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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **March 31, 2026**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **001-41870**



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**Diversified Energy Company**

(Exact name of registrant as specified in its charter)

**Delaware**

**42-2283606**

State or other jurisdiction of incorporation or organization

(I.R.S. Employer Identification No.)

**1600 Corporate Drive Birmingham, Alabama**

**35242**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(205) 408-0909**

Securities registered, pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	DEC	New York Stock Exchange

Securities registered, pursuant to Section 12(g) of the Act: **None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes  No**

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). **Yes  No**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

<b>Large accelerated filer</b>	<input checked="" type="checkbox"/>	<b>Accelerated filer</b>	<input type="checkbox"/>	<b>Non-accelerated filer</b>	<input type="checkbox"/>
<b>Smaller reporting company</b>	<input type="checkbox"/>	<b>Emerging growth company</b>	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes  No**

The registrant had 72,323,471 shares of common stock outstanding (excluding shares held by the Employee Benefit Trust) as of May 6, 2026.

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**Glossary of Terms**

**ABS** - Asset-Backed Security

**ASU** - Accounting Standards Update

**Bbl** - Barrel or barrels of oil or natural gas liquids

**Btu** - A British thermal unit, which is a measure of the amount of energy required to raise the temperature of one pound of water one degree Fahrenheit.

**E&P** - Exploration and production

**EBITDAX** - Earnings before interest, tax, depreciation, amortization and exploration expense

**EPS** - Earnings per share

**GAAP** - U.S. Generally Accepted Accounting Principles

**Henry Hub** - A natural gas pipeline delivery point that serves as the benchmark natural gas price underlying NYMEX natural gas futures contracts.

**Mbbls** - Thousand barrels

**Mcf** - Thousand cubic feet of natural gas

**Mcfe** - Thousand cubic feet of natural gas equivalent

**Midstream** - Midstream activities include the processing, storing, transporting and marketing of natural gas, NGLs and oil.

**Mmbtu** - Million British thermal units

**Mmcf** - Million cubic feet of natural gas

**Mmcfe** - Million cubic feet of natural gas equivalent

**Mmcfepd** - Million cubic feet of natural gas equivalent per day

**Mont Belvieu** - A mature trading hub with a high level of liquidity and transparency that sets spot and futures prices for NGLs.

**NGLs** - Natural gas liquids, such as ethane, propane, butane and natural gasoline that are extracted from natural gas production streams.

**NYMEX** - New York Mercantile Exchange

**NYSE** - New York Stock Exchange

**Oil** - Includes crude oil and condensate

**PSU** - Performance-based restricted stock unit

**Realized price** - The cash market price, less all expected quality, transportation and demand adjustments.

**ROU** - Right-of-use asset

**RSU** - Restricted stock unit

**SOFR** - Secured Overnight Financing Rate

**UK** - United Kingdom

**Upstream** - Upstream activities include exploration, discovery, and extraction of natural gas, NGLs, and oil. Often referred to as exploration and production activities, or E&P.

**WTI** - West Texas Intermediate grade crude oil, used as a pricing benchmark for sales contracts and NYMEX oil futures contracts.

**Cautionary Statement Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q contains forward-looking statements that can be identified by the following terminology, including the terms “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible,” or the negative of these terms or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Quarterly Report on Form 10-Q and include, but are not limited to, statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial positions, liquidity, prospects, growth, strategies and the natural gas and oil industry. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances.

Forward-looking statements are not guarantees of future performance and the actual results of our operations, financial position and liquidity, and the development of the markets and the industry in which we operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Quarterly Report on Form 10-Q. In addition, even if the results of operations, financial position and liquidity, and the development of the markets and the industry in which we operate are consistent with the forward-looking statements contained in this Quarterly Report on Form 10-Q, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, the behavior of other market participants, industry trends, competition, commodity prices, changes in regulation, currency fluctuations, our ability to recover our reserves, our ability to successfully integrate acquisitions, our ability to obtain financing to meet liquidity needs, changes in our business strategy, political and economic uncertainty.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date of this Quarterly Report on Form 10-Q, reflect our current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this Quarterly Report on Form 10-Q and in other documents that we file with or furnish to the SEC which could cause actual results to differ. We explicitly disclaim any obligation or undertaking to revise any forward-looking statements in this Quarterly Report on Form 10-Q that may occur due to any change in our expectations or to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q except as may be required by applicable law.

**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements**

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**Condensed Consolidated Balance Sheets (Unaudited)**

<i>(In thousands, except par and share data)</i>	<b>As of</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 54,539	\$ 29,697
Restricted cash	17,303	21,750
Accounts receivable, net	411,674	408,399
Derivatives	76,946	153,150
Prepaid expenses and other current assets	66,947	37,166
<b>Total current assets</b>	<b>\$ 627,409</b>	<b>\$ 650,162</b>
<b>Noncurrent assets:</b>		
Natural gas and oil properties (successful efforts method):		
Proved natural gas and oil properties	\$ 5,850,455	\$ 5,808,908
Unproved natural gas and oil properties	19,804	19,804
Accumulated depletion	(1,412,289)	(1,320,953)
Natural gas and oil properties, net	4,457,970	4,507,759
Property, plant, and equipment, net	460,270	446,022
Restricted cash	83,660	93,663
Deferred tax assets	436,211	287,135
Other assets	170,697	184,218
<b>Total assets</b>	<b>\$ 6,236,217</b>	<b>\$ 6,168,959</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 76,427	\$ 81,814
Accrued liabilities	158,844	193,742
Revenue to be distributed	264,217	240,125
Current portion of long-term debt, net	235,255	236,553
Derivatives	336,738	155,959
Derivatives settlements payable	120,235	27,405
Other current liabilities	144,067	140,096
<b>Total current liabilities</b>	<b>\$ 1,335,783</b>	<b>\$ 1,075,694</b>
<b>Noncurrent liabilities:</b>		
Asset retirement obligations	\$ 870,043	\$ 863,841
Long-term debt, net	2,652,709	2,715,461
Derivatives	540,743	440,567
Other liabilities	92,985	78,406
<b>Total liabilities</b>	<b>\$ 5,492,263</b>	<b>\$ 5,173,969</b>
Commitments and contingent liabilities (Note 12)		
<b>Stockholders' equity:</b>		
Common stock (\$0.01 par value; 350,000,000 authorized; 72,323,471 and 76,979,625 shares issued and outstanding)	\$ 723	\$ 769
Additional paid in capital	1,426,156	1,491,719
Accumulated other comprehensive income (loss)	(583)	(583)
Retained earnings (accumulated deficit)	(692,932)	(507,847)
<b>Total stockholders' equity attributable to DEC</b>	<b>\$ 733,364</b>	<b>\$ 984,058</b>
Noncontrolling interests	10,590	10,932
<b>Total stockholders' equity</b>	<b>\$ 743,954</b>	<b>\$ 994,990</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 6,236,217</b>	<b>\$ 6,168,959</b>

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

**Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**

<i>(In thousands, except share and per share data)</i>	<b>For the Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Revenue</b>		
Natural gas	\$ 314,149	\$ 228,510
NGLs	60,959	48,094
Oil	181,099	52,815
<b>Total commodity revenue</b>	<b>\$ 556,207</b>	<b>\$ 329,419</b>
Gain (loss) on derivatives	(548,383)	(284,284)
Midstream	11,764	10,598
Other	7,556	6,782
<b>Total revenue</b>	<b>\$ 27,144</b>	<b>\$ 62,515</b>
<b>Operating expense</b>		
Lease operating expense	\$ (132,968)	\$ (73,439)
Production taxes	(30,491)	(16,433)
Midstream operating expense	(20,236)	(18,636)
Transportation expense	(28,568)	(26,719)
Accretion of asset retirement obligation	(13,248)	(8,358)
General and administrative expense	(41,708)	(34,086)
Depreciation, depletion and amortization	(108,565)	(74,646)
Gain (loss) on natural gas and oil properties and equipment	98,077	1,689
<b>Total operating expense</b>	<b>\$ (277,707)</b>	<b>\$ (250,628)</b>
<b>Income (loss) from operations</b>	<b>\$ (250,563)</b>	<b>\$ (188,113)</b>
<b>Other income (expense)</b>		
Interest expense	\$ (63,412)	\$ (42,712)
Loss on debt extinguishment	—	(26,971)
Other income (expense)	548	268
<b>Income (loss) before taxation</b>	<b>\$ (313,427)</b>	<b>\$ (257,528)</b>
Income tax benefit (expense)	152,762	(65,292)
<b>Net income (loss)</b>	<b>\$ (160,665)</b>	<b>\$ (322,820)</b>
Other comprehensive income (loss)	—	(210)
<b>Total comprehensive income (loss)</b>	<b>\$ (160,665)</b>	<b>\$ (323,030)</b>
<b>Net income (loss) attributable to:</b>		
DEC	\$ (160,617)	\$ (323,198)
Noncontrolling interest	(48)	378
<b>Net income (loss)</b>	<b>\$ (160,665)</b>	<b>\$ (322,820)</b>
<b>Earnings (loss) per share attributable to DEC</b>		
Basic	\$ (2.13)	\$ (5.52)
Diluted	\$ (2.13)	\$ (5.52)
<b>Weighted average shares outstanding</b>		
Basic	75,255,211	58,595,436
Diluted	75,255,211	58,595,436

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

**Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)**

	<u>Common Stock</u>					Total Stockholders' Equity Attributable to DEC	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Additional Paid in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)			
<b>Balance as of December 31, 2024</b>	<b>50,649,844</b>	<b>\$ 14,595</b>	<b>\$ 1,145,889</b>	<b>\$ (935)</b>	<b>\$ (759,471)</b>	<b>\$ 400,078</b>	<b>\$ 11,879</b>	<b>\$ 411,957</b>
Net income (loss)	—	—	—	—	(323,198)	(323,198)	378	(322,820)
Other comprehensive income (loss)	—	—	—	(210)	—	(210)	—	(210)
Issuances of common stock	29,694,213	7,619	363,092	—	—	370,711	—	370,711
Repurchases of common stock	(169,194)	—	(2,273)	—	—	(2,273)	—	(2,273)
Share-based compensation	211,887	—	3,540	—	(1,262)	2,278	—	2,278
Dividends declared	—	—	17,153	—	(17,153)	—	—	—
Distributions to noncontrolling interest owners	—	—	—	—	—	—	(250)	(250)
<b>Balance as of March 31, 2025</b>	<b>80,386,750</b>	<b>\$ 22,214</b>	<b>\$ 1,527,401</b>	<b>\$ (1,145)</b>	<b>\$ (1,101,084)</b>	<b>\$ 447,386</b>	<b>\$ 12,007</b>	<b>\$ 459,393</b>
<b>Balance as of December 31, 2025</b>	<b>76,979,625</b>	<b>\$ 769</b>	<b>\$ 1,491,719</b>	<b>\$ (583)</b>	<b>\$ (507,847)</b>	<b>\$ 984,058</b>	<b>\$ 10,932</b>	<b>\$ 994,990</b>
Net income (loss)	—	—	—	—	(160,617)	(160,617)	(48)	(160,665)
Other comprehensive income (loss)	—	—	—	—	—	—	—	—
Repurchases of common stock	(5,033,364)	(50)	(70,679)	—	—	(70,729)	—	(70,729)
Share-based compensation	377,210	4	5,503	—	(2,407)	3,100	—	3,100
Dividends declared	—	—	(387)	—	(22,061)	(22,448)	—	(22,448)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	(294)	(294)
<b>Balance as of March 31, 2026</b>	<b>72,323,471</b>	<b>\$ 723</b>	<b>\$ 1,426,156</b>	<b>\$ (583)</b>	<b>\$ (692,932)</b>	<b>\$ 733,364</b>	<b>\$ 10,590</b>	<b>\$ 743,954</b>

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

**Condensed Consolidated Statements of Cash Flows (Unaudited)**

<i>(In thousands)</i>	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (160,665)	\$ (322,820)
<b>Adjustments to reconcile net income (loss) to cash flows from operating activities:</b>		
Depreciation, depletion and amortization	108,565	74,646
Accretion of asset retirement obligations	13,248	8,358
Income tax (benefit) expense	(152,762)	65,292
(Gain) loss on derivatives	548,383	284,284
Cash proceeds (payments) on settlement of derivatives	(150,479)	(52,236)
Settlement of asset retirement costs	(9,755)	(2,310)
(Gain) loss on natural gas and oil properties and equipment	(98,077)	(1,689)
Loss on early retirement of debt	—	26,971
Non-cash share-based compensation	4,474	1,825
Other	13,710	5,932
<b>Changes in working capital:</b>		
Accounts receivable, net	(6,364)	27,736
Other assets	(9,758)	(7,159)
Accounts payable	(6,344)	10,709
Other liabilities	74,556	(34,681)
<b>Net cash provided by operating activities</b>	<b>168,732</b>	<b>84,858</b>
<b>Cash flows from investing activities:</b>		
Consideration for business acquisitions, net of cash acquired	—	(329,709)
Consideration for asset acquisitions, net of cash acquired	(42,785)	(49,989)
Proceeds from divestitures	102,129	2,712
Capital expenditures	(58,007)	(28,031)
<b>Net cash provided by (used in) investing activities</b>	<b>1,337</b>	<b>(405,017)</b>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(747,201)	(796,322)
Proceeds from borrowings	690,539	1,300,714
Debt issuance costs	(3,947)	(23,056)
Hedge modifications associated with ABS Notes	—	(171,134)
Proceeds from equity issuance, net	—	117,468
Principal element of lease payments	(5,224)	(3,714)
Dividends to stockholders	(22,061)	(17,153)
Distributions to noncontrolling interest owners	(294)	(251)
Repurchases of common stock (stock repurchase program)	(71,489)	—
<b>Net cash provided by (used in) financing activities</b>	<b>\$ (159,677)</b>	<b>\$ 406,552</b>
Net change in cash, cash equivalents and restricted cash	10,392	86,393
Cash, cash equivalents and restricted cash, beginning of period	145,110	52,259
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 155,502</b>	<b>\$ 138,652</b>
Cash and cash equivalents	54,539	32,641
Restricted cash	100,963	106,011
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 155,502</b>	<b>\$ 138,652</b>

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

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**Note 1 - Basis of Presentation and Summary of Significant Accounting Policies***Description of the Company*

Diversified Energy Company, a Delaware corporation (“Diversified,” “DEC,” “we,” “us,” “our,” or collectively with its wholly owned subsidiaries, the “Company”) is an independent energy company engaged in the production, transportation and marketing of natural gas, oil and NGLs. The Company’s assets are located in the United States within the following geographical operating areas:

- Appalachian Region, which spans Ohio, Indiana, Pennsylvania, Virginia, West Virginia, Kentucky, Tennessee and Alabama;
- Central Region, which includes Texas, Oklahoma, New Mexico, and Louisiana;
- Other, which includes Florida and Wyoming.

*Basis of Presentation*

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and the rules and regulations of the Securities and Exchange Commission (the “SEC”). Pursuant to such rules and regulations, certain disclosures have been condensed or omitted. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2025, as included in the Company’s annual report on [Form 10-K](#). The accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments that, in the opinion of management, are necessary for a fair statement of our condensed consolidated financial statements and accompanying notes and include the accounts of our direct and indirect wholly owned subsidiaries and entities in which we have a controlling financial interest. Intercompany accounts and balances have been eliminated.

*Reclassification*

Certain reclassifications have been made to prior period financial statements and related disclosures to conform to current period presentation. These reclassifications have no impact on previously reported total assets, total liabilities, net income or total operating cash flows.

*Segment Reporting*

In accordance with ASC 280, *Segment Reporting*, the Company establishes operating segments based on the components of the business that are regularly reviewed by the chief executive officer, who serves as the chief operating decision maker (“CODM”), for purposes of allocating resources and assessing performance. The CODM evaluates the Company’s operations in a consolidated manner. Accordingly, the Company has one reportable segment.

The CODM uses consolidated income (loss) before income taxes for purposes of allocating resources and assessing operating performance. The CODM is also regularly provided information on lease operating expense, transportation expense, production taxes, and general and administrative expense, which represent significant segment expenses. Other segment items primarily consist of depreciation, depletion and amortization, interest expense, and income tax expense (benefit). These amounts are derived from, and can be found within, the Company’s Condensed Consolidated Statements of Comprehensive Income (Loss).

Segment profit or loss reconciles to consolidated income (loss) before income taxes with no reconciling items.

There have been no material changes in the Company’s reportable segment, the CODM, or the measures used to assess segment performance since December 31, 2025. There were no material changes in segment assets from those reported in the Company’s annual report on [Form 10-K](#) for the year ended December 31, 2025.

*Cash and Cash Equivalents*

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less. The Company maintains cash balances at financial institutions, which at times may exceed federally insured limits. The Company has not

experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

#### *Restricted Cash*

Restricted cash represents cash whose withdrawal or use is limited by contractual or regulatory requirements and is not available for general corporate purposes. Restricted cash is presented as either a current or noncurrent asset based on the expected timing of the related obligations.

Restricted cash primarily consists of:

- Amounts held as collateral for surety bonds or required by state agencies for well abandonment obligations; and
- Cash reserves required for interest payments and fees related to the Company's asset-backed securitization arrangements, which are administered by an independent indenture trustee.

The Company's accounting policy and the nature of its restricted cash arrangements are consistent with those described in its annual report on [Form 10-K](#) for the year ended December 31, 2025, and there were no material changes during the interim period.

#### *Recently Adopted Accounting Standards*

In the current year, the Company adopted the following accounting standards:

<b>ASU Number</b>	<b>Description</b>	<b>Effective Date</b>
ASU 2024-04	Debt—Debt with Conversion and Other Options	January 1, 2026
ASU 2025-05	Measurement of credit losses for accounts receivable and contract assets from transactions accounted for under Topic 606	January 1, 2026

The adoption of these standards did not have a significant impact on the amounts reported in the Condensed Consolidated Financial Statements.

## **Note 2 - Acquisitions & Divestitures**

### **2026 Acquisitions**

During the three months ended March 31, 2026, the Company collectively acquired certain midstream and plugging assets for total consideration of \$17 million, inclusive of customary purchase price adjustments, and transaction costs. Additionally, in February 2026, the Company paid a deposit of \$25 million for the acquisition of certain producing properties from Sheridan Holding Company III, LLC ("Sheridan"). This acquisition was completed in April 2026 and is discussed in Note 14.

