Interim Report and Unaudited Interim Condensed Financial Statements

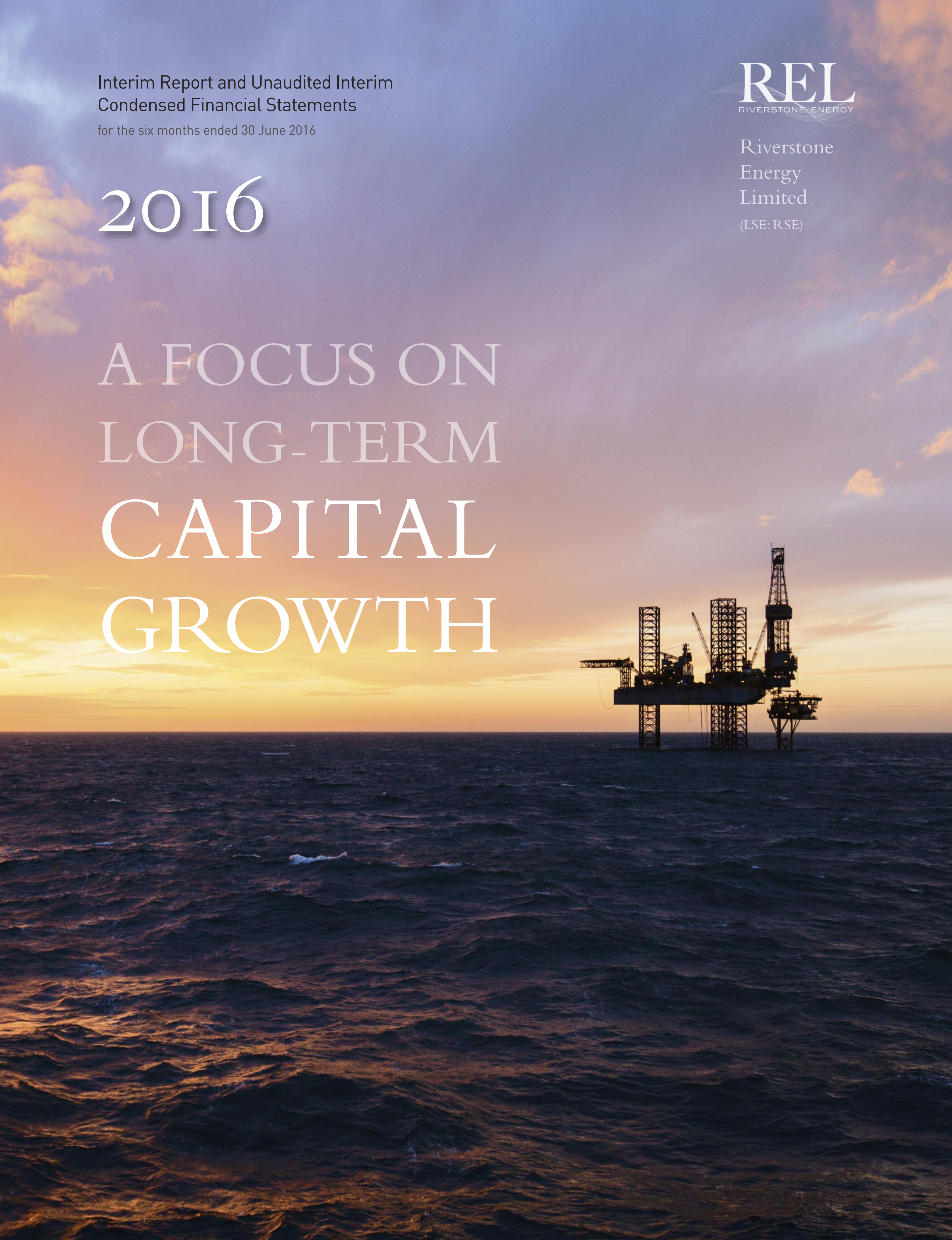
for the six months ended 30 June 2016

2016

REL
RIVERSTONE ENERGY

Riverstone Energy Limited
(LSE: RSE)

A FOCUS ON LONG-TERM CAPITAL GROWTH



Riverstone Energy Limited seeks to achieve superior risk adjusted returns through investing in the energy sector. The energy sector is global and a significant component of virtually all major economies. Long-term market drivers of economic expansion, population growth, development of markets, deregulation and privatisation will continue to create opportunities globally for investors in energy.

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The registered office of the Company is Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY, Channel Islands.

Financial and Operational Highlights

- → Total capital committed as of 30 June 2016 stands at $1,722 million (or 127 per cent. of total capital available).[1]
- → Total invested capital as of 30 June 2016 stands at $1,048 million (or 77 per cent. of total capital available).[1]
- → NAV per Share as at 30 June 2016 totalled $16.24/£12.25 per share, representing an increase of 29 cents or £1.42 compared to NAV per Share at 31 December 2015.

Commitments during the period ended 30 June 2016	Committed a total of $142 million: (i) $100 million to Carrier Energy Partners II LLC (ii) $42 million to Liberty Resources II LLC
Art. 105 of the Delegated Regulation 213/2013 – Overview of the Investments as of 30 June 2016	Invested a total of $203 million[2] during the period to 30 June 2016: (i) $73 million in Carrier Energy Partners II LLC (ii) $45 million in Three Rivers Natural Resources Holdings III LLC (iii) $18 million in ILX Holdings III LLC (iv) $17 million in Liberty Resources II LLC (v) $17 million in Rock Oil Holdings LLC (vi) $11 million in Riverstone Credit Opportunities, L.P. (vii) $7 million in Meritage Midstream Services III, L.P. (viii) $6 million in Castex Energy 2014 LLC (ix) $4 million in Fieldwood Energy LLC (x) $3 million in Eagle Energy Exploration LLC (xi) $1 million in Origo Exploration Holding AS

Key Financials

	30 June 2016	31 December 2015	30 June 2015
NAV as at	**$1,372 million/ £1,035 million[3]**	$1,347 million/ £915 million[3]	$1,244 million/ £791 million[3]
NAV per Share as at	**$16.24/£12.25[3]**	$15.95/£10.83[3]	$16.36/£10.40[3]
Market capitalisation at	**$1,006 million/ £756 million[3]**	$985 million/ £668 million[3]	$1,220 million/ £776 million[3]
Share price at	**$11.91/£8.95[3]**	$11.65/£7.91[3]	$16.04/£10.20[3]

	30 June 2016	30 June 2015
Total comprehensive profit for the six months ended	**$25.23 million**	$4.06 million
Basic earnings per Share for the six months ended	**29.86 cents**	5.33 cents

(1) Based on total capital raised of $1,320 million and $41 million of realisations

(2) Amounts may vary due to rounding

(3) Based on exchange rate of 1.326 $/£ at 30 June 2016 (1.473 $/£ at 31 December 2015 and 1.573 $/£ at 30 June 2015)

Chairman's Statement

Well placed to profit from market rebalancing

REL has established a highly resilient portfolio during a period of prolonged market volatility and is well placed to profit as the market recovers.

Energy markets have continued to prove volatile over the past year, with the oil price climbing 30 per cent. in the past six months ending in June, following a 38 per cent. decline over the prior six months. However, the initial signs of rebalancing are now emerging as producers in North America and elsewhere respond to dramatically lower energy prices and capital scarcity. As the Company's results today demonstrate, REL has established a highly resilient portfolio during a period of prolonged market volatility and is well placed to profit as the market recovers.

During the first half of the year, REL committed an additional $142 million, which was allocated to existing portfolio companies Carrier II and Liberty II. The Carrier team, which has extensive experience operating in West Texas, opportunistically acquired interests in the prolific Sugarloaf Project in the Eagle Ford. The commitment to Liberty II, which is REL's earliest investment and focused on the Bakken and Powder River Basin, was increased to support investment in gas gathering and processing infrastructure, well completions and balance sheet strengthening.

Although REL's commitments exceed capital raised, the portfolio remains relatively young due to its strategy of gradually deploying capital across the cycle. Because of this "build-up" approach, where Riverstone controls the pace and deployment of capital, the Board is comfortable with current commitment levels. The history of Riverstone investments has shown that not all of the commitments made to portfolio companies are ultimately funded and in some cases are cancelled altogether. For example, as of 30 June 2016, Funds I through IV have only invested 87 per cent. of the total commitments to its portfolio companies. Also, REL's arrangements with Riverstone allow excess commitments to be amended by the Investment Manager with consideration from the Board.

REL's portfolio companies' management teams continued to make solid operational progress in the first half of the year. Meritage III's gathering and processing infrastructure became operational at the end of April, which will support CIOC as it continues to increase production from its extensive land position in Canada's Montney and Duvernay plays. Eagle II's initial well in the SCOOP produced strong results and the company is now pursuing a multi-well delineation drilling programme. While Origo and ILX III remain relatively early in their exploration programmes, they have already made five discoveries which are now being progressed toward development. Rock Oil and Three Rivers III continue to develop drilling programmes for their recently acquired properties. Elsewhere in the portfolio, Liberty II and Fieldwood took measures to optimise their capital structures, with Fieldwood agreeing a solution whereby it no longer faces borrowing base redeterminations until May 2018.

