| Share capital | $ | 13,056 | $ | 11,503 |
| Share premium | | 1,208,192 | | 1,052,959 |
| Treasury reserve | | (92,811) | | (100,828) |
| Share based payment and other reserves | | 9,620 | | 17,650 |
| Retained earnings (accumulated deficit) | | (590,109) | | (1,133,972) |
| **Equity attributable to owners of the parent** | **$** | **547,948** | **$** | **(152,688)** |
| Non-controlling interests | | 13,050 | | 14,964 |
| **Total equity** | | **560,998** | | **(137,724)** |
| **Non-current liabilities:** | | | | |
| Asset retirement obligations | | 448,465 | | 452,554 |
| Leases | | 22,663 | | 19,569 |
| Borrowings | | 1,272,790 | | 1,169,233 |
| Deferred tax liability | | 11,228 | | 12,490 |
| Derivative financial instruments | | 731,093 | | 1,177,801 |
| Other non-current liabilities | | 2,687 | | 5,375 |
| **Total non-current liabilities** | | **2,488,926** | | **2,837,022** |
| **Current liabilities:** | | | | |
| Trade and other payables | | 69,744 | | 93,764 |
| Borrowings | | 231,819 | | 271,096 |
| Leases | | 10,645 | | 9,293 |
| Derivative financial instruments | | 98,172 | | 293,840 |
| Other current liabilities | | 302,701 | | 463,637 |
| **Total current liabilities** | | **713,081** | | **1,131,630** |
| **Total liabilities** | | **3,202,007** | | **3,968,652** |
| **Total equity and liabilities** | **$** | **3,763,005** | **$** | **3,830,928** |

Amounts in thousands, except per share and per unit data;
The notes on pages 26 to 46 are an integral part of the Company's 2023 Interim Report and the Condensed Consolidated Financial Statements published within

# CONSOLIDATED STATEMENT OF CASH FLOWS

## CONSOLIDATED STATEMENTS OF CASH FLOW

| | Unaudited | | Audited |
|---|---|---|---|
| | Six Months Ended | | Year Ended |
| | 30 June 2023 | 30 June 2022 | 31 December 2022 |
| **Cash flows from operating activities:** | | | |
| Income (loss) after taxation | $ 630,932 | $ (935,250) | $ (620,598) |
| **Cash flows from operations reconciliation:** | | | |
| Depreciation, depletion and amortization | 115,036 | 118,480 | 222,257 |
| Accretion of asset retirement obligations | 13,991 | 14,003 | 27,569 |
| Income tax (benefit) expense | 197,324 | (294,877) | (178,904) |
| (Gain) loss on fair value adjustments of unsettled financial instruments | (760,933) | 1,205,938 | 861,457 |
| Asset retirement obligations | (2,077) | (1,582) | (4,889) |
| (Gain) loss on natural gas and oil properties and equipment | (7,729) | 515 | (2,379) |
| Gain on bargain purchases | - | (1,249) | (4,447) |
| Finance costs | 67,736 | 39,162 | 100,799 |
| Hedge modifications | 17,446 | (6,833) | (133,573) |
| Non-cash equity compensation | 4,417 | 4,069 | 8,051 |
| **Working capital adjustments:** | | | |
| Change in trade receivables and other current assets | 93,968 | (74,672) | 13,760 |
| Change in other non-current assets | (259) | (1,632) | (580) |
| Change in trade and other payables and other current liabilities | (189,636) | 177,382 | 132,349 |
| Change in other non-current liabilities | (5,733) | (8,612) | (6,794) |
| **Cash generated from operations** | **174,483** | **234,842** | **414,078** |
| Cash paid for income taxes | (1,917) | (29,855) | (26,314) |
| **Net cash provided by operating activities** | **$ 172,566** | **$ 204,987** | **$ 387,764** |

