
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO SECTION 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**
For the month of August 2024
Commission File Number: 001-41870



DIVERSIFIED
energy

Diversified Energy Company PLC

(Translation of registrant's name into English)

1600 Corporate Drive

Birmingham, Alabama 35242

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

EXPLANATORY NOTE

On June 6, 2024, Diversified Energy Company PLC (the “Company”) acquired Oaktree Capital Management, LP’s 100% membership interest in OCM Denali Holdings, L.L.C. and its subsidiaries (“Oaktree”), whose assets predominantly included non-operated working interests in producing wells and related facilities in the Company’s Central Region. This Form 6-K provides certain statements of revenues and direct operating expenses of Oaktree and pro forma financial information of the Company.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Unaudited Statement of Revenues and Direct Operating Expenses of OCM Denali Holdings, L.L.C. for the three months ended March 31, 2024 and 2023
99.2	Audited Statement of Revenues and Direct Operating Expenses of OCM Denali Holdings, L.L.C. for the year ended December 31, 2023
99.3	Unaudited Pro Forma Condensed Combined Financial Information
99.4	Consent of PricewaterhouseCoopers LLP

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Diversified Energy Company plc

August 20, 2024

Date

By: /s/ Bradley G. Gray

Bradley G. Gray
President & Chief Financial Officer

OCM Denali Holdings, L.L.C.
Statements of Revenues and Direct Operating Expenses
and
Notes to the Statements of Revenues and Direct Operating
Expenses
(Unaudited)
Three Months Ended March 31, 2024 and 2023

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OCM Denali Holdings, L.L.C.
Statements of Revenues and Direct Operating Expenses (Unaudited)

<i>(In thousands)</i>	Three Months Ended	
	March 31, 2024	March 31, 2023
Revenues	\$ 35,398	\$ 42,512
Direct operating expenses	19,344	22,231
Excess of revenues over direct operating expenses	\$ 16,054	\$ 20,281

See accompanying Notes to the Statements of Revenues and Direct Operating Expenses.

**OCM Denali Holdings, L.L.C. (“Oaktree”)
Notes to Statements of Revenues and Direct Operating Expenses (Unaudited)**

Note 1 - Basis of Preparation

On June 6, 2024 Diversified Energy Company PLC (the “Company”) acquired Oaktree Capital Management, LP’s 100% membership interest in OCM Denali Holdings, LLC and its subsidiaries (the “Oaktree Transaction”), whose assets predominantly included non-operated working interests in producing wells and related facilities (the “Assets”).

The accompanying Statements of Revenues and Direct Operating Expenses represent the direct undivided interests in the revenues and direct operating expenses associated with the Assets. The Statements of Revenues and Direct Operating Expenses have been derived from the historical financial records related to the Assets. For purposes of these statements, all properties identified in the purchase agreement are included herein. During the periods presented, the Assets were not accounted for or operated as a separate entity, subsidiary, segment or division by Oaktree. Accordingly, a complete set of financial statements required by the Securities and Exchange Commission’s Regulation S-X, including a balance sheet and statement of cash flows, prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) is not available or practicable to prepare for the Assets. The accompanying Statements of Revenues and Direct Operating Expenses vary from a complete income statement in accordance with U.S. GAAP in that it does not reflect certain expenses incurred in connection with the ownership and operation of the Assets, including but not limited to depreciation, depletion and amortization, impairments, accretion of asset retirement obligations, general and administrative expenses, interest expense and federal and state income taxes. These costs were not separately allocated to the working interests of the Assets in Oaktree’s accounting records. In addition, these Statements of Revenues and Direct Operating Expenses is not indicative of the results of operations for the Assets on a go forward basis.

The accompanying Statements for the three months ended March 31, 2024 and 2023 are unaudited. The unaudited interim statements have been prepared on the same basis as the annual statements. In the opinion of management, such unaudited interim statements reflect all normal recurring adjustments necessary for a fair statement of the revenues and direct operating expenses of the Assets.

