Interim Report and Unaudited Interim Condensed Financial Statements

for the six months ended 30 June 2018

2018

A focus on long-term

Capital Growth

Riverstone Energy Limited

(LSE: RSE)

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.

Contents

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

→	Net Committed Capital to Date	$1,385 million / 99 per cent. of net capital available[1]
→	Commitments reduced during the period ended 30 June 2018	Commitments reduced by a total of $74 million: (i) $72 million in Three Rivers Natural Resources Holdings III LLC (ii) $2 million in Castex Energy 2005 LLC
→	Net Capital Invested to Date	$1,156 million / 83 per cent. of net capital available[1]
→	Investments during the period ended 30 June 2018[2]	Invested a total of $50 million[3]: (i) $22 million in Fieldwood Energy, LLC (ii) $15 million in ILX Holdings III, LLC (iii) $6 million in Sierra Oil and Gas Holdings, L.P. (iv) $5 million in Meritage Midstream Services III, L.P. (v) $2 million in Canadian Non-Operated Resources LP
→	Gross Realised Capital to Date	$706 million / 43 per cent. of total capital invested
→	Gross Realisations during the period ended 30 June 2018	Realised a total of $282 million: (i) $196 million in Three Rivers Natural Resources Holdings III LLC (ii) $85 million in Centennial Resource Development, Inc. (iii) $1 million in aggregate from Origo Exploration AS and Riverstone Credit Opportunities, L.P.

Key Financials

	30 June 2018	31 December 2017	30 June 2017
NAV as at	**$1,754 million / £1,328 million[4]**	$1,743 million / £1,290 million[4]	$1,668 million / £1,281 million[4]
NAV per Share as at	**$20.76 / £15.72[4]**	$20.63 / £15.27[4]	$19.74 / £15.16[4]
Market capitalisation at	**$1,423 million / £1,078 million[4]**	$1,409 million / £1,043 million[4]	$1,381 million / £1,060 million[4]
Share price at	**$16.85 / £12.76[4]**	$16.68 / £12.35[4]	$16.35 / £12.55[4]

	30 June 2018	30 June 2017
Total comprehensive profit / (loss) for the six months ended	**$10.75 million**	($30.55) million
Basic Earnings / (Loss) per Share for the six months ended	**12.72 cents**	(36.17) cents

(1) Net capital available of $1,392 million is based on total capital raised of $1,320 million, 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

(2) Art. 105 of the Delegated Regulation 213/2013

(3) Amounts may vary due to rounding

(4) Based on exchange rate of 1.321 $/£ at 30 June 2018 (1.351 $/£ at 31 December 2017 and 1.303 $/£ at 30 June 2017)

Oil market tightness highlights the ongoing investment needs of the energy industry

What a difference a year makes. At this point last year, the price of WTI was struggling to breach $50 per barrel, as the market remained stubbornly well supplied despite robust demand and production decreases within OPEC. This dynamic has now reversed, with prices gaining 50 per cent. over the last twelve months to reach levels not seen since 2014. In a clear indication of how much the market has changed, OPEC and Russia are now in the process of increasing production in an attempt to alleviate upwards pressure on prices.

The success of this strategy depends on a number of variables which will play out over the coming months. OPEC's ability to rapidly increase production is subject to the amount of spare capacity, which predominately resides with Saudi Arabia, Kuwait and the United Arab Emirates. This will need to compensate for production declines elsewhere now that global inventories have declined below their five year average. Iran remains a wildcard, with the Trump Administration restoring sanctions which could disrupt a substantial portion of Iran's 3.8 million barrels per day of production. Geopolitical instability continues to result in supply shocks in Libya and Venezuela, with the latter experiencing the lowest level of drilling activity in decades.

North America has the potential to meet global shortfalls. U.S. oil production has grown rapidly – from less than 6 million barrels per day in 2010 to a record of 11 million barrels per day in July. However, signs are beginning to appear that shale's ability to continually grow production could be challenged. This is due to the reversal of several features responsible for its rapid growth, such as the exhaustion of "core" drilling locations, limits in productivity enhancements, service cost inflation and increasing levels of capital discipline by the industry.

We are also witnessing instances in which the long-cycle nature of infrastructure, which requires a payback spanning a decade or more, has failed to keep pace with the short-cycle production of shale wells. This dynamic has become evident in the Permian region, as oil and associated gas production has more than doubled since the oil market collapse in 2014. Meanwhile, a lack of takeaway capacity has pushed pipelines to their physical limits. As a result, the differential between commodity prices at Permian hubs has widened considerably against their national benchmarks.

With approximately $280 million in gross realisations in the first half of 2018, REL is well positioned to take advantage of opportunities resulting from the dynamics outlined above. This includes investments within the existing portfolio – such as Liberty II's development of midstream infrastructure – to new portfolio company investments. Although REL's portfolio is currently heavily weighted towards exploration and production investments, the Company's investment mandate spans the entire hydrocarbon value chain, which also includes midstream infrastructure, energy services and power generation. The Board expects these subsectors will become more prominent in the Portfolio over time as Riverstone applies its cross-sector knowledge to exploit attractive opportunities.

Performance

REL ended 30 June 2018 with an NAV per share of $20.76 (£15.72), a year-on-year increase of five per cent. compared with June 2017, but up only marginally relative to the year end 2017 NAV of $20.63 per share.

There were several significant valuation movements within the Portfolio over the past six months. ILX III saw the largest overall increase in unrealised value as its Gross MOIC grew from 1.2x to 1.4x due to drilling success, while Meritage III recovered to a 2.0x Gross MOIC based on a third offtake agreement with Hammerhead. Fieldwood experienced the largest multiple uplift in the portfolio, moving from a Gross MOIC of 0.2x to 0.8x, following REL's participation in an equity rights offering and the subsequent increase in value of this investment.

These increases were broadly offset by slight declines at three of REL's onshore investments: Hammerhead, Centennial and Eagle II. The ongoing underperformance of U.S. E&P equities remains a headwind for portfolio company valuations, as trading multiples remain significantly below recent history. This suggests investors remain hesitant to fully embrace the sector, potentially awaiting further evidence of capital discipline among producers and a recovery in the forward curve for WTI, which remains anchored around $55 per barrel.

The valuation of REL's investments is conducted quarterly by the Investment Manager and subject to approval by the independent Directors. During the period, the Investment Manager formed a formal Performance Review Team to serve as a single structure overseeing the existing Riverstone portfolio with the goal of improving operational and financial performance. In addition, the valuations of REL's investments are audited by Ernst & Young LLP in connection with the annual audit of the Company's Financial Statements. The Company's valuation policy is compliant with both IFRS and IPEV Valuation Guidelines and has been applied consistently from period to period since inception. As the Company's investments are generally not publicly quoted, valuations require meaningful judgment to establish a range of values, and the ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant. Further information on the Company's valuation policy can be found in the Investment Manager's Report within the 2017 Annual Report on page 21.

The first half of 2018 was a significant period for realisations, resulting in approximately $280 million of gross proceeds. Approximately $85 million in gross proceeds resulted from the sale of 4.4 million shares in Centennial as part of REL's overall management in its shareholding, which remains the second largest investment in the Portfolio. In March, REL agreed the sale of Three Rivers III, its investment focussed on acreage accumulation in the Delaware Basin of the Permian. REL was able to achieve a strong return on its $94 million investment, with the sale resulting in gross cash proceeds of approximately $205 million, of which $196 million has been received, representing a Gross MOIC[1] of 2.2x and a Gross IRR[1] of 49 per cent. for Shareholders.

REL invested a total of $50 million over the period, which primarily went to fund REL's participation in the Fieldwood equity rights offering as well as additional drilling at Sierra and ILX III. The Company also repaid its $100 million loan secured against shares in Centennial, which was set to expire in June. Taking this into account, REL finished the period with $1,156 million net invested, equating to 83 per cent. of net capital available and a cash balance of $236 million.