### **2026 Divestitures**

During the three months ended March 31, 2026, the Company divested certain non-core undeveloped acreage for consideration of \$101 million. The consideration received exceeded the carrying amount of the net assets divested resulting in a gain on natural gas and oil properties and equipment of \$101 million. Additionally, the disposal of various property, plant and equipment in the normal course of business resulted in cash proceeds of \$1 million and a loss on natural gas and oil properties and equipment of \$3 million.

**2025 Acquisitions***Canvas Energy Inc. (“Canvas”) Asset Acquisition*

On November 24, 2025, the Company acquired Canvas. The Company determined that substantially all of the fair value of the gross assets acquired was concentrated in a single asset group; therefore, the transaction was accounted for as an asset acquisition. The Company paid purchase consideration of \$533 million, inclusive of customary purchase price adjustments. The purchase consideration consisted of the issuance of 3,718,209 shares of common stock and \$399 million in cash, inclusive of transaction costs of \$13 million. On the date of the acquisition, the Company settled the outstanding balance of \$81 million on Canvas’s credit facility.

Refer to Notes 7 and 10 for additional information regarding stockholders’ equity and debt.

The fair value of the consideration transferred and the allocation to the assets acquired and liabilities assumed based on their relative fair values as of November 24, 2025 were as follows (in thousands):

<b>Consideration paid</b>	
Cash consideration	\$ 398,534
Fair value of common stock issued <sup>(a)</sup>	53,951
Payoff of existing credit facility	80,602
<b>Total consideration</b>	<b>\$ 533,087</b>
<b>Net assets acquired</b>	
Cash	\$ 51,679
Natural gas and oil properties	553,329
Property, plant and equipment, net	3,097
Other noncurrent assets	773
Accounts receivable, net	22,515
Other current assets	6,323
Asset retirement obligations	(10,963)
Deferred tax liability	(43,118)
Other noncurrent liabilities	(573)
Accounts payable	(8,625)
Other current liabilities	(41,350)
<b>Net assets acquired</b>	<b>\$ 533,087</b>

(a) The fair value of the common stock issued was based on the closing price of the Company’s common stock on November 24, 2025 of \$14.51. The fair value of our common stock is a Level 1 input as our stock price is a quoted price in an active market.

*Maverick Natural Resources, LLC (“Maverick”) Business Combination*

On March 14, 2025, the Company acquired Maverick. The Company determined the transaction did not have a significant concentration of assets and that it acquired an identifiable set of inputs, processes, and outputs. As a result, the Company concluded the transaction was a business combination. The Company paid purchase consideration of approximately \$666 million, inclusive of customary purchase price adjustments. The purchase consideration consisted of the issuance of 21,194,213 shares of common stock and \$211 million in cash. As part of the acquisition, the Company paid off on the acquisition date the \$202 million balance outstanding on Maverick’s credit facility and assumed \$518 million of ABS Maverick Notes outstanding. Transaction costs associated with the acquisition were \$21 million and are included within G&A expense in the Consolidated Statements of Comprehensive Income (Loss).

Refer to Notes 7 and 10 for additional information regarding stockholders’ equity and debt.

The fair value of the consideration transferred and the fair value amounts of the assets acquired and liabilities assumed as of March 14, 2025 were as follows (in thousands):

<b>Consideration paid</b>		
Cash consideration	\$	210,753
Fair value of common stock issued <sup>(a)</sup>		253,270
Payoff of existing credit facility		201,533
<b>Total consideration</b>	<b>\$</b>	<b>665,556</b>
<b>Net assets acquired</b>		
Cash	\$	20,894
Natural gas and oil properties		1,298,477
Property, plant and equipment, net		43,585
Restricted cash		62,048
Other noncurrent assets		28,861
Derivatives, net		4,829
Accounts receivable, net		153,205
Other current assets		14,695
Asset retirement obligations		(179,528)
Borrowings		(518,394)
Other noncurrent liabilities		(38,915)
Accounts payable		(42,967)
Accrued operating expenses		(55,583)
Revenues payable		(44,306)
Other current liabilities		(81,345)
<b>Net assets acquired</b>	<b>\$</b>	<b>665,556</b>

(a) The fair value of the common stock issued was based on the closing price of the Company's common stock on March 14, 2025 of \$11.95. The fair value of our common stock is a Level 1 input as our stock price is a quoted price in an active market.

The fair value of the natural gas and oil properties was based on estimated future production volumes, adjusted for risk characteristics associated with the classification of the acquired reserves, and related future net cash flows discounted using a weighted average cost of capital. The Company utilized NYMEX strip pricing adjusted for inflation. Management utilized the assistance of a third-party valuation expert to estimate the fair value of the natural gas and oil properties acquired. The Company considers the discount rate, commodity pricing, production and operating expense to be the assumptions most sensitive to the fair value of the acquired natural gas and oil properties and represent Level 3 inputs, other than NYMEX strip pricing which represents a Level 1 input.

#### *Summit Natural Resources, LLC ("Summit") Asset Acquisition*

On February 27, 2025, the Company acquired certain upstream assets and related infrastructure within Virginia, West Virginia, and Alabama of the Appalachian Region from Summit. Given the concentration of assets, this transaction was considered an asset acquisition rather than a business combination. The Company paid consideration of \$42 million, inclusive of transaction costs of \$0.4 million and customary purchase price adjustments, substantially all of which was accounted for as natural gas and oil properties. The transaction was funded through proceeds from the ABS X Notes collateralized, in part, by the acquired assets. Refer to Note 10 for additional information regarding debt.

#### *Other Acquisitions*

During the three months ended March 31, 2025, the Company acquired certain midstream and upstream assets that are contiguous to its existing Central Region assets. The Company paid total consideration of \$16 million, inclusive of non-cash consideration of \$4 million, customary purchase price adjustments, and transaction costs. Given the concentration of assets, these transactions were considered asset acquisitions rather than business combinations.

#### **2025 Divestitures**

During the three months ended March 31, 2025, the Company divested certain non-core undeveloped acreage across its operating footprint for consideration of \$2 million. The consideration received exceeded the carrying amount of the net assets divested resulting in a gain on natural gas and oil properties and equipment of \$2 million.

**Note 3 - Income Tax**

Income tax expense during interim periods is based on applying an estimated annual effective income tax rate to year-to-date income, plus any significant unusual or infrequently occurring items which are recorded in the interim period. The provision for income taxes for the three months ended March 31, 2026 and 2025 differs from the amount that would be provided by applying the statutory U.S. federal income tax rate of 21% to pre-tax income primarily due to the impact of federal tax credits (principally the marginal well tax credit), state income taxes, permanent differences, and discrete items recognized in the interim period.

The effective tax rates for the three months ended March 31, 2026 and 2025 were 48.7% and (25.4)%, respectively. For the three months ended March 31, 2026, we reported a tax benefit of \$153 million, a change of \$218 million, compared to a tax expense of \$65 million in 2025. The effective tax rate for March 31, 2026 was primarily impacted by the recognition of the federal marginal well tax credit available to qualified producers and due to management's estimate of the annual effective tax rate expected for the full financial year. The federal government provides these credits to encourage companies to continue producing lower-volume wells during periods of low prices to maintain the underlying jobs they create and the state and local tax revenues they generate for communities to support schools, social programs, law enforcement and other similar public services. The differences between the statutory U.S. federal income tax rate and the effective tax rates are summarized as follows:

	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>U.S. federal statutory tax rate</b>	21.0 %	21.0 %
State income taxes, net of federal tax benefit	4.5 %	4.0 %
Federal credits <sup>(a)</sup>	23.8 %	(50.5) %
Other, net	(0.6) %	0.1 %
<b>Effective tax rate</b>	<b>48.7 %</b>	<b>(25.4) %</b>

(a) Federal tax credits consist primarily of the marginal well tax credit. Because the credit is a dollar amount determined independently of pre-tax results, its impact, expressed as a percentage of pre-tax income (loss), can be positive or negative and can vary significantly between periods depending on the sign and magnitude of the Company's forecasted annual pre-tax book income (loss) used in the estimated annual effective tax rate.

**Note 4 - Earnings (Loss) Per Share**

Basic earnings (loss) per share ("EPS") is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of shares of common stock outstanding during the period, excluding shares held in treasury (if any) and the Employee Benefit Trust ("EBT"). Diluted EPS reflects the potential dilution that could occur if share-based compensation awards were exercised or converted into shares, except when their effect would be anti-dilutive. Refer to Note 7 for additional information regarding the EBT.

The following table presents the reconciliation of the numerators and denominators used in the calculation of basic and diluted EPS for the periods presented:

<i>(in thousands, except share and per share data)</i>	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Net income (loss) attributable to DEC</b>	<b>\$ (160,617)</b>	<b>\$ (323,198)</b>
<b>Weighted average shares outstanding - basic</b>	<b>75,255,211</b>	<b>58,595,436</b>
Dilutive impact of potential shares	—	—
<b>Weighted average shares outstanding - diluted</b>	<b>75,255,211</b>	<b>58,595,436</b>
<b>Basic earnings (loss) per share</b>	<b>\$ (2.13)</b>	<b>\$ (5.52)</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ (2.13)</b>	<b>\$ (5.52)</b>
Potentially dilutive shares <sup>(a)</sup>	2,048,007	1,400,551

(a) Share-based compensation awards excluded from the diluted EPS calculation because their effect would have been anti-dilutive.

**Note 5 - Natural Gas & Oil Properties**

The following table summarizes the Company's natural gas and oil properties for the period presented:

<i>(in thousands)</i>	<b>As of</b>	
	<b>March 31, 2026</b>	
<b>Costs</b>		
Beginning balance	\$	5,828,712
Additions <sup>(a)</sup>		41,892
Disposals		(345)
<b>Ending balance</b>	<b>\$</b>	<b>5,870,259</b>
<b>Depletion and impairment</b>		
Beginning balance	\$	(1,320,953)
Depletion expense		(91,336)
<b>Ending balance</b>	<b>\$</b>	<b>(1,412,289)</b>
<b>Net book value</b>	<b>\$</b>	<b>4,457,970</b>

(a) During the three months ended March 31, 2026, the Company's additions were primarily due to development and recurring capital expenditures.

**Note 6 - Derivatives**

The Company faces volatility in market prices and basis differentials for natural gas, NGLs and oil, affecting the predictability of its cash flows from commodity sales. Additionally, the Company's cash flows related to interest payments on variable rate debt obligations can be impacted by fluctuations in interest rate markets, depending on its debt structure. To manage these risks, the Company enters into derivative contracts primarily with major financial institutions and energy trading counterparties. As of March 31, 2026, these instruments included swaps, collars, basis swaps, and stand-alone put and call options. The Company does not intend to hold or issue derivative financial instruments for speculative trading purposes and has elected not to designate any of its derivative instruments for hedge accounting treatment. Below is a description of these instruments:

<b>Swaps:</b>	When the Company sells a swap, it agrees to receive a fixed price for the contract while paying a floating market price to the counterparty;
<b>Collars:</b>	<p>Arrangements that include a fixed floor price (purchased put option) and a fixed ceiling price (sold call option) based on an index price have no net costs overall. At the contract settlement date, (1) when the index price is higher than the ceiling price, the Company pays the counterparty the difference between the index price and ceiling price, (2) when the index price is between the floor and ceiling prices, no payments are due from either party, and (3) when the index price is below the floor price, the Company will receive the difference between the floor price and the index price.</p> <p>Some collar arrangements may also include a sold put option with a strike price below the purchased put option. Known as a three-way collar, the structure operates similarly to the standard collar. However, when the index price settles below the sold put option, the Company pays the counterparty the difference between the index price and sold put option, effectively enhancing realized pricing by the difference between the price of the sold and purchased put options;</p>
<b>Basis swaps:</b>	Arrangements that guarantee a price differential for commodities from a specified delivery point. When the Company sells a basis swap, it receives a payment from the counterparty if the price differential exceeds the stated terms of the contract. Conversely, if the price differential is less than the stated terms, the Company pays the counterparty;
<b>Put options:</b>	The Company purchases and sells put options in exchange for a premium. When the Company purchases a put option, it receives from the counterparty the excess amount (if any) by which the market price falls below the strike price of the put option at the time of settlement. If the market price is above the put option's strike price, no payment is required from either party. Conversely, when the Company sells a put option, it pays the counterparty the excess amount (if any) by which the market price falls below the strike price of the put option at the time of settlement. If the market price is above the put option's strike price, no payment is required from either party;
<b>Call options:</b>	The Company purchases and sells call options in exchange for a premium. When the Company purchases a call option, it receives from the counterparty the excess amount (if any) by which the market price exceeds the strike price of the call option at the time of settlement. If the market price is below the call option's strike price, no payment is required from either party. When the Company sells a call option, it pays the counterparty the excess amount (if any) by which the market price exceeds the strike price of the call option at the time of settlement. If the market price is below the call option's strike price, no payment is required from either party; and

The Company may elect to enter into offsetting transactions for the above instruments for the purpose of cancelling or terminating certain positions.

The following table summarizes the Company's calculated fair value of derivatives for the date presented:

<i>(in thousands, except volume data)</i>	<b>As of March 31, 2026</b>	
	<b>Volume</b>	<b>Fair Value</b>
<b>Natural gas (Mmbtu)</b>		
Swaps	1,108,523	\$ (341,528)
Two-way collars	139,511	16,110
Three-way collars	157,536	(25,716)
Stand-alone calls <sup>(a)</sup>	72,876	(76,127)
Basis swaps	780,181	4,395
Purchased puts	7,978	2,234
Sold puts	16,537	(3,356)
<b>Total natural gas</b>	<b>2,283,142</b>	<b>\$ (423,988)</b>
<b>NGLs (MBbls)</b>		
Swaps	24,519	\$ (107,932)
Stand-alone calls	688	(5,307)
<b>Total NGLs</b>	<b>25,207</b>	<b>\$ (113,239)</b>
<b>Oil (MBbls)</b>		
Swaps	24,418	\$ (186,496)
Three-way collars	3,473	(18,906)
Sold calls	1,454	(17,024)
<b>Total oil</b>	<b>29,345</b>	<b>\$ (222,426)</b>
<b>Interest</b>		
SOFR interest rate swap (\$5,520 principal hedged, 4.15% fixed-rate)		\$ 75
<b>Total interest</b>		<b>\$ 75</b>
<b>Total fair value of derivatives</b>		<b>\$ (759,578)</b>

(a) Includes future cash settlements for deferred premiums.

Netting of derivative assets and liabilities is applied at each reporting date when a legal right of offset exists under a master netting arrangement. The Company elected to present these derivative assets and liabilities on a net basis when these conditions are satisfied. The following table outlines the Company's net derivatives for the date presented:

<i>(in thousands)</i>		<b>As of</b>
<b>Derivatives</b>	<b>Consolidated Statement of Financial Position</b>	<b>March 31, 2026</b>
<b>Assets:</b>		
Current assets	Derivatives	\$ 76,946
Noncurrent assets	Other assets	40,957
<b>Total assets</b>		<b>\$ 117,903</b>
<b>Liabilities</b>		
Current liabilities	Derivatives	\$ (336,738)
Noncurrent liabilities	Derivatives	(540,743)
<b>Total liabilities</b>		<b>\$ (877,481)</b>
<b>Net assets (liabilities):</b>		
Net assets (liabilities) - current	Derivatives	\$ (259,792)
Net assets (liabilities) - noncurrent	Other assets / Derivatives	(499,786)
<b>Total net assets (liabilities)</b>		<b>\$ (759,578)</b>

The Company presents the fair value of derivative contracts on a net basis in the Consolidated Statement of Financial Position. Below is the impact of this presentation on the Company's recognized assets and liabilities for the date presented:

<i>(in thousands)</i>	As of March 31, 2026					
	Presented without Effects of Netting		As Presented with Effects of Netting			
Current assets	\$	114,177	\$	(37,231)	\$	76,946
Noncurrent assets		233,122		(192,165)		40,957
<b>Total assets</b>	<b>\$</b>	<b>347,299</b>	<b>\$</b>	<b>(229,396)</b>	<b>\$</b>	<b>117,903</b>
Current liabilities		(373,969)		37,231		(336,738)
Noncurrent liabilities		(732,908)		192,165		(540,743)
<b>Total liabilities</b>	<b>\$</b>	<b>(1,106,877)</b>	<b>\$</b>	<b>229,396</b>	<b>\$</b>	<b>(877,481)</b>
<b>Total net assets (liabilities)</b>	<b>\$</b>	<b>(759,578)</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>(759,578)</b>

The Company recorded the following gains (losses) on derivatives in the Consolidated Statement of Operations for the specified periods:

<i>(in thousands)</i>	Three Months Ended			
	March 31, 2026		March 31, 2025	
Net gain (loss) on commodity derivatives settlements	\$	(150,499)	\$	(52,271)
Net gain (loss) on interest rate swaps		20		35
<b>Total gain (loss) on settled derivatives<sup>(a)</sup></b>	<b>\$</b>	<b>(150,479)</b>	<b>\$</b>	<b>(52,236)</b>
Gain (loss) on fair value adjustments of unsettled derivatives <sup>(b)</sup>		(397,904)		(232,048)
<b>Total gain (loss) on derivatives</b>	<b>\$</b>	<b>(548,383)</b>	<b>\$</b>	<b>(284,284)</b>

(a) Represents the cash settlement of derivatives that were settled during the period.

(b) Represents the change in fair value of derivatives, net of the carrying value of derivatives that were settled during the period.

All derivatives are classified as Level 2 instruments under ASC 820, as their valuation relies on observable market inputs other than quoted prices. For further details related to fair value measurements, refer to Note 11.