Valuations for some of the earlier investments made by REL continue to face challenges due to weak energy prices. However, the Company's build-up strategy, where capital is deployed gradually over time, has allowed several of its portfolio companies to benefit from industry distress, resulting in value accretion for Shareholders as evidenced by three of REL's four largest investments (CIOC, Rock Oil and Carrier II), being valued above cost. Throughout the portfolio, Riverstone continues to work with its portfolio companies' management teams to reduce operating expenses, hedge commodity price exposure where appropriate and maintain maximum capital flexibility to thrive in a variety of commodity price environments.

The recent announcement of the UK's exit from the EU has not impacted the portfolio, which is concentrated in North America.

At our AGM in May, I was elected non-executive Chairman of the Board following Sir Robert Wilson's retirement from industry. In addition, Jim Hackett stepped down to focus on his duties as an investment partner at Riverstone. While Jim's experience will be missed, Sir Robert has agreed to provide ongoing guidance as a senior adviser to REL. Furthermore, I am pleased to welcome Jeremy Thompson and Ken Ryan as additions to the Board. Jeremy brings extensive experience of the private equity and investment trust industry, while Ken has been deeply involved with the Company since its initial formation. I look forward to working with Jeremy, Ken and the rest of the Board to continue our work in growing the Company and creating Shareholder value.

Performance //

REL made a profit of $25.23 million for the six months ended 30 June 2016, resulting in a NAV per share at 30 June 2016 of $16.24, an increase of 2.5 per cent. from $15.85 and 1.8 per cent. from $15.95 at 31 March 2016 and 31 December 2015, respectively. The increase in NAV over the six months ended 30 June 2016 was primarily due to the increase in the fair market value of CIOC, Meritage III, Three Rivers III, Carrier II, Fieldwood and RCO, which offset a decline by Castex 2005. The depreciation of the British Pound Sterling has contributed to the NAV per share increasing by £1.42, or 13.1 per cent., when compared with the previous six months in Pounds Sterling terms. The $/£ exchange rate declined from 1.473 at 31 December 2015 to 1.326 at 30 June 2016. The Board is sensitive to the discount to NAV at which the REL shares currently trade and will continue to evaluate open market purchases as authorised by the Shareholders at the AGM.

As mentioned above, during the first half of the year, the Company made additional commitments of $100 million to Carrier II and $42 million to Liberty II to support these businesses as they continue to execute their strategies. As of 30 June 2016, REL, through the Partnership, had committed $1,722 million, or 127 per cent. of total capital available[1] to 16 investments. The Company's commitments are now split approximately evenly across four geographic areas: Western Canada, the Permian & Eagle Ford, Gulf of Mexico and niche strategies comprising credit, international opportunities and select US onshore basins.

As of 30 June 2016, REL, through the Partnership, had invested $1,048 million, equating to 77 per cent. of total capital available[1]. REL deployed $203 million in the first half of 2016, of which approximately two-thirds was directed towards investments in the prolific Permian and Eagle Ford basins. The largest investment during the period was $73 million, in which the Carrier II management team took advantage of volatile market conditions to acquire interests in the Sugarloaf Project in Karnes County, Texas in the Eagle Ford from two publicly-listed energy companies facing balance sheet constraints. The Carrier II team knows the asset well, which is operated by highly-regarded Marathon Oil and benefits from attractive breakeven oil price economics.

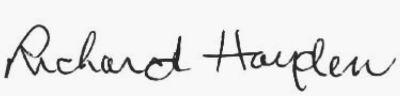
In the Permian Basin, Three Rivers III acquired approximately 36,000 net acres through two acquisitions offsetting their existing position in Culberson County, Texas. This resulted in an additional $45 million of investment by REL as the company continues its strategy of aggregating attractive asset packages with significant upside opportunities, as the team has successfully accomplished on two previous occasions for Riverstone. Since formation in April 2015, the company has established a position of approximately 55,000 net acres in the highly prospective Delaware Basin in the Permian.

In addition to acquisitions, REL invested approximately $39 million during the first half of 2016 to fund drilling programs for ILX III, Rock Oil, Eagle II and Origo. Riverstone Credit Opportunities invested $11 million during the first half of the year towards twelve additional investments. Meritage III invested an additional $7 million for construction of its gathering and processing infrastructure in Western Canada, which is now fully operational.

Subsequent to the period ending on 30 June 2016, REL announced its first exit, with the sale of Rock Oil for gross cash proceeds of approximately $237 million. This transaction results in excellent returns for REL, representing a Gross MOIC[2] of 2.1x (Net MOIC of 1.6x) and a Gross IRR of 78 per cent. (Net IRR of 43 per cent.) on the Company's investment, through the Partnership, of $114 million, and affirms the strength of Riverstone's investment strategy even during periods of weak oil and gas prices.

In addition, REL announced an investment of up to $175 million in Centennial Resource Development LLC alongside other funds affiliated with Riverstone, including Fund VI and Silver Run Acquisition Corp., a Riverstone sponsored special purpose acquisition company. This investment will be led by Mark Papa, Riverstone partner and former chief executive of EOG Resources, and will further strengthen the portfolio's exposure to low-cost energy producers due to Centennial's significant resource potential in the oil-rich core of the Delaware Basin in the Permian.

REL's activity over the past six months demonstrates the strength of Riverstone's "build-up" approach. This has resulted in REL developing a high-quality portfolio with best-in-class management teams focused on highly attractive basins for hydrocarbon production. With 16 investment platforms, and over $250 million of un-invested capital, REL is uniquely positioned to continue to take advantage of opportunities and deliver value to Shareholders.



Richard Hayden
Chairman
10 August 2016

[1] Based on total capital raised of $1,320 million and $41 million of realisations

[2] Gross MOIC is Gross Multiple of Invested Capital before transaction costs, taxes, carried interest on gross profit, management fees and other expenses

Investment Manager's Report

Well Positioned for Long Term Value Creation and Near Term Resiliency

It has been nearly two years since WTI traded over $100 per barrel in July 2014. While energy markets appear to have found the bottom of the cycle in the first half of 2016, with oil briefly trading below $30 per barrel in January, the price recovered to $50 per barrel in the second quarter as North American production responded to low prices and various supply disruptions shifted the market closer to balance. The signs of recovery, while encouraging, remain fragile, and we continue to position the portfolio to remain resilient to further market volatility.

Over the past 24 months, the energy market has gone through extreme turbulence, with oil prices declining by over 70 per cent. from peak to trough, resulting in significant financial stress and a dramatic decline in capital expenditure by industry participants. It is in times like these, that Riverstone's scale, experience and diversified investment approach serves to differentiate us from industry peers, particularly those who are less experienced in the energy sector. Riverstone has the benefit of a sixteen year history of private investing in energy, and its investment professionals have experience successfully investing in, and operating energy businesses through multiple commodity price cycles. The firm applies a disciplined approach to maintain maximum operational and capital flexibility under any commodity price environment.

One key element of Riverstone's strategy is the "build-up" approach, from which REL has particularly benefitted. REL began committing capital and establishing investment platforms soon after its formation. However the pace of capital actually invested has been markedly slower with the most attractive opportunities emerging after the decline in commodity prices, resulting in the REL portfolio being invested at a weighted average oil price of approximately $51 per barrel. By establishing investment platforms early and backing experienced and focused management teams with significant line of equity commitments, REL was well positioned within key target basins to move quickly as attractive assets became available. This is particularly evident in Carrier II, Three Rivers III and Rock Oil, where the management teams had identified strategic assets in the Permian and Eagle Ford basins, and built up positions through a series of asset and corporate level acquisitions over a 12-24 month period. The REL portfolio is now 77 per cent. invested as of the end of June 2016.

As well as creating an opportunity to acquire assets at attractive valuations, the decline in oil prices has driven a general high-grading of the energy sector. With energy companies having less capital to invest, there has been an increasing drive for efficiency and lowering cost of production. This is particularly notable in the North American upstream sector, where well costs have declined and production rates increased, resulting in materially lower breakeven costs and significant divergence in the economics of different basins. Riverstone has always focused on high quality assets, and the REL portfolio is favourably exposed to the basins which we see has having the most attractive economics, in particular the Permian, Eagle Ford and Western Canada. In CIOC, well costs have declined by 50 per cent. since 2012, and earlier this year, the production rates from two of CIOC's wells were recorded as the two best performing wells in Alberta.

While we are confident that the long term outlook for the sector remains favourable, we expect the energy market to continue to be volatile in the short term given uncertainties over global economic growth and North American oil production. We continue to manage risk through diversifying across geographies and energy segments, focusing on build-up strategies, partnering with experienced, operationally-focused management teams, hedging cash flows from producing assets, using moderate levels of debt with flexible covenant structures, and maintaining sufficiently high levels of liquidity to take advantage of attractive acquisition opportunities. With 15 management teams and substantial positions in North America's most attractive basins, REL is well placed to reward patient investors.

Investment Strategy //

The Investment Manager's objective is to achieve superior risk adjusted, after tax, returns by making privately negotiated control investments primarily in the exploration and production and midstream energy sectors, which is a significant component of virtually all major economies. Long-term market drivers of economic expansion, population growth, development of markets, deregulation, and privatisation allied to near-term commodity price volatility are expected to continue to create opportunities globally for Riverstone.

Key Drivers:

- Capital constraints among companies with high levels of leverage;
- Industry distress and pressures to rationalise assets;
- Growing success rates of deepwater exploration and other technology-driven sources of reserves; and
- Historical under-investment in energy infrastructure.