| | Unaudited | | Audited |
|---|---|---|---|
| | Six Months Ended | | Year Ended |
| | 30 June 2023 | 30 June 2022 | 31 December 2022 |
| **Cash flows from investing activities:** | | | |
| Consideration for business acquisitions, net of cash acquired | $ - | $ (12,274) | $ (24,088) |
| Consideration for asset acquisitions | (262,329) | (51,550) | (264,672) |
| Proceeds from divestitures | 37,503 | - | - |
| Expenditures on natural gas and oil properties and equipment | (32,332) | (44,539) | (86,079) |
| Proceeds on disposals of natural gas and oil properties and equipment | 8,661 | 6,052 | 12,189 |
| Contingent consideration payments | (1,520) | (19,807) | (23,807) |
| **Net cash used in investing activities** | **(250,017)** | **(122,118)** | **(386,457)** |
| **Cash flows from financing activities:** | | | |
| Repayment of borrowings | (782,990) | (1,392,883) | (2,139,686) |
| Proceeds from borrowings | 840,230 | 1,730,200 | 2,587,554 |
| Cash paid for interest | (59,415) | (32,605) | (82,936) |
| Debt issuance cost | (1,730) | (24,579) | (34,234) |
| (Increase) decrease in restricted cash | 14,200 | (25,103) | (36,287) |
| Hedge modifications associated with ABS Notes | - | (73,073) | (105,316) |
| Proceeds from equity issuance, net | 156,788 | - | - |
| Principal element of lease payments | (5,757) | (5,273) | (11,233) |
| Cancellation (settlement) of warrants, net | - | - | 137 |
| Dividends to shareholders | (84,029) | (72,275) | (143,455) |
| Distributions to non-controlling interest owners | (2,861) | (2,776) | (6,389) |
| Repurchase of shares by the EBT | - | (9,718) | (22,931) |
| Repurchase of shares | (106) | - | (11,760) |
| **Net cash provided by (used in) financing activities** | **74,330** | **91,915** | **(6,536)** |
| Net change in cash and cash equivalents | (3,121) | 174,784 | (5,229) |
| Cash and cash equivalents, beginning of period | 7,329 | 12,558 | 12,558 |
| **Cash and cash equivalents, end of period** | **$ 4,208** | **$ 187,342** | **$ 7,329** |

Amounts in thousands, except per share and per unit data;
The notes on pages 26 to 46 are an integral part of the Company's 2023 Interim Report and the Condensed Consolidated Financial Statements published within

# ALTERNATIVE PERFORMANCE METRICS *(UNAUDITED)*

| | |
|---|---|
| **Adjusted EBITDA**<br>and<br>**Adjusted EBITDA per Share** | As used herein, EBITDA represents earnings before interest, taxes, depletion, depreciation and amortisation. 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 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.<br><br>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 measure is useful to an investor in evaluating our financial performance because it (1) is widely used by investors in the natural gas and oil industry as an indicator of underlying business performance; (2) helps 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) is used in the calculation of a key metric in one of our Credit Facility financial covenants; and (4) is used by us as a performance measure in determining executive compensation. When evaluating this measure, we believe investors also commonly find it useful to evaluate this metric as a percentage of our Total Revenue, Inclusive of Settled Hedges, producing what we refer to as our Adjusted EBITDA Margin.<br><br>We believe that Adjusted EBITDA per Share provides direct line of sight into our ability to measure the accretive growth we seek to acquire while providing shareholders with a depiction of cash earnings at the share level. In this calculation we utilise weighted average shares as to not disproportionately weight the calculation for equity issued for acquisitive growth at varying periods throughout the year. |

| | Six Months Ended | | |
|---|---|---|---|
| | **30 June 2023** | **30 June 2022** | **31 December 2022** |
| **Net income (loss)** | **$ 630,932** | **$ (935,250)** | **$ 314,652** |
| Finance costs | 67,736 | 39,162 | 61,637 |
| Accretion of asset retirement obligations | 13,991 | 14,003 | 13,566 |
| Other (income) expense | (327) | (171) | (98) |
| Income tax (benefit) expense | 197,324 | (294,877) | 115,973 |
| Depreciation, depletion and amortisation | 115,036 | 118,480 | 103,777 |
| Gain on bargain purchases | - | (1,249) | (3,198) |
| (Gain) loss on fair value adjustments of unsettled financial instruments | (760,933) | 1,205,938 | (344,481) |
| (Gain) loss on natural gas and oil property and equipment[(a)] | (899) | 515 | (422) |
| Costs associated with acquisitions | 8,866 | 6,935 | 8,610 |
| Other adjusting costs[(b)] | 3,376 | 67,033 | 2,934 |
| Non-cash equity compensation | 4,417 | 4,069 | 3,982 |
| (Gain) loss on foreign currency hedge | 521 | - | - |
| (Gain) loss on interest rate swap | 2,824 | (828) | 2,262 |
| **Total adjustments** | **$ (348,068)** | **$ 1,159,010** | **$ (35,458)** |
| **Adjusted EBITDA** | **$ 282,864** | **$ 223,760** | **$ 279,194** |
| Weighted average shares outstanding - basic | 926,066 | 849,621 | 838,629 |
| Weighted average shares outstanding - diluted | 937,838 | 849,621 | 838,629 |
| **Adjusted EBITDA per basic share** | **$ 0.31** | **$ 0.26** | **$ 0.33** |
| **Adjusted EBITDA per diluted share** | **$ 0.30** | **$ 0.26** | **$ 0.33** |

Amounts in thousands, except per share and per unit data;

a) Excludes $6.8 million in proceeds received for leasehold sales during the six months ended 30 June 2023, $1.6 million for the six months ended 30 June 2022 and $1.0 million for the six months ended 31 December 2022
b) Other adjusting costs for the six months ended 30 June 2023 primarily consisted of expenses associated with an unused firm transportation agreement and legal and professional fees related to internal audit and financial reporting. Other adjusting costs for the six months ended 30 June 2022 primarily consisted of $28 million in contract terminations which allowed the Group to obtain more favourable pricing in the future and $31 million in costs associated with deal breakage and/or sourcing costs for acquisitions.