Note 2 - Summary of Significant Accounting Policies

Revenue Recognition

Commodity revenue is derived from sales of natural gas, NGLs and oil products and is recognized when the customer obtains control of the commodity. This transfer generally occurs when the product is physically transferred into a vessel, pipe, sales meter or other delivery mechanism. This also represents the point at which the single performance obligation is carried out to the customer under contracts for the sale of natural gas, NGLs and oil.

Commodity revenue is recorded based on the volumes accepted each day by customers at the delivery point and is measured using the respective market price index for the applicable commodity plus or minus the applicable basis differential based on the quality of the product.

Direct Operating Expenses

Direct operating expenses are recognized when incurred and consist of the direct expenses of operating the Assets. Direct operating expenses include lease operating expenses, production taxes and gathering, processing and transportation costs. Lease operating expenses include well repair expenses, saltwater disposal costs, facility maintenance expenses, and other field-related expenses. Lease operating expenses also include expenses directly associated with support personnel, support services, equipment and facilities directly related to natural gas and oil production activities.

Use of Estimates

The Statements of Revenues and Direct Operating Expenses are derived from the historical operating statements of Oaktree. Accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts reported in the Statements of Revenues and Direct Operating Expenses. Actual results could differ from those estimates. Revenues and direct operating expenses relate to the historical net revenue interest and net working interest, respectively, in the Assets.

Note 3 - Subsequent Events

The Company has evaluated subsequent events through August 20, 2024, the date the Statements of Revenues and Direct Operating Expenses was available to be issued, and has concluded that no events, except as described in Note 1, need to be reported.

OCM Denali Holdings, L.L.C.
Statement of Revenues and Direct Operating Expenses
Year Ended December 31, 2023
with Report of Independent Auditors

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Report of Independent Auditors

To the Management of Diversified Energy Company PLC

Opinion

We have audited the accompanying statement of revenues and direct operating expenses for the natural gas and oil properties of OCM Denali Holdings, LLC (the "OCM Properties") for the year ended December 31, 2023, including the related notes (collectively referred to as the "statement of revenues and direct operating expenses").

In our opinion, the accompanying statement of revenues and direct operating expenses presents fairly, in all material respects, the revenues and direct operating expenses of the OCM Properties, as described in Note 1, for the year ended December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Statement of Revenues and Direct Operating Expenses section of our report. We are required to be independent of the OCM Properties and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The accompanying statement of revenues and direct operating expenses was prepared in connection with the acquisition of the OCM Properties by Diversified Energy Company PLC and, as described in Note 1, was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission. The statement of revenues and direct operating expenses is not intended to be a complete presentation of the financial position, results of operations or cash flows of the OCM Properties. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Statement of Revenues and Direct Operating Expenses

Management is responsible for the preparation and fair presentation of the statement of revenues and direct operating expenses in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of revenues and direct operating expense that is free from material misstatement, whether due to fraud or error.

In preparing the statement of revenues and direct operating expenses, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the OCM Properties' ability to continue as a going concern for one year after the date the statement of revenues and direct operating expenses is available to be issued.

Auditors' Responsibilities for the Audit of the Statement of Revenues and Direct Operating Expenses

Our objectives are to obtain reasonable assurance about whether the statement of revenues and direct operating expenses as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the statement of revenues and direct operating expenses.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statement of revenues and direct operating expenses, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statement of revenues and direct operating expenses.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OCM Properties' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statement of revenues and direct operating expenses.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the OCM Properties' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers LLP

Birmingham, Alabama
August 20, 2024

OCM Denali Holdings, L.L.C.
Statement of Revenues and Direct Operating Expenses

<i>(In thousands)</i>	Year Ended	
	December 31, 2023	
Revenues	\$	152,521
Direct operating expenses		87,210
Excess of revenues over direct operating expenses	\$	65,311

See accompanying Notes to the Statement of Revenues and Direct Operating Expenses.