#### Commodity Derivative Contract Modifications and Extinguishments

Occasionally, such as during the acquisition of producing assets, the completion of ABS financings, or in response to fluctuating price environments, the Company may strategically modify, offset, terminate, or expand certain existing hedge positions. These modifications can involve changes to the volume of production covered by contracts, the swap or strike price of specific derivative contracts, and other similar aspects of the derivative agreements. The Company manages distinct, long-dated derivative contract portfolios for its ABS financings and Term Loans. Additionally, the Company maintains a separate derivative contract portfolio for assets secured by the Credit Facility. These derivative contract portfolios associated with the Company's ABS financings, Term Loans, and Credit Facility are presented in the Company's Statement of Financial Position.

#### 2025 Modifications and Extinguishments

In February 2025, the Company adjusted portions of its commodity derivative portfolio across its legal entities for approximately \$150 million in connection with the completion of the ABS X financing arrangement. The Company made further adjustments to its commodity derivative portfolio for approximately \$21 million for the retirement of the ABS I and Term Loan I financing arrangements.

#### Note 7 - Stockholders' Equity

The Company is authorized to issue up to 350,000,000 shares of common stock, par value \$0.01 per share. As of March 31, 2026 and December 31, 2025, the Company had 72,323,471 and 76,979,625 shares of common stock issued and outstanding.

The Company is authorized to issue 30,000,000 shares of preferred stock, par value \$0.01 per share. No preferred shares have been issued or are outstanding.

**Issuance of Common Stock**

In March 2025, the Company announced the completion of its previously announced acquisition of Maverick. The transaction was funded in part through the issuance of 21,194,213 new shares of common stock directly to the unitholders of Maverick. The total value of the stock consideration was \$253 million, excluding transaction costs of \$0.4 million, based on the Company's stock price on the NYSE on the closing date of the Maverick transaction.

In February 2025, the Company issued 8,500,000 new shares of common stock at \$14.50 per share to raise gross proceeds of \$123 million, excluding transaction costs of \$6 million. The Company used the net proceeds to repay a portion of the debt incurred in connection with the Maverick acquisition.

For further details related to acquisitions, refer to Note 2.

**Treasury Stock**

The Company's holdings in its own equity instruments are classified as treasury stock. The consideration paid, along with any directly attributable incremental costs, is deducted from the Company's stockholders' equity until the shares are either cancelled or reissued. No gain or loss is recognized in the Consolidated Statements of Comprehensive Income (Loss) upon the purchase, sale, issuance, or cancellation of treasury stock.

*Employee Benefit Trust ("EBT")*

In March 2022, the Company established the EBT to benefit its employees. The Company provides funding to the EBT to facilitate the acquisition of shares. These shares are held in the EBT to fulfill awards and grants under the Company's 2017 and 2025 Equity Incentive Plans and the Employee Stock Purchase Plan (the "ESPP"). Shares held in the EBT are treated in the same manner as treasury stock and are thus included in the Condensed Consolidated Financial Statements as treasury stock. No shares were acquired by the EBT during the three months ended March 31, 2026 and 2025. As of March 31, 2026, the EBT held a total of 1,671,493 shares. For further details related to share-based compensation, refer to Note 8.

*Stock Repurchase Program*

During the three months ended March 31, 2026, the Company repurchased 5,033,364 shares of common stock at an average price of \$14.20 per share, amounting to a total of \$71 million and representing 7% of common stock issued and outstanding as of March 31, 2026. During the three months ended March 31, 2025, the Company repurchased 169,194 shares of common stock at an average price of \$13.61 per share, amounting to a total of \$2 million and representing 0.2% of common stock issued and outstanding as of March 31, 2025.

The Company has recorded the repurchase of these shares of common stock as a reduction in common stock and additional paid in capital. All repurchased shares of common stock were cancelled upon repurchase. As of March 31, 2026 and December 31, 2025, the par value of the cancelled shares was retired from common stock in the Condensed Consolidated Balance Sheets.

**Dividends**

Dividends are declared at the discretion of the Board of Directors and are subject to applicable law and contractual restrictions. Dividends are paid to holders of record as of the record date. Dividends are waived on shares held in the EBT.

The Company's ability to pay dividends is subject to certain restrictions under its Credit Facility and other debt agreements, which may limit dividend payments based on leverage ratios and other financial covenants. Refer to Note 10 for additional information.

**Note 8 - Compensation Plans****Equity Incentive Plans**

The 2017 Equity Incentive Plan (the "2017 Plan"), as amended through April 9, 2025, authorized issuances up to 10% of the Company's outstanding common stock and had 3,947,882 shares subject to outstanding awards as of November 21, 2025. On that date, the Company adopted the 2025 Equity Incentive Plan (the "2025 Plan"), which authorized and reserved 6,892,551 shares of common stock, consisting of 2,944,669 newly authorized shares plus shares underlying outstanding awards under the 2017 Plan that may become available upon forfeiture, cancellation, expiration, cash settlement, or withholding for taxes or exercise prices. Upon adoption of the 2025 Plan, no further awards may be granted under the 2017 Plan, and only shares underlying awards outstanding as of November 21, 2025 may be issued thereunder. As of March 31, 2026, 1,463,725 shares remained available for grant under the 2025 Plan, under which all future equity awards will be made.

*RSU Awards*

The following table summarizes RSU equity award activity for the respective period presented:

	Number of Shares	Weighted Average Grant Date Fair Value per Share
<b>Balance as of December 31, 2025</b>	<b>1,970,907</b>	<b>\$ 12.17</b>
Granted	1,427,841	15.53
Vested	(230,788)	19.84
Forfeited	—	—
<b>Balance as of March 31, 2026</b>	<b>3,167,960</b>	<b>\$ 13.12</b>

During the three months ended March 31, 2026, the aggregate intrinsic value at date of vesting was \$3 million. As of March 31, 2026, the Company had \$32 million of unrecognized share-based compensation expense related to RSUs that will be recognized over a weighted average period of 1.8 years.

RSUs can vest either on a cliff basis or ratably, depending on the service conditions. The fair value of the Company's RSUs is calculated using the closing price of our common stock on the NYSE at the grant date. This value is then expensed uniformly over the vesting period.

*PSU Awards*

The following table summarizes PSU equity award activity for the period presented:

	Number of Shares	Weighted Average Grant Date Fair Value per Share
<b>Balance as of December 31, 2025</b>	<b>1,306,690</b>	<b>\$ 11.68</b>
Granted	282,871	32.25
Vested	(286,992)	16.06
Forfeited	—	—
<b>Balance as of March 31, 2026</b>	<b>1,302,569</b>	<b>\$ 15.18</b>

During the three months ended March 31, 2026, the aggregate intrinsic value at date of vesting was \$2 million. As of March 31, 2026, the Company had \$13 million of unrecognized share-based compensation expense related to PSUs that will be recognized over a weighted average period of 1.8 years.

PSUs are subject to cliff vesting based on specific performance criteria over a three-year period. Depending on the achievement of these performance targets, the number of units that will vest can vary from 0% to 250% of the initial award.

The fair value of the Company's PSUs is determined using a Monte Carlo simulation model as of the grant date. This calculated fair value is then expensed uniformly over the vesting period. For PSUs granted during the respective periods presented, the inputs to the Monte Carlo model included the following:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Risk-free rate of interest	3.8%	3.8%
Volatility <sup>(a)</sup>	17.2% - 217.8%	42%
Correlation with comparator group range	0.002 - 0.47	0.14 - 0.33

(a) Volatility utilizes the historical volatility for the Company's share price.

**Share-Based Compensation Expense**

The following table presents the share-based compensation expense for the respective periods presented:

<i>(in thousands)</i>	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
RSUs	\$ 3,204	\$ 1,054
PSUs	1,244	771
ESPP	26	—
<b>Total share-based compensation expense</b>	<b>\$ 4,474</b>	<b>\$ 1,825</b>

**Note 9 - Asset Retirement Obligations**

The Company records a liability for the present value of the estimated future decommissioning costs associated with its natural gas and oil properties. Additionally, the Company records a liability for the future decommissioning costs of its production facilities and pipelines when required by contract, statute, or legal obligation. For the three months ended March 31, 2026, no state contractual agreements or statutes related to production facilities and pipelines are expected to impose material obligations on the Company.

In estimating the present value of future decommissioning costs for its natural gas and oil properties, the Company considers several factors, including the number and state jurisdictions of wells, current decommissioning costs by state and well type, and the Company's retirement plan, which is based on state requirements and the Company's capacity to retire wells over their productive lives. The Company's assumptions are grounded in the current economic environment and are believed to provide a reasonable basis for estimating the future liability. However, actual decommissioning costs will ultimately depend on future market prices at the time the decommissioning services are performed. Additionally, the timing of decommissioning will vary based on when the fields cease to produce economically, which is influenced by future natural gas and oil prices and the retirement schedule. These factors are inherently uncertain.

The Company incorporates annual inflationary cost increases into its current cost expectations and then discounts the resulting cash flows using a credit-adjusted risk-free discount rate.

The components of the change in our asset retirement obligations are detailed below for the period presented:

<i>(in thousands)</i>	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	
<b>Balance at beginning of period</b>	<b>\$ 888,698</b>	
Accretion expense		13,248
Asset retirement costs		(5,645)
<b>Balance at end of period</b>	<b>\$ 896,301</b>	
Less: Current asset retirement obligations		26,258
<b>Noncurrent asset retirement obligations</b>	<b>\$ 870,043</b>	

**Note 10 - Borrowings**

The Company's borrowings consist of the following amounts (in thousands) as of the date presented:

Instrument	Interest Rate	As of	
		March 31, 2026	
Credit Facility	6.73 % <sup>(a)</sup>	\$	314,600
ABS IV Notes, due February 2037	4.95 %		61,015
ABS VI Notes, due November 2039	7.50 %		180,656
ABS VIII Notes, due May 2044	7.28 %		537,213
ABS IX Notes, due September 2044	6.89 %		64,767
ABS X Notes, due February 2045	7.07 %		475,106
ABS XI Notes, due November 2045	6.61 %		379,143
ABS Maverick Notes, due December 2038	9.10 %		384,315
Nordic Bonds, due April 2029	9.75 %		500,000
Other miscellaneous borrowings <sup>(b)</sup>			32,359
<b>Total borrowings</b>		<b>\$</b>	<b>2,929,174</b>
Less: Current portion of long-term debt			(235,255)
Less: Deferred financing costs			(33,819)
Plus: Market premiums			8,282
Less: Original issue discounts			(15,673)
<b>Total noncurrent borrowings, net</b>		<b>\$</b>	<b>2,652,709</b>

(a) Represents the variable interest rate.

(b) Includes \$22 million in notes payable issued by a third party financial institution in November 2024, collateralized by two natural gas processing plants and various natural gas compressors and related support equipment in the Central Region, as of March 31, 2026.

**Credit Facility**

The Company maintains a Credit Facility with a lending syndicate, the borrowing base for which is redetermined semi-annually or in certain other situations as described therein. The Company's wholly owned subsidiary, DP RBL Co LLC, serves as the borrower under the Credit Facility. The borrowing base is primarily determined by the value of the natural gas and oil properties that serve as collateral for the lending arrangement, and it may fluctuate due to changes in collateral, which can result from acquisitions or the establishment of ABS, term loans, or other lending structures.

As of March 31, 2026, the Company's Credit Facility had a borrowing base of \$825 million and a maturity of March 2029. The Credit Facility has an interest rate of SOFR plus an additional spread ranging from 2.75% to 3.75% based on utilization. Interest payments on the Credit Facility are paid on a quarterly basis. Available borrowings under the Credit Facility were \$475 million as of March 31, 2026, which excludes \$36 million in letters of credit issued to certain vendors.

**ABS IV Notes**

In February 2022, the Company formed Diversified ABS IV LLC ("ABS IV"), a limited-purpose, bankruptcy-remote, wholly-owned subsidiary, to issue asset-backed securities with a total principal amount of \$160 million at par (the "ABS IV Notes"). The ABS IV Notes are secured by a portion of the upstream producing assets acquired through the Blackbeard acquisition. The ABS IV Notes carry an annual interest rate of 4.95% and have a legal final maturity date of February 2037, with an amortizing maturity date of September 2030. Both interest and principal payments on the ABS IV Notes are made on a monthly basis.

**ABS VI Notes**

In October 2022, the Company formed Diversified ABS VI LLC ("ABS VI"), a limited-purpose, bankruptcy-remote, wholly-owned subsidiary, to issue, jointly with Oaktree Capital Management, L.P. ("Oaktree"), asset-backed securities with a total principal amount of \$460 million. The Company's share amounted to \$236 million before fees, reflecting its 51.25% ownership interest in the collateral assets (the "ABS VI Notes"). The ABS VI Notes were issued at a 2.63% discount and are primarily secured by the upstream assets jointly acquired with Oaktree in the Tapstone acquisition. The Company recorded its proportionate share of the ABS VI Notes in its Condensed Consolidated Balance Sheets. In June 2024, as part of the Oaktree acquisition, the Company assumed Oaktree's proportionate debt of \$133 million associated with the ABS VI Notes.

The ABS VI Notes carry an annual interest rate of 7.50% and have a legal final maturity date of November 2039, with an amortizing maturity date of October 2031. Both interest and principal payments on the ABS VI Notes are made on a monthly basis.

#### **ABS VIII Notes**

In May 2024, the Company formed Diversified ABS VIII LLC (“ABS VIII”), a limited-purpose, bankruptcy-remote, wholly-owned subsidiary, to issue Class A-1 and Class A-2 asset-backed securities (the “Class A-1 Notes,” “Class A-2 Notes,” and collectively the “ABS VIII Notes”). The Class A-1 Notes were issued with a total principal amount of \$400 million, while the Class A-2 Notes were issued with a total principal amount of \$210 million. The proceeds from these issuances were used to repay the outstanding principal of the ABS III & ABS V notes, effectively retiring those notes from the Company’s outstanding debt. Consequently, ABS III and ABS V were dissolved. The ABS VIII Notes are secured by the collateral that previously secured the ABS III and ABS V notes, which includes certain upstream producing and midstream assets in the Appalachian Region owned by the Company, and the remaining upstream assets in the Appalachian Region that were not securitized by previous ABS transactions.

The Class A-1 Notes carry an annual interest rate of 7.076%, while the Class A-2 Notes carry an annual interest rate of 7.670%. These notes have a legal final maturity date of May 2044, with an amortizing maturity date of March 2033. Both interest and principal payments on the ABS VIII Notes are made on a monthly basis.

#### **ABS IX Notes**

In June 2024, the Company formed DP Mustang Holdco LLC, a limited-purpose, bankruptcy-remote, wholly-owned subsidiary (“ABS IX,” formerly “ABS Facility Warehouse”), to secure a bridge loan facility (the “ABS Facility Warehouse Notes”). The initial draw on the ABS Facility Warehouse Notes amounted to \$71 million, which included \$66 million in net proceeds, \$3 million in restricted cash interest reserve, and \$2 million in debt issuance costs. The ABS Facility Warehouse Notes were secured by certain producing assets that previously collateralized the Credit Facility. It carried an interest rate of SOFR plus an additional 3.75% and had a legal final maturity date of May 2029. Both interest and principal payments on the ABS Facility Warehouse Notes were made on a monthly basis.

In September 2024, the Company issued Class A and Class B asset-backed securities (the “Class A Notes,” “Class B Notes,” and collectively the “ABS IX Notes”) with a total principal amount of \$77 million. The Class A Notes were issued with a total principal amount of \$71 million, while the Class B Notes were issued with a total principal amount of \$6 million. The proceeds from these issuances were used to repay the outstanding principal of the ABS Facility Warehouse Notes, effectively retiring it from the Company’s outstanding debt and resulting in a loss on the early retirement of debt amounting to \$2 million. The Class A Notes carry an annual interest rate of 6.555% and have an amortizing maturity date of December 2034. The Class B Notes carry an annual interest rate of 11.235% and have an amortizing maturity date of September 2030. Both interest and principal payments on the ABS IX Notes are made on a monthly basis.

#### **ABS X Notes**

In February 2025, the Company formed Diversified ABS Phase X LLC, a limited-purpose, bankruptcy-remote, wholly-owned subsidiary (“ABS X”), to issue Class A-1, Class A-2, and Class B asset-backed securities (the “Class A-1 Notes,” “Class A-2 Notes,” “Class B Notes,” and collectively the “ABS X Notes”) with a total principal amount of \$530 million. The Class A-1 Notes, were issued with a total principal amount of \$200 million. The Class A-2 Notes were issued with a total principal amount of \$240 million. The Class B Notes were issued with a total principal amount of \$90 million. The proceeds from these issuances were used to repay the outstanding principal of the ABS I Notes, ABS II Notes, and Term Loan I, effectively retiring those notes from the Company’s outstanding debt. The ABS X Notes are secured by certain upstream producing assets in the Appalachian Region owned by the Company, including those that previously collateralized the ABS I Notes, ABS II Notes, and Term Loan I. Excess proceeds from the issuance of the Notes were used to fund the Summit acquisition and for general corporate purposes. Refer to Note 2 for additional information regarding acquisitions.

The Class A-1 Notes carry an annual interest rate of 5.945%. The Class A-2 Notes carry an annual interest rate of 6.751%. The Class B Notes carry an annual interest rate of 10.398%. These notes have a legal final maturity date of February 2045. Both interest and principal payments on the ABS X Notes are made on a monthly basis.

#### **ABS Maverick Notes**

In February 2025, the Company formed Maverick ABS Holdings LLC, a limited-purpose, bankruptcy-remote, wholly-owned subsidiary (“ABS Maverick”), to hold the Class A-1, Class A-2, and Class B asset-backed securities (the “Class A-1 Notes,” “Class A-2 Notes,” “Class B Notes,” and collectively the “ABS Maverick Notes”) assumed as part of the Maverick acquisition. These Notes had a total principal amount of \$640 million upon issuance. The Class A-1 Notes were issued with a total principal amount of \$285 million. The Class A-2 Notes were issued with a total principal amount of \$260 million. The Class B Notes were issued with a total principal amount of \$95 million. Upon acquisition, the ABS Maverick Notes carried a 1.6% market premium and are secured by certain upstream producing assets in the Western Anadarko Basin acquired in the Maverick acquisition. Refer to Note 2 for additional information regarding acquisitions.

The Class A-1 Notes carry an annual interest rate of 8.121%. The Class A-2 Notes carry an annual interest rate of 8.946%. The Class B Notes carry an annual interest rate of 12.436%. These notes have a legal final maturity date of December 2038. Both interest and principal payments on the ABS Maverick Notes are made on a monthly basis.