The Investment Manager, through its affiliates, has an outstanding track record of building businesses with exceptional management teams and of delivering consistently strong returns and significant outperformance against both crude oil and natural gas benchmarks. The Company aims to capitalise on the opportunities presented by Riverstone's pipeline of investments.

The Investment Manager utilises its extensive industry expertise and relationships to thoroughly evaluate investment opportunities and uses its significant experience in conducting due diligence, valuing assets and all other aspects of deal execution, including financial and legal structuring, accounting and compensation design. The Investment Manager also draws upon its extensive network of relationships with industry-focused professional advisory firms to assist with due diligence in other areas such as accounting, tax, legal, employee benefits, environmental, engineering and insurance.

Investment Portfolio Summary //

As of 30 June 2016, fourteen exploration and production investments, one midstream investment and one credit investment have been completed as further discussed below.

CIOC

As of 30 June 2016, REL, through the Partnership, has invested in full its $232 million commitment to CIOC. CIOC is a private exploration & production company focused on liquids-rich unconventional resources in Western Canada. Since its establishment in 2010, CIOC has aggregated one of the largest and most advantaged land positions in the emerging Montney and Duvernay formations of Western Canada's Deep Basin. The company controls and operates 100 per cent. of this asset base, which comprises approximately 400,000 acres. CIOC has more than quadrupled production capacity to over 20,000 boepd since Riverstone's investment.

As of 30 June 2016, REL's interest in CIOC, through the Partnership, was valued at 1.5x Gross MOIC[1] or $352 million (Realised $1 million, Unrealised $351 million).

[1] Gross MOIC is Gross Multiple of Invested Capital before transaction costs, taxes, carried interest on gross profit, management fees and other expenses

Investment Manager's Report (continued)

Rock Oil

As of 30 June 2016, REL, through the Partnership, has invested $114 million of its $150 million commitment to Rock Oil. Rock Oil is a newly formed, Denver and Houston based oil and gas company focused on the acquisition and development of assets in top-tier North American plays. As of the end of June, Rock Oil has acquired 24,500 net acres in Howard County (Permian Midland Basin), has drilled six production wells and is currently producing approximately 5,000 boepd. On 8 August 2016, REL announced the sale of Rock Oil for gross cash proceeds of approximately $237 million, equating to a gross profit of $123 million. This gross profit will be subject to taxes and a performance fee, resulting in a net profit of approximately $64 million. The closing of the sale is expected to occur in early October 2016 and is subject to customary closing conditions.

As of 30 June 2016, REL's interest in Rock Oil, through the Partnership, was valued at 1.3x Gross MOIC[(1)] or $152 million. Based on the valuation implied by the Rock Oil sale announced subsequent to 30 June 2016, the Gross MOIC[(1)] would move to 2.1x.

Liberty II

As of 30 June 2016, REL, through the Partnership, has invested $110 million of its $142 million commitment to Liberty II. Since formation in January 2014, Liberty has established a c. 44,000 net acre position in the Williston and Powder River Basin through a series of acquisitions, which benefit from Liberty's sophisticated and proprietary well completion technology. Liberty has an inventory of over 150 gross drilling locations, and is currently producing approximately 4,500 boepd.

As of 30 June 2016, REL's interest in Liberty II, through the Partnership, was valued at 0.9x Gross MOIC[(1)] or $100 million.

CNOR

As of 30 June 2016, REL, through the Partnership, has invested $73 million of its $90 million commitment to CNOR. CNOR is a Calgary-based oil and gas company focused on the Western Canadian Sedimentary Basin. CNOR is currently investing actively in new wells through its joint venture with Tourmaline Oil in the Peace River High area, which are currently producing approximately 3,100 boepd net.

As of 30 June 2016, REL's interest in CNOR, through the Partnership, was valued at 1.0x Gross MOIC[(1)] or $73 million.

Castex 2005

As of 30 June 2016, REL, through the Partnership, has invested $48 million of its $50 million commitment to Castex 2005. Castex 2005 is a partnership focused on a portfolio of properties in Southern Louisiana and the Gulf of Mexico Shelf which produce approximately 78 mmcfepd, as well as a seismic-driven exploration program. Castex is managed by Castex Energy Inc., which has a 27 year operating history in exploration and development in the region.

As of 30 June 2016, REL's interest in Castex 2005, through the Partnership, was valued at 0.5x Gross MOIC[(1)] or $24 million.

Fieldwood

As of 30 June 2016, REL, through the Partnership, has invested $58 million of its $82 million commitment to Fieldwood. Riverstone formed Fieldwood in partnership with CEO Matt McCarroll and his team in December 2012 with a commitment from Fund V. Fieldwood has made two material acquisitions (from Apache and SandRidge), with three further bolt-on acquisitions, and now has an interest in approximately 500 leases covering over two million gross acres and over 1,000 wells in the Gulf of Mexico, making it the largest oil and gas producer in the Shallow Gulf of Mexico. During the first half of 2016, Fieldwood completed 34 recompletions and 30 workover projects, and materially reduced operating costs relative to 2015. During Q2 2016, REL, through the Partnership, along with Other Riverstone Funds, (collectively, the "Buyers"), completed open market purchases of 2nd lien debt issued by Fieldwood. The Q2 2016 valuation of REL's interest in Fieldwood, through the Partnership, treats the 2nd lien debt owned by the Buyers as though it were cancelled. Fieldwood also eliminated any borrowing base re-determinations until May 2018.

As of 30 June 2016, REL's interest in Fieldwood, through the Partnership, was valued at 1.0x Gross MOIC[(1)] or $58 million (Realised $1 million, Unrealised $57 million).

(1) Gross MOIC is Gross Multiple of Invested Capital before transaction costs, taxes, carried interest on gross profit, management fees and other expenses


Western Canada
Committed: $415m (24%)
Invested: $330m (32%)
CanEra resources inc
CIOC
MERITAGE MIDSTREAM
CNOR L.P. CANADIAN NON-OPERATED RESOURCES I LTD.
Europe
ORIGO EXPLORATION
International & Credit
Committed: $267m (16%)
Invested: $97m (9%)
RCO
Other Onshore U.S.
Committed: $192m (11%)
Invested: $157m (15%)
LIBERTY RESOURCES
EAGLE
Permian & Eagle Ford
Committed: $450m (26%)
Invested: $274m (26%)
3ROC
ROCK OIL
CARRIER ENERGY PARTNERS
SIERRA OIL&GAS
Gulf of Mexico
Committed: $399m (23%)
Invested: $189m (18%)
CASTEX
FIELDWOOD ENERGY
ILX Holdings

Rock Oil


ROCK OIL

Investment Manager's Report (continued)

Eagle II

As of 30 June 2016, REL, through the Partnership, has invested $47 million of its $50 million commitment to Eagle II. To date, the company has acquired approximately 11,500 net acres in the SCOOP and approximately 20,000 net acres in the Mississippi Lime, and is currently producing approximately 2,400 boepd. Earlier this year Eagle drilled its first well in the SCOOP as part of a six well delineation drilling program, producing over 1,000 boepd during testing.

As of 30 June 2016, REL's interest in Eagle II, through the Partnership, was valued at 0.8x Gross MOIC[1] or $37 million.

Carrier II

As of 30 June 2016, REL, through the Partnership, has invested $104 million of its $133 million commitment to Carrier II. Carrier II is focused on the acquisition and exploitation of upstream oil and gas assets by partnering with select operators that are developing both unconventional and conventional reservoirs in North America. Shortly after its establishment in May 2015, Carrier II entered into a joint venture agreement with a highly experienced operator group made up of Henry Resources and PT Petroleum targeting 19,131 net acres for development in the southern Midland Basin. Subsequently through three separate acquisitions the company has acquired 3,489 net acres in Karnes county in the Eagle Ford basin, targeting the Sugarloaf Project and the Chisholm Project, both operated by Marathon Oil Corp.

As of 30 June 2016, REL's interest in Carrier II, through the Partnership, was valued at 1.1x Gross MOIC[1] or $115 million.

Castex 2014

As of 30 June 2016, REL, through the Partnership, has invested $36 million of its $67 million commitment to Castex 2014. Castex 2014 is a Houston-based oil and gas company focused on testing and developing the current and future portfolio of exploration opportunities in the U.S. Gulf Coast Region, in partnership with Castex 2005. In 2015, Castex 2014 partnered with Castex 2005 on five successful exploration wells. There were no new wells drilled in the first half of 2016, as drilling activity is weighted to the second half of the year, but Castex 2014 did participate in the acquisition of additional working interests in existing locations.

As of 30 June 2016, REL's interest in Castex 2014, through the Partnership, was valued at 1.0x Gross MOIC[1] or $36 million.

ILX III

As of 30 June 2016, REL, through the Partnership, has invested $47 million of its $200 million commitment to ILX III. ILX III, based in Houston, Texas, is a repeat joint-venture with the management team of Ridgewood Energy Corporation. The new entity maintains the same strategy of acquiring non-operated working interests in oil-focused exploration projects in deepwater Gulf of Mexico. To date, ILX III has drilled four wells, of which two are commercial discoveries. The company is currently drilling a fifth well, and has begun development on one of the previous discoveries.