**OCM Denali Holdings, L.L.C. (“Oaktree”)
Notes to Statement of Revenues and Direct Operating Expenses**

Note 1 - Basis of Preparation

On June 6, 2024 Diversified Energy Company PLC (the “Company”) acquired Oaktree Capital Management, LP’s 100% membership interest in OCM Denali Holdings, LLC and its subsidiaries (the “Oaktree Transaction”), whose assets predominantly included non-operated working interests in producing wells and related facilities (the “Assets”).

The accompanying Statement of Revenues and Direct Operating Expenses represent the direct undivided interests in the revenues and direct operating expenses associated with the Assets. The Statement of Revenues and Direct Operating Expenses has been derived from the historical financial records related to the Assets. For purposes of this statement, all properties identified in the purchase agreement are included herein. During the period presented, the Assets were not accounted for or operated as a separate entity, subsidiary, segment or division by Oaktree. Accordingly, a complete set of financial statements required by the Securities and Exchange Commission’s Regulation S-X, including a balance sheet and statement of cash flows, prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) is not available or practicable to prepare for the Assets. The accompanying Statement of Revenues and Direct Operating Expenses vary from a complete income statement in accordance with U.S. GAAP in that it does not reflect certain expenses incurred in connection with the ownership and operation of the Assets, including but not limited to depreciation, depletion and amortization, impairments, accretion of asset retirement obligations, general and administrative expenses, interest expense and federal and state income taxes. These costs were not separately allocated to the working interests of the Assets in Oaktree’s accounting records. In addition, this Statement of Revenues and Direct Operating Expenses is not indicative of the results of operations for the Assets on a go forward basis.

Note 2 - Summary of Significant Accounting Policies

Revenue Recognition

Commodity revenue is derived from sales of natural gas, NGLs and oil products and is recognized when the customer obtains control of the commodity. This transfer generally occurs when the product is physically transferred into a vessel, pipe, sales meter or other delivery mechanism. This also represents the point at which the single performance obligation is carried out to the customer under contracts for the sale of natural gas, NGLs and oil.

Commodity revenue is recorded based on the volumes accepted each day by customers at the delivery point and is measured using the respective market price index for the applicable commodity plus or minus the applicable basis differential based on the quality of the product.

Direct Operating Expenses

Direct operating expenses are recognized when incurred and consist of the direct expenses of operating the Assets. Direct operating expenses include lease operating expenses, production taxes and gathering, processing and transportation costs. Lease operating expenses include well repair expenses, saltwater disposal costs, facility maintenance expenses, and other field-related expenses. Lease operating expenses also include expenses directly associated with support personnel, support services, equipment and facilities directly related to natural gas and oil production activities.

Use of Estimates

The Statement of Revenues and Direct Operating Expenses is derived from the historical operating statements of Oaktree. U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Statement of Revenues and Direct Operating Expenses. Actual results could differ from those estimates. Revenues and direct operating expenses relate to the historical net revenue interest and net working interest, respectively, in the Assets.

Note 3 - Subsequent Events

The Company has evaluated subsequent events through August 20, 2024, the date the Statement of Revenues and Direct Operating Expenses was available to be issued, and has concluded that no events, except as described in Note 1, need to be reported.

OCM Denali Holdings, L.L.C.
Supplemental Oil and Gas Information (Unaudited)

Natural Gas, Oil and NGL Reserve Quantities

The Company's petroleum engineers estimated all of Oaktree's proved reserves as of December 31, 2023.

Proved natural gas, oil, and NGL reserves are those quantities of natural gas, oil, and NGL which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations – prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. Based on reserve reporting rules, the price is calculated using the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within the period.

Developed natural gas, oil, and NGL reserves are reserves of any category that can be expected to be recovered through existing wells with existing equipment and operating methods where production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

The information provided below on the Assets' natural gas, oil, and NGL reserves is presented in accordance with regulations prescribed by the Securities and Exchange Commission. These reserve estimates are generally based upon extrapolation of historical production trends, analogy to similar properties, and volumetric calculations. Accordingly, these estimates will change as future information becomes available and as commodity prices change. These changes could be material and could occur in the near term.