#### **ABS XI Notes**

In November 2025, the Company formed DP Keeneland Mile LLC, a limited-purpose, bankruptcy-remote, wholly-owned subsidiary (“ABS XI”), to issue Class A-1, Class A-2, and Class B asset-backed securities (the “Class A-1 Notes,” “Class A-2 Notes,” “Class B Notes,” and collectively the “ABS XI Notes”) with a total principal amount of \$400 million. The Class A-1 Notes were issued with a total principal amount of \$247 million. The Class A-2 Notes were issued with a total principal amount of \$91 million. The Class B Notes were issued with a total principal amount of \$62 million. The proceeds from this issuance were used to fund, in part, the Canvas acquisition and are secured by certain upstream producing assets acquired.

The Class A-1 Notes carry an annual interest rate of 5.757%. The Class A-2 Notes carry an annual interest rate of 6.547%. The Class B Notes carry an annual interest rate of 10.129%. These notes have a legal final maturity date of November 2045. Both interest and principal payments on the ABS XI Notes are made on a monthly basis.

#### **Nordic Bonds**

In April 2025, the Company issued the Nordic Bonds, consisting of \$300 million of new senior secured notes in the Nordic bond market at a 2% discount, resulting in net proceeds of \$294 million. The proceeds were used to repay existing indebtedness and for general corporate purposes. The Nordic Bonds mature in April 2029 and bear interest at a fixed rate of 9.75% per annum, payable semi-annually in arrears. The Bonds are secured by (i) all of the Company’s U.S. bank accounts, (ii) the equity interests in Diversified Gas and Oil Company (“DGOC”) as well as DGOC’s equity interests in its direct operating subsidiaries and (iii) interests in certain intercompany loans.

The Nordic Bonds were listed for trading on the Oslo Stock Exchange in October 2025.

In February 2026, the Company completed a \$200 million tap-on offering, increasing the aggregate principal amount of the outstanding Nordic Bonds to \$500 million. The additional Bonds were issued at a 3.5% discount, resulting in net proceeds of \$193 million before transaction costs and other fees. The proceeds were used for general corporate purposes.

#### **Early Retirement of Debt**

In February 2025, the Company used proceeds from the ABS X Notes to repay the outstanding principal of the ABS I & II notes and Term Loan I (each as previously defined in the Company’s annual report on [Form 10-K](#) for the year ended December 31, 2025), thereby retiring the ABS I & II notes and Term Loan I from the Company’s outstanding debt and resulting in a loss on the early retirement of debt of \$27 million. Concurrently, Diversified ABS Holdings LLC, Diversified ABS Phase II Holdings LLC, and DP Bluegrass Holdings LLC were dissolved. The ABS X Notes are secured by the collateral previously securing the ABS I & II notes, along with a portion of the collateral previously securing Term Loan I.

In March 2025, the Company used proceeds from the upsized borrowing base on the amended and restated credit agreement governing the Credit Facility to repay the outstanding principal on Term Loan II (as previously defined in the Company’s annual report on [Form 10-K](#) for the year ended December 31, 2025), thereby retiring Term Loan II from the Company’s outstanding debt and resulting in a loss on the early retirement of debt of \$0.2 million.

#### **Debt Covenants**

##### *Credit Facility*

The Credit Facility contains certain customary representations and warranties and affirmative and negative covenants, including covenants relating to: maintenance of books and records; financial reporting and notification; compliance with laws; maintenance of properties and insurance; and limitations on incurrence of indebtedness, liens, fundamental changes, international operations, asset sales, making certain debt payments and amendments, restrictive agreements, investments, restricted payments and hedging. The restricted payment provision governs the Company’s ability to make discretionary payments such as dividends, share repurchases, or other discretionary payments. DP RBL Co LLC must comply with the following restricted payments test in order to make discretionary payments (i) leverage is less than 1.5x and borrowing base availability is >20%, or (ii) leverage is between 1.5x and 2.0x, free cash flow must be positive, and borrowing base availability must be >20%; and (iii) when leverage exceeds 2.0x, restricted payments are prohibited.

Additional covenants require DP RBL Co LLC to maintain a ratio of total debt to EBITDAX of not more than 3.25 to 1.00 and a ratio of current assets (with certain adjustments) to current liabilities of not less than 1.00 to 1.00 as of the last day of each fiscal quarter.

As of March 31, 2026, the Company was in compliance with all covenants for its Credit Facility.

ABS IV, VI, VIII, IX, X, XI, and Maverick Notes (Collectively, the “ABS Notes”) and the Nordic Bonds

The ABS Notes and Nordic Bonds are governed by a series of covenants and restrictions typical for such transactions, including (i) the requirement for the issuer to maintain specified reserve accounts to ensure the payment of interest on the ABS Notes and Nordic Bond, (ii) provisions for optional and mandatory prepayments, specified make-whole payments under certain conditions, (iii) indemnification payments in the event that the assets pledged as collateral for the ABS Notes and Nordic Bond are found to be defective or ineffective, (iv) covenants related to recordkeeping, access to information and similar matters, and (v) compliance with all applicable laws and regulations, including the Employee Retirement Income Security Act (“ERISA”), environmental laws, and the USA Patriot Act (ABS IV only).

The ABS Notes and Nordic Bonds are also subject to customary accelerated amortization events as outlined in the agreements governing such indebtedness. These events include failure to maintain specified debt service coverage ratios, failure to meet certain production metrics, certain change of control and management termination events, and the failure to repay or refinance the ABS Notes and Nordic Bond on the applicable scheduled maturity date.

The ABS Notes and Nordic Bonds are subject to customary events of default, which include non-payment of required interest, principal, or other amounts due, failure to comply with covenants within specified time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective, and certain judgments.

Additionally, the Nordic Bonds contain the following financial covenants (i) the leverage ratio shall not exceed 3.5x, (ii) the asset coverage ratio shall not be less than 1.20 to 1.00, (iii) book equity shall not be less than \$500 million, and (iv) liquidity shall not be less than 25% of the outstanding bonds.

As of March 31, 2026, the Company was in compliance with all covenants related to the ABS Notes and Nordic Bonds.

#### Future Maturities

The table below represents the Company’s future maturities of its total borrowings as of March 31, 2026, excluding deferred financing costs, premiums, and discounts:

<i>(in thousands)</i>	Remainder of 2026	2027	2028	2029	2030	Thereafter	Total debt
Debt maturity	\$ 179,247	\$ 215,797	\$ 199,320	\$ 998,896	\$ 252,994	\$ 1,082,920	\$ 2,929,174

#### Interest Expense

The table details the Company’s interest expense for each of the periods presented:

<i>(In thousands)</i>	Three Months Ended	
	March 31, 2026	March 31, 2025
<b>Interest incurred</b>		
Borrowings	\$ 63,507	\$ 42,694
Other	741	244
<b>Total interest incurred</b>	<b>64,248</b>	<b>42,938</b>
LESS: Capitalized interest	836	226
<b>Interest expense</b>	<b>\$ 63,412</b>	<b>\$ 42,712</b>

#### Fair Value

The table below represents the fair value of the Company’s debt structures for the date presented:

<i>(in thousands)</i>	As of
	March 31, 2026
Credit Facility <sup>(a)</sup>	\$ 314,600
ABS notes <sup>(b)</sup>	2,117,334
Nordic Bonds <sup>(b)</sup>	508,506
Other miscellaneous borrowings <sup>(a)</sup>	22,641
<b>Total fair value of outstanding debt</b>	<b>\$ 2,963,081</b>

(a) Carrying value approximates fair value.

(b) Fair values are measured using a market approach, based upon market rates, which are Level 2 inputs.

**Note 11 - Fair Value**

The fair value of an asset or liability is defined as the price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. To determine fair value, the Company applies a hierarchy that consists of three input levels. The first and second levels are regarded as observable, while the third is categorized as unobservable. These input levels may be utilized in the measurement of fair value as outlined below:

- Level 1:** Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2:** Inputs (other than quoted prices included in Level 1) can include the following:
- (1) Observable prices in active markets for similar assets or liabilities;
  - (2) Prices for identical assets or liabilities in markets that are not active;
  - (3) Directly observable market inputs for substantially the full term of the asset or liability; and
  - (4) Market inputs that are not directly observable but are derived from or corroborated by observable market data.
- Level 3:** Unobservable inputs which reflect the Company's best estimates of what market participants would use in pricing the asset or liability at the measurement date.

There were no transfers between fair value levels for the three months ended March 31, 2026.

**Recurring Fair Value Measurements***Derivatives*

The Company measures the fair value of its derivatives in accordance with ASC 820, Fair Value Measurement, utilizing valuation models that incorporate observable market inputs whenever available. These inputs typically include contractual terms, current market prices, forward price curves for natural gas, liquids, and oil, relevant interest rate yield curves (such as U.S. Treasury and SOFR), and volatility factors.

Derivatives are classified within the fair value hierarchy based on the observability of the inputs used in the valuation. The Company's fixed price swaps are classified as Level 2 and are valued using third-party discounted cash flow models, which rely on NYMEX futures for natural gas and oil derivatives and OPIS forward curves for NGL derivatives. Interest rate derivatives, also classified as Level 2, are valued using discounted cash flow models that incorporate contracted notional amounts, market-quoted SOFR yield curves, and credit-adjusted risk-free rates.

Options, including call options, put options, and collars, are classified as Level 2 and valued using the Black-Scholes option pricing model. This model incorporates contract terms such as maturity, market parameters including NYMEX and OPIS futures, interest rates, volatility, and counterparty credit risk. Volatility and other significant inputs are obtained from independent third-party pricing sources and are subject to monthly verification.

Basis swaps are classified as Level 2 and are valued using third-party models based on forward commodity price curves.

Changes in key inputs, such as volatility, may result in changes to the fair value measurement of the Company's derivatives.

Assets and liabilities measured at fair value on a recurring basis for the date presented:

<i>(in thousands)</i>	<b>As of March 31, 2026</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets</b>			
Derivatives	—	117,903	—
<b>Liabilities</b>			
Derivatives	—	(877,481)	—
<b>Total net assets (liabilities)</b>	<b>\$ —</b>	<b>\$(759,578)</b>	<b>\$ —</b>

**Nonrecurring Fair Value Measurements***Impairment of Proved Natural Gas & Oil Properties*

When impairment occurs, the Company estimates the fair value of the impaired proved natural gas and oil properties through a discounted cash flow method, which incorporates Level 3 inputs that are not directly observable.

*Business combinations*

The Company assesses the value of acquired proved properties using an income-based approach as of the acquisition date. This method is classified as a Level 3 fair value estimate due to its reliance on key assumptions, such as anticipated production volumes, future commodity pricing, operating costs, weighted average cost of capital (the discount rate) and risk adjustments tailored to the reserve classification.

**Financial Instruments Not Measured at Fair Value**

The carrying values of cash and cash equivalents, accounts receivable, other current assets, accounts payable, accrued liabilities, and other current liabilities approximate fair value due to the highly liquid or short-term nature. The Company's Credit Facility (see Note 10) has a recorded value that approximates fair market value, as it bears interest at a floating rate that approximates a current market rate.

**Note 12 - Commitments & Contingencies****Delivery Commitments**

We have contractually agreed to deliver firm quantities of natural gas to various customers, which we expect to fulfill with production from existing reserves. To ensure we meet these commitments, we regularly monitor our proved developed reserves.

The following table summarizes our total undiscounted commitments, compiled using best estimates based on our sales strategy, as of March 31, 2026.

	Remainder of						
	2026	2027	2028	2029	2030	Thereafter	Total
Natural gas (MMcf)	263,869	109,942	68,212	54,584	54,584	1,013,206	1,564,397

**Litigation and Regulatory Proceedings**

The Company is involved in various pending legal issues that have arisen in the ordinary course of business. The Company accrues for litigation, claims, and proceedings when a liability is both probable and the amount can be reasonably estimated. As of March 31, 2026, the Company did not have any material amounts accrued related to litigation or regulatory matters.

For any matters not accrued for, it is not possible to estimate the amount of any additional loss or range of loss that is reasonably possible. However, based on the nature of the claims, management believes that current litigation, claims, and proceedings are not, individually or in aggregate, after considering insurance coverage and indemnification, likely to have a material adverse impact on the Company's financial position, results of operations, or cash flows.

The Company has no other contingent liabilities that would have a material impact on the Company's financial position, results of operations, or cash flows.

**Environmental Matters**

The Company's operations are subject to environmental laws and regulations in all the jurisdictions where it operates, and the Company was in material compliance as of March 31, 2026. However, the Company is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether they would adversely affect its operations. The Company can offer no assurance regarding the significance or cost of compliance associated with any new environmental legislation or regulation once implemented.

**Note 13 - Supplemental Cash Flow Information**

The following table summarizes supplemental cash flow information as follows:

<i>(in thousands)</i>	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Supplemental cash flow information:</b>		
Cash paid for interest	\$ 52,169	\$ 41,514
Cash paid for income taxes	356	70
Cash paid for amounts included in the measurement of operating lease liabilities	2,357	694
Cash paid for amounts included in the measurement of finance lease liabilities	5,224	3,714
<b>Supplemental disclosure of non-cash transactions:</b>		
Issuance of common stock for acquisitions	\$ —	\$ 253,271
Additions to asset retirement obligations	—	184,960
Right-of-use assets obtained in exchange for operating lease liabilities	24,440	27,031
Right-of-use assets obtained in exchange for finance lease liabilities	5,897	8,659

Cash paid for amounts included in the measurement of operating lease liabilities represents total lease payments made during the period. For finance leases, cash paid for amounts included in the measurement of lease liabilities represents the principal portion of lease payments. Interest paid on finance leases is included in cash paid for interest.

**Note 14 - Subsequent Events****Acquisitions**

In May 2026, the Company entered into an agreement to acquire the securities of certain affiliates of Camino Natural Resources, LLC (“Camino”) owning certain producing properties and undeveloped acreage for an estimated gross purchase price of \$1.2 billion before customary purchase price adjustments. Simultaneously, the Company entered into an agreement with Carlyle Global Credit Investment Management, LLC (“Carlyle”) in which Carlyle agreed to fund 60% of the purchase price for the producing properties in exchange for a 60% ownership interest in a newly formed special purpose vehicle (“SPV”), with the Company retaining a 40% ownership interest in the SPV. At closing, the producing assets are expected to be contributed to an indirect subsidiary of the SPV, which will be controlled by Carlyle. The acquisition of the producing assets will be funded by an ABS collateralized by the acquired assets, the funds contributed by Carlyle and borrowings under the Company’s Credit Facility. The acquisition of the undeveloped acreage will be funded by borrowings under the Company’s Credit Facility and the Company will retain 100% of the ownership in the undeveloped acreage. The transaction is expected to close in the third quarter of 2026, subject to customary closing conditions.

In April 2026, the Company completed the previously announced transaction to acquire certain oil and natural gas wells, leasehold interests and related assets from Sheridan for a gross purchase price of \$248 million before customary purchase price adjustments.

**Dividends**

In May 2026, the Company’s Board of Directors declared a cash dividend on the Company’s common stock in the amount of \$0.29 per share. The dividend is payable on September 30, 2026 to stockholders on record as of the close of business on August 28, 2026.

**Borrowings**

In April 2026, the Company completed the semi-annual borrowing base redetermination of the revolving Credit Facility. The borrowing base under the facility was increased from \$825 million to \$900 million as a result of the increase in collateral from certain assets acquired in the Sheridan acquisition.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of financial condition and results of operations should be read in conjunction with the Condensed Consolidated Financial Statements and the notes thereto included in this report. Unless the context otherwise indicates, references to “Diversified,” the “Company,” “our,” “we” and “us” (i) for periods until the completion of the U.S. Domestication, refer to Diversified Energy Company PLC and its consolidated subsidiaries, collectively, and (ii) for periods at or after the completion of the U.S. Domestication, refer to Diversified Energy Company and its consolidated subsidiaries, collectively. For certain industry specific terms used in this Quarterly Report on Form 10-Q, please refer to the [Glossary of Terms](#).*

*In this discussion and analysis of financial condition and results of operations, we address topics such as acquisitions, tax matters, derivatives, stockholders’ equity, asset retirement obligations, and debt. For more detailed information on these areas, refer to Notes 2, 3, 6, 7, 9, and 10 within the Notes to the Condensed Consolidated Financial Statements. These notes provide comprehensive disclosures and explanations that support the analysis presented in this section.*

### Recent Developments

- In May 2026, the Company entered into an agreement to acquire the securities of certain affiliates of Camino Natural Resources, LLC (“Camino”) owning certain producing properties and undeveloped acreage for an estimated gross purchase price of \$1.2 billion before customary purchase price adjustments. Simultaneously, the Company entered into an agreement with Carlyle Global Credit Investment Management, LLC (“Carlyle”) in which Carlyle agreed to fund 60% of the purchase price for the producing properties in exchange for a 60% ownership interest in a newly formed special purpose vehicle (“SPV”), with the Company retaining a 40% ownership interest in the SPV. At closing, the producing assets are expected to be contributed to an indirect subsidiary of the SPV, which will be controlled by Carlyle. The acquisition of the producing assets will be funded by an ABS collateralized by the acquired assets, the funds contributed by Carlyle and borrowings under the Company’s Credit Facility. The acquisition of the undeveloped acreage will be funded by borrowings under the Company’s Credit Facility and the Company will retain 100% of the ownership in the undeveloped acreage. The transaction is expected to close in the third quarter of 2026, subject to customary closing conditions.
- In April 2026, the Company completed the previously announced transaction to acquire certain oil and natural gas wells, leasehold interests and related assets from Sheridan for a gross purchase price of \$248 million before customary purchase price adjustments.
- In April 2026, the Company completed the semi-annual borrowing base redetermination of the revolving Credit Facility. The borrowing base under the facility was increased from \$825 million to \$900 million as a result of the increase in collateral from certain assets acquired in the Sheridan acquisition.
- In February 2026, the Company issued a \$200 million tap-on offering, increasing the aggregate principal amount of the outstanding Nordic Bonds to \$500 million. The Bonds were issued at a 3.5% discount, resulting in net proceeds of \$193 million before transaction costs and other fees. The proceeds were used to repay existing indebtedness and for general corporate purposes.
- For the three months ended March 31, 2026, the Company repurchased 5,033,364 shares, representing approximately 7% of the shares outstanding.