As of 30 June 2016, REL's interest in ILX III, through the Partnership, was valued at 1.0x Gross MOIC[1] or $47 million.

[1] Gross MOIC is Gross Multiple of Invested Capital before transaction costs, taxes, carried interest on gross profit, management fees and other expenses

Three Rivers III

Origo

CIOC

Investment Manager's Report (continued)

RCO

As of 30 June 2016, REL, through the Partnership, has invested $87 million of its $125 million commitment to RCO, of which $40 million has been realised, to result in $47 million of remaining unrealised invested capital. RCO was formed in January 2015 to take advantage of the dislocation in the leveraged capital markets for energy companies. Since its inception, RCO has made a total of 31 investments, 13 of which have already been fully exited.

As of 30 June 2016, REL's interest in RCO, through the Partnership, was valued at 1.1x Gross MOIC[1] or $92 million (Realised $40 million, Unrealised $52 million).

Meritage III

As of 30 June 2016, REL, through the Partnership, has invested $24 million of its $33 million commitment to Meritage III. REL's investment to date is related to the ongoing construction of gas gathering, gas processing, and oil gathering infrastructure in support of CIOC's drilling program in western Canada. In April 2016 the gas pipeline and the Gold Creek and Karr plants entered service.

As of 30 June 2016, REL's interest in Meritage III, through the Partnership, was valued at 1.1x Gross MOIC[1] or $26 million.

Three Rivers III

As of 30 June 2016, REL, through the Partnership, has invested $56 million of its $167 million commitment to Three Rivers III. Similar to Riverstone's two prior successful partnerships with this management team, Three Rivers III focuses on oil and gas acquisition and development opportunities in the Permian Basin. Through a series of acquisitions in 2015 and first half 2016, Three Rivers III has built a position of over 55,000 net acres in the Permian Delaware basin, primarily in Culberson & Reeves counties.

As of 30 June 2016, REL's interest in Three Rivers III, through the Partnership, was valued at 1.1x Gross MOIC[1] or $62 million.

Origo

As of 30 June 2016, REL, through the Partnership, has invested $7 million of its $67 million commitment to Origo. Origo is a Norway-based oil and gas company focused on exploration on the Norwegian and UK continental shelves. Since inception, Origo has reviewed over 250 potential farm-in opportunities, and completed seven farm-in transactions, and made three discoveries from six exploration wells drilled.

As of 30 June 2016, REL's interest in Origo, through the Partnership, was valued at 1.0x Gross MOIC[1] or $7 million.

Sierra

As of 30 June 2016, REL, through the Partnership, has invested $3 million of its $75 million commitment to Sierra. Sierra is an independent Mexican energy company established to pursue select upstream and midstream opportunities in Mexico. In July 2015, Sierra secured two oil and gas exploration blocks in Mexico's initial shallow Gulf of Mexico tender. Sierra and its partners are currently undertaking subsurface assessments on these blocks ahead of initiating a drilling campaign. The company is also advancing several midstream development opportunities.

As of 30 June 2016, REL's interest in Sierra, through the Partnership, was valued at 1.0x Gross MOIC[1] or $3 million.

CanEra III

As of 30 June 2016, REL, through the Partnership, has invested $1 million of its $60 million commitment to CanEra III. CanEra III is a private Calgary-based oil and gas company formed to pursue oil and gas exploration and production opportunities in the Western Canadian Sedimentary Basin. CanEra III focuses on the acquisition, exploitation and exploration of large hydrocarbon deposits in the Western Canada Sedimentary Basin.

As of 30 June 2016, REL's interest in CanEra III, through the Partnership, was valued at 1.0x Gross MOIC[1] or $1 million.

[1] Gross MOIC is Gross Multiple of Invested Capital before transaction costs, taxes, carried interest on gross profit, management fees and other expenses

Going Concern //

Of the $11.5 million of cash retained by the Company in the IPO and Placing and Open Offer, and the $5.5 million distribution from the Partnership in Q1 2016, $5.5 million remains at 30 June 2016. This amount is adequate to meet the Company's liabilities as they fall due over the next twelve months. In accordance with section 4.1(a) of the Partnership Agreement, the Company is expected to receive another distribution from the Partnership in the event it requires additional funds.

As at 30 June 2016, the Partnership had $264 million of uninvested funds held as cash and money market fixed deposits (31 December 2015: $555 million), and has no material going concern risk. Although the Company's commitments, through the Partnership, exceed its available liquid resources, it is not expected that all commitments will be drawn due to a variety of factors, such as the portfolio company being sold earlier than anticipated or the targeted investment opportunity changing or disappearing. In addition, the board of each underlying portfolio company, more often than not controlled by Riverstone, has discretion over whether or not that capital is ultimately invested. Moreover, REL's arrangements with Riverstone allow excess commitments to be amended by the Investment Manager with consideration from the Board. In light of the above, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the interim condensed financial statements.

Principal Risks and Uncertainties //

The Company's assets consist of investments, through the Partnership, within the global energy industry, with a particular focus on opportunities in the global exploration and production and midstream energy sectors. Its principal risks are therefore related to market conditions in the energy sector in general, but also the particular circumstance of the businesses in which it is invested through the Partnership. The Investment Manager, through the Partnership, seeks to mitigate these risks through active asset management initiatives and carrying out due diligence work on potential targets before entering into any investments.

The key areas of risk faced by the Company are the following: 1) concentration risk from investing only in the global energy sector, 2) Ordinary Shares trading at a discount to NAV per Share and 3) inherent risks associated with the exploration and production and midstream energy subsectors.

The principal risks and uncertainties of REL were identified in further detail in the 2015 Annual Report and Financial Statements. There have been no changes to REL's principal risks and uncertainties in the six-month period to 30 June 2016 and no changes are anticipated in the second half of the year.

Subsequent Events and Outlook //

In July 2016, REL, through the Partnership, announced an investment in Centennial Resource Development LLC through the purchase of shares in NASDAQ-listed Silver Run Acquisition Corporation. Silver Run, subject to certain conditions including approval of the Silver Run stockholders, will acquire a controlling interest in Centennial from NGP Energy Capital. Centennial is an exploration and production company focused on the acquisition and development of oil and liquids-rich natural gas resources in the Permian Delaware Basin, West Texas. The investment by REL, through the Partnership, is expected to comprise up to $175 million.

In August 2016, REL announced the sale of Rock Oil to SM Energy Company, a US-based E&P company. Under the terms of the transaction, REL, through the Partnership, will realise gross cash proceeds of approximately $237 million, representing a Gross MOIC[(1)] of 2.1x (Net MOIC of 1.6x) on the $114 million investment and a Gross IRR of 78 per cent. (Net IRR of 43 per cent.). This will result in a gross realised gain of $123 million and an uplift of $84 million or 55 per cent. above its fair value of $152 million as at 30 June 2016. The Company's gross profit, through the Partnership, will be subject to taxes and a performance fee, resulting in a net uplift to the Company's NAV at 30 June 2016 of approximately $44 million[(2)]. The closing of the sale is expected to occur in early October 2016 and is subject to customary closing conditions.

Also in August 2016, REL agreed to transfer half of its investment to date and unfunded commitment in Sierra, $1.3 million and $36.2 million, respectively, to a separate investment vehicle managed by Riverstone and funded primarily by Mexican pension funds. This transfer is in line with REL's stated strategy of periodically reviewing its unfunded commitment levels.

Riverstone International Limited
10 August 2016

(1) Gross MOIC is Gross Multiple of Invested Capital before transaction costs, taxes, carried interest on gross profit, management fees and other expenses

(2) Amount is subject to additional taxes up to approximately $10 million

Directors' Responsibilities Statement

The Directors are responsible for preparing this Interim Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The unaudited interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU; and
- The Chairman's Statement and Investment Manager's Report meet the requirements of an interim management report, and include a fair review of the information required by:
  - (i) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the unaudited interim condensed financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (ii) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position and performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Richard Hayden
Chairman
10 August 2016

Independent Review Report to Riverstone Energy Limited

We have been engaged by the Company to review the condensed set of financial statements in the Interim Financial Report for the six months ended 30 June 2016 which comprises the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related Notes 1 to 11. We have read the other information contained in the Interim Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities //

The Interim Financial Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Financial Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2, the Financial Statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Interim Financial Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility //

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Financial Report based on our review.

Scope of Review //

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion //

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Financial Report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

Ernst & Young LLP
Guernsey
10 August 2016

(1) The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website

(2) Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Condensed Statement of Financial Position

As at 30 June 2016

	Notes	30 June 2016 $'000 (Unaudited)	31 December 2015 $'000 (Audited)
ASSETS			
Non-current assets			
Investment at fair value through profit or loss	6	**1,367,148**	1,345,150
Total non-current assets		**1,367,148**	1,345,150
Current assets			
Trade and other receivables		**252**	683
Cash and cash equivalents		**5,490**	2,539
Total current assets		**5,742**	3,222
TOTAL ASSETS		**1,372,890**	1,348,372
Current liabilities			
Trade and other payables		**516**	1,183
Total current liabilities		**516**	1,183
TOTAL LIABILITIES		**516**	1,183
NET ASSETS		**1,372,374**	1,347,189
EQUITY			
Share capital		**1,317,495**	1,317,537
Retained earnings		**54,879**	29,652
TOTAL EQUITY		**1,372,374**	1,347,189
Number of Shares in issue at period/year end	10	**84,480,064**	84,480,064
Net Asset Value per Share ($)	10	**16.24**	15.95
Net Asset Value per Share (£)	10	**12.25**	10.83

The interim condensed financial statements on pages 14 to 24 were approved and authorised for issue by the Board of Directors on 10 August 2016 and signed on their behalf by:

Richard Hayden

Richard Hayden
Chairman

Patrick Firth
Director

The accompanying notes form an integral part of these interim condensed financial statements.