Presented below is a summary of change in estimated reserves for the periods presented:

	Natural Gas (MMcf)	NGLs (MBbls)	Oil (MBbls)	Total (MMcfe)
Total proved reserves, beginning of period	555,228	13,352	6,469	674,154
Revisions of previous estimates	(146,142)	(3,737)	(616)	(172,260)
Extensions, discoveries and other additions	3,383	50	83	4,181
Production	(39,539)	(949)	(657)	(49,175)
Purchase of reserves in place	—	—	—	—
Sales of reserves in place	—	—	—	—
Total proved reserves, end of period	372,930	8,716	5,279	456,900
Proved developed reserves				
Beginning of period	555,228	13,352	6,469	674,154
End of period	372,930	8,716	5,279	456,900
Proved undeveloped reserves:				
Beginning of period	—	—	—	—
End of period	—	—	—	—

Standardized Measure of Discounted Cash Flows

The following summary sets forth the Assets' future net cash flows relating to proved natural gas, oil, and NGL reserves based on the standardized measure as of and for the year ended December 31, 2023:

<i>(In thousands)</i>	December 31, 2023
Future cash inflows	\$ 1,371,293
Future production costs	(725,738)
Future development costs	(174,796)
Future income tax expense	(1,621)
Future net cash flows	469,138
10% annual discount for estimated timing of cash flows	(140,870)
Standardized Measure	\$ 328,268

*(In thousands)***December 31, 2023**

Standardized Measure, beginning of year	\$ 1,324,614
Sales and transfers of natural gas and oil produced, net of production costs	(65,311)
Net changes in prices and production costs	(760,888)
Extensions, discoveries, and other additions, net of future production and development costs	5,027
Revisions of previous quantity estimates	(342,713)
Net change in income taxes	1,842
Changes in production rates (timing) and other	32,965
Accretion of discount	132,732
Standardized Measure, end of year	\$ 328,268

Unaudited Pro Forma Condensed Combined Financial Information**Oaktree Capital Management, L.P. (“Oaktree”) Working Interest Asset Acquisition**

On June 6, 2024, Diversified Energy Company, PLC (the “Company”) acquired Oaktree Capital Management, LP’s 100% membership interest in OCM Denali Holdings, LLC and its subsidiaries (the “Oaktree Transaction”), whose assets predominantly included non-operated working interests in producing wells and related facilities (the “Assets”) that are operated by the Company. The Company assessed the Assets and determined that the Oaktree Transaction was considered an asset acquisition rather than a business combination. When making this determination, management evaluated the Oaktree Transaction under International Financial Reporting Standards 3 (“IFRS 3”) and concluded that the acquired assets did not meet the definition of a business. The Company paid purchase consideration of \$220.8 million, inclusive of transaction costs of \$1.2 million and customary purchase price adjustments. As part of the Oaktree Transaction, the Company assumed Oaktree’s debt of \$132.6 million. The Company funded the purchase through a combination of existing and expanded liquidity and issued approximately \$83.3 million in notes payable to Oaktree.

Unaudited Pro Forma Condensed Combined Financial Statements

The following Unaudited Pro Forma Condensed Combined Financial Statements are derived from the historical consolidated financial statements of the Company and historical Statements of Revenues and Direct Operating Expenses related to the Oaktree Transaction.

The Company accounted for the Oaktree Transaction as an asset acquisition under IFRS, as the assets and operations acquired in the Oaktree Transaction do not meet the definition of a business under IFRS 3.

The Oaktree Transaction closed on June 6, 2024. Therefore, the Oaktree Transaction is included in the Company’s Condensed Consolidated Statement of Financial Position as of June 30, 2024. The Unaudited Pro Forma Condensed Combined Statements of Operations for the six-month period ended June 30, 2024 and the year ended December 31, 2023 presented below were prepared as if the Oaktree Transaction had occurred on January 1, 2023.