### Market Conditions

Our business continued to be influenced by a range of external factors in 2026, including commodity price volatility, geopolitical developments, regulatory changes, and evolving supply and demand dynamics. We are a U.S. domestic energy producer focused primarily on natural gas. The ongoing conflict in Iran, strong LNG export demand and colder-than-average weather drove an average Henry Hub price of approximately \$5.04 per MMBtu for the quarter.

Geopolitical conflicts, such as the U.S.-Iran conflict, the Russia-Ukraine war and other instability in the Middle East and Venezuela, continued to disrupt global energy flows and underscored the strategic importance of U.S. energy production and exports. Domestically, policy shifts created a more favorable operating environment, although new tariffs on imported energy equipment and materials introduced some uncertainty for the industry. Our vertically integrated model helps insulate us from direct impacts, and our hedging program plays a key role in mitigating commodity price risk and supporting cash flow stability.

We also monitored inflationary pressures and supply chain challenges, which affected operating costs across the industry. Despite ongoing market volatility and policy uncertainty, we remain focused on optimizing our asset base, managing costs, and enhancing operational efficiency. Our integrated model and strategic positioning continue to enable us to navigate market fluctuations and capitalize on long-term opportunities in the natural gas and oil sector.

**Results of Operations for the Three Months Ended March 31, 2026 Compared to the Three Months Ended March 31, 2025**
**Production Volumes**

	For the Three Months Ended March 31,			
	2026	2025	Change	% Change
<b>Net production</b>				
Natural gas (MMcf)	76,838	63,468	13,370	21%
NGLs (MBbls)	2,554	1,593	961	60%
Oil (MBbls)	2,608	783	1,825	233%
<b>Total production (MMcfe)</b>	<b>107,810</b>	<b>77,724</b>	<b>30,086</b>	<b>39%</b>
Average daily production (MMcfepd)	1,198	864	334	39%
% Natural gas (Mcf basis)	71%	82%		

The increase in production volumes for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 was primarily related to the Maverick and Summit acquisitions in the first quarter of 2025 and the Canvas acquisition in the fourth quarter of 2025, partially offset by normal production declines.

**Commodity Pricing**

Commodity prices fluctuate due to a variety of factors we can neither control nor predict, including increased production in excess of demand of natural gas, NGLs or oil, weather conditions, political and economic events, and competition from other energy sources. These factors impact supply and demand, which in turn determine the sales prices for our production. In addition to these factors, the prices we realize for our production are affected by our derivative activities and commodity trades by non-physical trading entities, as well as locational differences in market prices, including basis differentials. We will continue to evaluate the commodity price environment and adjust the pace of our activity in order to maintain appropriate liquidity and financial flexibility.

The following table summarizes our average realized sales prices and benchmark prices for the periods presented:

	For the Three Months Ended March 31,			
	2026	2025	Change	% Change
<b>Average realized sales prices (before derivative settlements)</b>				
Natural gas (Mcf)	\$ 4.09	\$ 3.60	\$ 0.49	14%
NGLs (Bbls)	23.87	30.19	(6.32)	(21%)
Oil (Bbls)	69.44	67.45	1.99	3%
<b>Total (Mcf)</b>	<b>\$ 5.16</b>	<b>\$ 4.24</b>	<b>\$ 0.92</b>	<b>22%</b>
<b>Average realized sales prices (after derivative settlements)</b>				
Natural gas (Mcf)	\$ 2.44	\$ 2.95	\$ (0.51)	(17%)
NGLs (Bbls)	21.81	24.46	(2.65)	(11%)
Oil (Bbls)	62.38	65.29	(2.91)	(4%)
<b>Total (Mcf)</b>	<b>\$ 3.76</b>	<b>\$ 3.57</b>	<b>\$ 0.19</b>	<b>5%</b>
<b>Average benchmark prices</b>				
Henry Hub (Mcf)	\$ 5.04	\$ 3.65	\$ 1.39	38%
Mont Belvieu (Bbls)	31.69	41.77	(10.08)	(24%)
WTI (Bbls)	71.93	71.42	0.51	1%

## Commodity Revenue

The following table reconciles the change in commodity revenue (excluding the impact of hedges settled in cash) by reflecting the effect of changes in volume and in the underlying prices:

<i>(In thousands)</i>	Natural Gas	NGLs	Oil	Total
<b>Commodity revenue for the three months ended March 31, 2025</b>	<b>\$ 228,510</b>	<b>\$ 48,094</b>	<b>\$ 52,815</b>	<b>\$ 329,419</b>
Volume increase (decrease)	48,132	29,013	123,096	200,241
Price increase (decrease)	37,507	(16,148)	5,188	26,547
<b>Net increase (decrease)</b>	<b>85,639</b>	<b>12,865</b>	<b>128,284</b>	<b>226,788</b>
<b>Commodity revenue for the three months ended March 31, 2026</b>	<b>\$ 314,149</b>	<b>\$ 60,959</b>	<b>\$ 181,099</b>	<b>\$ 556,207</b>

Commodity revenue of \$556 million for the three months ended March 31, 2026 increased \$227 million, or 69%, compared to \$329 million for the three months ended March 31, 2025. The increase in commodity revenue was primarily related to the 22% increase in average realized sales prices, excluding the impact of derivatives settled in cash, and the 39% increase in sold volumes primarily due to acquisitions as discussed above. The average realized sales price after derivatives settlements increased due to an increase in liquids exposure from the Maverick and Canvas acquisitions, which resulted in a higher overall realized price.

## Commodity Derivatives

To manage our cash flows in a volatile commodity price environment, we utilize commodity derivative contracts that allow us to fix the per unit sales prices for our production. As of March 31, 2026, approximately 82% of our production was fixed through commodity derivative contracts over the next twelve months. The tables below set forth the impact of commodity derivatives settlements on commodity revenue:

<b>For the Three Months Ended March 31, 2026</b>								
<i>(In thousands, except per unit data)</i>	Natural Gas		NGLs		Oil		Total Commodity	
	Realized \$		Realized \$		Realized \$		Realized \$	
	Revenue	per Mcf	Revenue	per Bbl	Revenue	per Bbl	Revenue	per Mcfe
<b>Excluding hedge impact</b>	<b>\$ 314,149</b>	<b>\$ 4.09</b>	<b>\$ 60,959</b>	<b>\$ 23.87</b>	<b>\$ 181,099</b>	<b>\$ 69.44</b>	<b>\$ 556,207</b>	<b>\$ 5.16</b>
Gain (loss) on commodity derivatives settlements	(126,833)	(1.65)	(5,253)	(2.06)	(18,413)	(7.06)	(150,499)	(1.40)
<b>Including hedge impact</b>	<b>\$ 187,316</b>	<b>\$ 2.44</b>	<b>\$ 55,706</b>	<b>\$ 21.81</b>	<b>\$ 162,686</b>	<b>\$ 62.38</b>	<b>\$ 405,708</b>	<b>\$ 3.76</b>

<b>For the Three Months Ended March 31, 2025</b>								
<i>(In thousands, except per unit data)</i>	Natural Gas		NGLs		Oil		Total Commodity	
	Realized \$		Realized \$		Realized \$		Realized \$	
	Revenue	per Mcf	Revenue	per Bbl	Revenue	per Bbl	Revenue	per Mcfe
<b>Excluding hedge impact</b>	<b>\$ 228,510</b>	<b>\$ 3.60</b>	<b>\$ 48,094</b>	<b>\$ 30.19</b>	<b>\$ 52,815</b>	<b>\$ 67.45</b>	<b>\$ 329,419</b>	<b>\$ 4.24</b>
Gain (loss) on commodity derivatives settlements	(41,448)	(0.65)	(9,133)	(5.73)	(1,690)	(2.16)	(52,271)	(0.67)
<b>Including hedge impact</b>	<b>\$ 187,062</b>	<b>\$ 2.95</b>	<b>\$ 38,961</b>	<b>\$ 24.46</b>	<b>\$ 51,125</b>	<b>\$ 65.29</b>	<b>\$ 277,148</b>	<b>\$ 3.57</b>

Gain (Loss) on Derivatives

The table below sets forth the impact of settlements and fair value adjustments on derivatives for the periods presented:

<i>(In thousands)</i>	<b>For the Three Months Ended March 31,</b>			
	2026	2025	\$ Change	% Change
Net gain (loss) on commodity derivatives settlements	\$ (150,499)	\$ (52,271)	\$ (98,228)	188%
Net gain (loss) on interest rate swaps	20	35	(15)	(43%)
<b>Total gain (loss) on settled derivatives<sup>(a)</sup></b>	<b>\$ (150,479)</b>	<b>\$ (52,236)</b>	<b>\$ (98,243)</b>	<b>188%</b>
Gain (loss) on fair value adjustments of unsettled derivatives <sup>(b)</sup>	(397,904)	(232,048)	(165,856)	71%
<b>Total gain (loss) on derivatives</b>	<b>\$ (548,383)</b>	<b>\$ (284,284)</b>	<b>\$ (264,099)</b>	<b>93%</b>

(a) Represents the cash settlement of derivatives that were settled during the period.

(b) Represents the change in fair value of derivatives, net of the carrying value of derivatives that were settled during the period.

The change in this metric was driven by a decrease in the value of unsettled derivatives, which resulted in a loss of \$398 million in 2026 compared to a loss of \$232 million in 2025, a change of \$166 million, due to higher forward commodity prices. Additionally, the value of settled derivatives also decreased, resulting in an additional \$98 million in losses on settled derivatives in 2026 compared to 2025 as a result of increased commodity pricing.

### Operating Expenses

<i>(In thousands, except per unit data)</i>	For the Three Months Ended March 31,							
	2026	Per Mcfe	2025	Per Mcfe	Total Change		Per Mcfe Change	
Lease operating expenses	\$ 132,968	\$ 1.23	\$ 73,439	\$ 0.94	\$ 59,529	81%	\$ 0.29	31%
Production taxes	30,491	0.28	16,433	0.21	14,058	86%	0.07	33%
Midstream operating expenses	20,236	0.19	18,636	0.24	1,600	9%	(0.05)	(21%)
Transportation expenses	28,568	0.26	26,719	0.34	1,849	7%	(0.08)	(24%)
Accretion of asset retirement obligation	13,248	0.12	8,358	0.11	4,890	59%	0.01	9%
General and administrative expense	41,708	0.39	34,086	0.44	7,622	22%	(0.05)	(11%)
Depreciation, depletion and amortization	108,565	1.01	74,646	0.96	33,919	45%	0.05	5%
(Gain) loss on oil and gas property and equipment	(98,077)	(0.91)	(1,689)	(0.02)	(96,388)	5,707%	(0.89)	4,450%
<b>Total operating expenses</b>	<b>277,707</b>	<b>2.57</b>	<b>250,628</b>	<b>3.22</b>	<b>27,079</b>	<b>11%</b>	<b>(0.65)</b>	<b>(20%)</b>

*Lease Operating Expense ("LOE"):* LOE includes costs incurred to maintain producing properties. Such costs include direct and contract labor; repairs and maintenance, water hauling, compression, automobile, insurance, and materials and supplies expenses.

The increase in LOE was driven by the acquisitions of Summit and Maverick in the first quarter of 2025 and the Canvas acquisition in the fourth quarter of 2025. Specifically, the increase in LOE per Mcfe was primarily related to a greater exposure to liquids production. Areas with higher liquids output tend to incur elevated operating costs, although they also benefit from higher realized prices. In the first quarter of 2026, the Company's liquids production grew by 115% compared to the first quarter of 2025, primarily driven by the acquisition of Maverick.

*Production Taxes:* Production taxes include severance and property taxes. Severance taxes are generally paid on produced natural gas, NGLs and oil production at fixed rates established by federal, state, or local taxing authorities. Property taxes are generally based on the taxing jurisdictions' valuation of our natural gas and oil properties and midstream assets.

The increase in production taxes and production taxes per Mcfe was primarily related to an increase in severance and property taxes as a result of an increase in revenue due to higher commodity prices and the additional value of added oil revenue, as well as additional property taxes on assets acquired.

*Midstream Operating Expense:* Midstream operating expenses are costs incurred to operate our owned midstream assets inclusive of employee and benefit expenses.

The decrease in midstream operating expense per Mcfe was primarily related to maintaining a consistent level of midstream assets while increasing overall production for the first quarter of 2026, following the acquisitions of Summit and Maverick in the first quarter of 2025 and the Canvas acquisition in the fourth quarter of 2025. By keeping midstream operations relatively unchanged and expanding production volumes, the per unit cost of midstream operations declined.

*Transportation Expense:* Transportation expenses are costs incurred from third-party systems to gather, process and transport our natural gas, NGLs and oil.

The increase in transportation expense was driven by the Summit and Maverick acquisitions in the first quarter of 2025 and the Canvas acquisition in the fourth quarter of 2025. The decrease in transportation expense per Mcfe was primarily related to additional liquids production. Transportation costs are primarily associated with the movement of natural gas volumes. Following the acquisition of Maverick, the proportion of liquids in the Company's overall production mix has risen significantly. Specifically, the liquids share increased to 29% in the first quarter of 2026 from 18% in the first quarter of 2025.

*Accretion of Asset Retirement Obligation ("Accretion"):* Accretion represents the change in the carrying amount of the asset retirement obligation ("ARO") over time. This expense reflects the gradual recognition of the future costs associated with retiring natural gas and oil wells.

The increase in accretion was primarily related to the expanded obligation as a result of the Maverick acquisition in the first quarter of 2025, as well as normal revisions.

General & Administrative Expense (“G&A”): G&A includes overhead, including payroll and benefits for our corporate staff, costs of maintaining our headquarters, costs of managing our operations, franchise taxes, audit and other professional fees, legal compliance, equity compensation, and non-recurring costs primarily related to acquisitions.

The increase in G&A was the result of the increase in scale, including increased headcount, due to the Summit and Maverick acquisitions in the first quarter of 2025 and the Canvas acquisition in the fourth quarter of 2025. The decrease in G&A per Mcfe was primarily related to recognizing administrative synergies and leveraging our existing infrastructure, which offset the acquisition-related increases.

Depreciation, Depletion & Amortization Expense (“DD&A”): DD&A expenses are non-cash charges that allocate the cost of assets and natural resources over their useful lives, reflecting their wear and tear, usage, or consumption.

The increase in DD&A was primarily related to an increase in our DD&A rate, as well as a 39% increase in production over the period. The increase in production and the DD&A rate was due to the Summit and Maverick acquisitions in the first quarter of 2025, as well as the Canvas acquisition in the fourth quarter of 2025, as these led to an increase in our depreciable base.

Gain (Loss) on Natural Gas and Oil Properties and Equipment: Gains and (losses) on natural gas and oil properties and equipment represent the difference between cash proceeds and recorded basis of sales of natural gas and oil properties and equipment.

The increase in this metric was primarily related to increased acreage sales, as we strategically pursue the divestiture of select non-core, undeveloped acreage within our operating portfolio. For the three months ended March 31, 2026, we recognized a gain of \$101 million from acreage sales compared to \$2 million for three months ended March 31, 2025. Additionally, the disposal of various property, plant and equipment in the normal course of business resulted in a loss on natural gas and oil properties and equipment of \$3 million for the three months ended March 31, 2026, compared to \$0.3 million for the three months ended March 31, 2025.

#### Other Income (Expense)

(In thousands)	For the Three Months Ended March 31,			
	2026	2025	\$ Change	% Change
Interest expense	\$ (63,412)	\$ (42,712)	\$ (20,700)	48%
Loss on debt extinguishment	—	(26,971)	26,971	(100%)
Other income (expense)	548	268	280	104%
<b>Total other income (expense)</b>	<b>\$ (62,864)</b>	<b>\$ (69,415)</b>	<b>\$ 6,551</b>	<b>(9%)</b>

#### Interest Expense

(In thousands)	For the Three Months Ended March 31,			
	2026	2025	\$ Change	% Change
<b>Interest incurred</b>				
Borrowings	\$ 63,507	\$ 42,694	\$ 20,813	49%
Other	741	244	497	204%
<b>Total interest incurred</b>	<b>64,248</b>	<b>42,938</b>	<b>21,310</b>	<b>50%</b>
LESS: Capitalized interest	836	226	610	270%
<b>Interest expense</b>	<b>\$ 63,412</b>	<b>\$ 42,712</b>	<b>\$ 20,700</b>	<b>48%</b>

The increase in interest expense was primarily related to the issuance of the ABS X Notes and the assumption of the Maverick ABS Notes as a result of the Maverick acquisition, the issuance of the Nordic Bonds in April 2025, and the issuance of the ABS XI Notes as a result of the Canvas acquisition in November 2025. This increase was partially offset by lower outstanding balances on our existing ABS structures.

As of March 31, 2026 and December 31, 2025, total borrowings were \$2.9 billion and \$3.0 billion, respectively. For the three months ended March 31, 2026, the weighted average interest rate on borrowings was 7.76% compared to 7.93% for the three months ended March 31, 2025. As of March 31, 2026, 72% of our borrowings resided in non-recourse, fixed-rate, hedge-protected, amortizing structures compared to 76% as of March 31, 2025.

#### Loss on Debt Extinguishment

In February 2025, the proceeds from the ABS X Notes were used to repay the outstanding principal of the ABS I & II Notes and Term Loan I, retiring these from our outstanding debt and resulting in a loss on debt extinguishment of \$27 million.

**Income Tax Benefit (Expense)**

The effective tax rates for the three months ended March 31, 2026 and 2025 were 48.7% and (25.4%), respectively. The effective tax rates can be materially impacted by the recognition of the marginal well tax credit available to qualified producers as reflected in our 2026 and 2025 effective tax rates. The federal government provides these credits to incentivize companies to continue operating lower-output wells during periods of low prices. This support helps sustain production, preserve the jobs associated with these operations, and ensures that communities continue to receive state and local tax income. Such revenue is vital for funding schools, law enforcement, social initiatives, and other essential public services.