# ALTERNATIVE PERFORMANCE METRICS *(UNAUDITED)*

| | |
|---|---|
| **Net Debt**<br>and<br>**Net Debt-to-Adjusted EBITDA** | As used herein, Net Debt represents total debt as recognised on the balance sheet less cash and restricted cash. Total debt includes our borrowings under the Credit Facility and borrowings under or issuances of, as applicable, our subsidiaries' securitisation facilities. We believe Net Debt is a useful indicator of our Leverage and capital structure.<br><br>As used herein, Net Debt-to-Adjusted EBITDA, or "Leverage" or "Leverage Ratio," is measured as Net Debt divided by Adjusted EBITDA. We believe that this metric is a key measure of our financial Liquidity and flexibility and is used in the calculation of a key metric in one of our Credit Facility financial covenants. |

| | As Of | | |
|---|---|---|---|
| | **30 June 2023** | **30 June 2022** | **31 December 2022** |
| Credit Facility | $ (265,000) | $ - | $ (56,000) |
| ABS I Notes | (111,007) | (141,347) | (125,864) |
| ABS II Notes | (136,550) | (158,475) | (147,458) |
| ABS III Notes | (295,151) | (349,477) | (319,856) |
| ABS IV Notes | (113,609) | (149,900) | (130,144) |
| ABS V Notes | (329,381) | (445,000) | (378,796) |
| ABS VI Notes | (183,758) | - | (212,446) |
| Term Loan I | (112,433) | (128,595) | (120,518) |
| Other | (8,319) | (8,623) | (7,084) |
| **Total Debt** | $ (1,555,208) | $ (1,381,417) | $ (1,498,166) |
| Cash | 4,208 | 187,342 | 7,329 |
| Restricted Cash | 41,188 | 44,206 | 55,388 |
| **Net Debt** | **$ (1,509,812)** | **$ (1,149,869)** | **$ (1,435,449)** |
| **Adjusted EBITDA** | **$ 282,864** | **$ 223,760** | **$ 279,194** |
| **Pro forma TTM Adjusted EBITDA[(a)]** | **$ 633,875** | **$ 495,840** | **$ 574,414** |
| **Net Debt-to-Pro forma TTM Adjusted EBITDA[(b)]** | **2.4x** | **2.3x** | **2.5x** |

Amounts in thousands, except per share and per unit data;

a) Pro forma TTM Adjusted EBITDA includes adjustments for the trailing twelve months ended 30 June 2023 for the Tanos II and ConocoPhillips acquisitions to pro forma their results for a full twelve months of operations. Similar adjustments were made for the trailing twelve months ended 30 June 2022 for the Black Bear, East Texas Assets, Tapstone and Tanos acquisitions as well as in the trailing twelve months ended 31 December 2022 for the East Texas Assets and ConocoPhillips acquisitions.

b) Does not include adjustments for working capital which are often customary in the market

# ALTERNATIVE PERFORMANCE METRICS *(UNAUDITED)*

| | |
|---|---|
| **Total Revenue, Inclusive of Settled Hedges** and **Adjusted EBITDA Margin** | As used herein, Total Revenue, Inclusive of Settled Hedges, includes the impact of derivatives settled in cash. We believe that Total Revenue, Inclusive of Settled Hedges, is a useful measure because it enables investors to discern our realised revenue after adjusting for the settlement of derivative contracts.<br><br>As used herein, Adjusted EBITDA Margin is measured as Adjusted EBITDA, as a percentage of Total Revenue, Inclusive of Settled Hedges. Adjusted EBITDA Margin includes the direct operating cost and the portion of general and administrative cost it takes to produce each Boe. This metric includes operating expense, employees, administrative costs and professional services and recurring allowance for credit losses, which include fixed and variable costs components. We believe that Adjusted EBITDA Margin is a useful measure of our profitability and efficiency as well as our earnings given its ability to measure the Company on a more comparable basis period-over-period, given we are often involved in transactions that are not comparable between periods. |

| | Six Months Ended | | |
|---|---|---|---|
| | **30 June 2023** | **30 June 2022** | **31 December 2022** |
| **Total revenue** | **$ 487,305** | **$ 933,528** | **$ 985,821** |
| Net gain (loss) on commodity derivative instruments[(a)] | 54,525 | (468,731) | (427,071) |
| **Total Revenue, Inclusive of Settled Hedges** | **$ 541,830** | **$ 464,797** | **$ 558,750** |
| **Adjusted EBITDA** | **$ 282,864** | **$ 223,760** | **$ 279,194** |
| **Adjusted EBITDA Margin** | **52%** | **48%** | **50%** |

| | |
|---|---|
| **Average Quarterly Dividend per Share** | Average Quarterly Dividend per Share is reflective of the average of the dividends per share declared throughout the applicable fiscal year which gives consideration to changes in dividend rates and changes in the amount of shares outstanding. We use Average Quarterly Dividend per Share as we seek to pay a consistent and reliable dividend to shareholders. |