The Unaudited Pro Forma Condensed Combined Financial Statements reflect the following pro forma adjustments related to the Oaktree Transaction, based on available information and certain assumptions that the Company believes are reasonable:

- adjustments for additional interest expense for the Company’s related borrowing on its Credit Facility, the issuance of a note payable to Oaktree and the assumption of Oaktree’s debt;
- adjustments for additional depletion expense related to the acquired producing properties;
- adjustments for additional accretion expense associated with Oaktree’s proportionate working interest in the asset retirement obligations; and
- the recognition of estimated tax impacts of the pro forma adjustments.

Assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed combined financial statement. In the Company’s opinion, all adjustments that are necessary to present fairly the pro forma information have been made. The historical consolidated financial statements have been adjusted in the Unaudited Pro Forma Condensed Combined Financial Statements to give effect to the Oaktree Transaction.

The unaudited pro forma condensed combined financial information is not intended to represent what the Company’s financial position or results of operations would have been had the Oaktree Transaction actually been consummated on the assumed date nor does it purport to project the future operating results of the combined company following the Oaktree Transaction. The unaudited pro forma condensed combined financial information does not reflect future events that may occur after the Oaktree Transaction, including, but not limited to, the anticipated realization of ongoing savings from potential operating efficiencies, asset dispositions, cost savings, or economies of scale that the combined company may achieve with respect to the combined operations. Specifically, the unaudited pro forma condensed combined statement of operations does not include projected synergies expected to be achieved as a result of the Oaktree Transaction and any associated costs that may be required to be incurred to achieve the identified synergies. The Unaudited Pro Forma Condensed Combined Statements of Operations also exclude the effects of costs of integration activities and asset dispositions that may result from the Oaktree Transaction.

The Unaudited Pro Forma Condensed Combined Financial Statements should be read in conjunction with the historical consolidated financial statements and accompanying notes contained in the Company’s annual report on Form 20-F for the year ended December 31, 2023 and interim report for the six months ended June 30, 2024 and the historical Oaktree Statements of Revenues and Direct Operating Expenses and accompanying notes thereto filed as Exhibits 99.1 and 99.2 to this report on Form 6-K of which this Exhibit 99.3 is a part.

Diversified Energy Company PLC Pro Forma Condensed Combined Statement of Operations For the Six Months Ended June 30, 2024 (Unaudited)

<i>(In thousands, except per share data)</i>	DEC Historical	Oaktree Historical (a)	Oaktree Transaction Adjustments	Pro Forma Combined
Revenue	\$ 368,674	\$ 35,398	\$ 20,891 (b)	\$ 424,963
Operating expense	(196,112)	(19,344)	(8,562) (b)	(224,018)
Depreciation, depletion and amortization	(119,220)	—	(14,887) (c)	(134,097)
Gross profit	53,342	16,054	(2,548)	66,848
General and administrative expense	(58,326)	—	—	(58,326)
Gain (loss) on natural gas and oil property and equipment	7,210	—	—	7,210
Unrealized gain (loss) on investment	2,433	—	—	2,433
Gain (loss) on derivative financial instruments	(2,268)	—	—	(2,268)
Operating profit (loss)	2,391	16,054	(2,548)	15,897
Finance costs	(60,581)	—	(10,684) (d)	(71,265)
Accretion of asset retirement obligation	(14,667)	—	(754) (e)	(15,421)
Loss on early retirement of debt	(10,649)	—	—	(10,649)
Other income (expense)	1,254	—	—	1,254
Income (loss) before taxation	(82,252)	16,054	(13,986)	(80,184)
Income tax benefit (expense)	97,997	—	(497) (f)	97,500
Net income (loss)	15,745	16,054	(14,483)	17,316
Other comprehensive income (loss)	(1,905)	—	—	(1,905)
Total comprehensive income (loss)	\$ 13,840	\$ 16,054	\$ (14,483)	\$ 15,411
Net income (loss) attributable to owners of the parent				
Diversified Energy Company PLC	\$ 15,061	\$ 16,054	\$ (14,483)	\$ 16,632
Non-controlling interest	684	—	—	684
Net income (loss)	\$ 15,745	\$ 16,054	\$ (14,483)	\$ 17,316
Earnings (loss) per share attributable to owners of the parent				
Earnings (loss) per share - basic	\$ 0.32	\$ —	\$ —	\$ 0.35
Earnings (loss) per share - diluted	\$ 0.32	\$ —	\$ —	\$ 0.35
Weighted average shares outstanding - basic	47,202	—	—	47,202
Weighted average shares outstanding - diluted	47,561	—	—	47,561

See accompanying notes to unaudited pro forma condensed combined financial information.

