

# Diversified Gas & Oil PLC

08:30 23 Apr 2019

## DGOC higher as it closes US\$400mIn asset acquisition

Diversified Gas & Oil PLC (LON:DGOC) shares rose on Tuesday as the firm completed its US\$400mIn acquisition of assets from HG Energy II Appalachia LLC, delivering some 107 producing wells to the company's portfolio.

The transaction grows daily production by around 30% to over 90,000 barrels oil equivalent per day, and, it is described as being "immediately accretive".

"This is yet another transformative transaction consistent with our ambitious and proven growth strategy," said Rusty Huston, DGOC chief executive.

**READ:** DGOC reveals another big acquisition

"The HG Energy Acquisition firmly establishes Diversified as a top-tier London-listed producer, supported by a healthy balance sheet, a strong cash flow profile and a healthy dividend yield.

"We now turn our attention to the seamless integration of these assets into our smarter well management program."

The transaction was supported by a US\$234mIn institutional share placing, with the remainder covered via an existing credit facility.

DGOC also today updated investors on its hedging arrangements, which aim to protect cash flows and mitigate risk.

It has utilised a foreign currency swap, for £170mIn, which has resulted in a US\$4mIn gain.

Additionally, it uses a mixture of physical and financial contracts to hedge production - it highlighted that it successfully executed NYMEX gas hedges (representing 13,300 boepd) at a premium of 9% compared to the current monthly gas pricing, and, a further 11,700 boepd worth of production was similarly covered at a 9% premium.

In afternoon trading, DGOC shares were 2.1% higher at 121p.

-- Adds share price --

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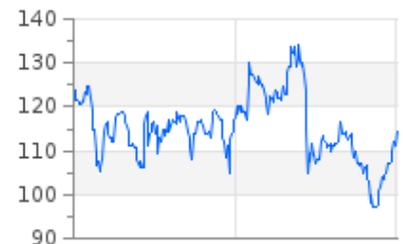
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No investment advice

**Price:** £1.15

**Market Cap:** £755.44 m

### 1 Year Share Price Graph



September 2018 March 2019 September 2019

### Share Information

**Code:** DGOC

**Listing:** AIM

**52 week High Low**  
135 94.3154

**Sector:** Oil & Gas

**Website:** [www.diversifiedgasandoil.com](http://www.diversifiedgasandoil.com)

### Company Synopsis:

*Diversified Gas & Oil PLC (DGO) is an established, independent owner and operator of producing natural gas & oil wells concentrated in the Appalachian Basin in the United States. Our field operations are densely located throughout the neighboring states of Tennessee, Kentucky, Virginia, West Virginia, Ohio, Pennsylvania, and Maryland, where we are one of the largest independent conventional producers.*

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