| | Six Months Ended | | |
|---|---|---|---|
| | **30 June 2023** | **30 June 2022** | **31 December 2022** |
| Declared on first quarter results 2023, 2022 and 2022, respectively | $ 0.04375 | $ 0.04250 | $ 0.04250 |
| Declared on second quarter results 2023, 2022 and 2022, respectively | 0.04375 | 0.04250 | 0.04250 |
| Declared on third quarter results 2022, 2021 and 2022, respectively | 0.04375 | 0.04250 | 0.04375 |
| Declared on fourth quarter results 2022, 2021 and 2022, respectively | 0.04375 | 0.04250 | 0.04375 |
| **TTM Average Quarterly Dividend per Share** | **$ 0.04375** | **$ 0.04250** | **$ 0.04313** |
| **TTM Total Dividends per Share** | **$ 0.17500** | **$ 0.17000** | **$ 0.17250** |

Amounts in thousands, except per share and per unit data;

a) Net gain (loss) on commodity derivative settlements represents cash (paid) or received on commodity derivative contracts. This excludes settlements on foreign currency and interest rate derivatives as well as the gain (loss) on fair value adjustments for unsettled financial instruments for each of the periods presented.

# ALTERNATIVE PERFORMANCE METRICS *(UNAUDITED)*

| Free Cash Flow | As used herein, Free Cash Flow represents net cash provided by operating activities less expenditures on natural gas and oil properties and equipment and cash paid for interest. We believe that Free Cash Flow is a useful indicator of our ability to generate cash that is available for activities other than capital expenditures. The Directors believe that Free Cash Flow provides investors with an important perspective on the cash available to service debt obligations, make strategic acquisitions and investments and pay dividends. |
|---|---|

| | Six Months Ended | | |
|---|---|---|---|
| | 30 June 2023 | 30 June 2022 | 31 December 2022 |
| **Net cash provided by operating activities** | $ **172,566** | $ **204,987** | $ **182,777** |
| LESS: Expenditures on natural gas and oil properties and equipment | (32,332) | (44,539) | (41,540) |
| LESS: Cash paid for interest | (59,415) | (32,605) | (50,331) |
| **Free Cash Flow** | $ **80,819** | $ **127,843** | $ **90,906** |

| **Adjusted Operating Cost per Boe** and **Employees, Administrative Costs & Professional Services** | Adjusted Operating Cost per Boe is a metric that allows us to measure the direct operating cost and the portion of general and administrative cost it takes to produce each Boe. This metric, similar to Adjusted EBITDA Margin, includes operating expense, employees, administrative costs and professional services and recurring allowance for credit losses, which include fixed and variable cost components.<br><br>As used herein, employees, administrative costs and professional services represents total administrative expenses excluding cost associated with acquisitions, other adjusting costs and non-cash expenses. We use employees, administrative costs and professional services because this measure excludes items that affect the comparability of results or that are not indicative of trends in the ongoing business. |
|---|---|

| | Six Months Ended | | |
|---|---|---|---|
| | 30 June 2023 | 30 June 2022 | 31 December 2022 |
| **Total production (MBoe)** | **25,697** | **24,620** | **24,734** |
| Total operating expense | $ 227,299 | $ 206,357 | $ 239,536 |
| Employees, administrative costs and professional services | 38,497 | 36,245 | 40,927 |
| **Adjusted Operating Cost** | $ **265,796** | $ **242,602** | $ **280,463** |
| **Adjusted Operating Cost per BOE** | $ **10.34** | $ **9.85** | $ **11.34** |

Amounts in thousands, except per share and per unit data;