Diversified Energy Company PLC Pro Forma Condensed Combined Statement of Operations For the Year Ended December 31, 2023 (Unaudited)

<i>(In thousands, except per share data)</i>	DEC Historical	Oaktree Historical (g)	Oaktree Transaction Adjustments	Pro Forma Combined
Revenue	\$ 868,263	\$ 152,521	\$ —	\$ 1,020,784
Operating expense	(440,562)	(87,210)	—	(527,772)
Depreciation, depletion and amortization	(224,546)	—	(38,720) ^(c)	(263,266)
Gross profit	203,155	65,311	(38,720)	229,746
General and administrative expense	(119,722)	—	—	(119,722)
Allowance for expected credit losses	(8,478)	—	—	(8,478)
Gain (loss) on natural gas and oil property and equipment	24,146	—	—	24,146
Gain (loss) on sale of equity interest	18,440	—	—	18,440
Unrealized gain (loss) on investment	4,610	—	—	4,610
Gain (loss) on derivative financial instruments	1,080,516	—	—	1,080,516
Impairment of proved properties	(41,616)	—	—	(41,616)
Operating profit (loss)	1,161,051	65,311	(38,720)	1,187,642
Finance costs	(134,166)	—	(29,605) ^(d)	(163,771)
Accretion of asset retirement obligation	(26,926)	—	(1,809) ^(e)	(28,735)
Other income (expense)	385	—	—	385
Income (loss) before taxation	1,000,344	65,311	(70,134)	995,521
Income tax benefit (expense)	(240,643)	—	1,160 ^(f)	(239,483)
Net income (loss)	759,701	65,311	(68,974)	756,038
Other comprehensive income (loss)	(270)	—	—	(270)
Total comprehensive income (loss)	\$ 759,431	\$ 65,311	\$ (68,974)	\$ 755,768
Net income (loss) attributable to owners of the parent				
Diversified Energy Company PLC	\$ 758,018	\$ 65,311	\$ (68,974)	\$ 754,355
Non-controlling interest	1,683	—	—	1,683
Net income (loss)	\$ 759,701	\$ 65,311	\$ (68,974)	\$ 756,038
Earnings (loss) per share attributable to owners of the parent				
Earnings (loss) per share - basic	\$ 16.07	\$ —	\$ —	\$ 15.99
Earnings (loss) per share - diluted	\$ 15.95	\$ —	\$ —	\$ 15.88
Weighted average shares outstanding - basic	47,165	—	—	47,165
Weighted average shares outstanding - diluted	47,514	—	—	47,514

See accompanying notes to unaudited pro forma condensed combined financial information.

Notes to Unaudited Pro Forma Condensed Combined Financial Information

Note 1 - Basis of Pro Forma Presentation

The accompanying unaudited pro forma condensed combined financial information was prepared based on the historical consolidated financial statements of the Company for the year ended December 31, 2023 and the six months ended June 30, 2024, the historical Oaktree Statements of Revenues and Direct Operating Expenses and the historical financial activity of Oaktree from April 1, 2024 through June 6, 2024, the closing date of the Oaktree Transaction. The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2024 and the year ended December 31, 2023 were prepared assuming the Oaktree Transaction occurred on January 1, 2023. The Oaktree Transaction closed on June 6, 2024. Therefore, the Oaktree Transaction is already included in the Company's condensed consolidated statement of financial position as of June 30, 2024.