Condensed Statement of Comprehensive Income

For the six months ended 30 June 2016 (Unaudited)

	Notes	1 January 2016 to 30 June 2016 $'000	1 January 2015 to 30 June 2015 $'000
Investment gain			
Change in fair value of investment at fair value through profit or loss	6	**27,498**	5,892
Expenses			
Directors' fees and expenses		**(384)**	(495)
Legal and professional fees		**(252)**	(229)
Other operating expenses		**(1,376)**	(1,110)
Total expenses		**(2,012)**	(1,834)
Operating profit for the period		**25,486**	4,058
Finance income and expenses			
Foreign exchange loss		**(259)**	(3)
Interest income		**–**	1
Total finance income and expenses		**(259)**	(2)
Profit for the period		**25,227**	4,056
Other comprehensive income		**–**	–
Total comprehensive income for the period		**25,227**	4,056
Basic and Diluted Earnings per Share (cents)	10	**29.86**	5.33

All activities derive from continuing operations.

The accompanying notes form an integral part of these interim condensed financial statements.

Condensed Statement of Changes in Equity

For the six months ended 30 June 2016 (Unaudited)

	Share capital $'000	Retained earnings $'000	Total Equity $'000
As at 1 January 2016	1,317,537	29,652	1,347,189
Profit for the period	–	25,227	25,227
Total comprehensive income for the period	–	25,227	25,227
Transactions with owners			
Share issue costs	(42)	–	(42)
Total transactions with owners	(42)	–	(42)
As at 30 June 2016	1,317,495	54,879	1,372,374

For the six months ended 30 June 2015 (Unaudited)

	Share capital $'000	Retained earnings $'000	Total Equity $'000
As at 1 January 2015	1,218,811	21,211	1,240,022
Profit for the period	–	4,056	4,056
Total comprehensive income for the period	–	4,056	4,056
As at 30 June 2015	1,218,811	25,267	1,244,078

The accompanying notes form an integral part of these interim condensed financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 June 2016 (Unaudited)

	1 January 2016 to 30 June 2016 $'000	1 January 2015 to 30 June 2015 $'000
Cash flows from operating activities		
Operating profit for the financial period	25,486	4,058
Adjustments for:		
Net finance income	–	1
Change in fair value on investment at fair value through profit or loss	(27,498)	(5,892)
Movement in trade receivables	431	273
Movement in trade payables	(667)	(157)
Net cash used in operating activities	(2,248)	(1,717)
Cash flow generated from investing activities		
Distribution from the Partnership	5,500	–
Net cash generated from investing activities	5,500	–
Cash flow used in financing activities		
Share issue costs	(42)	–
Net cash used in financing activities	(42)	–
Net movement in cash and cash equivalents during the period	3,210	(1,717)
Cash and cash equivalents at the beginning of the period	2,539	5,726
Effect of foreign exchange rate changes	(259)	(3)
Cash and cash equivalents at the end of the period	5,490	4,006

The accompanying notes form an integral part of these interim condensed financial statements.

Notes to the Unaudited Interim Condensed Financial Statements

For the six months ended 30 June 2016

1. General information

Riverstone Energy Limited is a company limited by shares, which was incorporated on 23 May 2013 in Guernsey with an unlimited life and registered with the GFSC as a Registered Closed-ended Collective Investment Scheme pursuant to the POI Law. It has been listed on the London Stock Exchange since 29 October 2013. The registered office of the Company is Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY, Channel Islands.

The Company makes its investments through the Partnership, a Cayman Islands registered exempted limited partnership, in which the Company is the sole limited partner. The principal place of business of the Partnership is the Cayman Islands. Both the Company and the Partnership are subject to the Investment Management Agreement with the Investment Manager, a company registered in the Cayman Islands.

The Partnership invests alongside Private Riverstone Funds in all Qualifying Investments in which the Private Riverstone Funds participate. These funds are managed and advised by affiliates of the Investment Manager. Further detail of these investments is provided in the Investment Manager's Report.

2. Accounting policies

Basis of preparation

The Financial Statements for the year ended 31 December 2015 were prepared in accordance with IFRS.

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". They do not contain all the information and disclosures presented in the Financial Statements and should be read in conjunction with the Financial Statements for the year ended 31 December 2015.

The same accounting policies and methods of computation have been followed in the preparation of these interim condensed financial statements as were followed in the Financial Statements for the year ended 31 December 2015.

These interim condensed financial statements are presented in U.S. dollars and are rounded to the nearest $'000, unless otherwise indicated.

The Company's results do not vary significantly during reporting periods as a result of seasonal activity.

3. Critical accounting judgement and estimation uncertainty

The estimates and judgements made by management are consistent with those made in the Financial Statements for the year ended 31 December 2015.

4. Taxation

The taxation basis of the Company remains consistent with that disclosed in the Financial Statements for the year ended 31 December 2015.

The Company has made an election to, and currently expects to conduct its activities so as to be treated as a partnership for U.S. federal income tax purposes. Therefore, the Company expects that it generally will not be liable for U.S. federal income taxes. Instead, each of the Company's Shareholders who are liable to U.S. taxes will take into account its respective share of the Company's items of income, gain, loss and deduction in computing its U.S. federal income tax liability as if such Shareholder had earned such income directly, even if no cash distributions are made to the Shareholder. Neither the Company nor the Partnership are subject to Guernsey or Cayman Islands income taxes.

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. Based upon the current commitments and investments in Liberty II, Eagle II, Rock Oil, Fieldwood, Castex 2014, Castex 2005, Three Rivers III, Carrier II and ILX III, the future U.S. tax liability on profits is expected to be in the range of 35 to 41.5 per cent.

5. Fair value

IFRS 13 'Fair Value Measurement' requires disclosure of fair value measurement by level. The level in the fair value hierarchy within which the financial assets or financial liabilities are categorised is determined on the basis of the lowest level input that is significant to the fair value measurement, adjusted if necessary.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's only financial instrument carried at fair value is its investment in the Partnership which has been classified within Level 3 as it is derived using unobservable inputs. Amounts classified under Level 3 for the period ended 30 June 2016 were $1,367 million (31 December 2015: $1,345 million).

The fair value of all other financial instruments approximates their carrying value.

Transfers during the period

There have been no transfers between levels during the period ended 30 June 2016 and the year ended 31 December 2015. Any transfers between the levels will be accounted for on the last day of each financial period. Due to the nature of the investment, it is always expected to be classified under Level 3.

Valuation methodology and process

The same valuation methodology and process was deployed in June 2016 and December 2015.

For the period ended 30 June 2016, the valuations of the Company's investments, through the Partnership, are detailed in the Investment Manager's Report.

Notes to the Unaudited Interim Condensed Financial Statements

For the six months ended 30 June 2016

5. Fair value (continued)

Quantitative information about Level 3 fair value measurements as at 30 June 2016

The table summarises the most significant valuation techniques and unobservable inputs used in those techniques together with relevant ranges and averages. The Board considers the inputs to be within a reasonable expected range based on their understanding of market transactions. This is not intended to imply that the likelihood of change or that possible changes in value would be restricted to this range.

Industry	Fair value (In Thousands) 30/06/2016	Valuation technique(s)	Unobservable input(s)	Range Low	Range High	Weighted average[(a)]	# of investments[(b)]
Energy	$967,501	Public comparables	1P/2P Reserve multiple ($/Boe)	$9	$23	$15	3
			EV / 2016E EBITDA multiple	7.0x	18.4x	9.0x	4
		Transaction comparables	Valuation Multiple ($/Boepd)	$40,000	$110,000	$63,776	4
		NAV Analysis	Oil Price Curve ($/bbl)	$40	$70	$46	6
			Gas Price Curve ($/mcfe)	$2	$3	$3	6
	$109,660	Last round of financing	n/a	n/a	n/a	n/a	3
	$61,369	Other	Various	n/a	n/a	n/a	4
Total	$1,138,530	(see Note 6)					

Quantitative information about Level 3 fair value measurements as at 31 December 2015

Industry	Fair value (In Thousands) 31/12/2015	Valuation technique(s)	Unobservable input(s)	Range Low	Range High	Weighted average[(a)]	# of investments[(b)]
Energy	$800,197	Public comparables	1P Reserve multiple ($/Boe)	$8	$20	$13	3
			EV / 2015 EBITDA multiple	3.7x	9.3x	6.1x	4
		Transaction comparables	Valuation Multiple ($/Boepd)	$18,837	$97,500	$62,582	4
		NAV Analysis	Oil Price Curve ($/bbl)	$40	$70	$44	6
			Gas Price Curve ($/mcfe)	$3	$3	$3	6
	$58,929	Last round of financing	n/a	n/a	n/a	n/a	4
	$33,055	Other	Various	n/a	n/a	n/a	3
Total	$892,181	(see Note 6)					

(a) Calculated based on fair values

(b) Each of the Partnership's investments are valued using one or more of the techniques which utilise one or more of the unobservable inputs, so the amounts in the "# of investments" column will not aggregate to the total number of the Partnership's investments

The significant unobservable inputs used in the fair value measurement of the Partnership's investments at 30 June 2016 include the oil and gas price curves, multiples derived from 1P and 2P reserves, barrels of energy production per day, and valuations implied by the last round of financing. A 10 per cent. change in the oil and gas curves, multiples derived from 1P reserves and barrels of energy production per day taken together could result in a respective decrease and increase in the fair value measurement of the Partnership's investments of approximately $264 million, or 20 per cent. of the Company's NAV at 30 June 2016.