The provision for income taxes in the Consolidated Statement of Operations is summarized below:

<i>(In thousands)</i>	<b>For the Three Months Ended March 31,</b>			
	<b>2026</b>	<b>2025</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Income (loss) before taxation</b>	\$ (313,427)	\$ (257,528)	\$ (55,899)	22%
Effective tax rate	48.7%	(25.4%)		
<b>Income tax benefit (expense)</b>	<b>\$ 152,762</b>	<b>\$ (65,292)</b>	<b>\$ 218,054</b>	<b>(334%)</b>

Tax benefit of \$153 million for the three months ended March 31, 2026 represented a favorable change of \$218 million compared to an expense of \$65 million for the three months ended March 31, 2025. The change was primarily driven by the movement in income (loss) before taxation and the recognition of marginal well credits.

**Liquidity and Capital Resources**

**Overview**

Our primary sources of liquidity are cash generated from operating activities and available capacity under our Credit Facility. As of March 31, 2026, we had approximately \$529 million of liquidity, consisting of \$55 million of cash on hand and \$475 million of availability under our Credit Facility.

When we acquire assets, we typically complement our Credit Facility with long-term, fixed-rate, fully-amortizing, asset-backed debt secured by certain natural gas and oil assets. The asset-backed debt is non-recourse back to the Company. This financing strategy aligns with the long-life nature of our assets, offering us lower borrowing rates and a clear path to reduce leverage through scheduled principal payments. For larger acquisitions that require greater capital outlays, we have in the past and may in the future raise funds through equity offerings to maintain an appropriate leverage profile.

We closely monitor our working capital to ensure it remains sufficient for business operations, as well as for payment of dividends to shareholders and repurchases of common stock. Alongside managing working capital, we take a disciplined approach to controlling operating costs and allocating capital resources. This approach ensures that capital investments generate returns that support our strategic initiatives.

Capital expenditures were \$58 million for the three months ended March 31, 2026, compared to \$28 million for the three months ended March 31, 2025. The increase in capital expenditures was primarily related to the development of new wells via a non-operated development agreement that came with the undeveloped locations acquired in the Maverick acquisition. We expect to meet our capital expenditure needs for the foreseeable future from our operating cash flows and our existing cash and cash equivalents. Our future capital requirements will depend on several factors, including the pace of our growth, fluctuations in commodity prices, and future acquisitions.

The majority of our capital expenditures are directed towards upstream and midstream operations, including pipelines and compression. The remaining expenditures focus on production optimization, technology, plugging requirements, fleet, reducing emissions, and, when prudent, development activities aimed at replacing production.

Looking ahead, we aim to create stable cash flows by maintaining our hedging strategy and capitalizing on market opportunities to enhance the hedged commodity prices of our production. We plan to preserve our strategic advantages through purposeful growth, supported by a disciplined capital expenditure program. We believe this approach will help ensure we secure low-cost financing for acquisitive growth while maintaining appropriate leverage and sufficient liquidity.

With respect to other known current obligations, we believe that our sources of liquidity and capital resources will be sufficient to meet our existing business needs for at least the next 12 months. However, our ability to satisfy our working capital requirements, debt service obligations, planned capital expenditures, and our ability to pay dividends will depend upon our future operating performance, which will be affected by prevailing economic conditions in the natural gas and oil industry and other financial and business factors, some of which are beyond our control.

For additional information regarding debt and debt covenants, refer to Note 10 in the Notes to the Condensed Consolidated Financial Statements.

**Liquidity**

<i>(In thousands)</i>	<b>As of</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Cash and cash equivalents	\$ 54,539	\$ 29,697
Available borrowings under the Credit Facility <sup>(a)</sup>	474,687	304,912
<b>Liquidity</b>	<b>\$ 529,226</b>	<b>\$ 334,609</b>

(a) Represents available borrowings under the Credit Facility of \$510 million as of March 31, 2026 less outstanding letters of credit of \$36 million as of such date. Represents available borrowings under the Credit Facility of \$340 million as of December 31, 2025 less outstanding letters of credit of \$35 million as of such date.

**Cash Flows**

<i>(In thousands)</i>	<b>For the Three Months Ended March 31,</b>			
	<b>2026</b>	<b>2025</b>	<b>\$ Change</b>	<b>% Change</b>
Net cash provided by operating activities	\$ 168,732	\$ 84,858	\$ 83,874	99%
Net cash provided by (used in) investing activities	1,337	(405,017)	406,354	(100%)
Net cash provided by (used in) financing activities	(159,677)	406,552	(566,229)	(139%)
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>\$ 10,392</b>	<b>\$ 86,393</b>	<b>\$ (76,001)</b>	<b>(88%)</b>

*Net Cash Provided by Operating Activities*

The change in net cash provided by operating activities was primarily related to an increase in production, as a result of the Summit and Maverick acquisitions in the first quarter of 2025 and the Canvas acquisition in the fourth quarter of 2025, as well as higher prices for the natural gas, NGL, and oil volumes sold.

*Net Cash Provided by (Used in) Investing Activities*

The change in net cash used in investing activities was primarily related to the Summit and Maverick acquisitions in the first quarter of 2025, partially offset by increased capital spend in the first quarter of 2026 related to our participation in the development of certain non-operated wells acquired with Maverick acquisition, as well as increased cash proceeds from the sale of undeveloped acreage.

*Net Cash Provided by (Used in) Financing Activities*

The change in net cash used in financing activities was primarily related to decreased borrowing activity in the first quarter of 2026, in which we received proceeds from the tap-on offering of Nordic Bonds, as compared to the first quarter of 2025, which included proceeds received from the issuance of ABS X as well as our equity offering, partially offset by hedge modification payments and deferring financing costs incurred in connection with the ABS X transaction. Additionally, during the first quarter of 2026, we also had increased share repurchases as part of our stock repurchase program as compared to the first quarter of 2025.

**Off-Balance Sheet Arrangements**

We may enter into off-balance sheet arrangements and transactions that give rise to material off-balance sheet obligations. As of March 31, 2026, our material off-balance sheet arrangements and transactions include operating service contractual obligations of \$355 million and letters of credit outstanding against our Credit Facility of \$36 million. Refer to [Contractual Obligations](#) for additional information.

There are no other transactions, arrangements or other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect our liquidity or availability of capital resources.

## Contractual Obligations

We have various contractual obligations in the normal course of our operations and financing activities. Significant contractual obligations as of March 31, 2026 were as follows:

<i>(In thousands)</i>	<b>Remainder of 2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Thereafter</b>	<b>Total</b>
<b>Recorded contractual obligations</b>							
Accounts payable	\$ 76,427	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 76,427
Accrued liabilities	158,844	—	—	—	—	—	158,844
Borrowings	179,247	215,797	199,320	998,896	252,994	1,082,920	2,929,174
Operating leases	9,068	7,497	5,536	2,223	1,745	238	26,307
Finance leases	27,013	22,652	18,093	11,620	3,905	—	83,283
Asset retirement obligation <sup>(a)</sup>	21,980	28,356	25,724	51,076	19,445	3,484,077	3,630,658
Other liabilities <sup>(b)</sup>	88,103	24,218	—	—	—	—	112,321
<b>Off-Balance Sheet contractual obligations</b>							
Firm transportation <sup>(c)</sup>	42,212	35,666	26,118	20,613	8,358	221,534	354,501
<b>Total contractual obligations</b>	<b>\$ 602,894</b>	<b>\$ 334,186</b>	<b>\$ 274,791</b>	<b>\$1,084,428</b>	<b>\$ 286,447</b>	<b>\$4,788,769</b>	<b>\$7,371,515</b>

(a) Represents our asset retirement obligation on an undiscounted basis. On a discounted basis the liability is \$896 million as of March 31, 2026 as presented in the Consolidated Balance Sheets.

(b) Represents taxes payable, deferred tax liability, and other current and noncurrent liabilities.

(c) Represents reserved capacity to transport gas from production locations through pipelines to the ultimate sales meters.

For more detailed information on asset retirement obligations and debt refer to Notes 9 and 10 within the Notes to the Condensed Consolidated Financial Statements.

## Litigation and Regulatory Proceedings & Environmental Matters

For Information regarding legal proceedings and environmental matters refer to Note 12 to the Notes to the Condensed Consolidated Financial Statements.

## Critical Accounting Estimates

There have been no material changes to the Company's critical accounting estimates from those disclosed in the Company's annual report on [Form 10-K](#) for the year ended December 31, 2025.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risk. The term “market risk” refers to the risk of loss arising from adverse changes in natural gas, NGLs and oil prices, as well as interest rates. These disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures.

#### Commodity Price Risk

Our revenues are primarily derived from the sale of natural gas, NGLs, and oil production, subjecting us to commodity price risk. Commodity prices for natural gas, NGLs and oil can be volatile and may fluctuate due to relatively small changes in supply, weather conditions, economic conditions, and government actions. For the three months ended March 31, 2026, our natural gas, NGLs, and oil revenue was \$314 million, \$61 million, and \$181 million, respectively. Based on production, natural gas, NGLs and oil revenue for the three months ended March 31, 2026 would have increased or decreased by approximately \$31 million, \$6 million, and \$18 million, respectively, for each 10% increase or decrease in prices.

To mitigate the risk of fluctuations in commodity prices, we enter into derivatives. The total volumes hedged through the use of these instruments vary from period to period. Generally our objective is to hedge approximately 60% to 80% of anticipated production volumes for the next 12 months, at least 50% for months 13 to 24, and a minimum of 30% for months 25 to 36. For additional information regarding derivatives, refer to Note 6 in the Notes to the Condensed Consolidated Financial Statements.

By removing price volatility from a significant portion of our expected production through 2028, we have mitigated, but not eliminated, the potential effects of changing prices on operating cash flow for those periods. While these derivative contracts help mitigate the negative effects of falling commodity prices, they also limit the benefits we would receive from increases in commodity prices.

As of March 31, 2026, the fair value of our natural gas derivatives was a net liability of \$424 million, NGLs derivatives were in a net liability position of \$113 million, and our oil derivatives were in a net liability position of \$222 million. For the three months ended March 31, 2026, a 10% fluctuation in commodity prices would have a corresponding impact of approximately \$42 million, \$11 million, and \$22 million on natural gas, NGLs and oil derivatives, respectively.

#### Interest Rate Risk

We are subject to market risk exposure related to changes in interest rates. Our borrowings primarily consist of fixed-rate amortizing notes and a variable rate Credit Facility as illustrated below.

<i>(in thousands)</i>	<u>As of March 31, 2026</u>	
	<b>Borrowings</b>	<b>Interest Rate<sup>(a)</sup></b>
ABS Notes, Nordic Bonds, & other <sup>(b)</sup>	\$ 2,604,319	7.89 %
Credit Facility	\$ 314,600	6.73 %

(a) The interest rate on the ABS Notes, Nordic Bonds, and other notes payable represents the weighted average fixed rate of the notes, while the interest rate presented for the Credit Facility represents the floating rate as of March 31, 2026.

(b) Includes \$22 million in notes payable issued by a third party financial institution in November 2024 collateralized by two natural gas processing plants and various natural gas compressors and related support equipment in the Central Region, as of March 31, 2026.

For additional information regarding the Company’s indebtedness, refer to Note 10 in the Notes to the Condensed Consolidated Financial Statements.

For the three months ended March 31, 2026, a 100 basis point adjustment in the borrowing rate for the Credit Facility would result in a corresponding annual effect on interest expense of approximately \$3 million. This represents a reasonably possible change in interest rate risk.

We strive to maintain a prudent balance of floating and fixed-rate borrowing exposure, particularly during uncertain market conditions. As part of our risk mitigation strategy, we occasionally enter into swap arrangements to adjust our exposure to floating or fixed interest rates, depending on changes in the composition of borrowings in our portfolio. Consequently, the total principal hedged through the use of derivatives varies from period to period.

As of March 31, 2026, the fair value of our interest rate swaps represents an asset of \$0.1 million. For additional information regarding derivatives, refer to Note 6 in the Notes to the Condensed Consolidated Financial Statements.

## Counterparty & Customer Credit Risk

We are exposed to counterparty and customer credit risk from the hedging and sale of our natural gas, NGLs and oil.

Our derivative instruments expose us to our counterparties' credit risk. To mitigate this risk, we only enter into commodity contracts with counterparties that are creditworthy financial institutions deemed by us to have acceptable credit strength and competence. Counterparty non-performance risk is considered in the valuation of our derivative instruments, but has not had an impact on the value of our derivatives. We also attempt to limit our exposure to non-performance by any single counterparty. As of March 31, 2026, our commodity contracts derivative instruments were spread among 14 counterparties.

For additional information regarding derivatives, refer to Note 6 in the Notes to the Condensed Consolidated Financial Statements

Accounts receivable from customers represent amounts due for the purchase of these commodities, and their collectability depends on the financial condition of each customer. We review the financial condition of customers before extending credit and generally do not require collateral to support their accounts receivable. As of March 31, 2026, we had one customer that comprised over 10% of our total accounts receivable from customers. Net of the applicable allowance for credit losses, our accounts receivable from customers were \$344 million as of March 31, 2026.

The Company is also exposed to credit risk from joint interest owners, which are entities that own a working interest in the properties operated by the Company. Joint interest receivables are classified under accounts receivable, net, in the Consolidated Statement of Financial Position. The Company has the ability to withhold future revenue payments to recover any non-payment of joint interest receivables. As of March 31, 2026, our joint interest receivables, net of the applicable allowance for credit losses, were \$68 million.

Accounts receivable are current, and the Company believes these net receivables are collectible.

## Item 4. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures, as defined in U.S. Securities Exchange Act of 1934, as amended ("Exchange Act") Rule 13a-15(e), that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Chief Executive Officer and Chief Financial Officer, with the participation of management, have evaluated the effectiveness of the Company's disclosure controls and procedures in relation to Exchange Act Rule 13a-15(b), and have concluded that the Company's disclosure controls and procedures were effective as of March 31, 2026.

### Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2026, which materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

**PART II - OTHER INFORMATION**

**Item 1. Legal Proceedings**

We are a party to various routine legal proceedings, disputes and claims arising in the ordinary course of our business, including those that arise from interpretation of federal and state laws and regulations affecting the crude oil and natural gas exploration and development industry, personal injury claims, title disputes, royalty disputes, contract claims, contamination claims relating to crude oil and natural gas exploration and development and environmental claims, including claims involving assets previously sold to third parties and no longer part of our current operations. While the ultimate outcome of the pending proceedings, disputes or claims, and any resulting impact on us, cannot be predicted with certainty, we believe that none of these matters, if ultimately decided adversely, will have a material adverse effect on our financial condition, results of operations or cash flows.

There have been no additional material developments with respect to the information previously reported under Part I, Item 3. “Legal Proceedings” of our annual report on [Form 10-K](#) for the year ended December 31, 2025.

**Item 1A. Risk Factors**

There have been no material changes to the Company’s “Risk Factors” previously disclosed in Part I, Item 1A of our annual report on [Form 10-K](#) for the year ended December 31, 2025. For a detailed discussion of the risks that affect our business, please refer to Part I, Item 1A “Risk Factors” in our annual report on [Form 10-K](#) for the year ended December 31, 2025.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

**Repurchases of Common Stock**

Following are our monthly share repurchases of common stock for the quarter ended March 31, 2026:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
January	983,364	\$ 13.79	983,364	6,816,636
February	—	—	—	6,816,636
March	4,050,000	14.30	4,050,000	2,766,636
<b>Total</b>	<b>5,033,364</b>	<b>\$ 14.20</b>	<b>5,033,364</b>	

All repurchases of common stock were made using cash on hand and liquidity at the time of purchase. Our repurchases of common stock may occur through open market purchases, private transactions, or pursuant to a Rule 10b5-1 trading plan.

At the 2025 Annual General Meeting on April 9, 2025, our stockholders approved a stock repurchase program authorizing the Company to repurchase up to a maximum of 8,099,015 shares. This stock repurchase program (the “2025 Repurchase Program”) commenced upon approval and authorized the repurchase of common stock until the conclusion of the 2026 Annual General Meeting of the Company or June 30, 2026, whichever is earlier.

On February 25, 2026, the Board approved a stock repurchase program (the “2026 Repurchase Program”) authorizing the Company to repurchase up to 7,800,000 shares. The 2026 Repurchase Program replaces the 2025 Repurchase Program and authorizes the repurchase of common stock through March 1, 2027. Repurchases of common stock under the program may be made, from time to time, in privately negotiated transactions, in open market transactions, or by other means, including through trading plans intended to qualify under Rule 10b-18 and/or Rule 10b5-1 of the U.S. Securities Exchange Act of 1934, as amended. The amount and timing of any repurchases made under the program will be in the Company’s sole discretion and will depend on a variety of factors, including legal requirements, market conditions, other investment opportunities, available liquidity, and the prevailing market price of the common stock. The program does not obligate the Company to repurchase any dollar amount or number of shares of common stock, and the program may be suspended or discontinued at any time at the Company’s discretion.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

None.

**Item 5. Other Information**

During the three months ended March 31, 2026, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

**Item 6. Exhibits**

Exhibit No.	Description	Incorporated by reference			Filed Herewith	Furnished Only
		Form	Exhibit	Filing Date		
2.1	† <a href="#">Purchase and Sale Agreement dated February 26, 2026 by and between Diversified Production, LLC and Sheridan Holding Company III, LLC</a>	8-K File No. 001-41870	2.1	3/4/2026		
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Diversified Energy Company</a>	8-K File No. 001-41870	3.1	11/24/2025		
3.2	<a href="#">Amended and Restated Bylaws of Diversified Energy Company</a>	8-K File No. 001-41870	3.2	11/24/2025		
4.1	<a href="#">Tap Issue Addendum for 9.75% Senior Secured Bonds due 2029 dated February 5, 2026 by and between Diversified Gas &amp; Oil Corporation and Nordic Trustee, AS, as bond trustee</a>	8-K File No. 001-41870	4.2	2/10/2026		
10.1	* <a href="#">Form of Award Agreement for Short-Term Incentive Plan Award</a>				ü	
10.2	* <a href="#">Form of Officer Restricted Stock Unit Award Agreement</a>				ü	
10.3	* <a href="#">Form of Officer Performance Stock Unit Award Agreement</a>				ü	
10.4	* <a href="#">Form of Officer Long-Term Cash Award Agreement</a>				ü	
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				ü	
31.2	<a href="#">Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				ü	
32.1	<a href="#">Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>					ü
101	Interactive Data File. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					

\* Management contract or compensatory plan or arrangement.