The unaudited pro forma condensed combined financial information reflects pro forma adjustments that are described in the accompanying notes and are based on available information and certain assumptions that the Company believes are reasonable, however, actual results may differ from those reflected in this statement. In the Company's opinion, all adjustments that are necessary to present fairly the pro forma information have been made. The unaudited pro forma condensed combined financial information does not purport to represent what the Company's results of operations would have been if the Oaktree Transaction had actually occurred on the date indicated above, nor is it indicative of the Company's future results of operations. The unaudited pro forma condensed combined financial information should be read in conjunction with the historical consolidated financial statements and related notes of the Company, as applicable, for the period presented.

Note 2 - Pro Forma Adjustments

The Company accounted for the Oaktree Transaction as an asset acquisition under International Financial Reporting Standards ("IFRS"), as the assets and operations acquired in the Oaktree Transaction do not meet the definition of a business under IFRS 3. The allocation of the purchase price is based upon management's estimates of and assumptions related to the relative fair value of assets acquired and liabilities assumed as of June 6, 2024.

The following adjustments have been made to the accompanying unaudited pro forma condensed combined financial information:

- (a) Amounts are derived from the Oaktree historical Statement of Revenues and Direct Operating Expenses for the three months ended March 31, 2024 included as Exhibit 99.1.
- (b) Adjustments are for the period April 1, 2024 through June 6, 2024, the date the Oaktree Transaction closed.
- (c) Depletion expense associated with the acquired producing properties for the respective 6 and 12 month periods presented.
- (d) Interest expense for the Company's related \$172 million borrowing on its Credit Facility and ABS Warehouse Facility using current interest rates, the issuance of an \$83 million note payable to Oaktree and the assumption of Oaktree's \$133 million proportionate share of the ABS VI debt.
- (e) Accretion of asset retirement obligation associated with Oaktree's proportionate working interest in the asset retirement obligations.
- (f) Adjustments to the income tax provision reflect the historical and adjusted income (loss) before taxation multiplied by an approximate 24% effective tax rate for the periods presented.
- (g) Amounts are derived from the Oaktree historical Statement of Revenues and Direct Operating Expenses for the year ended December 31, 2023 included as Exhibit 99.2.

Note 3 - Supplemental Oil & Gas Reserve Information

Estimated Quantities of Proved Oil and Natural Gas Reserves

The following tables present information regarding net proved oil and natural gas reserves attributable to the Company's interests in proved properties as of December 31, 2023. The information set forth in the tables regarding historical reserves of the Company is based on proved reserves reports prepared in accordance with Securities and Exchange Commission's ("SEC") rules. The Company's petroleum engineers prepared the proved reserves reports as of December 31, 2023.

In addition, the following tables also set forth information as of December 31, 2023 about the estimated net proved oil and natural gas reserves attributable to the Oaktree Transaction, and the pro forma estimated net proved oil and natural gas reserves as if the Oaktree Transaction had occurred on January 1, 2023. The reserve estimates attributable to the Oaktree Transaction at December 31, 2023 presented in the table below were prepared in accordance with the authoritative guidance of the SEC on oil and natural gas reserve estimation and disclosures.

Reserve estimates are inherently imprecise and are generally based upon extrapolation of historical production trends, analogy to similar properties and volumetric calculations. Accordingly, reserve estimates are expected to change, and such changes could be material and occur in the near term as future information becomes available.

	Natural Gas (MMcf)		
	Oaktree		
	DEC Historical	Transaction Adjustments	Pro Forma Combined
Total proved reserves, beginning of period	4,349,611	555,228	4,904,839
Revisions of previous estimates	(658,917)	(146,142)	(805,059)
Extensions, discoveries and other additions	712	3,383	4,095
Production	(256,378)	(39,539)	(295,917)
Purchase of reserves in place	105,713	—	105,713
Sales of reserves in place	(340,697)	—	(340,697)
Total proved reserves, end of period	3,200,044	372,930	3,572,974
Proved developed reserves			
Beginning of period	4,340,779	555,228	4,896,007
End of period	3,184,499	372,930	3,557,429
Proved undeveloped reserves:			
Beginning of period	8,832	—	8,832
End of period	15,545	—	15,545