5. Fair value (continued)

The Board reviews and considers the fair value of the Partnership's investments arrived at by the Investment Manager before incorporating into the fair value of the Partnership. The variety of valuation bases adopted, quality of management information provided by the underlying investee companies and the lack of liquid markets for the investments mean that there are inherent difficulties in determining the fair value of these investments that cannot be eliminated. Therefore the amounts realised on the sale of investments may differ from the fair values reflected in these interim condensed financial statements and the differences may be significant.

The Board approves the valuations performed by the Investment Manager and monitors the range of reasonably possible changes in significant observable inputs on a quarterly basis, as well as when needed due to changes in market conditions.

6. Investment at fair value through profit or loss

	30 June 2016 $'000	31 December 2015 $'000
Cost		
Brought forward at 1 January	**1,308,935**	1,210,818
Investment in the Partnership	**–**	98,117
Distribution from the Partnership	**(5,500)**	–
Carried forward	**1,303,435**	1,308,935
Fair value movement through profit or loss		
Brought forward at 1 January	**36,215**	23,478
Fair value movement during period/year	**27,498**	12,737
Carried forward	**63,713**	36,215
Fair value at period/year end	**1,367,148**	1,345,150

The movement in fair value is derived from the fair value movements in the underlying investments held by the Partnership, net of income and expenses of the Partnership and its related Investment Undertakings, including any Performance Allocation and applicable taxes.

Summary financial information for the Partnership

	30 June 2016 $'000	31 December 2015 $'000
Net Asset Value		
Investments at fair value before performance allocation[1] (see Note 5)	**1,138,530**	892,181
General Partner's performance allocation	**(36,387)**	(26,159)
Investments at fair value (net)	**1,102,143**	866,022
Cash and cash equivalents	**92,605**	349,458
Money market fixed deposits	**171,178**	205,392
Investments payable	**–**	(74,008)
Management fee payable – see Note 8	**(5,146)**	(5,052)
Other net assets	**6,368**	3,338
Fair value of REL's investment in the Partnership	**1,367,148**	1,345,150

(1) Investments at fair value after deferred tax on investment of $Nil (31 December 2015: $Nil)

Notes to the Unaudited Interim Condensed Financial Statements

For the six months ended 30 June 2016

6. Investment at fair value through profit or loss (continued)

Summary Income Statement

	1 January 2016 to 30 June 2016 $'000	1 January 2015 to 30 June 2015 $'000
Unrealised gain on investments[1]	**45,914**	16,334
Realised gain and income on investment	**1,314**	2,188
Other income	**1,075**	1,154
Management fee expense – see Note 8	**(10,168)**	(8,159)
Other operating expenses	**(409)**	(1,134)
Partnership's operating profit for the period	**37,726**	10,383
General Partner's performance allocation	**(10,228)**	(4,491)
Portion of the operating profit for the period attributable to REL's investment in the Partnership	**27,498**	5,892

(1) Unrealised gain on investments after deferred tax on investment of $Nil (30 June 2015: $3,132,692)

7. Contingent liabilities

The Company's existing contingent liabilities in relation to the formation and initial expenses was $4.0 million as at 30 June 2016 (31 December 2015: $10.0 million).

8. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

Directors

The Company has eight non-executive Directors (31 December 2015: eight).

Mr Ken Ryan is a senior executive of Riverstone and was appointed as a non-executive Director on 19 May 2016. As a non-independent Director, Mr Ryan has chosen not to be remunerated by the Company for his services.

Mr Jeremy Thompson was appointed as a non-executive Independent Director on 19 May 2016 and is entitled to annual remuneration of $88,000 (£60,000).

Directors' fees and expenses for the period ended 30 June 2016 amounted to $383,791 (30 June 2015: $495,215), none of which was outstanding at period/year end (31 December 2015: none).

Partnership

In accordance with section 4.1(a) of the Partnership Agreement, the Company received a distribution from the Partnership of $5.5 million to meet the Company's forecasted liabilities over the course of the next twelve months.

8. Related party transactions (continued)

Investment Manager

For the provision of services under the Investment Management Agreement, the Investment Manager is paid in cash out of the assets of the Partnership an annual Management Fee equal to 1.5 per cent. per annum of the Company's Net Asset Value. The fee is payable quarterly in arrears and each payment is calculated using the quarterly Net Asset Value as at the relevant quarter end as further outlined on page 72 in the Financial Statements to 31 December 2015. During the period to 30 June 2016, the Partnership incurred Management Fees of $10,167,646 (30 June 2015: $8,159,471) of which $5,146,405 remained outstanding as at the period/year end (31 December 2015: $5,051,958). No management fee is paid by the Company.

General Partner

The General Partner makes all management decisions, other than investment management decisions, in relation to the Partnership and controls all other actions by the Partnership and is entitled to receive a Performance Allocation, calculated and payable at the underlying investment undertaking level, equal to 20 per cent. of the realised profits (if any) on the sale of any underlying asset of the Company. During the period to 30 June 2016, the General Partner was entitled to receive a Performance Allocation of $10,227,726 (30 June 2015: $4,491,001) of which $36,386,998 remained outstanding as at the period/year end (31 December 2015: $26,159,272). No Performance Allocation is paid by the Company.

The General Partner is entitled to receive its Performance Allocation in cash, all of which, after tax, Riverstone, through its affiliate RELCP, intends to reinvest in Ordinary Shares of the Company on the terms summarised in Part I and Part VIII of the IPO Prospectus.

Cornerstone Investors

Each of the Cornerstone Investors has acquired an indirect economic interest in each of the General Partner and the Investment Manager depending on the size of their commitment and the total issue size, up to an aggregate maximum indirect economic interest of 20 per cent. in each, for nominal consideration. These interests entitle the Cornerstone Investors to participate in the economic returns generated by the General Partner, including from the Performance Allocation, and the Investment Manager, which receives the Management Fee.

9. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as a whole. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's Net Asset Value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the Financial Statements and Interim Financial Report.

For management purposes, the Company is organised into one main operating segment, which invests in one limited partnership.

All of the Company's income is derived from within Guernsey and the Cayman Islands.

All of the Company's non-current assets are located in the Cayman Islands.

Due to the Company's nature, it has no customers.

Notes to the Unaudited Interim Condensed Financial Statements

For the six months ended 30 June 2016

10. Earnings per Share and Net Asset Value per Share

Earnings per Share

	1 January 2016 to 30 June 2016		1 January 2015 to 30 June 2015	
	Basic	Diluted	Basic	Diluted
Profit for the period ($'000)	**25,227**	**25,227**	4,056	4,056
Weighted average numbers of Shares in issue	**84,480,064**	**84,480,064**	76,032,058	76,032,058
EPS (cents)	**29.86**	**29.86**	5.33	5.33

The Earnings per Share is based on the profit or loss of the Company for the period and on the weighted average number of Shares the Company had in issue for the period.

There are no dilutive Shares in issue as at 30 June 2016 (30 June 2015: none).

Net Asset Value per Share

	30 June 2016	31 December 2015	30 June 2015
NAV ($'000)	**1,372,374**	1,347,189	1,244,078
Number of Shares in issue	**84,480,064**	84,480,064	76,032,058
Net Asset Value per Share ($)	**16.24**	15.95	16.36
Net Asset Value per Share (£)[1]	**12.25**	10.83	10.40

(1) Based on exchange rate of 1.326 $/£ at 30 June 2016 (1.473 $/£ at 31 December 2015 and 1.573 $/£ at 30 June 2015)

The Net Asset Value per Share is arrived at by dividing the net assets as at the date of the Statement of Financial Position by the number of Ordinary Shares in issue at that date.

11. Subsequent events

In July 2016, REL, through the Partnership, announced an investment in Centennial Resource Development LLC through the purchase of shares in NASDAQ-listed Silver Run Acquisition Corporation. Silver Run, subject to certain conditions including approval of the Silver Run stockholders, will acquire a controlling interest in Centennial from NGP Energy Capital. Centennial is an exploration and production company focused on the acquisition and development of oil and liquids-rich natural gas resources in the Permian Delaware Basin, West Texas. The investment by REL, through the Partnership, is expected to comprise up to $175 million.

In August 2016, REL announced the sale of Rock Oil to SM Energy Company, a US-based E&P company. Under the terms of the transaction, REL, through the Partnership, will realise gross cash proceeds of approximately $237 million, representing a Gross MOIC[2] of 2.1x (Net MOIC of 1.6x) on the $114 million investment and a Gross IRR of 78 per cent. (Net IRR of 43 per cent.). This will result in a gross realised gain of $123 million and an uplift of $84 million or 55 per cent. above its fair value of $152 million as at 30 June 2016. The Company's gross profit, through the Partnership, will be subject to taxes and a performance fee, resulting in a net uplift to the Company's NAV at 30 June 2016 of approximately $44 million[3]. The closing of the sale is expected to occur in early October 2016 and is subject to customary closing conditions.