† Certain schedules and attachments have been omitted. The registrant hereby undertakes to provide further information regarding such omitted materials to the Securities and Exchange Commission upon request.

## Signatures

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

**DIVERSIFIED ENERGY COMPANY**

(Registrant)

/s/ Bradley G. Gray

Bradley G. Gray

President and Chief Financial Officer

**DIVERSIFIED ENERGY COMPANY  
2025 EQUITY INCENTIVE PLAN**

**GRANT NOTICE FOR  
SHORT-TERM INCENTIVE PLAN AWARD**

FOR GOOD AND VALUABLE CONSIDERATION, Diversified Energy Company, a Delaware corporation (the “*Company*”), hereby grants to the Participant named below the target short-term incentive plan award specified below (the “*Award*”) as an Incentive Bonus under the Diversified Energy Company 2025 Equity Incentive Plan (the “*Plan*”). The Earned STIP (as defined below) represents the right to receive a cash payment, upon the terms and subject to the conditions set forth in this Grant Notice (including Exhibit B), the Plan and the Standard Terms and Conditions (the “*Standard Terms and Conditions*”) promulgated under such Plan and attached hereto as Exhibit A. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

Name of Participant:	[ ]
Target STIP Award:	\$( ) (the “ <i>Target STIP</i> ”)
Award Type:	The Award represents the right to receive a cash payment in an amount from 0% to [ ]% of the Target STIP. The Award shall vest and become earned and nonforfeitable upon (i) the Participant’s satisfaction of the Service Requirement (as defined below) and (ii) the Committee’s certification of the final level of achievement of the Performance Goal (as defined below). The portion of the Target STIP that becomes earned upon satisfaction of the Service Requirement and the Performance Goal is referred to herein as “ <i>Earned STIP</i> .”
Performance Period:	[ ]
Service Requirement:	The “ <i>Service Requirement</i> ” is set forth on <u>Exhibit B</u> attached hereto.
Performance Goal:	The “ <i>Performance Goal</i> ” is set forth on <u>Exhibit B</u> attached hereto.

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By accepting this Grant Notice, Participant acknowledges that Participant has received and read, and agrees that this Award shall be subject to, the terms of this Grant Notice (including Exhibit B), the Plan and the Standard Terms and Conditions.

**DIVERSIFIED ENERGY COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**PARTICIPANT**

\_\_\_\_\_  
[ ]

Signature Page to  
Grant Notice for  
Short-Term Incentive Plan Award

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**EXHIBIT A**

**DIVERSIFIED ENERGY COMPANY  
2025 EQUITY INCENTIVE PLAN**

**STANDARD TERMS AND CONDITIONS FOR  
SHORT-TERM INCENTIVE PLAN AWARD**

These Standard Terms and Conditions apply to the short-term incentive plan award granted pursuant to the Diversified Energy Company 2025 Equity Incentive Plan (the “*Plan*”), which is evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the short-term incentive plan award shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

**1. TERMS OF AWARD**

Diversified Energy Company (the “*Company*”) has granted to the Participant named in the Grant Notice provided to said Participant herewith (the “*Grant Notice*”) a short-term incentive plan award (the “*Award*”) specified in the Grant Notice, which represents the right to receive a cash payment in the amount of the Earned STIP (as defined in the Grant Notice). The Award is subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions and the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

**2. VESTING AND SETTLEMENT OF AWARD**

(a) The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become vested and earned as described in the Grant Notice with respect to the Target STIP as set forth in the Grant Notice.

(b) Except as otherwise set forth under Section 2(e) below, as soon as administratively practicable following the Determination Date (as defined in Exhibit B), but in no event later than March 15 of the calendar year following the calendar year in which the Performance Period ends, the Company shall deliver to the Participant a lump sum cash payment equal to the Earned STIP.

(c) If the Participant’s Termination of Employment is as a result of the Participant’s death or Disability, then the Pro-Rata Portion will remain outstanding and eligible to become Earned STIP based on achievement of the Performance Goals and settlement of such Earned STIP shall not be accelerated.

(d) If the Participant’s Termination of Employment is as a result of the Participant’s Qualifying Termination (as defined below), then, subject to the Participant’s execution and nonrevocation of a general release of claims in a form provided by the Company, the Pro-Rata

Exhibit A  
Standard Terms and Conditions for  
Short-Term Incentive Plan Award

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Portion will remain outstanding and eligible to become Earned STIP based on achievement of the Performance Goals and settlement of such Earned STIP shall not be accelerated.

(e) If the Participant's Termination of Employment is as a result of the Participant's Retirement (as defined below) or Qualifying Termination (as defined below) during a Protection Period (as defined in the Diversified Energy Company Executive Severance Plan), then, subject to the Participant's execution and nonrevocation of a general release of claims in a form provided by the Company, the Pro-Rata Portion will become the Earned STIP, and the Company shall deliver to the Participant such Earned STIP within 60 days after such Termination Date.

(f) Upon the Participant's Termination of Employment for any other reason not set forth in Section 2(c), 2(d) or 2(e), any Target STIP that has not become an Earned STIP shall be forfeited and canceled as of the date of such Termination of Employment.

(g) As used in this Section 2:

(i) "**Pro-Rata Portion**" means (A) the Target STIP, multiplied by (B) a fraction, the numerator of which is the number of days between the start of the Performance Period and the Termination Date and the denominator of which is the number of days in the Performance Period.

(ii) "**Qualifying Termination**" shall have the meaning set forth in the Diversified Energy Company Executive Severance Plan.

(iii) "**Retirement**" means, subject to approval by the Committee and the Participant's provision of six months' written notice to the Board prior to such Termination of Employment, the Participant's Termination of Employment after reach either (A) 58 years old with 10 years of service with the Company or its Subsidiaries or (B) 65 years old with five years of service with the Company or its Subsidiaries.

(iv) "**Termination Date**" means the date of the Participant's Termination of Employment.

### **3. INCOME TAXES**

To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the payment of the Earned STIP.

### **4. NONTRANSFERABILITY OF AWARD**

The Participant understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Committee, the Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution.

### **5. OTHER AGREEMENTS SUPERSEDED**

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

## **6. GENERAL**

(a) Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment service at any time for any reason.

(b) In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

(c) The headings preceding the text of the sections hereof are inserted solely for convenience of reference and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect. Words in the masculine gender shall include the feminine gender, and where appropriate, the plural shall include the singular and the singular shall include the plural. All references to "include(ing)" shall be construed as meaning "include(ing) without limitation." References herein to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by the Plan or these Standard Terms and Conditions.

(d) These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

(e) These Standard Terms and Conditions shall be interpreted and construed in accordance with the laws of the State of Delaware (without regard to its choice of law provisions), unless superseded by applicable federal law.

(f) In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

(g) All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion.

## **7. CLAWBACK**

The Award and any payment upon settlement of the Earned STIP will be subject to recoupment in accordance with any clawback policy adopted by the Company. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company. By accepting the Award, the Participant is agreeing to be bound by any such clawback policy, as in effect or as may be adopted and/or modified from time to time by the Company in its discretion.

## **8. ELECTRONIC DELIVERY**

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Award via Company web site or other electronic delivery.

**EXHIBIT B**

**SERVICE REQUIREMENT AND  
PERFORMANCE GOALS**

The Award granted pursuant to the Grant Notice to which this Exhibit B is attached will be eligible to become an Earned STIP as set forth in this Exhibit B, subject to satisfaction of the Service Requirement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Grant Notice, as applicable.

**Service Requirement**

[ ]

**Performance Goals**

[ ]

Exhibit B  
Service Requirement and Performance Goals

**DIVERSIFIED ENERGY COMPANY  
2025 EQUITY INCENTIVE PLAN**

**GRANT NOTICE FOR  
RESTRICTED STOCK UNIT AWARD**

FOR GOOD AND VALUABLE CONSIDERATION, Diversified Energy Company, a Delaware corporation (the “*Company*”), hereby grants to the Participant named below the number of Restricted Stock Units (the “*RSUs*”) specified below (the “*Award*”) under the Diversified Energy Company 2025 Equity Incentive Plan (the “*Plan*”). Each RSU represents the right to receive one share of Common Stock, upon the terms and subject to the conditions set forth in this Grant Notice, the Plan and the Standard Terms and Conditions (the “*Standard Terms and Conditions*”) promulgated under such Plan and attached hereto as Exhibit A. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

Name of Participant:	[ ]
Grant Date:	[ ]
Number of RSUs:	[ ]
Vesting Commencement Date:	[ ]
Vesting Schedule:	Subject to the Plan and the Standard Terms and Conditions, the RSUs shall vest [ ], so long as Participant does not have a Termination of Employment through each vesting date.

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By accepting this Grant Notice, Participant acknowledges that Participant has received and read, and agrees that this Award shall be subject to, the terms of this Grant Notice, the Plan and the Standard Terms and Conditions.

**DIVERSIFIED ENERGY COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**PARTICIPANT**

\_\_\_\_\_  
[ ]

Signature Page to  
Grant Notice for  
Restricted Stock Unit Award

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**EXHIBIT A**

**DIVERSIFIED ENERGY COMPANY  
2025 EQUITY INCENTIVE PLAN**

**STANDARD TERMS AND CONDITIONS FOR  
RESTRICTED STOCK UNITS**

These Standard Terms and Conditions apply to the Award of Restricted Stock Units granted pursuant to the Diversified Energy Company 2025 Equity Incentive Plan (the “*Plan*”), which are evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the Restricted Stock Units shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

**1. TERMS OF RESTRICTED STOCK UNITS**

Diversified Energy Company (the “*Company*”) has granted to the Participant named in the Grant Notice provided to said Participant herewith (the “*Grant Notice*”) an award of Restricted Stock Units (the “*Award*” or “*RSUs*”) specified in the Grant Notice, with each Restricted Stock Unit representing the right to receive one share of Common Stock. The Award is subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions and the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

**2. VESTING AND SETTLEMENT OF RESTRICTED STOCK UNITS**

(a) The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become vested as described in the Grant Notice with respect to that number of Restricted Stock Units as set forth in the Grant Notice. Restricted Stock Units that have vested and are no longer subject to forfeiture are referred to herein as “*Vested RSUs*.” Restricted Stock Units awarded hereunder that are not vested and remain subject to forfeiture are referred to herein as “*Unvested RSUs*.”

(b) Except as otherwise set forth in Section 2(c) and 2(d) below, as soon as administratively practicable following the vesting of the RSUs pursuant to the Grant Notice and this Section 2, but in no event later than 30 days after each vesting date, the Company shall deliver to the Participant a number of shares of Common Stock equal to the number of RSUs that vested on such date.

(c) If the Participant’s Termination of Employment is as a result of the Participant’s death or Disability, (i) all then Unvested RSUs shall become Vested RSUs as of the Termination Date (as defined below) and (ii) the Company shall deliver to the Participant (or the Participant’s estate in the event of death) such Vested RSUs within 60 days after such Termination Date.

Exhibit A  
Standard Terms and Conditions for  
Restricted stock Units

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(d) If the Participant's Termination of Employment is as a result of the Participant's Qualifying Termination (as defined below), subject to the Participant's execution and nonrevocation of a general release of claims in a form provided by the Company, (i) all then Unvested RSUs shall become Vested RSUs as of the Termination Date and (ii) the Company shall deliver to the Participant such Vested RSUs within 60 days after such Termination Date; provided, however, that such delivery shall be subject to Section 25 of the Plan if the Participant is a "specified employee" (as determined under Section 409A).

(e) Upon Participant's Termination of Employment for any other reason not set forth in Section 2(c) or 2(d), any then Unvested RSUs held by the Participant shall be forfeited and canceled as of the date of such Termination of Employment.

(f) As used in this Section 2:

(i) "**Good Reason**" shall have the meaning set forth in the Diversified Energy Company Executive Severance Plan.

(ii) "**Qualifying Termination**" means the Participant's Termination of Employment (i) by the Company without Cause, (ii) by the Participant for Good Reason or (iii) as a result of the Participant's Retirement; provided, however, that such Termination of Employment must also constitute a Separation from Service.

(iii) "**Retirement**" means, subject to approval by the Committee and the Participant's provision of six months' written notice to the Board prior to such Termination of Employment, the Participant's Termination of Employment after reach either (A) 58 years old with 10 years of service with the Company or its Subsidiaries or (B) 65 years old with five years of service with the Company or its Subsidiaries.

(iv) "**Termination Date**" means the date of the Participant's Termination of Employment.

### **3. RIGHTS AS STOCKHOLDER; DIVIDEND EQUIVALENTS**

(a) Participant shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any RSUs unless and until shares of Common Stock settled for such RSUs shall have been issued by the Company to Participant (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

(b) Notwithstanding the foregoing, from and after the Grant Date and until the earlier of (i) the Participant's receipt of Common Stock upon payment of RSUs and (ii) the time when the Participant's right to receive Common Stock upon payment of RSUs is forfeited, on the date that the Company pays a cash dividend (if any) to holders of Common Stock generally, the Participant shall be entitled, as a Dividend Equivalent, to a number of additional whole RSUs determined by dividing (i) the product of (A) the dollar amount of the cash dividend paid per share of Common Stock on such date and (B) the total number of RSUs (including dividend equivalents paid thereon) previously credited to the Participant as of such date, by (ii) the Fair Market Value per share of Common Stock on such date. Such Dividend Equivalents (if any) shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the RSUs to which the Dividend Equivalents were credited.

### **4. RESTRICTIONS ON REALES OF SHARES**

The Company may impose such restrictions, conditions or limitations under the Securities Dealing and Insider Trading Policy (or any successor policy) as it reasonably determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued pursuant to Vested RSUs.

#### **5. INCOME TAXES**

To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the grant or vesting of the RSUs. The Company shall not be required to issue shares or to recognize the disposition of such shares until such obligations are satisfied.

#### **6. NONTRANSFERABILITY OF AWARD**

The Participant understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Committee, the Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution.

#### **7. OTHER AGREEMENTS SUPERSEDED**

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

#### **8. LIMITATION OF INTEREST IN SHARES SUBJECT TO RESTRICTED STOCK UNITS**

Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person in connection with the Award. Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment service at any time for any reason.

#### **9. GENERAL**

(a) In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

(b) The headings preceding the text of the sections hereof are inserted solely for convenience of reference and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect. Words in the masculine gender shall include the feminine gender, and where appropriate, the plural shall include the singular and the singular shall include the plural. All references to “include(ing)” shall be construed as meaning “include(ing) without limitation.” References herein to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by the Plan or these Standard Terms and Conditions.

(c) These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

(d) These Standard Terms and Conditions shall be interpreted and construed in accordance with the laws of the State of Delaware (without regard to its choice of law provisions), unless superseded by applicable federal law.

(e) In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

(f) All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion.

#### **10. CLAWBACK**

The RSUs and any shares of Common Stock received upon settlement of the RSUs will be subject to recoupment in accordance with any clawback policy adopted by the Company. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for “good reason” or “constructive termination” (or similar term) under any agreement with the Company. By accepting the Award, the Participant is agreeing to be bound by any such clawback policy, as in effect or as may be adopted and/or modified from time to time by the Company in its discretion.

#### **11. ELECTRONIC DELIVERY**

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Restricted Stock Units via Company web site or other electronic delivery.

**DIVERSIFIED ENERGY COMPANY  
2025 EQUITY INCENTIVE PLAN**

**GRANT NOTICE FOR  
PERFORMANCE STOCK UNIT AWARD**

FOR GOOD AND VALUABLE CONSIDERATION, Diversified Energy Company, a Delaware corporation (the “*Company*”), hereby grants to the Participant named below the target number of performance stock units (the “*PSUs*”) specified below (the “*Award*”) as performance-based Restricted Stock Units under the Diversified Energy Company 2025 Equity Incentive Plan (the “*Plan*”). Each Earned PSU (as defined below) represents the right to receive one share of Common Stock, upon the terms and subject to the conditions set forth in this Grant Notice (including Exhibit B), the Plan and the Standard Terms and Conditions (the “*Standard Terms and Conditions*”) promulgated under such Plan and attached hereto as Exhibit A. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

Name of Participant:	[ ]
Grant Date:	[ ]
Target Number of PSUs:	[ ] (the “ <i>Target PSUs</i> ”)
Award Type:	The Award represents the right to receive shares of Common Stock in an amount from 0% to [ ]% of the Target PSUs. The Award shall vest and become earned and nonforfeitable upon (i) the Participant’s satisfaction of the Service Requirement (as defined below) and (ii) the Committee’s certification of the final level of achievement of the Performance Goal (as defined below). PSUs that become earned upon satisfaction of the Service Requirement and the Performance Goal are referred to herein as “ <i>Earned PSUs</i> .”
Performance Period:	[ ]
Service Requirement:	The “ <i>Service Requirement</i> ” is set forth on <u>Exhibit B</u> attached hereto.
Performance Goal:	The “ <i>Performance Goal</i> ” is set forth on <u>Exhibit B</u> attached hereto.

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By accepting this Grant Notice, Participant acknowledges that Participant has received and read, and agrees that this Award shall be subject to, the terms of this Grant Notice (including Exhibit B), the Plan and the Standard Terms and Conditions.

**DIVERSIFIED ENERGY COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**PARTICIPANT**

\_\_\_\_\_  
[ ]

Signature Page to  
Grant Notice for  
Performance Stock Unit Award

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**EXHIBIT A**

**DIVERSIFIED ENERGY COMPANY  
2025 EQUITY INCENTIVE PLAN**

**STANDARD TERMS AND CONDITIONS FOR  
PERFORMANCE STOCK UNITS**

These Standard Terms and Conditions apply to the Award of performance stock units granted pursuant to the Diversified Energy Company 2025 Equity Incentive Plan (the “*Plan*”), which are evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the performance stock units shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

**1. TERMS OF PERFORMANCE STOCK UNITS**

Diversified Energy Company (the “*Company*”) has granted to the Participant named in the Grant Notice provided to said Participant herewith (the “*Grant Notice*”) an award of performance stock units (the “*Award*” or “*PSUs*”) specified in the Grant Notice, with each Earned PSU representing the right to receive one share of Common Stock. The Award is subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions and the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

**2. VESTING AND SETTLEMENT OF PERFORMANCE STOCK UNITS**

(a) The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become vested and earned as described in the Grant Notice with respect to the Target PSUs as set forth in the Grant Notice.