	NGLs (MBbls)		
	Oaktree		
	DEC Historical	Transaction Adjustments	Pro Forma Combined
Total proved reserves, beginning of period	101,931	13,352	115,283
Revisions of previous estimates	153	(3,737)	(3,584)
Extensions, discoveries and other additions	—	50	50
Production	(5,832)	(949)	(6,781)
Purchase of reserves in place	2,592	—	2,592
Sales of reserves in place	(3,143)	—	(3,143)
Total proved reserves, end of period	95,701	8,716	104,417
Proved developed reserves			
Beginning of period	101,931	13,352	115,283
End of period	94,391	8,716	103,107
Proved undeveloped reserves:			
Beginning of period	—	—	—
End of period	1,310	—	1,310

	Oil (MBbls)		
	Oaktree		
	DEC Historical	Transaction Adjustments	Pro Forma Combined
Total proved reserves, beginning of period	14,830	6,469	21,299
Revisions of previous estimates	(230)	(616)	(846)
Extensions, discoveries and other additions	50	83	133
Production	(1,377)	(657)	(2,034)
Purchase of reserves in place	923	—	923
Sales of reserves in place	(1,580)	—	(1,580)
Total proved reserves, end of period	12,616	5,279	17,895
Proved developed reserves			
Beginning of period	14,830	6,469	21,299
End of period	12,380	5,279	17,659
Proved undeveloped reserves:			
Beginning of period	—	—	—
End of period	236	—	236

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The following table presents the standardized measure of discounted future net cash flows relating to the proved oil and natural gas reserves of the Company and the Oaktree Transaction on a pro forma combined basis as of December 31, 2023. The standardized measure shown below represents estimates only and should not be construed as the current market value of the Company's estimated oil and natural gas reserves or those acquired estimated oil and natural gas reserves attributable to the Oaktree Transaction.

	December 31, 2023		
	DEC Historical	Oaktree Transaction Adjustments	Pro Forma Combined
<i>(In thousands)</i>			
Future cash inflows	\$ 10,900,742	\$ 1,371,293	\$ 12,272,035
Future production costs	(5,345,117)	(725,738)	(6,070,855)
Future development costs	(1,937,293)	(174,796)	(2,112,089)
Future income tax expense	(653,216)	(1,621)	(654,837)
Future net cash flows	2,965,116	469,138	3,434,254
10% annual discount for estimated timing of cash flows	(1,219,580)	(140,870)	(1,360,450)
Standardized Measure	\$ 1,745,536	\$ 328,268	\$ 2,073,804

The following table sets forth the principal changes in the standardized measure of discounted future net cash flows applicable to estimated net proved oil and natural gas reserves of the Company and the Oaktree Transaction on a pro forma combined basis as of December 31, 2023:

	December 31, 2023		
	DEC Historical	Oaktree Transaction Adjustments	Pro Forma Combined
<i>(In thousands)</i>			
Standardized Measure, beginning of year	\$ 6,743,100	\$ 1,324,614	\$ 8,067,714
Sales and transfers of natural gas and oil produced, net of production costs	(431,629)	(65,311)	(496,940)
Net changes in prices and production costs	(5,850,625)	(760,888)	(6,611,513)
Extensions, discoveries, and other additions, net of future production and development costs	(13,682)	5,027	(8,655)
Acquisition of reserves in place	122,613	—	122,613
Divestiture of reserves in place	(377,097)	—	(377,097)
Revisions of previous quantity estimates	(1,224,544)	(342,713)	(1,567,257)
Net change in income taxes	1,688,208	1,842	1,690,050
Changes in production rates (timing) and other	206,646	32,965	239,611
Accretion of discount	882,546	132,732	1,015,278
Standardized Measure, end of year	\$ 1,745,536	\$ 328,268	\$ 2,073,804

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (333-276139) of Diversified Energy Company PLC of our report dated August 20, 2024 relating to the statement of revenues and direct operating expenses of the natural gas and oil properties of OCM Denali Holdings, LLC for the year ended December 31, 2023, which appears in this Report on Form 6-K.

/s/ PricewaterhouseCoopers LLP

Birmingham, Alabama
August 20, 2024