Also in August 2016, REL agreed to transfer half of its investment to date and unfunded commitment in Sierra, $1.3 million and $36.2 million, respectively, to a separate investment vehicle managed by Riverstone and funded primarily by Mexican pension funds. This transfer is in line with REL's stated strategy of periodically reviewing its unfunded commitment levels.

(2) Gross MOIC is Gross Multiple of Invested Capital before transaction costs, taxes, carried interest on gross profit, management fees and other expenses

(3) Amount is subject to additional taxes up to approximately $10 million

Glossary of Capitalised Defined Terms

"**1P reserve**" means proven reserves;

"**2P reserve**" means proven and probable reserves;

"**Administrator**" means Heritage International Fund Managers Limited;

"**Admission**" means admission, on 29 October 2013, to the Official List and/or admission to trading on the London Stock Exchange, as the context may require, of the Ordinary Shares becoming effective in accordance with the Listing Rules and/or the LSE Admission Standards as the context may require;

"**Annual Report and Financial Statements**" means the annual publication of the Company provided to the Shareholders to describe their operations and financial conditions, together with their Financial Statements;

"**Articles of Incorporation**" or "**Articles**" means the articles of incorporation of the Company;

"**Audit Committee**" means a formal committee of the Board with defined terms of reference;

"**bbl**" means barrel of crude oil;

"**Board**" or "**Directors**" means the directors of the Company;

"**boepd**" means barrels of equivalent oil per day;

"**CAD**" means Canadian dollar;

"**CanEra III**" means CanEra Inc.;

"**Carrier II**" means Carrier Energy Partners II LLC;

"**Castex 2005**" means Castex Energy 2005 LLC;

"**Castex 2014**" means Castex Energy 2014 LLC;

"**Centennial**" means Centennial Resource Development LLC;

"**CIOC**" means Canadian International Oil Corp.;

"**CNOR**" means the Canadian Non-Operated Resources LP;

"**Companies Law**" means the Companies (Guernsey) Law, 2008, (as amended);

"**Company**" or "**REL**" means Riverstone Energy Limited;

"**Cornerstone Investors**" means those investors who have acquired Ordinary Shares and acquired a minority economic interest in the General Partner and in the Investment Manager, being AKRC Investments LLC, Casita L.P., KFI, Hunt and McNair;

"**Corporate Brokers**" means Goldman Sachs International and JP Morgan Cazenove;

"**Corporate Governance Code**" means The UK Corporate Governance Code 2014 as published by the Financial Reporting Council;

"**E&P**" means exploration and production;

"**Eagle II**" means Eagle Energy Exploration LLC;

"**Earnings per Share**" or "**EPS**" means the Earnings per Ordinary Share and is expressed in U.S. dollars;

"**EBITDA**" means earnings before interest, taxes, depreciation and amortisation;

"**EBITDAX**" means earnings before interest, taxes, depreciation, amortisation and exploration expenses;

"**ECI**" means effectively connected income;

"**EEA**" means European Economic Area;

"**EU**" means the European Union;

"**EV**" means enterprise value;

Glossary of Capitalised Defined Terms (continued)

"**farm-in**" means an arrangement whereby an operator buys in or acquires an interest in a lease owned by another operator on which oil or gas has been discovered or is being produced;

"**FATCA**" means Foreign Account Tax Compliance Act;

"**FCA**" means the UK Financial Conduct Authority (or its successor bodies);

"**Fieldwood**" means Fieldwood Energy LLC;

"**Financial Statements**" means the audited financial statements of the Company, including the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and associated notes;

"**Fund V**" means Riverstone Global Energy & Power Fund V, L.P.;

"**Fund VI**" means Riverstone Global Energy & Power Fund VI, L.P.;

"**General Partner**" means REL IP General Partner LP (acting through its general partner, REL IP General Partner Limited), the general partner of the Partnership and a member of the Riverstone group;

"**GFSC**" or "**Commission**" means the Guernsey Financial Services Commission;

"**GFSC Code**" means the GFSC Finance Sector Code of Corporate Governance;

"**Gross IRR**" means an aggregate, annual, compound, gross internal rate of return on investments. Gross IRR does not reflect expenses to be borne by the relevant investment vehicle or its investors including, without limitation, carried interest, management fees, taxes and organisational, partnership or transaction expenses;

"**Gross MOIC**" means gross multiple of invested capital;

"**Hunt**" means Hunt REL Holdings LLC together with various members of Ray L. Hunt's family and their related entities;

"**IAS**" means international accounting standards as issued by the Board of the International Accounting Standards Committee;

"**IFRS**" means the International Financial Reporting Standards, being the principles-based accounting standards, interpretations and the framework by that name issued by the International Accounting Standards Board, as adopted by the EU;

"**ILX III**" means ILX Holdings III LLC;

"**Interim Financial Report**" means the Company's half-yearly report and unaudited interim condensed financial statements for period ended 30 June;

"**Investment Manager**" or "**RIL**" means Riverstone International Limited which is majority-owned and controlled by Riverstone;

"**Investment Management Agreement**" means the investment management agreement dated 24 September 2013 between RIL, the Company and the Partnership (acting through its General Partner) under which RIL is appointed as the Investment Manager of both the Company and the Partnership;

"**Investment Undertaking**" means the Partnership, any intermediate holding or investing entities that the Company or the Partnership may establish from time to time for the purposes of efficient portfolio management and to assist with tax planning generally and any subsidiary undertaking of the Company or the Partnership from time to time;

"**IPEV Valuation Guidelines**" means the International Private Equity and Venture Capital Valuation Guidelines;

"**IPO**" means the initial public offering of shares by a private company to the public;

"**ISIN**" means an International Securities Identification Number;

"**KFI**" means Kendall Family Investments, LLC, a cornerstone investor in the company;

"**Liberty II**" means Liberty Resources II LLC;

"**Listing Rules**" means the listing rules made by the UK Listing Authority under section 73A Financial Services and Markets Act 2000;

"**London Stock Exchange**" or "**LSE**" means London Stock Exchange plc;

"**LSE Admission Standards**" means the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Official List;

"**LTM**" means last twelve months;

"**Management Engagement Committee**" means a formal committee of the Board with defined terms of reference;

"**Management Fee**" means the management fee to which RIL is entitled;

"**McNair**" means RCM Financial Services, L.P. for the purposes of acquiring Ordinary Shares and Palmetto for the purposes of acquiring a minority economic interest in the General Partner and the Investment Manager;

"**Meritage III**" means Meritage Midstream Services III, L.P.;

"**mmboe**" means million barrels of oil equivalent;

"**mcfe**" means thousand cubic feet equivalent (natural gas);

"**mmcfepd**" means million cubic feet equivalent (natural gas) per day;

"**NASDAQ**" means National Association of Securities Dealers Automated Quotations Stock Market;

"**NAV per Share**" means the Net Asset Value per Ordinary Share;

"**Net Asset Value**" or "**NAV**" means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policy and expressed in U.S. dollars;

"**Net IRR**" means an aggregate, annual, compound, gross internal rate of return on investments, net of taxes and carried interest on gross profit;

"**Net MOIC**" means gross multiple of invested capital net of taxes and carried interest on gross profit;

"**Nomination Committee**" means a formal committee of the Board with defined terms of reference;

"**Official List**" is the list maintained by the Financial Conduct Authority (acting in its capacity as the UK Listing Authority) in accordance with Section 74(1) of the Financial Services and Markets Act 2000;

"**OPEC**" means Organisation of the Petroleum Exporting Countries;

"**Ordinary Shares**" means redeemable ordinary shares of no par value in the capital of the Company issued and designated as "Ordinary Shares" and having the rights, restrictions and entitlements set out in the Articles;

"**Origo**" means Origo Exploration Holding AS;

"**Other Riverstone Funds**" means other Riverstone-sponsored, controlled or managed entities, including Fund V/VI, which are or may in the future be managed or advised by the Investment Manager or one or more of its affiliates, excluding the Partnership;

"**Partnership**" or "**RELIP**" means Riverstone Energy Investment Partnership, LP, the Investment Undertaking in which the Company is the sole limited partner;

"**Partnership Agreement**" means the partnership agreement in respect of the Partnership between inter alios the Company as the sole limited partner and the General Partner as the sole general partner dated 23 September 2013;

"**Performance Allocation**" means the Performance Allocation to which the General Partner is entitled;

"**Placing and Open Offer**" means the issuance of 8,448,006 new Ordinary Shares at £8.00 per Ordinary Share on 11 December 2015;

"**POI Law**" means the Protection of Investors (Bailiwick of Guernsey) Law, 1987;

"**Private Riverstone Funds**" means Fund V, Fund VI and all other private multi-investor, multi-investment funds that are launched after Admission and are managed or advised by the Investment Manager (or one or more of its affiliates) and excludes Riverstone employee co-investment vehicles and any Riverstone managed or advised private co-investment vehicles that invest alongside either Fund V or any multi-investor multi-investment funds that the Investment Manager (or one or more of its affiliates) launches after Admission;

