

20 May 2016

Riverstone Energy Limited – Interim Management Statement

Guernsey (20 May 2016) - Riverstone Energy Limited ("REL") is issuing this Interim Management Statement ("IMS") for the period from 1 January 2016 to 31 March 2016 (the "period").

Highlights

- Key Financials (unaudited)
 - NAV as at 31 March 2016 \$1,339 million
 - NAV per share as at 31 March 2016 \$15.85
 - Profit/(loss) during period \$(8.2) million
 - Basic profit/(loss) per share during period (9.65) cents
 - Market capitalisation at 31 March 2016 \$987 million (£686 million)¹
 - Share price at 31 March 2016 \$11.69 / £8.12¹
- Total commitments during the period of \$142 million
 - \$100 million to Carrier Energy Partners II, LLC
 - \$42 million to Liberty Resources II LLC
- Total invested capital during the period of \$169 million
 - \$73 million in Carrier Energy Partners II, LLC
 - \$45 million in Three Rivers Natural Resources Holdings III, LLC
 - \$17 million in Rock Oil Holdings LLC
 - \$34 million to six portfolio companies including ILX Holdings III, LLC, Liberty Resources II LLC, Castex Energy 2014, LLC, Riverstone Credit Opportunities, LP, Fieldwood Energy LLC and Meritage Midstream Services III, LLC
- Total committed capital at 31 March 2016 is \$1,722 million or 127 per cent. of total capital available²
- Total invested capital at 31 March 2016 is \$1,014 million or 75 per cent. of total capital available²
- Total uninvested capital at 31 March 2016 is \$346 million or 25 per cent. of total capital available²

Richard Hayden, Chairman of REL, commented:

“I am pleased to have been elected Chairman of REL during this exciting time for the energy industry and I look forward to working closely with the Board and the Investment Manager to achieve full value for our current and future investments. As evidenced by today's statement, REL is well positioned to take advantage of industry upheaval.

On behalf of the Board, I would like to thank Sir Robert for his outstanding work in the formation and initial public offering of Riverstone Energy Limited. We have benefited materially from his experience, commitment and guidance. We are most delighted the he has agreed to continue his affiliation with REL as a Senior Advisor.”

David M. Leuschen and Pierre F. Lapeyre, Jr., Co-Founders of Riverstone, commented:

"On behalf of Riverstone, we would like to thank Sir Robert for his many contributions made to REL. His insights, experience and credibility were critical to our IPO and to our investment program during his Chairmanship.

¹ Assumed exchange rate of 1.439 USD/GBP.

² Based on total capital raised of \$1,320 million and \$40 million of realizations.

The current price environment is providing fertile ground for opportunistic acquisitions by REL's 16 companies, as can be seen by Carrier II and Three Rivers III's investments this past quarter in the low-cost Eagle Ford and Permian basins. Since the start of the oil price decline in late 2014, REL has deployed \$800 million of capital, and we currently have approximately \$300 million in cash to fund other attractive opportunities. The portfolio is well capitalized, heavily weighted towards North American oil production and set to benefit from any market recovery."

Portfolio Update

Below is a summary of material activity in the portfolio during the period.

Carrier Energy Partners II, LLC ("Carrier II")

In the first quarter, REL, through Riverstone Energy Investment Partnership, L.P. (the "Partnership"), increased its commitment to Carrier II by \$100 million and invested \$73 million. In January, Carrier II announced three acquisitions targeting Marathon Oil Corp.'s Sugar Loaf project in the Eagle Ford play of Texas. In addition to this, Carrier II continues to progress the development of its existing 19,131 acre position in the Midland Basin and is producing approximately 8,000 boepd net (pro forma for recent acquisitions).

Three Rivers Natural Resources Holdings III, LLC ("Three Rivers III")

In the first quarter, REL, through the Partnership invested \$45 million in Three Rivers III in connection with a series of transactions resulting in the acquisition of approximately 36,000 net acres in the Delaware Basin. Since being formed in April 2015, Three Rivers III has established a 51,000 net acre position in the Permian region of Texas and the company continues to progress its horizontal drilling program in this acreage.

Rock Oil Holdings LLC ("Rock Oil")

In the first quarter, REL, through the Partnership, invested \$17 million in Rock Oil to support development of its 23,000 net acre position in Howard County, Texas in the Midland Basin of the Permian Basin. Rock Oil began its horizontal development program in December 2015 and completed three wells as of March 2016.

Liberty Resources II LLC ("Liberty II")

In the first quarter, REL, through the Partnership increased its commitment to Liberty II by \$42 million and invested \$7 million. The commitment was upsized, and the funds invested, for selective upstream development, midstream infrastructure build out, accretive bolt-on acquisitions, and debt repayment.

Valuation of the Portfolio

Previously, on 20 April 2015, REL announced its quarterly portfolio summary as of 31 March 2016, inclusive of updated quarterly unaudited fair market valuations:

	Target Basin	Subsector	Committed Capital (\$mm)	Invested Capital (\$mm)	Realized Capital (\$mm)	Gross Unrealized Value (\$mm) ³	Gross MOIC ³
CIOC	Deep Basin (Canada)	E&P	\$232	\$232	-	\$337	1.5x
Rock Oil	Permian (U.S.)	E&P	150	114	-	152	1.3x
Carrier II	Permian (U.S.)	E&P	133	104	-	104	1.0x
Liberty II	Bakken, PRB (U.S.)	E&P	142	100	-	92	0.9x
CNOR	Western Canada	E&P	90	73	-	73	1.0x
Three Rivers III	Permian (U.S.)	E&P	167	56	-	56	1.0x
Fieldwood	GoM Shelf (U.S.)	E&P	82	58	-	41	0.7x
ILX III	Deepwater GoM (U.S.)	E&P	200	38	-	38	1.0x
Castex 2014	Gulf Coast Region (U.S.)	E&P	67	36	-	36	1.0x
RCO	North America	Credit	125	80	40	36	0.9x
Castex 2005	Gulf Coast Region (U.S.)	E&P	50	48	-	34	0.7x
Eagle II	Mid-Continent (U.S.)	E&P	50	43	-	35	0.8x
Meritage III	Western Canada	Midstream	33	20	-	20	1.0x
Origo	North Sea (Norway, U.K.)	E&P	67	6	-	6	1.0x
Sierra	Mexico	E&P	75	3	-	3	1.0x
CanEra III	Western Canada	E&P	60	1	-	1	1.0x
Total⁴			\$1,722	\$1,014	\$40	\$1,065	1.1x
Percentage of REL capital available⁵			127%	75%			

Ends

³ Gross MOIC is Multiple of Invested Capital. Gross Unrealized Value and Gross MOIC are before transaction costs, taxes, carried interest on gross profits, management fees and other expenses. Given these costs and expenses are in aggregate expected to be considerable, Total Net Value and Net MOIC will be materially less than Gross Unrealized Value and Gross MOIC. Local taxes may apply at the jurisdictional level on profits arising in operating entity investments. Further withholding taxes may apply on distributions from such operating entity investments.

⁴ Amounts may vary due to rounding.

⁵ Based on total capital raised of \$1,320 million and \$40 million of realizations.

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About Riverstone Energy Limited:

REL is a closed-ended investment company that invests exclusively in the global energy industry, with a particular focus on the exploration & production and midstream sectors. REL aims to capitalise on the opportunities presented by Riverstone's energy investment platform. REL is a member of the FTSE 250 and its ordinary shares are listed on the London Stock Exchange, trading under the symbol RSE. To date, REL has made 16 investments spanning conventional and unconventional oil and gas activities in the Gulf of Mexico, Continental U.S., Western Canada, the U.K. North Sea, the Norwegian Sea, Mexico and credit.

For further details, see www.RiverstoneREL.com

Neither the contents of Riverstone Energy Limited's website nor the contents of any website accessible from hyperlinks on the websites (or any other website) is incorporated into, or forms part of, this announcement.

Note:

This IMS aims to give an update of material events and transactions that have taken place during the period from 1 January 2016 to 31 March 2016 and their impact on the financial position of REL. A capital investment analysis chart is available at the Company's website at www.RiverstoneREL.com/portfolio. This update reflects REL's and the Board's current views. They are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, inter alia, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of REL.

This IMS contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and REL's actions to differ materially from those expected or implied in the forward-looking statements.

The Investment Manager is charged with proposing the valuation of the assets held by REL through the Partnership. The Partnership has directed that securities and instruments be valued at their fair value. REL's valuation policy follows IFRS and IPEV Valuation Guidelines. Riverstone values each underlying investment in accordance with the Riverstone valuation policy, the IFRS accounting standards and IPEV Valuation Guidelines. Riverstone's valuation policy has been applied consistently quarter to quarter since inception. The value of REL's portion of that investment is derived by multiplying its ownership percentage by the value of the underlying investment. If there is any divergence between the Riverstone valuation policy and REL's valuation policy, the Partnership's proportion of the total holding will follow REL's valuation policy. There were no valuation adjustments recorded by REL as a result of differences in IFRS and U.S. Generally Accepted Accounting Policies for the period ended 31 March 2016 or in any period to date. Valuations of REL's investments through the Partnership are determined by Riverstone and disclosed quarterly to investors, subject to Board approval.

Riverstone values its investments using common industry valuation techniques, including comparable public market valuation, comparable merger and acquisition transaction valuation, and discounted cash flow valuation.

For development-type investments, Riverstone also considers the recognition of appreciation or depreciation of subsequent financing rounds, if any. For those early stage privately held companies where there are other indicators of a decline in the value of the investment, Riverstone will value the investment accordingly even in the absence of a subsequent financing round.

Riverstone reviews the valuations on a quarterly basis with the assistance of the Riverstone valuation committee as part of the valuation process. During the period ended 31 March 2016, Mark Papa and Tom Walker were added to the Riverstone valuation committee.

Mr. Papa is a Partner of Riverstone. He is based in Houston. Prior to joining Riverstone in 2015, Mr. Papa was Chairman and CEO of EOG Resources from 1999 to 2013. Mr. Papa worked 32 years for EOG in various management positions. Prior to that, he worked 13 years for Conoco in various engineering and management positions. In February 2013, the Harvard Business Review denoted Mr. Papa as one of the 100 Best Performing CEO's in the World and ranked him as the Best in the US Energy Industry. Additionally, Institutional Investor magazine repeatedly ranked him as the Top Independent E&P CEO. Mr. Papa also serves on the board of Oil States Industries and Casa de Esperanza. He received his BS in Petroleum Engineering from the University of Pittsburgh and an MBA from the University of Houston.

Mr. Walker is a Partner of Riverstone and has served as the Chief Financial Officer for over 10 years. He is based in New York. Prior to joining Riverstone, Mr. Walker served in similar capacities in the private equity

industry over the prior 15 years. He started his career in Arthur Andersen's Metro New York office. Mr. Walker earned a B.S. degree in Accounting and Finance from Binghamton University and is a Certified Public Accountant.

The Audit Committee reviews the valuations of the Company's investments held through the Partnership, and makes a recommendation to the Board for formal consideration and acceptance.