For the past year, REL has focussed on maintaining capital flexibility for its existing investments and as a result has not participated in new investments by Riverstone's Global Energy & Power Fund VI. Given the Company's improved capital position, the Board is carefully evaluating new investment opportunities as well as the option of returning capital to its Shareholders. The Board continually monitors where its shares trade relative to NAV and evaluates options to close any discount that would be in the best interests of its Shareholders.

The Portfolio continued to perform well operationally in the first half of 2018, with several notable developments. Centennial is on track to grow oil production by approximately 85 per cent. this year as it targets 65,000 barrels of oil per day in 2020. This has been facilitated through the company's intense operational focus through the use of in-house geologic steering, high intensity fracs and extended laterals, which are up around 30 per cent. year-on-year to approximately 7,500 feet. Centennial has been actively testing the Bone Spring interval, which was not valued at the time of acquisition, but believed could yield additional value by CEO Mark Papa and his team. Initial well results have proved to be very strong and are likely to represent a major part of Centennial's growth in 2019.

Also in onshore North America, Liberty II finished drilling its third well in the Powder River Basin, which is proving to be an attractive location with multiple oil-bearing zones, as found in the Permian. The balance sheet initiatives undertaken last year at Hammerhead are helping the company to continue develop its Montney acreage, which is producing just under 30,000 boepd. The company signed a third offtake agreement with Meritage III, which will support future production growth at Hammerhead as well as construction of a new 200 mmcf/d gas processing facility at Meritage III.

In the Gulf of Mexico, Fieldwood closed its restructuring in the second quarter, resulting in a significantly improved leverage profile, cash generation from its heavily oil weighted 90,000 boepd production and a substantial inventory of deepwater drilling prospects gained through its acquisition of Noble's Gulf of Mexico business, which closed in July. Elsewhere in the Gulf, ILX III successfully drilled its second appraisal well at Buckskin, further confirming pre-drill reserve estimates and significantly de-risking the project. Overall, the team has achieved a 77 per cent. success rate on the 13 wells drilled to date, and is expected to bring two projects to production by the end of 2018.

It is worth reflecting on REL's longer term performance as we approach the Company's fifth anniversary since inception. This has been an incredibly tumultuous time for the energy industry, with highly volatile oil prices and a prolonged downturn in natural gas prices. However, Riverstone's investment philosophy has allowed the Company to exploit opportunities arising from industry's distress. The Company has now realised over half of the capital raised, with a loss ratio of under five per cent. This is reflected in REL's Net Asset Value, which has increased by 29 per cent. since inception, compared with the negative 37 per cent. total shareholder return for the S&P Oil & Gas E&P Index. With REL's improved cash position, the Board looks forward to seeing the Company take advantage of opportunities driven by the current environment.

Richard Hayden
Chairman
14 August 2018

[1] Gross MOIC is Gross Multiple of Invested Capital before transaction costs, taxes (approximately 21 to 27.5 per cent. of U.S. sourced taxable income) and 20 per cent. carried interest on gross profits (without a hurdle rate). 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 (including cash) per annum and other expenses. Given these costs, fees and expenses are in aggregate expected to be considerable, Net MOIC and Net IRR will be materially less than the Gross MOIC and Gross IRR. Local taxes, primarily on U.S. 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. In the normal course of business, REL may form wholly-owned subsidiaries, to be treated as C Corporations for U.S. tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. ECI. The C Corporations file U.S. corporate tax returns with the U.S. IRS and pay U.S. corporate taxes on its taxable income

Leveraging deep sector expertise to capitalise upon opportunities in the energy ecosystem

Oil prices experienced their first sustained period above $60 per barrel since the market downturn in 2014. This reflects a tighter global market following five years of strong global oil demand growth and supply reductions resulting from geopolitical instability and OPEC actions. The improved market fundamentals are supportive for REL realising value from its mature investments, while capitalising upon a broader universe of opportunities across the energy value chain.

Despite the steady increase in spot oil prices since the beginning of 2018, valuations for public North American E&P companies continue to lag the commodity. This reflects a number of macro developments affecting the sector. Forward oil prices remain anchored significantly below spot prices, while commodity price differentials at various local hubs have increased due to constraints in takeaway capacity. Overall valuation multiples have compressed over the past two years as investors cautiously evaluate whether the commodity prices have stabilised and whether producers will maintain capital discipline in light of higher spot prices.

Nevertheless, we see several factors which have the potential to improve confidence in the sector and support valuations. First, quality inventory remains limited, as the best performing wells are concentrated in a small subset of areas with the best geology. Second, recent events in the Permian have highlighted how production growth can be constrained if the supply chain does not keep pace with drilling activity. Equity markets remain largely closed, and debt issuance has failed to recover to levels prior to the downturn. While the shale industry is highly dynamic, with multiple moving components, these factors are overall supportive for higher forward oil prices to incentivise the industry's growth.

Riverstone is well placed to take advantage of this evolving environment through its integrated investment platform, with dedicated investment professionals focussing exclusively on energy, but analysing opportunities across sub-sectors, geographies and the capital structure. We seek to leverage this expertise to build differentiated businesses in parts of the energy ecosystem where we see value. For example, we quickly established platforms in emerging, low-cost basins such as the Permian and Western Canada as oil prices declined. In addition, we utilised our basin expertise to spot new opportunities, such as Meritage III, which provides a solution to infrastructure constraints facing Hammerhead and other Western Canadian producers.

Throughout all of our investments, we have sought to partner with the best management teams in the energy industry. Their operational excellence, deep local relationships and focus on safety generates an "alpha" beyond simply investing in the underlying commodity.

Another key component of Riverstone's investment strategy remains the "build-up" approach. Riverstone and its investment professionals have many years of experience successfully investing in, and operating, energy businesses through multiple commodity price cycles. The firm applies a disciplined approach to maintain maximum operational and financial flexibility through any commodity price environment. While energy prices have been particularly volatile since REL's IPO in October 2013, when prices hovered around $100 per barrel, Riverstone's investment strategy has helped mitigate the impact of commodity price volatility on the portfolio. As a result, REL has deployed capital at a weighted average oil price of approximately $52 per barrel. Over the same time period, NAV per Share has increased by 29 per cent. on a US Dollar basis and by 57 per cent. on a Pounds Sterling basis, compared with a negative 37 per cent. total shareholder return for the S&P Oil & Gas E&P Index.

We remain focussed on growing Shareholder value in three principal ways. First, we seek to drive operational improvements and identify attractive growth opportunities within our existing Portfolio. A recent example of this includes Liberty II's opportunistic entry into the Powder River Basin and accumulation of additional acreage in the Bakken. Second, we are continually monitoring the environment for exiting our more mature investments, and will take advantage of attractive windows to crystallise value. The sale of Three Rivers III and the partial sale of Centennial shares earlier this year highlight our commitment to generating strong relative and absolute returns from our investments. Finally, these sales now allow REL the opportunity to leverage the Riverstone platform and participate in new high-return opportunities driven by the current environment.

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 E&P 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;
- Increases in ability to extract hydrocarbons from oil and gas-rich shale formations; and
- Historical under-investment in energy infrastructure.

The Investment Manager, through its affiliates, has a strong track record of building businesses with management teams and of delivering consistently attractive 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, having made over 150 investments globally in the energy sector since being founded in 2000, 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-focussed professional advisory firms to assist with due diligence in other areas such as accounting, tax, legal, employee benefits, environmental, engineering and insurance.