Glossary of Capitalised Defined Terms (continued)

"**Prospectuses**" means the prospectus published on 24 September 2013 by the Company in connection with the IPO of Ordinary Shares and further prospectus published on 23 November 2015;

"**PV-10**" means present value of estimated future oil and gas revenues, net of estimated direct expenses, at an annual discount rate of 10 per cent.;

"**Qualifying Investments**" means all investments in which Private Riverstone Funds participate which are consistent with the Company's investment objective where the aggregate equity investment in each such investment (including equity committed for future investment) available to the relevant Private Riverstone Fund and the Company (and other co-investees, if any, procured by the Investment Manager or its affiliates) is $100 million or greater, but excluding any investments made by Private Riverstone Funds where both (a) a majority of the Company's independent directors and (b) the Investment Manager have agreed that the Company should not participate;

"**RCO**" means Riverstone Credit Opportunities, L.P.;

"**recompletions**" means the action and techniques of re-entering a well and redoing or repairing the original completion to restore a well's productivity;

"**RELCP**" means Riverstone Energy Limited Capital Partners, LP (acting by its general partner Riverstone Holdings II (Cayman) Ltd.) a Cayman exempted limited partnership controlled by affiliates of Riverstone;

"**RIL**" or "**Investment Manager**" means Riverstone International Limited;

"**Riverstone**" means Riverstone Holdings LLC and its affiliated entities (other than the Investment Manager and the General Partner), as the context may require;

"**Rock Oil**" means Rock Oil Holdings LLC;

"**SCOOP**" means South Central Oklahoma Oil Province;

"**Sierra**" means Sierra Oil & Gas Holdings, L.P.;

"**Shareholder**" means the holder of one or more Ordinary Shares;

"**Stewardship Code**" means the UK Stewardship Code;

"**Three Rivers III**" means Three Rivers Natural Resource Holdings III LLC;

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland;

"**UK Listing Authority**" or "**UKLA**" means the Financial Conduct Authority;

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**workover**" means an oil well intervention involving invasive techniques, such as wireline, coiled tubing or snubbing, to pull and replace a completion;

"**WTI**" means West Texas Intermediate which is a grade of crude oil used as a benchmark in oil pricing;

"**£**" or "**Pounds Sterling**" means British pound sterling and "**pence**" means British pence; and

"**$**" means United States dollars and "**cents**" means United States cents.

Directors and General Information

Directors
Richard Hayden *(Chairman, effective from 19 May 2016)*
Claire Whittet
Peter Barker
Patrick Firth
Pierre Lapeyre
David Leuschen
Ken Ryan *(Appointed 19 May 2016)*
Jeremy Thompson *(Appointed 19 May 2016)*
Sir Robert Wilson *(Resigned 19 May 2016)*
James Hackett *(Resigned 19 May 2016)*

Audit Committee
Patrick Firth *(Chairman, effective from 19 May 2016)*
Richard Hayden
Peter Barker
Claire Whittet
Jeremy Thompson *(Appointed 10 August 2016)*

Management Engagement Committee
Claire Whittet *(Chairman, effective from 19 May 2016)*
Richard Hayden *(effective from 19 May 2016)*
Peter Barker
Patrick Firth
Jeremy Thompson *(Appointed 10 August 2016)*

Nomination Committee
Richard Hayden *(Chairman, effective from 19 May 2016)*
Peter Barker
Patrick Firth
Claire Whittet
Jeremy Thompson *(Appointed 10 August 2016)*

Investment Manager
Riverstone International Limited
Clifton House
75 Fort Street
P.O. Box 1350
George Town
Grand Cayman
KY1-1108
Cayman Islands

Investment Manager's Valuation Committee
Pierre Lapeyre
David Leuschen
Tom Walker *(effective from 31 March 2016)*
Mark Papa *(effective from 31 March 2016)*
Ken Ryan *(effective from 19 May 2016)*

Administrator and Company Secretary
Heritage International Fund Managers Limited
Heritage Hall
PO Box 225
Le Marchant Street
St Peter Port
Guernsey
GY1 4HY
Channel Islands

Registered office
Heritage Hall
PO Box 225
Le Marchant Street
St Peter Port
Guernsey
GY1 4HY
Channel Islands

Registrar
Capita Registrars (Guernsey) Limited
Longue Hougue House
St Sampson
Guernsey
GY2 4JN
Channel Islands

Principal banker
ABN AMRO (Guernsey) Limited
PO Box 253
Martello Court
Admiral Park
St. Peter Port
Guernsey
GY1 3QJ
Channel Islands

English solicitors to the Company
Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HS
United Kingdom

Guernsey advocates to the Company
Carey Olsen
Carey House
PO Box 98
Les Banques
St Peter Port
Guernsey
GY1 4BZ
Channel Islands

Directors and General Information (continued)

U.S. legal advisors to the Company
Vinson & Elkins LLP
1001 Fannin Street
Suite 2500
Houston, Texas
TX 77002
United States of America

Independent auditor
Ernst & Young LLP
PO Box 9, Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 4AF
Channel Islands

Website: www.RiverstoneREL.com
ISIN: GG00BBHXCL35
Ticker: RSE

Public relations advisor
Scott Harris UK Limited
71 Queen Victoria Street
London
EC4V 4BE
United Kingdom

Corporate Brokers
Goldman Sachs International
Peterborough Court
133 Fleet Street
London
EC4A 2BB
United Kingdom

JP Morgan Cazenove
25 Bank Street
Canary Wharf
London
E15 5JP
United Kingdom

Cautionary Statement

The Chairman's Statement and Investment Manager's Report have been prepared solely to provide additional information for Shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Chairman's Statement and Investment Manager's Report may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager, concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

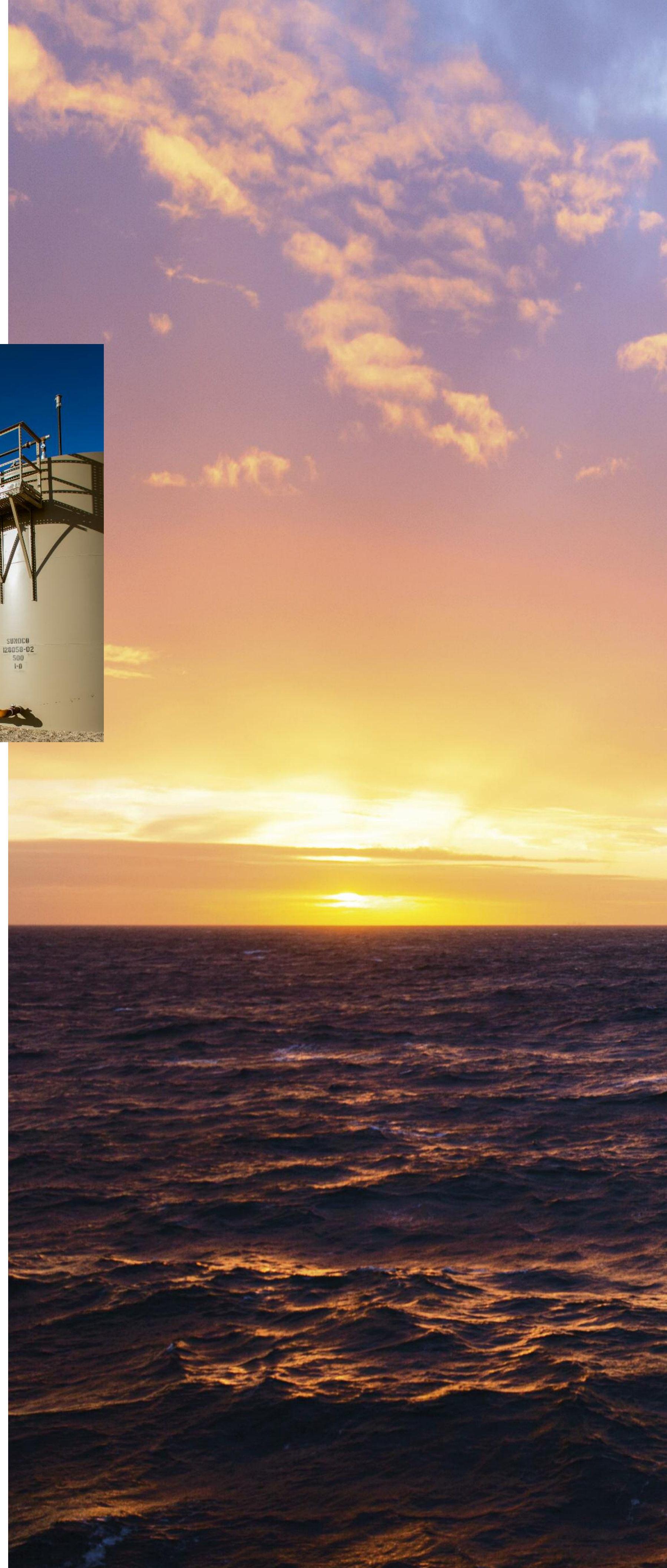
Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Riverstone Energy Limited

Heritage Hall, PO Box 225,

Le Marchant Street, St Peter Port, Guernsey,
GY1 4HY, Channel Islands.

T: +44 (0) 1481 716000
F: +44 (0) 1481 730617



Further information available online:
www.RiverstoneREL.com