(b) Except as otherwise set forth under Section 2(c), 2(e), or 2(f) below, as soon as administratively practicable following the Vesting Date (as defined in Exhibit B), but in no event later than March 15 of the calendar year following the calendar year in which the Performance Period ends, the Company shall deliver to the Participant a number of shares of Common Stock equal to the number of Earned PSUs.

(c) If the Participant’s Termination of Employment is as a result of the Participant’s death or Disability: (i) prior to the end of the Performance Period, (A) 100% of the Target PSUs shall become Earned PSUs and shall vest as of the Termination Date (as defined below) and (B) the Company shall deliver to the Participant (or Participant’s estate in the event of death) such Earned PSUs within 60 days after such Termination Date; or (ii) after the end of the Performance Period but prior to the Vesting Date, the Target PSUs will remain outstanding and eligible to become Earned PSUs based on achievement of the Performance Goals and settlement of such Earned PSUs shall not be accelerated.

Exhibit A  
Standard Terms and Conditions for  
Performance Stock Units

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(d) If the Participant's Termination of Employment is as a result of the Participant's Retirement (as defined below), then, subject to the Participant's execution and nonrevocation of a general release of claims in a form provided by the Company, (i) if the Termination Date is prior to the end of the Performance Period, the Pro-Rata Portion of the Target PSUs shall remain outstanding and eligible to become Earned PSUs based on achievement of the Performance Goals and settlement of such Earned PSUs shall not be accelerated and (ii) if the Termination Date is after the end of the Performance Period, the Target PSUs will remain outstanding and eligible to become Earned PSUs based on achievement of the Performance Goals and settlement of such Earned PSUs shall not be accelerated.

(e) If the Participant's Termination of Employment is as a result of the Participant's Qualifying Termination (as defined below), then, subject to the Participant's execution and nonrevocation of a general release of claims in a form provided by the Company, (i) if the Termination Date is prior to the end of the Performance Period, (A) the Performance Goal shall be measured over a truncated Performance Period ending on the date of the most recent fiscal quarter end on or prior to the Termination Date, (B) the Pro-Rata Portion of the Target PSUs shall become Earned PSUs based on achievement of the Performance Goals over such truncated Performance Period and shall vest as of the Termination Date, and (C) the Company shall deliver to the Participant such Earned PSUs within 60 days after such Termination Date, and (ii) if the Termination Date is after the end of the Performance Period, the Target PSUs will remain outstanding and eligible to become Earned PSUs based on achievement of the Performance Goals and settlement of such Earned PSUs shall not be accelerated.

(f) If the Participant's Termination of Employment is as a result of the Participant's Qualifying Termination (as defined below) during a Protection Period (as defined in the Diversified Energy Company Executive Severance Plan) then, subject to the Participant's execution and nonrevocation of a general release of claims in a form provided by the Company, (i) the Performance Goal shall be measured over a truncated Performance Period ending on the date of the Change in Control, (ii) if the Performance Goal is achieved at or below 100%, the Target PSUs shall become Earned PSUs and shall vest as of the Termination Date, (iii) if the Performance Goal is achieved above 100%, the Target PSUs shall become Earned PSUs based on achievement of the Performance Goals over such truncated Performance Period and shall vest as of the Termination Date, and (iv) the Company shall deliver to the Participant such Earned PSUs within 60 days after such Termination Date.

(g) Upon the Participant's Termination of Employment for any other reason not set forth in Section 2(c), 2(d), 2(e) or 2(f), any PSUs that have not become Earned PSUs shall be forfeited and canceled as of the date of such Termination of Employment.

(h) As used in this Section 2:

(i) "**Pro-Rata Portion**" means (A) the Target PSUs, multiplied by (B) a fraction, the numerator of which is the number of days between the start of the Performance Period and the Termination Date and the denominator of which is the number of days in the Performance Period.

(ii) "**Qualifying Termination**" shall have the meaning set forth in the Diversified Energy Company Executive Severance Plan.

(iii) "**Retirement**" means, subject to approval by the Committee and the Participant's provision of six months' written notice to the Board prior to such Termination of Employment, the Participant's Termination of Employment after reach

either (A) 58 years old with 10 years of service with the Company or its Subsidiaries or (B) 65 years old with five years of service with the Company or its Subsidiaries.

(iv) “**Termination Date**” means the date of the Participant’s Termination of Employment.

### **3. RIGHTS AS STOCKHOLDER; DIVIDEND EQUIVALENTS**

(a) Participant shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any PSUs unless and until shares of Common Stock settled for Earned PSUs shall have been issued by the Company to Participant (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

(b) Notwithstanding the foregoing, from and after the Grant Date and until the earlier of (i) the Participant’s receipt of Common Stock upon payment of Earned PSUs and (ii) the time when the Participant’s right to receive Common Stock upon payment of PSUs is forfeited, on the date that the Company pays a cash dividend (if any) to holders of Common Stock generally, the Participant shall be entitled, as a Dividend Equivalent, to a number of additional whole Target PSUs determined by dividing (i) the product of (A) the dollar amount of the cash dividend paid per share of Common Stock on such date and (B) the total number of Target PSUs (including dividend equivalents paid thereon) previously credited to the Participant as of such date, by (ii) the Fair Market Value per share of Common Stock on such date. Such Dividend Equivalents (if any) shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the Target PSUs to which the Dividend Equivalents were credited.

### **4. RESTRICTIONS ON REALES OF SHARES**

The Company may impose such restrictions, conditions or limitations under the Securities Dealing and Insider Trading Policy (or any successor policy) as it reasonably determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued pursuant to Earned PSUs.

### **5. INCOME TAXES**

To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the grant or vesting of the PSUs. The Company shall not be required to issue shares or to recognize the disposition of such shares until such obligations are satisfied.

### **6. NONTRANSFERABILITY OF AWARD**

The Participant understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Committee, the Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution.

**7. OTHER AGREEMENTS SUPERSEDED**

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

**8. LIMITATION OF INTEREST IN SHARES SUBJECT TO PERFORMANCE STOCK UNITS**

Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person in connection with the Award. Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment service at any time for any reason.

**9. GENERAL**

(a) In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

(b) The headings preceding the text of the sections hereof are inserted solely for convenience of reference and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect. Words in the masculine gender shall include the feminine gender, and where appropriate, the plural shall include the singular and the singular shall include the plural. All references to "include(ing)" shall be construed as meaning "include(ing) without limitation." References herein to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by the Plan or these Standard Terms and Conditions.

(c) These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

(d) These Standard Terms and Conditions shall be interpreted and construed in accordance with the laws of the State of Delaware (without regard to its choice of law provisions), unless superseded by applicable federal law.

(e) In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

(f) All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion.

#### **10. CLAWBACK**

The PSUs and any shares of Common Stock received upon settlement of the Earned PSUs will be subject to recoupment in accordance with any clawback policy adopted by the Company. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for “good reason” or “constructive termination” (or similar term) under any agreement with the Company. By accepting the Award, the Participant is agreeing to be bound by any such clawback policy, as in effect or as may be adopted and/or modified from time to time by the Company in its discretion.

#### **11. ELECTRONIC DELIVERY**

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the PSUs via Company web site or other electronic delivery.

**EXHIBIT B**

**SERVICE REQUIREMENT AND  
PERFORMANCE GOALS**

The PSUs granted pursuant to the Grant Notice to which this Exhibit B is attached will be eligible to become Earned PSUs as set forth in this Exhibit B, subject to satisfaction of the Service Requirement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Grant Notice, as applicable.

**Service Requirement**

[ ]

**Performance Goals**

[ ]

Exhibit B  
Service Requirement and Performance Goals

**DIVERSIFIED ENERGY COMPANY  
2025 EQUITY INCENTIVE PLAN**

**GRANT NOTICE FOR  
LONG-TERM CASH PERFORMANCE AWARD**

FOR GOOD AND VALUABLE CONSIDERATION, Diversified Energy Company, a Delaware corporation (the “*Company*”), hereby grants to the Participant named below the target long-term cash performance award specified below (the “*Award*”) as an Incentive Bonus under the Diversified Energy Company 2025 Equity Incentive Plan (the “*Plan*”). The Earned Award (as defined below) represents the right to receive a cash payment, upon the terms and subject to the conditions set forth in this Grant Notice (including Exhibit B), the Plan and the Standard Terms and Conditions (the “*Standard Terms and Conditions*”) promulgated under such Plan and attached hereto as Exhibit A. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

Name of Participant:	[ ]
Grant Date:	[ ]
Target Award:	\$( [ ] ) (the “ <i>Target Award</i> ”)
Award Type:	The Award represents the right to receive a cash payment in an amount from 0% to [ ]% of the Target Award. The Award shall vest and become earned and nonforfeitable upon (i) the Participant’s satisfaction of the Service Requirement (as defined below) and (ii) the Committee’s certification of the final level of achievement of the Performance Goal (as defined below). The portion of the Target Award that becomes earned upon satisfaction of the Service Requirement and the Performance Goal is referred to herein as “ <i>Earned Award</i> .”
Performance Period:	[ ]
Service Requirement:	The “ <i>Service Requirement</i> ” is set forth on <u>Exhibit B</u> attached hereto.
Performance Goal:	The “ <i>Performance Goal</i> ” is set forth on <u>Exhibit B</u> attached hereto.

By accepting this Grant Notice, Participant acknowledges that Participant has received and read, and agrees that this Award shall be subject to, the terms of this Grant Notice (including Exhibit B), the Plan and the Standard Terms and Conditions.

**DIVERSIFIED ENERGY COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**PARTICIPANT**

\_\_\_\_\_  
[ ]

Signature Page to  
Grant Notice for  
Long Term Cash Performance Award

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**EXHIBIT A**

**DIVERSIFIED ENERGY COMPANY  
2025 EQUITY INCENTIVE PLAN**

**STANDARD TERMS AND CONDITIONS FOR  
LONG-TERM CASH PERFORMANCE AWARD**

These Standard Terms and Conditions apply to the long-term cash performance award granted pursuant to the Diversified Energy Company 2025 Equity Incentive Plan (the “*Plan*”), which is evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Standard Terms and Conditions, the long-term cash performance award shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

**1. TERMS OF AWARD**

Diversified Energy Company (the “*Company*”) has granted to the Participant named in the Grant Notice provided to said Participant herewith (the “*Grant Notice*”) a long-term cash performance award (the “*Award*”) specified in the Grant Notice, which represents the right to receive a cash payment in the amount of the Earned Award (as defined in the Grant Notice). The Award is subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions and the Plan. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

**2. VESTING AND SETTLEMENT OF AWARD**

(a) The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become vested and earned as described in the Grant Notice with respect to the Target Award as set forth in the Grant Notice.

(b) Except as otherwise set forth under Section 2(c), 2(e), or 2(f) below, as soon as administratively practicable following the Vesting Date (as defined in Exhibit B), but in no event later than March 15 of the calendar year following the calendar year in which the Performance Period ends, the Company shall deliver to the Participant a lump sum cash payment equal to the Earned Award.

(c) If the Participant’s Termination of Employment is as a result of the Participant’s death or Disability: (i) prior to the end of the Performance Period, (A) 100% of the Target Award shall become the Earned Award and shall vest as of the Termination Date (as defined below) and (B) the Company shall deliver to the Participant (or the Participant’s estate in event of death) such Earned Award within 60 days after such Termination Date; or (ii) after the end of the Performance Period but prior to the Vesting Date, the Target Award will remain outstanding and eligible to become Earned Award based on achievement of the Performance Goals and settlement of such Earned Award shall not be accelerated.

Exhibit A  
Standard Terms and Conditions for  
Long-Term Cash Performance Award

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(d) If the Participant's Termination of Employment is as a result of the Participant's Retirement (as defined below), then, subject to the Participant's execution and nonrevocation of a general release of claims in a form provided by the Company, (i) if the Termination Date is prior to the end of the Performance Period, the Pro-Rata Portion of the Target Award shall remain outstanding and eligible to become the Earned Award based on achievement of the Performance Goals and settlement of such Earned Award shall not be accelerated and (ii) if the Termination Date is after the end of the Performance Period, the Target Award will remain outstanding and eligible to become Earned Award based on achievement of the Performance Goals and settlement of such Earned Award shall not be accelerated.

(e) If the Participant's Termination of Employment is as a result of the Participant's Qualifying Termination (as defined below), then, subject to the Participant's execution and nonrevocation of a general release of claims in a form provided by the Company, (i) if the Termination Date is prior to the end of the Performance Period, (A) the Performance Goal shall be measured over a truncated Performance Period ending on the date of the most recent fiscal quarter end on or prior to the Termination Date, (B) the Pro-Rata Portion of the Target Award shall become the Earned Award based on achievement of the Performance Goals over such truncated Performance Period and shall vest as of the Termination Date, and (C) the Company shall deliver to the Participant such Earned Award within 60 days after such Termination Date, and (ii) if the Termination Date is after the end of the Performance Period, the Target Award will remain outstanding and eligible to become the Earned Award based on achievement of the Performance Goals and settlement of such Earned Award shall not be accelerated.

(f) If the Participant's Termination of Employment is as a result of the Participant's Qualifying Termination (as defined below) during a Protection Period (as defined in the Diversified Energy Company Executive Severance Plan), then, subject to the Participant's execution and nonrevocation of a general release of claims in a form provided by the Company, (i) the Performance Goal shall be measured over a truncated Performance Period ending on the date of the Change in Control, (ii) if the Performance Goal is achieved at or below 100%, the Target Award shall become the Earned Award and shall vest as of the Termination Date, (iii) if the Performance Goal is achieved above 100%, the Target Award shall become the Earned Award based on achievement of the Performance Goals over such truncated Performance Period and shall vest as of the Termination Date, and (iv) the Company shall deliver to the Participant such Earned Award within 60 days after such Termination Date.

(g) Upon the Participant's Termination of Employment for any other reason not set forth in Section 2(c), 2(d), 2(e) or 2(f), any Target Award that has not become an Earned Award shall be forfeited and canceled as of the date of such Termination of Employment.

(h) As used in this Section 2:

(i) "**Pro-Rata Portion**" means (A) the Target Award, multiplied by (B) a fraction, the numerator of which is the number of days between the start of the Performance Period and the Termination Date and the denominator of which is the number of days in the Performance Period.

(ii) "**Qualifying Termination**" shall have the meaning set forth in the Diversified Energy Company Executive Severance Plan.

(iii) "**Retirement**" means, subject to approval by the Committee and the Participant's provision of six months' written notice to the Board prior to such Termination of Employment, the Participant's Termination of Employment after reaching either (A) 58 years old with 10 years of service with the Company or its

Subsidiaries or (B) 65 years old with five years of service with the Company or its Subsidiaries.

(iv) “**Termination Date**” means the date of the Participant’s Termination of Employment.

### **3. INCOME TAXES**

To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the payment of the Earned Award.

### **4. NONTRANSFERABILITY OF AWARD**

The Participant understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Committee, the Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution.

### **5. OTHER AGREEMENTS SUPERSEDED**

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

### **6. GENERAL**

(a) Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company’s employ or service nor limit in any way the Company’s right to terminate the Participant’s employment service at any time for any reason.

(b) In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

(c) The headings preceding the text of the sections hereof are inserted solely for convenience of reference and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect. Words in the masculine gender shall include the feminine gender, and where appropriate, the plural shall include the singular and the singular shall include the plural. All references to “include(ing)” shall be construed as meaning “include(ing) without limitation.” References herein to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by the Plan or these Standard Terms and Conditions.

(d) These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

(e) These Standard Terms and Conditions shall be interpreted and construed in accordance with the laws of the State of Delaware (without regard to its choice of law provisions), unless superseded by applicable federal law.

(f) In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

(g) All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion.

#### **7. CLAWBACK**

The Award and any payment upon settlement of the Earned Award will be subject to recoupment in accordance with any clawback policy adopted by the Company. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for “good reason” or “constructive termination” (or similar term) under any agreement with the Company. By accepting the Award, the Participant is agreeing to be bound by any such clawback policy, as in effect or as may be adopted and/or modified from time to time by the Company in its discretion.

#### **8. ELECTRONIC DELIVERY**

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Award via Company web site or other electronic delivery.

**EXHIBIT B**

**SERVICE REQUIREMENT AND  
PERFORMANCE GOALS**

The Award granted pursuant to the Grant Notice to which this Exhibit B is attached will be eligible to become an Earned Award as set forth in this Exhibit B, subject to satisfaction of the Service Requirement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Grant Notice, as applicable.

**Service Requirement**

[ ]

**Performance Goals**

[ ]

Exhibit B  
Service Requirement and Performance Goals





**Certification of the Chief Executive Officer**





I, Rusty Hutson, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Diversified Energy Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 6, 2026

Date

/s/ Rusty Hutson, Jr.

**Rusty Hutson, Jr.**

**Chief Executive Officer**







**Certification of the Chief Financial Officer**





I, Bradley G. Gray, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Diversified Energy Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 6, 2026

Date

/s/ Bradley G. Gray

**Bradley G. Gray**

**President & Chief Financial Officer**







**Certification Pursuant to 18 U. S. C. Section 1350(b), as**





Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Rusty Hutson, Jr., the Chief Executive Officer, and Bradley G. Gray, the Chief Financial Officer of Diversified Energy Company (the Company), hereby certify, that, to their knowledge:

1. The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (the Report), as filed with the Securities and Exchange Commission on May 6, 2026, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 6, 2026

Date

/s/ Rusty Hutson, Jr.

**Rusty Hutson, Jr.**

**Chief Executive Officer**

May 6, 2026

Date

/s/ Bradley G. Gray

**Bradley G. Gray**

**Chief Financial Officer**