Current Portfolio

	Target Basin	Gross Committed Capital ($mm)	Invested Capital ($mm)	Gross Realised Capital ($mm)[1]	Gross Unrealised Value ($mm)	Gross Realised Capital & Unrealised Value ($mm)	30 Jun 2018 Gross MOIC[2]	31 Mar 2018 Gross MOIC[2]
Hammerhead Resources	Deep Basin (Canada)	307	295	23	508	531	1.8x	1.9x
Centennial	Permian (U.S.)	268	268	172	278	450	1.7x	1.7x
ILX III	Deepwater GoM (U.S.)	200	131	–	183	183	1.4x	1.2x
Liberty II	Bakken, PRB (U.S.)	142	142	–	177	177	1.3x	1.3x
Carrier II	Permian (U.S.)	133	110	–	131	131	1.2x	1.2x
RCO[3]	North America	125	87	82	12	94	1.1x	1.1x
CNOR	Western Canada	90	85	–	85	85	1.0x	1.0x
Meritage III[4]	Western Canada	67	39	–	77	77	2.0x	1.8x
Fieldwood	GoM Shelf (U.S.)	82	81	3	65	68	0.8x	0.2x
Castex 2014	Gulf Coast Region (U.S.)	67	44	–	44	44	1.0x	1.0x
Eagle II	Mid-Continent (U.S.)	67	62	–	37	37	0.6x	0.8x
Sierra	Mexico	38	14	–	33	33	2.4x	2.4x
Total Current Portfolio[5]		**$1,585**	**$1,356**	**$280**	**$1,631**	**$1,911**	**1.4x**	**1.4x**

Realisations

	Target Basin	Gross Committed Capital ($mm)	Invested Capital ($mm)	Gross Realised Capital ($mm)[1]	Gross Unrealised Value ($mm)	Gross Realised Capital & Unrealised Value ($mm)	30 Jun 2018 Gross MOIC[2]	31 Mar 2018 Gross MOIC[2]
Rock Oil[6]	Permian (U.S.)	114	114	229	11	240	2.1x	2.1x
Three Rivers III[7]	Permian (U.S.)	94	94	196	9	205	2.2x	2.2x
Total Realisations[5]		**209**	**209**	**425**	**19**	**444**	**2.1x**	**2.1x**
Withdrawn Commitments and Impairments[8]		59	59	1	–	1	0.0x	0.0x
Total Investments[5]		**$1,853**	**$1,624**	**$706**	**$1,650**	**$2,356**	**1.4x**	**1.4x**
Cash and Cash Equivalents					**$236**			
Total Investments & Cash and Cash Equivalents					**$1,886**			

Note: Please refer to the Investment Portfolio Summary on pages 7 to 11 for additional details on the valuation of the Company's portfolio as of 30 June 2018.

(1) Gross realised capital is total gross proceeds realised on invested capital. Of the $706 million of capital realised to date, $410 million is the return of the cost basis, and the remainder is profit

(2) Gross MOIC is Multiple of Invested Capital. Gross Unrealised Value and Gross MOIC are before transaction costs, taxes (approximately 21 to 27.5 per cent. of U.S. sourced taxable income) and 20 per cent. carried interest on gross profits (without a hurdle rate). 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 (including cash) 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 U.S. 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. In the normal course of business, REL may form wholly-owned subsidiaries, to be treated as C Corporations for U.S. tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. ECI. The C Corporations file U.S. corporate tax returns with the U.S. IRS and pay U.S. corporate taxes on its taxable income

(3) Credit investment

(4) Midstream investment

(5) Amounts may vary due to rounding

(6) The unrealised value of the Rock Oil investment consists of rights to mineral acres

(7) The unrealised value of the Three Rivers III investment consists of residual sale proceeds held in escrow

(8) Withdrawn commitments and impairments consist of Castex 2005 ($48 million), Origo ($9 million), and CanEra III ($1 million)

Investment Portfolio Summary

As of 30 June 2018, REL's portfolio comprised twelve active investments including ten E&P investments, one midstream investment and one credit investment.

Hammerhead

As of 30 June 2018, REL, through the Partnership, has invested $295.3 million of its $307.3 million commitment to Hammerhead. Hammerhead is a private E&P company focussed on liquids-rich unconventional resources in Western Canada. Since its establishment in 2010, Hammerhead 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 over 2,000 net drilling locations across 400,000 net acres in the Montney and Duvernay. Since Riverstone's initial investment, Hammerhead has increased production almost ten-fold to 29,000 boepd and significantly grown reserves to 369 mmboe.

As of 30 June 2018, REL's interest in Hammerhead, through the Partnership, was valued at 1.8x Gross MOIC[(1)] or $530.6 million (Realised: $23.1 million, Unrealised: $507.5 million). The Gross MOIC[(1)] decreased slightly over the last six months, reflecting a decrease in net asset value following a change in valuation methodology.

Centennial

As of 30 June 2018, REL, through the Partnership, has invested in full its $267.9 million commitment to Centennial. Centennial is an E&P company focussed on the acquisition and development of oil and liquids-rich natural gas resources in the Permian Delaware Basin, West Texas. The company, led by former EOG Resources, Inc. chief executive Mark Papa, has rapidly aggregated an 88,000 net acre position in the Delaware Basin of the Permian. The company's development plan envisages growing oil production from approximately 32,000 bopd as of 1Q 2018 to 65,000 bopd in 2020.

REL, through the Partnership, owns approximately 15.2 million shares which are publicly traded (NASDAQ:CDEV), at a weighted average purchase price of $11.21.

In 1Q 2018, Centennial completed an underwritten secondary public offering of 25.0 million shares. REL participated by selling 4.4 million shares (equal to its proportional share) at a price of $19.50. The transaction resulted in gross proceeds to REL of $85.1 million. The Investment Manager, through RELCP, subsequently invested the net proceeds of its performance allocation into shares of REL. This transaction, in addition to the previous share sale in 4Q 2017, implies a Gross MOIC[(1)] of 1.8x and Gross IRR[(1)] of 55 per cent. Proceeds from the sales, net of performance allocation, were used to repay the $100 million margin loan secured by REL's investment in Centennial.

As of 30 June 2018, REL's interest in Centennial, through the Partnership, was valued at 1.7x Gross MOIC[(1)] or $450.1 million (Realised: $171.8 million, Unrealised: $278.3 million). The Gross MOIC[(1)], which reflects the mark-to-market value of REL's shareholding, decreased slightly over the last six months.

ILX III

As of 30 June 2018, REL, through the Partnership, has invested $131.0 million of its $200.0 million commitment to ILX III. ILX III, based in Houston, Texas, is a repeat joint-venture with Ridgewood Energy Corporation. The new entity maintains the same strategy of acquiring non-operated working interests in oil-focussed exploration projects in the shallow Gulf of Mexico. ILX III acquired offshore leases with 15 defined deepwater prospects at inception, but has since opportunistically farmed into two additional prospects and added 12 additional prospects through the 2016 central Gulf of Mexico Lease Sale.

In 2018, ILX III has drilled one appraisal well at Buckskin prospect, which further confirmed pre-drill reserve estimates and de-risked the project. The company has a 77 per cent. success rate on its 13 wells drilled to date and is currently progressing plans to develop its 10 discoveries.

As of 30 June 2018, REL's interest in ILX III, through the Partnership, was valued at 1.4x Gross MOIC[(1)] or $183.4 million. The Gross MOIC[(1)] increased over the last six months, reflecting Buckskin prospect being de-risked in discounted cash flow analysis.

Liberty II

As of 30 June 2018, REL, through the Partnership, has invested in full its $141.7 million commitment to Liberty II. Liberty II has established a 100,700 net acre position in the Williston (Bakken) and Powder River Basins through a series of acquisitions, which benefit from Liberty II's sophisticated and proprietary well completion technology. Liberty II has an inventory of over 1,000 gross drilling locations, and is currently producing approximately 6,500 boepd.

Since January 2017, Liberty II has pursued an aggressive grassroots leasing effort in the East Nesson area of the Bakken resulting in the addition of roughly 50,000 net acres at an average cost of roughly $450 per acre. The company plans to opportunistically grow its acreage and drill further delineation wells through 2018. In 2018, the company drilled its third well on its Powder River Basin acreage.

As of 30 June 2018, REL's interest in Liberty II, through the Partnership, was valued at 1.3x Gross MOIC[(1)] or $177.1 million. The Gross MOIC[(1)] remained unchanged over the last six months.