# REVENUE RECONCILIATION (NON-IFRS) *(UNAUDITED)*

| | 1Q22 | 2Q22 | 3Q22 | 4Q22 | FY22 | 1Q23 | 2Q23 | 1H23 | Units | 1Q22 | 2Q22 | 3Q22 | 4Q22 | FY22 | 1Q23 | 2Q23 | 1H23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Production:** | | | | | | | | | | | | | | | | | |
| Natural gas (MMcf) | 62,419 | 64,979 | 64,344 | 63,854 | 255,597 | 63,815 | 68,053 | 131,868 | | | | | | | | | |
| Oil (MBbls) | 385 | 401 | 378 | 390 | 1,554 | 399 | 339 | 738 | | | | | | | | | |
| NGL (MBbls) | 1,258 | 1,343 | 1,283 | 1,317 | 5,200 | 1,457 | 1,524 | 2,981 | | | | | | | | | |
| **Total MBOE** | **12,046** | **12,574** | **12,385** | **12,349** | **49,354** | **12,491** | **13,205** | **25,697** | | | | | | | | | |
| **MBOED** | **133.8** | **138.2** | **134.6** | **134.2** | **135.2** | **138.8** | **145.1** | **142.0** | | | | | | | | | |
| **Unhedged revenue & EBITDA:** | | | | | | | | | | | | | | | | | |
| Natural gas | $ 287,742 | $ 433,138 | $ 472,804 | $ 350,974 | $ 1,544,658 | $ 212,004 | $ 122,584 | $ 334,588 | mcf | $ 4.61 | $ 6.67 | $ 7.35 | $ 5.50 | $ 6.04 | $ 3.32 | $ 1.80 | $ 2.54 |
| Oil | 35,224 | 43,593 | 31,273 | 29,531 | 139,620 | 29,775 | 24,519 | 54,294 | bbl | 91.49 | 108.71 | 82.73 | 75.72 | 89.85 | 74.62 | 72.33 | 73.57 |
| NGL | 57,787 | 56,331 | 42,191 | 32,424 | 188,733 | 39,694 | 27,465 | 67,159 | bbl | 45.94 | 41.95 | 32.89 | 24.63 | 36.30 | 27.25 | 18.02 | 22.53 |
| Commodity revenue (unhedged) | $ 380,753 | $ 533,062 | $ 546,268 | $ 412,929 | $ 1,873,011 | $ 281,473 | $ 174,568 | $ 456,041 | **boe** | $ 31.61 | $ 42.39 | $ 44.11 | $ 33.44 | $ 37.95 | $ 22.53 | $ 13.22 | $ 17.75 |
| Midstream revenue | 8,944 | 7,658 | 8,673 | 7,511 | 32,798 | 9,040 | 7,622 | 16,662 | boe | 0.74 | 0.61 | 0.70 | 0.61 | 0.66 | 0.72 | 0.58 | 0.65 |
| Other revenue | 747 | 329 | 753 | 2,513 | 4,331 | 997 | 2,075 | 3,072 | boe | 0.06 | 0.03 | 0.06 | 0.20 | 0.09 | 0.08 | 0.16 | 0.12 |
| **Total revenue (unhedged)** | **$ 390,444** | **$ 541,049** | **$ 555,694** | **$ 422,953** | **$ 1,910,140** | **$ 291,510** | **$ 184,265** | **$ 475,775** | **boe** | **$ 32.41** | **$ 43.03** | **$ 44.87** | **$ 34.25** | **$ 38.70** | **$ 23.34** | **$ 13.95** | **$ 18.52** |
| **EBITDA (unhedged)** | **$ 274,254** | **$ 416,819** | **$ 420,476** | **$ 285,206** | **$ 1,396,752** | **$ 160,862** | **$ 58,880** | **$ 219,742** | **boe** | **$ 22.77** | **$ 33.15** | **$ 33.95** | **$ 23.10** | **$ 28.30** | **$ 12.88** | **$ 4.46** | **$ 8.55** |
| **Expenses:** | | | | | | | | | | | | | | | | | |
| Operational expenses | $ 97,586 | $ 106,589 | $ 115,167 | $ 116,874 | $ 436,216 | $ 111,405 | $ 106,130 | $ 217,534 | boe | $ 8.10 | $ 8.48 | $ 9.30 | $ 9.46 | $ 8.84 | $ 8.92 | $ 8.04 | $ 8.47 |
| Administrative expenses (recurring) | 18,604 | 17,641 | 20,052 | 20,873 | 77,172 | 19,243 | 19,255 | 38,497 | boe | 1.54 | 1.40 | 1.62 | 1.69 | 1.56 | 1.54 | 1.46 | 1.50 |
