

Diversified Gas & Oil PLC

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Diversified Gas & Oil to trigger surge of passive fund buying with main market listing, says broker

Diversified Gas & Oil PLC (LON:DGOC) is on track to qualify for the FTSE250 and All-share indices in September's review, triggering mandatory buying from passive funds, according to broker Mirabaud.

"On the assumption that index trackers account for 10-15% of the free float, we estimate between US\$80-120m (66-99m shares) of incremental buying - compared to average daily volume of ~2m shares - creating the potential for the stock to squeeze higher as the review date comes into view."

DGO today became only the second E&P company in ten years to switch to the main market from AIM.

Since its IPO in February 2017, the company has expanded its Appalachian basin production base to 110,000 barrels per day from 4,000 barrels.

"Importantly, the transition also reflects the group's commitment to the strong governance, reporting and operating standards required by the Premium listing, as it seeks further growth," Mirabaud added.

In a statement, DGOC's chief executive Rusty Hutson described the market promotion from AIM as "a significant milestone".

Hutson added: "Tangentially to our strategy of focus on long-term value-creating growth, we have become the largest independent producer by volume listed in London, and our robust business model and healthy balance sheet ensures that we are well-positioned to capitalise on compelling opportunities that the current market will present.

Earlier this month, the company unveiled its latest acquisition, with a US\$125m deal adding to April's US\$110m deal.

These deals are supported by a fresh US\$85m equity fundraise which took place earlier this month, priced at a notably small discount at the time - just 1.6%.

Shares rose slightly to 101.6p.

Price: 124.2

Market Cap: £878.6 m

1 Year Share Price Graph



February 2020 August 2020 February 2021

Share Information

Code: DGOC

Listing: LSE

52 week	High	Low
	130	52.6902

Sector: Oil & Gas

Website: 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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