(1) Gross MOIC is Multiple of Invested Capital. Gross Unrealised Value and Gross MOIC are before transaction costs, taxes (approximately 21 to 27.5 per cent. of U.S. sourced taxable income) and 20 per cent. carried interest on gross profits (without a hurdle rate). 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 (including cash) 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 U.S. 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. In the normal course of business, REL may form wholly-owned subsidiaries, to be treated as C Corporations for U.S. tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. ECI. The C Corporations file U.S. corporate tax returns with the U.S. IRS and pay U.S. corporate taxes on its taxable income

Carrier II

As of 30 June 2018, REL, through the Partnership, has invested $109.6 million of its $133.3 million commitment to Carrier II. Carrier II is focussed 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 increased to 20,260 net acres). In addition, subsequently through three separate acquisitions the company has acquired 3,892 net acres in Karnes County in the Eagle Ford basin, targeting the Sugarloaf Project and the Chisholm Project, both operated by Marathon Oil Corp. Carrier II was producing over 7,000 boepd net. at the end of the period.

As of 30 June 2018, REL's interest in Carrier II, through the Partnership, was valued at 1.2x Gross MOIC[(1)] or $131.5 million. The Gross MOIC[(1)] remained unchanged over the last six months.

RCO

As of 30 June 2018, REL, through the Partnership, has invested $87.0 million of its $125.0 million commitment to RCO, of which $82.3 million has been realised. 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 32 investments, 27 of which have already been fully exited.

As of 30 June 2018, REL's interest in RCO, through the Partnership, was valued at 1.1x Gross MOIC[(1)] or $94.6 million (Realised: $82.3 million, Unrealised: $12.2 million). The Gross MOIC[(1)] remained unchanged over the last six months, with the valuation reflecting the mark-to-market value of RCO's remaining underlying securities.

CNOR

As of 30 June 2018, REL, through the Partnership, has invested $85.3 million of its $90.0 million commitment to CNOR. CNOR is a Calgary-based oil and gas company focussed on the Western Canadian Sedimentary Basin. CNOR has invested in a joint venture with Tourmaline Oil targeting the Peace River High area (126,000 net acres) and is currently also pursuing a delineation programme in the Pipestone Montney, where it has a position of approximately 25,000 net acres.

As of 30 June 2018, REL's interest in CNOR, through the Partnership, was valued at 1.0x Gross MOIC[(1)] or $85.3 million. The Gross MOIC[(1)] remained unchanged over the last six months.

Meritage III

As of 30 June 2018, REL, through the Partnership, has invested $38.7 million of its $66.7 million commitment to Meritage III. Meritage III is focussed on the construction of gas gathering, gas processing, and oil gathering infrastructure in Western Canada.

Since inception, the company has constructed and commissioned two gas processing facilities, underpinned by gas gathering and processing agreements with Hammerhead and four additional operators. In 2Q 2018, Meritage III executed an additional offtake agreement with Hammerhead which will support the construction of a third gas processing facility, with an expected in-service date of mid-2019.

As of 30 June 2018, REL's interest in Meritage III, through the Partnership, was valued at 2.0x Gross MOIC[(1)] or $77.4 million. The Gross MOIC[(1)] increased over the last six months, reflecting the company securing a third offtake agreement with Hammerhead.

Fieldwood

As of 30 June 2018, REL, through the Partnership, has invested $81.0 million of its $82.4 million commitment to Fieldwood. Riverstone formed Fieldwood in partnership with CEO Matt McCarroll and his team in December 2012. REL made its investment in Fieldwood in 2014, as the company acquired the Gulf of Mexico interests from Apache and SandRidge. The company has subsequently made three bolt-on acquisitions.

During 2018, Fieldwood filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. The Chapter 11 plan of reorganisation encompasses a comprehensive restructuring of the company's balance sheet through reducing current debt by approximately $1.6 billion and raising capital of approximately $525 million through an equity rights offering. The transaction closed in 2Q 2018 with REL participating for its allocation in the equity rights offering. In addition, Fieldwood used the equity rights offering proceeds to acquire the deepwater Gulf of Mexico oil and gas assets of Noble Energy, which complement and enhance the company's existing asset base, operations and technical capabilities. The company is now one of the largest oil and gas producers in the shallow Gulf of Mexico.

As of 30 June 2018, REL's interest in Fieldwood, through the Partnership, was valued at 0.8x Gross MOIC[(1)] or $67.7 million (Realised: $2.8 million, Unrealised: $64.9 million). The Gross MOIC[(1)] increased over the last six months, reflecting an increase in the value of the new capital invested following the restructuring and equity rights offering.

(1) Gross MOIC is Multiple of Invested Capital. Gross Unrealised Value and Gross MOIC are before transaction costs, taxes (approximately 21 to 27.5 per cent. of U.S. sourced taxable income) and 20 per cent. carried interest on gross profits (without a hurdle rate). 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 (including cash) 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 U.S. 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. In the normal course of business, REL may form wholly-owned subsidiaries, to be treated as C Corporations for U.S. tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. ECI. The C Corporations file U.S. corporate tax returns with the U.S. IRS and pay U.S. corporate taxes on its taxable income


Western Canada
Committed: $464m (29%)
Invested: $419m (31%)
HAMMERHEAD RESOURCES / CIOC
MERITAGE MIDSTREAM
CNOR L.P. CANADIAN NON-OPERATED RESOURCES I LTD.
International & Credit
Committed: $163m (10%)
Invested: $101m (7%)
RCO
Other Onshore U.S.
Committed: $208m (13%)
Invested: $203m (15%)
LIBERTY RESOURCES
EAGLE
Permian & Eagle Ford
Committed: $401m (25%)
Invested: $377m (28%)
CARRIER ENERGY PARTNERS
CENTENNIAL
SIERRA OIL&GAS
CASTEX
FIELDWOOD ENERGY
ILX Holdings
Gulf of Mexico
Committed: $349m (22%)
Invested: $256m (19%)

Castex 2014

As of 30 June 2018, REL, through the Partnership, has invested $43.7 million of its $66.7 million commitment to Castex 2014. Castex 2014 is a Houston-based oil and gas company focussed on gas exploration opportunities in the U.S. Gulf Coast Region, in partnership with Castex 2005. Castex 2014 has achieved a 100 per cent. success rate on the seven exploration prospects drilled since inception.

As of 30 June 2018, REL's interest in Castex 2014, through the Partnership, was valued at 1.0x Gross MOIC(1) or $43.7 million. The Gross MOIC(1) remained unchanged over the last six months.

Eagle II

As of 30 June 2018, REL, through the Partnership, has invested $61.7 million of its $66.7 million commitment to Eagle II. The company owns approximately 11,300 net acres in the SCOOP and approximately 13,800 net acres in the Mississippi Lime. Eagle II is currently producing approximately 2,600 boepd.

As of 30 June 2018, REL's interest in Eagle II, through the Partnership, was valued at 0.6x Gross MOIC(1) or $37.0 million. The Gross MOIC(1) for Eagle II decreased over the year, reflecting less active M&A markets.

Sierra

As of 30 June 2018, REL, through the Partnership, has invested $13.7 million of its $37.5 million commitment to Sierra. Sierra is an independent Mexican energy company established to pursue select upstream and midstream opportunities in Mexico. Sierra's consortiums have won six offshore blocks to date, which make Sierra the fourth-largest non-state owned E&P company in Mexico's Sureste Basin by net acreage, with approximately 760,000 net acres. In 2017, a consortium consisting of Sierra, Talos (a Riverstone portfolio company) and Premier Oil plc announced a historic oil discovery in the shallow waters of the Gulf of Mexico. The Zama 1 well, located in Mexico's Block 7, confirmed the presence of a light oil resource estimated to be in the range 1.4 billion and 2 billion barrels of oil in place.

In 1Q 2018, the company was awarded a sixth offshore block as part of a consortium. The awarded block is adjacent to three blocks already awarded and has strong synergies.

As of 30 June 2018, REL's interest in Sierra, through the Partnership, was valued at 2.4x Gross MOIC(1) or $32.6 million. The Gross MOIC(1) remained unchanged over the last six months.