| **Total expenses** | **$ 116,190** | **$ 124,230** | **$ 135,219** | **$ 137,747** | **$ 513,388** | **$ 130,648** | **$ 125,385** | **$ 256,032** | **boe** | $ 9.65 | $ 9.88 | $ 10.92 | $ 11.15 | $ 10.40 | $ 10.46 | $ 9.50 | $ 9.96 |
| **Settled hedges:** | | | | | | | | | | | | | | | | | |
| Natural gas | $ (123,479) | $ (261,707) | $ (263,645) | $ (133,692) | $ (782,525) | $ (10,492) | $ 66,236 | $ 55,741 | mcf | $ (1.98) | $ (4.03) | $ (4.10) | $ (2.09) | $ (3.06) | $ (0.16) | $ 0.97 | $ 0.42 |
| Oil | (8,177) | (10,714) | (5,888) | (2,949) | (27,728) | (2,220) | (1,565) | (3,785) | bbl | (21.24) | (26.72) | (15.58) | (7.56) | (17.84) | (5.56) | (4.62) | (5.13) |
| NGL | (32,996) | (31,658) | (15,162) | (5,733) | (85,549) | (3,497) | 6,065 | 2,569 | bbl | (26.23) | (23.57) | (11.82) | (4.35) | (16.45) | (2.40) | 3.98 | 0.86 |
| **Total gain (loss)** | **$ (164,652)** | **$ (304,079)** | **$ (284,695)** | **$ (142,374)** | **$ (895,802)** | **$ (16,209)** | **$ 70,736** | **$ 54,525** | **boe** | $ (13.67) | $ (24.18) | $ (22.99) | $ (11.53) | $ (18.15) | $ (1.30) | $ 5.36 | $ 2.12 |
| **Hedged revenue & EBITDA:** | $ 164,263 | $ 171,431 | $ 209,159 | $ 217,282 | $ 762,133 | $ 201,512 | $ 188,820 | $ 390,329 | | | | | | | | | |
| Natural gas | 27,047 | 32,879 | 25,385 | 26,582 | 111,892 | 27,555 | 22,954 | 50,509 | mcf | $ 2.63 | $ 2.64 | $ 3.25 | $ 3.40 | $ 2.98 | $ 3.16 | $ 2.77 | $ 2.96 |
| Oil | 24,791 | 24,673 | 27,029 | 26,691 | 103,184 | 36,197 | 33,530 | 69,728 | bbl | 70.25 | 81.99 | 67.16 | 68.16 | 72.00 | 69.06 | 67.71 | 68.44 |
| NGL | $ 164,263 | $ 171,431 | $ 209,159 | $ 217,282 | $ 762,134 | $ 201,512 | $ 188,820 | $ 390,332 | bbl | 19.71 | 18.37 | 21.07 | 20.27 | 19.84 | 24.85 | 22.00 | 23.39 |
| Commodity revenue (hedged) | $ 216,101 | $ 228,983 | $ 261,573 | $ 270,555 | $ 977,209 | $ 265,264 | $ 245,304 | $ 510,566 | boe | $ 17.94 | $ 18.21 | $ 21.12 | $ 21.91 | $ 19.80 | $ 21.24 | $ 18.58 | $ 19.87 |
| Midstream revenue | 8,944 | 7,658 | 8,673 | 7,511 | 32,798 | 9,040 | 7,622 | 16,662 | boe | 0.74 | 0.61 | 0.70 | 0.61 | 0.66 | 0.72 | 0.58 | 0.65 |
| Other revenue | 747 | 329 | 753 | 2,513 | 4,331 | 997 | 2,075 | 3,072 | boe | 0.06 | 0.03 | 0.06 | 0.20 | 0.09 | 0.08 | 0.16 | 0.12 |
| **Total revenue (hedged)** | **$ 225,792** | **$ 236,970** | **$ 270,999** | **$ 280,579** | **$ 1,014,339** | **$ 275,301** | **$ 255,001** | **$ 530,302** | **boe** | $ 18.74 | $ 18.85 | $ 21.88 | $ 22.72 | $ 20.55 | $ 22.04 | $ 19.31 | $ 20.64 |
| Gain on Land Sale | $ - | $ 1,565 | $ 907 | $ - | $ 2,472 | $ 5,761 | $ 1,068 | $ 6,830 | **boe** | $ - | $ 0.12 | $ 0.07 | $ - | $ 0.05 | $ 0.46 | $ 0.08 | $ 0.27 |
| **EBITDA (hedged)** | **$ 109,602** | **$ 114,304** | **$ 136,688** | **$ 142,832** | **$ 503,422** | **$ 150,414** | **$ 130,685** | **$ 281,099** | **boe** | $ 9.10 | $ 9.09 | $ 11.04 | $ 11.57 | $ 10.20 | $ 12.04 | $ 9.90 | $ 10.94 |

