

Riverstone Energy Limited Announces 4Q16 Quarterly Portfolio Valuations

London, UK (30 January 2017) - Riverstone Energy Limited ("REL") announces its quarterly portfolio summary as of 31 December 2016, inclusive of updated quarterly unaudited fair market valuations:

Current Portfolio

	Target Basin	Current Committed Capital (\$mm)	Invested Capital (\$mm)	Realised Capital (\$mm) ¹	Net Invested Capital (\$mm) ²	Gross Realised & Unrealised Value (\$mm) ³	Gross MOIC ³
CIOC	Deep Basin (Canada)	\$307	\$232	\$23	\$209	\$471	2.0x
Centennial⁴	Permian (U.S.)	268	268	-	268	477	1.8x
Three Rivers III	Permian (U.S.)	167	76	-	76	190	2.5x
Carrier II	Permian (U.S.)	133	104	-	104	132	1.3x
Liberty II	Bakken, PRB (U.S.)	142	120	-	120	120	1.0x
RCO⁵	North America	125	87	70	17	112	1.3x
ILX III	Deepwater GoM (U.S.)	200	67	-	67	88	1.3x
CNOR	Western Canada	90	73	-	73	73	1.0x
Fieldwood	GoM Shelf (U.S.)	82	58	2	57	58	1.0x
Eagle II	Mid-Continent (U.S.)	67	56	-	56	56	1.0x
Castex 2014	Gulf Coast Region (U.S.)	67	36	-	36	36	1.0x
Meritage III⁶	Western Canada	67	29	-	29	32	1.1x
Castex 2005	Gulf Coast Region (U.S.)	50	48	-	48	5	0.1x
Origo	North Sea (Norway, U.K.)	67	8	-	8	4	0.5x
Sierra	Mexico	38	1	-	1	2	1.1x
CanEra III	Western Canada	60	1	-	1	1	1.0x
Total Current Portfolio⁷		\$1,928	\$1,266	\$95	\$1,172	\$1,856	1.5x
Percentage of REL net capital available⁸		126%			76%		

Realisations

	Target Basin	Current Committed Capital (\$mm)	Invested Capital (\$mm)	Realised Capital (\$mm) ¹	Unrealised Value (\$mm) ²	Gross Realised & Unrealised Value (\$mm) ³	Gross MOIC ³
Rock Oil⁹	Permian (U.S.)	-	114	216	24	240	2.1x
Total Investments⁷			\$1,381	\$311		\$2,096	1.5x

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 17 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.

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Note:

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. The Investment Manager values each underlying investment in accordance with the Riverstone valuation policy, the IFRS accounting standards and IPEV Valuation Guidelines. The Investment Manager has applied Riverstone's valuation policy 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 year ended 31 December 2016 or in any period to date. Valuations of REL's investments through the Partnership are determined by the Investment Manager 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.

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.

¹ Realised capital is gross proceeds realised on investment.

² Net invested capital is invested capital less gross proceeds realised on investment.

³ Gross MOIC is Multiple of Invested Capital. Gross Unrealised Value and Gross MOIC are before transaction costs, taxes and 20 per cent. carried interest on gross profits. Since there is no netting of losses against gains, the effective carried interest rate on the portfolio as a whole will be greater than 20 per cent. In addition, there is a management fee of 1.5 per cent. of net assets per annum and other expenses. Given these costs, fees and expenses are in aggregate expected to be considerable, Total Net Value and Net MOIC will be materially less than Gross Unrealised Value and Gross MOIC. Local taxes, primarily on US assets, 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 \$93 million of the investment has been financed from the proceeds of a bank loan of \$100 million, which has a bullet maturity of 18 months and an annual interest rate cost of 3 month LIBOR + 3.25 per cent. Fees and expenses of approximately \$700,000 were incurred with the financing. A security interest has been granted over REL's entire investment in Centennial (NasdaqCM:CDEV) in favour of the lenders, as security for any amounts which may be due from time to time under the Loan.

⁵ Credit investment.

⁶ Midstream investment.

⁷ Amounts may vary due to rounding.

⁸ Based on total capital raised of \$1,320 million, bank loan, realised profits and other income net of fees, expenses and performance allocation. The Board does not expect to fully fund all commitments in the normal course of business.

⁹ The unrealised value of the Rock Oil investment consists of sale proceeds in escrow of \$13 million and rights to mineral acres of \$11 million.