Realised Investments

Rock Oil

Rock Oil was formed in March 2014 with the strategy of applying Rock Oil's land and technical expertise to the acquisition and development of assets in top-tier North American plays. Since formation, Rock Oil entered into a series of acquisitions to establish a position of approximately 24,783 net acres in the Midland Basin of the Permian, producing approximately 4,900 boepd.

In the third quarter of 2016, Rock Oil agreed to the sale of 100 per cent. of its membership interests to SM Energy Company (NYSE: SM), a U.S. based E&P company. The transaction subsequently closed on 4 October 2016, resulting in gross proceeds to REL of approximately $230 million. This implies a gross multiple of invested capital of 2.0x, a gross IRR of 78 per cent. and a gain of $116 million on the Company's investment, through the Partnership, of $114 million. The MOIC and IRR, net of performance allocation and taxes, are approximately 1.9x and 60 per cent., respectively. The Investment Manager, through RELCP, has subsequently invested the net proceeds of its performance allocation, resulting in the purchase of approximately 590,000 shares in REL.

Approximately $11 million of value is unrealised consisting of balance of cash and mineral acre reserves not included in the sale. As of 30 June 2018, REL's total interest in Rock Oil, through the Partnership, was valued at 2.1x Gross MOIC(1) or $240.2 million (Realised $229.5 million, Unrealised $10.7 million).

Three Rivers III

Three Rivers III was formed in April 2015 with a focus on oil and gas acquisition and development opportunities in the Permian Basin, similar to Riverstone's two prior successful partnerships with this management team. Through a series of acquisitions, Three Rivers III built a position of approximately 60,000 net acres in the Permian Delaware basin, primarily in Culberson & Reeves counties. The company drilled five wells in the second half of 2017 and was producing approximately 10,000 boepd at the end of January 2018.

In 1Q 2018, REL announced the sale of Three Rivers III. The transaction subsequently closed on 18 April 2018, which will result in gross cash proceeds to REL of approximately $205 million. This implies a Gross MOIC(1) of 2.2x, a Gross IRR(1) of 49 per cent. and a gain of $111 million on the Company's investment, through the Partnership, of $94 million. The realised gain from this transaction was fully offset by net operating losses from prior years, resulting in no tax due. The net proceeds to REL will be $182 million and result in MOIC and IRR, net of performance allocation, of approximately 1.9x and 41 per cent., respectively. As of 30 June 2018, the Company has received $196 million of the gross proceeds.

The Investment Manager, through RELCP, subsequently invested the net proceeds of its performance allocation into shares of REL.

As of 30 June 2018, REL's interest in Three Rivers III, through the Partnership, was valued at 2.2x Gross MOIC[1] or $204.9 million (Realised: $195.8 million, Unrealised: $9.1 million).

Withdrawn Commitments and Impairments

Castex 2005

During 1Q 2018, REL, through the Partnership, wrote-off its investment in Castex 2005 after the company completed bankruptcy proceedings.

Going Concern

The Company retained $11.5 million of cash in the IPO and Placing and Open Offer, and has received distributions in aggregate of $9.9 million from the Partnership through Q2 2018 of which $2.3 million remains at 30 June 2018 (31 December 2017: $0.8 million). This cash balance is sufficient to cover the Company's existing liabilities at 30 June 2018 of $0.3 million, as well as they fall due over the next six months, but the Company will require a $1.5 million distribution in Q1 2019 to cover its forecast expenses for the initial six months of 2019 of approximately $1.8 million. In accordance with section 4.1(a) of the Partnership Agreement, in the event of the Company requiring additional funds for working capital, it is entitled to receive another distribution from the Partnership.

As at 30 June 2018, the Partnership, including its wholly-owned subsidiaries, REL US Corp and REL US Centennial Holdings, LLC, had $234.1 million of uninvested funds held as cash and money market fixed deposits (31 December 2017: $147 million), and has no material going concern risk. Uninvested cash earned approximately 57 basis points during the period ended 30 June 2018. 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 a portfolio company being sold earlier than anticipated or a 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 facts, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the interim condensed financial statements. In reaching this conclusion, the Board has considered budgeted and projected results of the business, projected cash flow and risks that could impact the Company's liquidity over the next twelve months.

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 sub-sectors. Its principal risks are therefore related to market conditions in the energy sector in general, but also the particular circumstances of the businesses in which it is invested through the Partnership. The Investment Manager to 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 2017 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 2018 and no changes are anticipated in the second half of the year.

Subsequent Events

There are no material events after the period end to the date on which these Financial Statements were approved as disclosed in Note 11 on page 25.

Riverstone International Limited
14 August 2018

[1] Gross MOIC is Multiple of Invested Capital. Gross Unrealised Value and Gross MOIC are before transaction costs, taxes (approximately 21 to 27.5 per cent. of U.S. sourced taxable income) and 20 per cent. carried interest on gross profits (without a hurdle rate). 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 (including cash) 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 U.S. 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. In the normal course of business, REL may form wholly-owned subsidiaries, to be treated as C Corporations for U.S. tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. ECI. The C Corporations file U.S. corporate tax returns with the U.S. IRS and pay U.S. corporate taxes on its taxable income

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 include a fair review of the information required by:
  - (i) DTR 4.2.7R of the Disclosure Guidance 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 Guidance 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

Richard Hayden
Chairman
14 August 2018

Independent Review Report to Riverstone Energy Limited

We have been engaged by the Company to review the Unaudited Interim Condensed Financial Statements ("financial statements") in the Interim Report for the six months ended 30 June 2018 which comprises the Condensed Statement of Financial Position, the Condensed Statement of Comprehensive Income, the Condensed Statement of Changes in Equity, the Condensed Statement of Cash Flow and related Notes 1 to 11. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the 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 ("ISRE 2410"). 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 Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

Our Responsibility

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

Scope of Review

We conducted our review in accordance with ISRE 2410. 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 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 financial statements in the Interim Report for the six months ended 30 June 2018 are not prepared, in all material respects, in accordance with IAS 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

Ernst & Young LLP
Guernsey
14 August 2018

[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 2018

	Notes	30 June 2018 $'000 (Unaudited)	31 December 2017 $'000 (Audited)
Assets			
Non-current assets			
Investment at fair value through profit or loss	6	**1,751,756**	1,742,457
Total non-current assets		**1,751,756**	1,742,457
Current assets			
Trade and other receivables		**238**	545
Cash and cash equivalents		**2,267**	789
Total current assets		**2,505**	1,334
Total assets		**1,754,261**	1,743,791
Current liabilities			
Trade and other payables		**335**	612
Total current liabilities		**335**	612
Total liabilities		**335**	612
Net assets		**1,753,926**	1,743,179
Equity			
Share capital		**1,317,496**	1,317,496
Retained earnings		**436,430**	425,683
Total equity		**1,753,926**	1,743,179
Number of Shares in issue at period/year end	10	**84,480,064**	84,480,064
Net Asset Value per Share ($)	10	**20.76**	20.63

The interim condensed financial statements on pages 14 to 25 were approved and authorised for issue by the Board of Directors on 14 August 2018 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 2018 (Unaudited)

	Notes	1 January 2018 to 30 June 2018 $'000	1 January 2017 to 30 June 2017 $'000
Investment gain / (loss)			
Change in fair value of investment at fair value through profit or loss	*6*	**12,599**	(28,889)
Expenses			
Directors' fees and expenses		**(525)**	(445)
Legal and professional fees		**(165)**	(153)
Other operating expenses		**(1,122)**	(1,097)
Total expenses		**(1,812)**	(1,695)
Operating profit / (loss) for the period		**10,787**	(30,584)
Finance income and expenses			
Foreign exchange (loss) / gain		**(45)**	25
Interest income		**5**	5
Total finance income and expenses		**(40)**	30
Profit / (Loss) for the period		**10,747**	(30,554)
Total comprehensive income / (loss) for the period		**10,747**	(30,554)
Basic Earnings / (Loss) per Share (cents)	*10*	**12.72**	(36.17)
Diluted Earnings / (Loss) per Share (cents)	*10*	**12.72**	(36.17)

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 2018 (Unaudited)