Amounts in thousands unless otherwise noted; Excludes the impact of Next Level Energy for comparative purposes

# EXPENSE RECONCILIATION (NON-IFRS) *(UNAUDITED)*

| | 1Q22 | 2Q22 | 1H22 | 3Q22 | 4Q22 | FY22 | 1Q23 | 2Q23 | 1H23 | Units |
|---|---|---|---|---|---|---|---|---|---|---|
| **Production:** | | | | | | | | | | |
| Natural gas (MMcf) | 62,419 | 64,979 | 127,398 | 64,344 | 63,854 | 255,597 | 63,815 | 68,053 | 131,868 | |
| Oil (MBbls) | 385 | 401 | 786 | 378 | 390 | 1,554 | 399 | 339 | 738 | |
| NGL (MBbls) | 1,258 | 1,343 | 2,601 | 1,283 | 1,317 | 5,200 | 1,457 | 1,524 | 2,981 | |
| **Total MBOE** | **12,046** | **12,574** | **24,620** | **12,385** | **12,349** | **49,354** | **12,491** | **13,205** | **25,697** | |
| **MBOED** | **133.8** | **138.2** | **136.0** | **134.6** | **134.2** | **135.2** | **138.8** | **145.1** | **142.0** | |
| **Revenue:** | | | | | | | | | | |
| Total revenue (unhedged) | 390,444 | 541,049 | 931,492 | 555,694 | 422,953 | 1,910,140 | 291,510 | 184,265 | 475,775 | boe |
| Settled hedges | (164,652) | (304,079) | (468,731) | (284,696) | (142,374) | (895,802) | (16,209) | 70,736 | 54,525 | boe |
| **Total revenue (hedged)** | **$ 225,792** | **$ 236,970** | **$ 462,761** | **$ 270,998** | **$ 280,579** | **$ 1,014,338** | **$ 275,301** | **$ 255,001** | **$ 530,302** | **boe** |
| **Operating expenses & gross profit:** | | | | | | | | | | |
| Lease Operating Expense | $ 39,372 | $ 40,222 | $ 79,594 | $ 44,845 | $ 48,702 | $ 173,140 | $ 50,763 | $ 51,110 | $ 101,872 | boe |
| Midstream expense | 16,124 | 17,032 | 33,156 | 19,369 | 18,628 | 71,154 | 17,544 | 16,847 | 34,391 | boe |
| Gathering and transportation | 27,185 | 30,362 | 57,547 | 29,822 | 30,705 | 118,073 | 26,009 | 23,955 | 49,964 | boe |
| Production taxes | 14,905 | 18,973 | 33,878 | 21,131 | 18,839 | 73,849 | 17,089 | 14,218 | 31,307 | boe |
| **Total operating expenses (a)** | **$ 97,586** | **$ 106,589** | **$ 204,175** | **$ 115,167** | **$ 116,874** | **$ 436,216** | **$ 111,405** | **$ 106,130** | **$ 217,534** | boe |
| **Gross profit (unhedged)** | **$ 292,858** | **$ 434,460** | **$ 727,317** | **$ 440,528** | **$ 306,079** | **$ 1,473,924** | **$ 180,105** | **$ 78,135** | **$ 258,240** | **boe** |
| **G&A & total expense:** | | | | | | | | | | |
| Total administrative expenses | $ 84,605 | $ 29,677 | $ 114,282 | $ 30,243 | $ 26,209 | $ 170,735 | $ 28,846 | $ 26,312 | $ 55,156 | boe |
| Total expenses | $ 182,191 | $ 136,266 | $ 318,457 | $ 145,410 | $ 143,083 | $ 606,951 | $ 140,251 | $ 132,442 | $ 272,692 | boe |
| Acquisition and integration costs | $ 64,494 | $ 9,474 | $ 73,968 | $ 8,324 | $ 3,221 | $ 85,512 | $ 7,651 | $ 4,591 | $ 12,242 | |
| Provision for owner int rec | - | - | - | - | - | - | - | - | - | |
| Non-cash equity compensation | 1,507 | 2,562 | 4,069 | 1,867 | 2,115 | 8,051 | 1,951 | 2,466 | 4,417 | boe |
| Total G&A adjustments | $ 66,001 | $ 12,036 | $ 78,037 | $ 10,191 | $ 5,336 | $ 93,563 | $ 9,602 | $ 7,059 | $ 16,661 | boe |
| **Administrative expenses (recurring)** | **$ 18,604** | **$ 17,641** | **$ 36,245** | **$ 20,052** | **$ 20,873** | **$ 77,172** | **$ 19,243** | **$ 19,255** | **$ 38,497** | **boe** |
| **Total expenses (recurring)** | **$ 116,190** | **$ 124,230** | **$ 240,420** | **$ 135,219** | **$ 137,747** | **$ 513,388** | **$ 130,648** | **$ 125,385** | **$ 256,032** | **boe** |
| Gain on Land Sale | $ - | $ 1,565 | $ 1,565 | $ 907 | $ - | $ 2,472 | $ 5,761 | $ 1,068 | $ 6,830 | boe |
| **EBITDA:** | | | | | | | | | | |
| **Adjusted EBITDA (unhedged)** | **$ 274,254** | **$ 418,383** | **$ 691,072** | **$ 421,383** | **$ 285,206** | **$ 1,399,224** | **$ 166,623** | **$ 59,949** | **$ 226,572** | **boe** |
| **Settled hedges** | **(164,652)** | **(304,079)** | **(468,731)** | **(284,695)** | **(142,374)** | **(895,802)** | **(16,209)** | **70,736** | **54,525** | **boe** |
| **Adjusted EBITDA (hedged)** | **$ 109,602** | **$ 114,304** | **$ 222,341** | **$ 136,688** | **$ 142,832** | **$ 503,422** | **$ 150,414** | **$ 130,685** | **$ 281,099** | **boe** |

