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## Riverstone Energy Limited Announces 3Q18 Quarterly Portfolio Valuations

London, UK (12 October 2018) - Riverstone Energy Limited ("REL") announces its quarterly portfolio summary as of 30 September 2018, inclusive of updated quarterly unaudited fair market valuations:

### Current Portfolio

	Target Basin	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) <sup>1</sup>	Gross Unrealised Value (\$mm)	Gross Realised Capital & Unrealised Value (\$mm)	30 Sep 2018 Gross MOIC <sup>2</sup>	30 Jun 2018 Gross MOIC <sup>2</sup>
<b>Hammerhead Resources</b>	Deep Basin (Canada)	\$307	\$295	\$23	\$504	\$527	1.8x	1.8x
<b>Centennial</b>	Permian (U.S.)	268	268	172	339	511	1.9x	1.7x
<b>ILX III</b>	Deepwater GoM (U.S.)	200	140	-	195	195	1.4x	1.4x
<b>Liberty II</b>	Bakken, PRB (U.S.)	142	142	-	177	177	1.3x	1.3x
<b>Carrier II</b>	Eagle Ford & Permian (U.S.)	133	110	6	125	131	1.2x	1.2x
<b>RCO<sup>3</sup></b>	North America	125	87	82	13	95	1.1x	1.1x
<b>CNOR</b>	Western Canada	90	90	-	90	90	1.0x	1.0x
<b>Meritage III<sup>4</sup></b>	Western Canada	67	39	-	77	77	2.0x	2.0x
<b>Fieldwood</b>	GoM Shelf (U.S.)	82	81	3	65	68	0.8x	0.8x
<b>Castex 2014</b>	Gulf Coast Region (U.S.)	67	47	-	47	47	1.0x	1.0x
<b>Sierra</b>	Mexico	38	15	-	32	32	2.2x	2.4x
<b>Eagle II</b>	Mid-Continent (U.S.)	67	62	-	31	31	0.5x	0.6x
<b>Total Current Portfolio<sup>5</sup></b>		<b>\$1,585</b>	<b>\$1,374</b>	<b>\$286</b>	<b>\$1,696</b>	<b>\$1,982</b>	<b>1.4x</b>	<b>1.4x</b>

## Realisations

		Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) <sup>1</sup>	Gross Unrealised Value (\$mm)	Gross Realised Capital & Unrealised Value (\$mm)	30 Sep 2018 Gross MOIC <sup>2</sup>	30 Jun 2018 Gross MOIC <sup>2</sup>
	Target Basin							
<b>Rock Oil<sup>6</sup></b>	Permian (U.S.)	114	114	230	9	239	2.1x	2.1x
<b>Three Rivers III</b>	Permian (U.S.)	94	94	201	-	201	2.1x	2.2x
<b>Total Realisations<sup>5</sup></b>		<b>\$209</b>	<b>\$209</b>	<b>\$431</b>	<b>\$9</b>	<b>\$440</b>	<b>2.1x</b>	<b>2.1x</b>
Withdrawn Commitments and Impairments <sup>7</sup>		59	59	1	-	1	0.0x	0.0x
<b>Total Investments<sup>5</sup></b>		<b>\$1,853</b>	<b>\$1,642</b>	<b>\$718</b>	<b>\$1,704</b>	<b>\$2,422</b>	<b>1.5x</b>	<b>1.4x</b>
<b>Cash and Cash Equivalents</b>					<b>\$223</b>			
<b>Total Investments &amp; Cash and Cash Equivalents<sup>5</sup></b>					<b>\$1,927</b>			

## About Riverstone Energy Limited

REL is a closed-ended investment company that invests exclusively in the global energy industry, with a particular focus on the exploration & production and midstream sectors. REL aims to capitalise on the opportunities presented by Riverstone's energy investment platform. REL is a member of the FTSE 250 and its ordinary shares are listed on the London Stock Exchange, trading under the symbol RSE. REL has 12 active investments spanning conventional and unconventional oil and gas activities in the Continental U.S., Western Canada, Gulf of Mexico, Mexico and credit.

For further details, see [www.RiverstoneREL.com](http://www.RiverstoneREL.com)

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

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## Note:

The Investment Manager is charged with proposing the valuation of the assets held by REL through the Partnership. The Partnership has directed that securities and instruments be valued at their fair value. REL's valuation policy follows IFRS and IPEV Valuation Guidelines. The Investment Manager values each underlying investment in accordance with the Riverstone valuation policy, the IFRS accounting standards and IPEV Valuation Guidelines. The Investment Manager has applied Riverstone's valuation policy consistently quarter to quarter since inception. The value of REL's portion of that investment is derived by multiplying its ownership percentage by the value of the underlying investment. If there is any divergence between the Riverstone valuation policy and REL's valuation policy, the Partnership's proportion of the total holding will follow REL's valuation policy. There were no valuation adjustments recorded by REL as a result of differences in IFRS and U.S. Generally Accepted Accounting Policies for the period ended 30 September 2018 or in any period to date. Valuations of REL's investments through the Partnership are determined by the Investment Manager and disclosed quarterly to investors, subject to Board approval.

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

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

Riverstone reviews the valuations on a quarterly basis with the assistance of the Riverstone Performance Review Team ("PRT") as part of the valuation process. The PRT was formed to serve as a single structure overseeing the existing Riverstone portfolio with the goal of improving operational and financial performance.

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

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<sup>1</sup> Realised capital is total gross proceeds realised on invested capital. Of the \$718 million of capital realised to date, \$416 million is the return of the cost basis, and the remainder is profit.

<sup>2</sup> 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 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 US tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. effectively connected income. The C Corporations file U.S. corporate tax returns with the U.S. Internal Revenue Service and pay U.S. corporate taxes on its taxable income.

<sup>3</sup> Credit investment.

<sup>4</sup> Midstream investment.

<sup>5</sup> Amounts may vary due to rounding.

<sup>6</sup> The unrealised value of the Rock Oil investment consists of rights to mineral acres.

<sup>7</sup> Withdrawn commitments and impairments consist of Castex 2005 (\$48 million), Origo (\$9 million), and CanEra III (\$1 million).