	Share capital $'000	Retained earnings $'000	Total Equity $'000
As at 1 January 2018	**1,317,496**	**425,683**	**1,743,179**
Profit for the period	**–**	**10,747**	**10,747**
As at 30 June 2018	**1,317,496**	**436,430**	**1,753,926**

For the six months ended 30 June 2017 (Unaudited)

	Share capital $'000	Retained earnings $'000	Total Equity $'000
As at 1 January 2017	1,317,496	381,062	1,698,558
Loss for the period	–	(30,554)	(30,554)
As at 30 June 2017	1,317,496	350,508	1,668,004

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 2018 (Unaudited)

	1 January 2018 to 30 June 2018 $'000	1 January 2017 to 30 June 2017 $'000
Cash flow generated from / (used in) operating activities		
Operating profit / (loss) for the financial period	**10,787**	(30,584)
Adjustments for:		
Net finance income	**5**	5
Change in fair value of investment at fair value through profit or loss	**(12,599)**	28,889
Movement in trade receivables	**307**	237
Movement in trade payables	**(277)**	(250)
Net cash used in operating activities	**(1,777)**	(1,703)
Cash flow generated from investing activities		
Distribution from the Partnership	**3,300**	1,100
Net cash generated from investing activities	**3,300**	1,100
Net movement in cash and cash equivalents during the period	**1,523**	(603)
Cash and cash equivalents at the beginning of the period	**789**	3,230
Effect of foreign exchange rate changes	**(45)**	25
Cash and cash equivalents at the end of the period	**2,267**	2,652

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

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. The Company's ordinary shares were admitted to the premium segment of the UK Listing Authority's Official List and to trading on the Main Market of the London Stock Exchange as part of its IPO which completed on 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. New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Company considers that it does not have any material revenue streams that fall within the scope of IFRS 15 Revenue from Contracts with Customers and hence that the implementation of IFRS 15 did not have a material impact on its interim condensed financial statements.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed financial statements of the Company.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

(a) Classification and measurement

The Company continues to classify its investment in the Partnership at fair value through profit or loss under IFRS 9. The Company continues to classify its trade receivables and payables at amortised cost under IFRS 9.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The only assets subject to the ECL model are trade and other receivables and the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The adoption of the ECL model has not given rise to a material change in impairment.

(c) Hedge accounting

The Company does not use hedge accounting.

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 due to the nature of the business.

3. Critical accounting judgements and estimation uncertainty

The estimates and judgements made by the Investment Manager are consistent with those made in the Financial Statements for the year ended 31 December 2017.

4. Taxation

The taxation basis of the Company remains consistent with that disclosed in the Financial Statements for the year ended 31 December 2017.

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. In the normal course of business, REL may form wholly owned subsidiaries, to be treated as C Corporations for U.S. tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. ECI. The C Corporations file U.S. corporate tax returns with the U.S. IRS and pay U.S. corporate taxes on its income. Each of the Company's Shareholders who are liable for 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.

The Company is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 2008 and is charged an annual exemption fee of £1,200.

The Cayman Islands at present impose no taxes on profit, income, capital gains or appreciations in value of the Partnership. There are also currently no taxes imposed in the Cayman Islands by withholding or otherwise on the Company as a limited partner of the Partnership on profit, income, capital gains or appreciations in respect of its partnership interest nor any taxes on the Company as a limited partner of the Partnership in the nature of estate duty, inheritance or capital transfer tax.

Local taxes may apply at the jurisdictional level on profits arising in operating entity investments. Further taxes may apply on distributions from such operating entity investments. The company is structured, and has structured its investments, to eliminate the incurrence of ECI by REL's investors. Based upon the current commitments and investments in Liberty II, Eagle II, Rock Oil, Fieldwood, Castex 2014, Castex 2005, Three Rivers III, Carrier II, ILX III, and Centennial, the future U.S. tax liability on profits is expected to be in the range of 21 to 27.5 per cent. (31 December 2017: 21 to 27.5 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 2018 were $1,752 million (31 December 2017: $1,742 million).

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

5. Fair value (continued)

Transfers during the period

There have been no transfers between levels during the period ended 30 June 2018 and the year ended 31 December 2017. 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 2018 and December 2017.

For the period ended 30 June 2018, the valuations of the Company's investments, through the Partnership, are detailed in the Investment Manager's Report.

Quantitative information about Level 3 fair value measurements as at 30 June 2018

Industry: Energy

Fair value of Level 3 investments (in thousands)	Valuation technique(s)	Unobservable input(s)	Range Low[1]	Range High[1]	Weighted Average[1]	Sensitivity of the input to total fair value of Level 3 investments	Fair value of Level 3 investments[2] (in thousands)
$1,340,228	Public comparables	2P Reserve multiple ($/Boe)	$5	$6	$6	10% weighted average change in the input would result in 1% change in the total fair value of Level 3 investments	592,745
		EV / 2018E EBITDA multiple	5.3x	11.3x	7.1x	10% weighted average change in the input would result in 1% change in the total fair value of Level 3 investments	949,101
	Transaction comparables	Acreage multiple ($/Boepd per Acre)	$2,500	$12,600	$5,700	10% weighted average change in the input would result in 1% change in the total fair value of Level 3 investments	938,334
		2P / 2C Reserve multiple ($/BOE)[3]	$3	$13	$12	10% weighted average change in the input would result in 2% change in the total fair value of Level 3 investments	215,917
	Discounted cash flow[5]	Oil price curve ($/bbl)	$55	$72	$62	10% weighted average change in the input would result in 8% change in the total fair value of Level 3 investments	1,262,870
		Gas price curve ($/mcfe)	$3	$3	$3	10% weighted average change in the input would result in 3% change in the total fair value of Level 3 investments	1,085,787
		Discount rate	16%	20%	17%	10% weighted average change in the input would result in 2% change in the total fair value of Level 3 investments	297,767
$32,030	Other						
$1,372,258	**Total**						

Quantitative information about Level 3 fair value measurements as at 31 December 2017

Industry: Energy

Fair value of Level 3 investments (in thousands)	Valuation technique(s)	Unobservable input(s)	Range Low[(1)]	High[(1)]	Weighted Average[(1)]	Sensitivity of the input to fair value of Level 3 investments	Fair value of Level 3 investments[(2)] (in thousands)
$1,260,861	Public comparables	1P Reserve multiple ($/Boe)	$12	$17	$16	10% weighted average change in the input would result in 1% change in the total fair value of Level 3 investments	$234,453
		2P Reserve multiple ($/Boe)[(4)]	$7	$13	$10	10% weighted average change in the input would result in 1% change in the total fair value of Level 3 investments	$760,781
		EV / 2018E EBITDA multiple[(4)]	3.9x	10.1x	6.9x	10% weighted average change in the input would result in 1% change in the total fair value of Level 3 investments	$921,913
		EV / 2018E Production multiple ($/Boepd)[(4)]	$37,300	$66,400	$48,500	10% weighted average change in the input would result in 1% change in the total fair value of Level 3 investments	$854,062
	Transaction comparables	Acreage Multiple ($/Boepd per Acre)	$2,600	$12,100	$5,900	10% weighted average change in the input would result in 1% change in the total fair value of Level 3 investments	$854,062
	Discounted cash flow[(5)]	Oil Price Curve ($/bbl)	$48	$57	$55	10% weighted average change in the input would result in 5% change in the total fair value of Level 3 investments	$801,465
		Gas Price Curve ($/mcfe)	$2	$3	$3	10% weighted average change in the input would result in 3% change in the total fair value of Level 3 investments	$801,465
		Discount Rate[(4)]	16%	25%	19%	10% weighted average change in the input would result in 0.4% change in the total fair value of Level 3 investments	$217,937
$233,308	Other						
$1,494,169	**Total**						

(1) Calculated based on fair values of the Partnership's Level 3 investments

(2) Each of the Partnership's Level 3 investments are valued using one or more of the techniques which utilise one or more of the unobservable inputs, so the amounts in the "Fair value of Level 3 investments" column will not aggregate to the total fair value of the Partnership's Level 3 investments

(3) As at 30 June 2018, the sensitivity of these unobservable inputs to the total fair value of Level 3 investments was determined to be significant by applying the same methodology that determined it not to be significant as at 31 December 2017

(4) As at 31 December 2017, the sensitivity of these unobservable inputs to the total fair value of Level 3 investments was determined to be significant by applying the same methodology that determined it not to be significant as at 31 December 2016

(5) Discounted cash flow technique which involves the use of a discount factor of 10 per cent.