| | 1Q22 | 2Q22 | 1H22 | 3Q22 | 4Q22 | FY22 | 1Q23 | 2Q23 | 1H23 |
|---|---|---|---|---|---|---|---|---|---|
| Total revenue (unhedged) | 32.41 | 43.03 | 37.83 | 44.87 | 34.25 | 38.70 | 23.34 | 13.95 | 18.52 |
| Settled hedges | (13.67) | (24.18) | (19.04) | (22.99) | (11.53) | (18.15) | (1.30) | 5.36 | 2.12 |
| **Total revenue (hedged)** | **$ 18.74** | **$ 18.85** | **$ 18.80** | **$ 21.88** | **$ 22.72** | **$ 20.55** | **$ 22.04** | **$ 19.31** | **$ 20.64** |
| Lease Operating Expense | $ 3.27 | $ 3.20 | $ 3.23 | $ 3.62 | $ 3.94 | $ 3.51 | $ 4.06 | $ 3.87 | $ 3.96 |
| Midstream expense | 1.34 | 1.35 | 1.35 | 1.56 | 1.51 | 1.44 | 1.40 | 1.28 | 1.34 |
| Gathering and transportation | 2.26 | 2.41 | 2.34 | 2.41 | 2.49 | 2.39 | 2.08 | 1.81 | 1.94 |
| Production taxes | 1.24 | 1.51 | 1.38 | 1.71 | 1.53 | 1.50 | 1.37 | 1.08 | 1.22 |
| **Total operating expenses (a)** | **$ 8.10** | **$ 8.48** | **$ 8.29** | **$ 9.30** | **$ 9.46** | **$ 8.84** | **$ 8.92** | **$ 8.04** | **$ 8.47** |
| **Gross profit (unhedged)** | **$ 24.31** | **$ 34.55** | **$ 29.54** | **$ 35.57** | **$ 24.79** | **$ 29.86** | **$ 14.42** | **$ 5.92** | **$ 10.05** |
| Total administrative expenses | $ 7.02 | $ 2.36 | $ 4.64 | $ 2.44 | $ 2.12 | $ 3.46 | $ 2.31 | $ 1.99 | $ 2.15 |
| Total expenses | $ 15.12 | $ 10.84 | $ 12.93 | $ 11.74 | $ 11.59 | $ 12.30 | $ 11.23 | $ 10.03 | $ 10.61 |
| Acquisition and integration costs | $ 5.35 | $ 0.75 | $ 3.00 | $ 0.67 | $ 0.26 | $ 1.73 | $ 0.61 | $ 0.35 | $ 0.48 |
| Provision for owner int rec | - | - | - | - | - | - | - | - | - |
| Non-cash equity compensation | 0.13 | 0.20 | 0.17 | 0.15 | 0.17 | 0.16 | 0.16 | 0.19 | 0.17 |
| Total G&A adjustments | $ 5.48 | $ 0.96 | $ 3.17 | $ 0.82 | $ 0.43 | $ 1.90 | $ 0.77 | $ 0.53 | $ 0.65 |
| **Administrative expenses (recurring)** | **$ 1.54** | **$ 1.40** | **$ 1.47** | **$ 1.62** | **$ 1.69** | **$ 1.56** | **$ 1.54** | **$ 1.46** | **$ 1.50** |
| **Total expenses (recurring)** | **$ 9.65** | **$ 9.88** | **$ 9.77** | **$ 10.92** | **$ 11.15** | **$ 10.41** | **$ 10.46** | **$ 9.50** | **$ 9.96** |
| Gain on Land Sale | $ - | $ 0.12 | $ 0.06 | $ 0.07 | $ - | $ 0.05 | $ 0.46 | $ 0.08 | $ 0.27 |
| **Adjusted EBITDA (unhedged)** | **$ 22.77** | **$ 33.27** | **$ 28.07** | **$ 34.02** | **$ 23.10** | **$ 28.35** | **$ 13.34** | **$ 4.54** | **$ 8.82** |
| **Settled hedges** | **(13.67)** | **(24.18)** | **(19.04)** | **(22.99)** | **(11.53)** | **(18.15)** | **(1.30)** | **5.36** | **2.12** |
| **Adjusted EBITDA (hedged)** | **$ 9.10** | **$ 9.09** | **$ 9.03** | **$ 11.04** | **$ 11.57** | **$ 10.20** | **$ 12.04** | **$ 9.90** | **$ 10.94** |

Amounts in thousands unless otherwise noted; Excludes the impact of Next Level Energy for comparative purposes

a) Certain expense reclassifications were made to conform previously reported results to current presentation

DIVERSIFIED energy

## DIVERSIFIED

## BROKERS


**Corporate**

PO Box 381087
Birmingham, Alabama
35238-1087 (USA)
div.energy

Douglas Kris
dkris@dgoc.com
+1 973 856 2757

**Tennyson**

Tennyson Securities
65 Petty France
London SW1H 9EU

Peter Krens
peter.krens@tennysonsecurities.co.uk
+44 (0)20 7186 9033

**Stifel**

Stifel Nicolaus Europe Ltd
150 Cheapside
London EC2V 6ET

Ashton Clanfield
ashton.clanfield@stifel.com
+44 (0)20 7710 7459

**Peel Hunt**

Peel Hunt LLP
100 Liverpool Street
London EC2M 2AT

Richard Crichton
richard.crichton@peelhunt.com
+44 (0)20 7418 8928