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 such values 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 and such difficulties 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 regular basis.

The Directors have considered whether a discount or premium should be applied to the net asset value of the Partnership. In view of the investment in the Partnership and the nature of the Partnership's assets, no adjustment to the net asset value of the Partnership has been deemed to be necessary.

6. Investment at fair value through profit or loss

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.

REL US Centennial Holdings, LLC, a wholly-owned subsidiary of the Partnership, has borrowed $100 million under the terms of the Margin Loan Agreement to finance the Company's additional investment in Centennial, through the Partnership. The Margin Loan Agreement, dated 27 December 2016, was for a term of 18 months to 27 June 2018 and had an annual interest rate cost of 3 month LIBOR plus 3.25 per cent.. A security interest was granted by REL US Centennial Holdings, LLC over the shares in Centennial, as collateral for any amounts which may become due under the Margin Loan Agreement. The principal and interest owed under the Margin Loan Agreement was repaid in full on 6 April 2018.

	30 June 2018 $'000	31 December 2017 $'000
Cost		
Brought forward	**1,302,335**	1,303,435
Distribution from the Partnership	**(3,300)**	(1,100)
Carried forward	**1,299,035**	1,302,335
Fair value movement through profit or loss		
Brought forward	**440,122**	391,971
Fair value movement during period/year	**12,599**	48,151
Carried forward	**452,721**	440,122
Fair value at period/year end	**1,751,756**	1,742,457

Summary financial information for the Partnership

Summary Balance Sheet	**30 June 2018 $'000**	31 December 2017 $'000
Investments at fair value (net)	**1,725,406**	1,683,127
Cash and cash equivalents	**31,589**	28,166
Money market fixed deposits	**1,603**	37,501
Management fee payable – see Note 8	**(6,577)**	(6,537)
Other net assets	**(265)**	200
Fair value of REL's investment in the Partnership	**1,751,756**	1,742,457

Reconciliation of Partnership's investments at fair value	30 June 2018 $'000	31 December 2017 $'000
Investments at fair value – Level 1 (gross)	278,293	392,504
Investments at fair value – Level 3 (gross) – see Note 5	1,372,258	1,494,169
Investments at fair value (gross)	1,650,551	1,886,673
Margin Loan Agreement – see above	–	(100,000)
Accrued General Partner performance allocation – see Note 8	(107,626)	(138,151)
Provision for taxation – see Note 4	(18,408)	(46,433)
Cash and cash equivalents	200,889	81,038
Partnership's investments at fair value (net)	1,725,406	1,683,127

Summary Income Statement	1 January 2018 to 30 June 2018 $'000	1 January 2017 to 30 June 2017 $'000
Unrealised and realised gain / (loss) on Partnership's investments (net)	26,700	(12,848)
Interest and other income	1,102	790
Management fee expense – see Note 8	(12,979)	(12,712)
Other operating expenses	(2,224)	(4,119)
Portion of the operating profit / (loss) for the period attributable to REL's investment in the Partnership	12,599	(28,889)

Reconciliation of unrealised and realised gain / (loss) on Partnership's investments	1 January 2018 to 30 June 2018 $'000	1 January 2017 to 30 June 2017 $'000
Unrealised (loss) on Partnership's investments (gross)	(67,171)	(14,152)
Realised profit / (loss) on Partnership's investments (gross)	62,522	(8,917)
Income from Partnership's investments (gross)	315	5,018
General Partner's performance allocation	3,009	(2,365)
Provision for taxation	28,025	7,568
Unrealised and realised gain / (loss) on Partnership's investments (net)	26,700	(12,848)

7. Contingent liabilities

Contingent liabilities are potential future cash outflows where the likelihood of payment is considered more than remote but is not considered probable or cannot be measured reliably.

Formation and initial expenses

The formation and initial expenses of the Company totalling $22.5 million were paid in full by the Investment Manager. However, if the Investment Management Agreement is terminated by the Company on or before the seventh anniversary of Admission (other than for a material breach by the Investment Manager attributable to its fraud) the Company will be required to reimburse the Investment Manager in respect of the formation and initial expenses of the Company and the costs and the expenses of the Issue to the full extent that such costs and expenses were borne by the Investment Manager. At this time, the Directors consider the likelihood of the Investment Management Agreement being terminated by the Company to be remote.

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 2017: eight).

Directors' fees and expenses for the period ended 30 June 2018 amounted to $524,647, (30 June 2017: $444,645), none of which was outstanding at period end (31 December 2017: $409).

Partnership

In accordance with section 4.1(a) of the Partnership Agreement, the Company received distributions in aggregate of $9.9 million from the Partnership through Q2 2018. The Company will require a $1.5 million distribution in Q1 2019 to cover its forecast expenses for the initial six months of 2019 of approximately $1.8 million.

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 (including cash). 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 62 in the Financial Statements to 31 December 2017. During the period to 30 June 2018, the Partnership incurred Management Fees of $12,979,442 (30 June 2017: $12,712,420) of which $6,577,226 remained outstanding as at the period/year end (31 December 2017: $6,536,923). 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 gross realised profits (if any) in respect of a disposal, in whole or in part, of any underlying asset of the Company. During the period to 30 June 2018, the General Partner was entitled to receive incremental Performance Allocation of $3,008,918 (30 June 2017: $2,364,973) of which $107,626,074 (31 December 2017: $138,151,089) remained outstanding as at the period/year end. 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, reinvests 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.

10. Earnings / (Loss) per Share and Net Asset Value per Share

Earnings / (Loss) per Share

	1 January 2018 to 30 June 2018		1 January 2017 to 30 June 2017	
	Basic	**Diluted**	Basic	Diluted
Profit / (Loss) for the period ($'000)	**10,747**	**10,747**	(30,554)	(30,554)
Weighted average numbers of Shares in issue	**84,480,064**	**84,480,064**	84,480,064	84,480,064
Earnings / (Loss) Per Share (cents)	**12.72**	**12.72**	(36.17)	(36.17)

The Earnings / (Loss) 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 2018 (30 June 2017: none).

Net Asset Value per Share

	30 June 2018	31 December 2017	30 June 2017
NAV ($'000)	**1,753,926**	1,743,179	1,668,004
Number of Shares in issue	**84,480,064**	84,480,064	84,480,064
Net Asset Value per Share ($)	**20.76**	20.63	19.74
Net Asset Value per Share (£)	**15.72**	15.27	15.16
Discount to NAV (per cent.)	**18.83**	19.15	17.20

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

There are no material events after the period end to the date on which these Financial Statements were approved.

Glossary of Capitalised Defined Terms

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

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

"**Administrator**" means Estera International Fund Managers (Guernsey) 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;

"**AEOI Rules**" means Automatic Exchange of Information;

"**AIC**" means the Association of Investment Companies;

"**AIC Code**" means the AIC Code of Corporate Governance;

"**AIC Guide**" means the AIC Corporate Governance Guide for Investment Companies;

"**AIF**" means Alternative Investment Funds;

"**AIFM**" means AIF Manager;

"**AIFMD**" means EU Alternative Investment Fund Managers Directive (No. 2011/61EU);

"**Annual General Meeting**" or "**AGM**" means the general meeting of the Company;

"**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;

"**bopd**" means barrels of oil per day;

"**CAD**" or "**C$**" means Canadian dollar;

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

"**CAR**" means Capital Adequacy Ratio;

"**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, Inc.;

"**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;

"**Company Secretary**" means Estera International Fund Managers (Guernsey) 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 2016 as published by the Financial Reporting Council;

"**C Corporations**" means a C Corporation, under U.S. federal income tax law, being a corporation that is taxed separately from its owners;

"**CRAR**" means Capital to Risk (Weighted) Assets Ratio;

"**CRS**" means Common Reporting Standard;

"**Depositary**" means Estera Depositary Company (UK) Limited;

"**Discount to NAV**" means the situation where the Ordinary shares of the Company are trading at a price lower than the Company's Net Asset Value;

"**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, which refers to all income from sources within the United States connected with the conduct of a trade or business;

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

"**EGM**" means an Extraordinary General Meeting of the Company;

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

"**EV**" means enterprise value;

"**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;

"**FRC**" means Financial Reporting Council

"**FTSE 350**" means Financial Times Stock Exchange 350 Index;

"**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;

"**GoM**" means the Gulf of Mexico;

"**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;

"**Hammerhead**" means Hammerhead Resources Inc.;

"**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 the 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;

"**IRS**" means the Internal Revenue Service, the revenue service of the U.S. federal government;

"**ISAE 3402**" means International Standard on Assurance Engagements 3402, "Assurance Reports on Controls at a Service Organisation";

"**ISA**" means International Standards on Auditing (UK and Ireland);

"**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;

"**M&A**" means mergers and acquisitions;

"**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;

"**Margin Loan Agreement**" means the margin loan agreement dated 27 December 2016 entered into by REL US Centennial Holdings, LLC;

"**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;

"**NURS**" means non-UCITS retail schemes;

"**NYSE**" means The New York Stock Exchange;

"**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;

"**OSE**" means Oslo Stock Exchange;

"**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, as amended;

"**Private Riverstone Funds**" means Fund V 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;

"**prompt**" means the front end of the price curve;

"**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;

"**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.;

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

"**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;

"**S&P Index**" means the Standard & Poor's 500 Index;

"**S&P Oil & Gas E&P Index**" means the Standard & Poor's Oil & Gas Exploration & Production Select Industry Index;

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

"**SEC**" means the U.S. Securities and Exchange Commission;

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

"**SIFI**" means Systemically Important Financial Institutions;

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

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

"**Tax Cuts and Jobs Act**" means U.S. public law no. 115-97, An Act to provide reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018;

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

"**Total Return of the Company's Net Asset Value**" means the capital appreciation of the Company's Net Asset Value plus the income received from the Company in the form of dividends;

"**UCITS**" means undertakings for collective investment in transferable securities;

"**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;

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

"**£**" or "**Pounds Sterling**" or "**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)
Peter Barker
Patrick Firth
Pierre Lapeyre
David Leuschen
Ken Ryan
Jeremy Thompson
Claire Whittet

Audit Committee
Patrick Firth (Chairman)
Peter Barker
Richard Hayden
Jeremy Thompson
Claire Whittet

Management Engagement Committee
Claire Whittet (Chairman)
Peter Barker
Patrick Firth
Richard Hayden
Jeremy Thompson

Nomination Committee
Richard Hayden (Chairman)
Peter Barker
Patrick Firth
Jeremy Thompson
Claire Whittet

Investment Manager
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KY1-9005
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Investment Manager's Performance Review Team
Pierre Lapeyre
David Leuschen
Baran Tekkora
James Hackett
Carl Williams
Managing Director – Rotating Member

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

Administrator and Company Secretary
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Public relations advisers
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Corporate Brokers
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EC4A 2BB
United Kingdom

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

Swiss Supplement

Additional Information for Investors in Switzerland

This Swiss Supplement is supplemental to, forms part of and should be read in conjunction with the Interim Report and Unaudited Interim Condensed Financial Statements ended 30th June 2018 for RIVERSTONE ENERGY LIMITED (the "Fund").

Effective from 20th July 2015, the Fund had appointed Société Générale as Swiss Representative and Paying Agent. The current Prospectus, the Memorandum and Articles of Association and the annual report of the Fund can be obtained free of charge from the representative in Switzerland, Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, CH-8021 Zurich. The paying agent of the Fund in Switzerland is Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, CH-8021 Zurich. The Company may offer Shares only to qualified investors in Switzerland. In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the Swiss Representative.

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.

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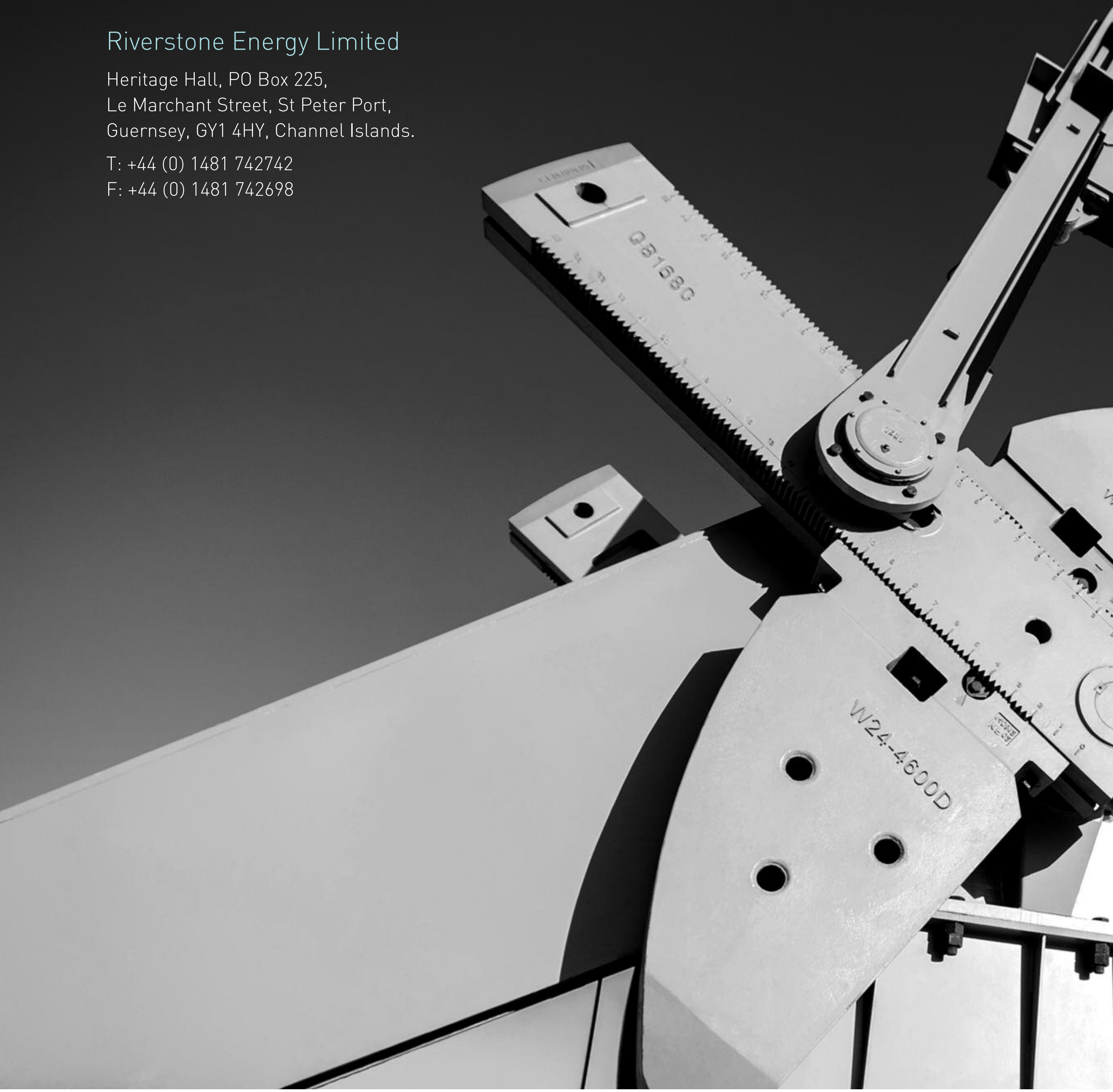

Further information available online:
www.RiverstoneREL.com