

Riverstone Energy Limited – Interim Management Statement

London, UK (22 May 2019) - Riverstone Energy Limited (“REL” or the “Company”) is issuing this Interim Management Statement (“IMS”) for the period from 1 January 2019 to 31 March 2019 (the “period”).

Highlights

- Key Financials (unaudited)
 - NAV as at 31 March 2019 \$1,221 million (£937 million)¹
 - NAV per share as at 31 March 2019 \$15.28 / £11.72¹
 - Profit/(loss) during period \$(210.2) million
 - Basic profit/(loss) per share during period \$(263.10) cents
 - Market capitalisation at 31 March 2019 \$977 million (£750 million)¹
 - Share price at 31 March 2019 \$12.24 / £9.39¹

- Total invested capital during the period of \$13 million
 - \$7 million in Ridgebury H3 LLC
 - \$3 million in ILX Holdings III, LLC
 - \$3 million in Castex Energy 2014, LLC

- Total realisations during the period of \$123 million from Meritage Midstream Services III, L.P. (\$83 million), Sierra Oil and Gas (\$37 million), and Carrier Energy Partners II, LLC (\$3 million)

- Total gross committed capital at 31 March 2019 is \$1,465 million

- Total net committed capital at 31 March 2019 is \$1,268 million or 94 per cent. of net capital available²

- Total net capital invested at 31 March 2019 is \$1,126 million or 83 per cent. of net capital available²

- Since inception, investment weighted average WTI oil price at 31 March 2019 is approximately \$51.61 per barrel

Richard Hayden, Chairman of Riverstone Energy Limited, commented:

“REL remains focussed on its portfolio construction and utilising a modified investment approach to increase diversification, as demonstrated by its investment in Handy Tankers (Ridgebury) of up to \$22 million and recent commitment of up to \$66 million to Onyx, a newly formed European independent power producer. These new commitments, as well as the next potential investment in the near-term pipeline, are consistent with this new modified investment approach and are non-ECI investments as such are not subject to U.S. taxes. Following the successful monetisations of Meritage III and Sierra, REL is continuing to evaluate new investments that span the entire energy value chain with an emphasis on the midstream, energy services and power sectors.”

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

“The macro backdrop for the upstream sector has continued to be challenging, as public indices and trading multiples have remained at muted levels. A constructive geopolitical environment and increase in capital markets and M&A activity will be important to a recovery in valuations over the long-term.”

Portfolio Update

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

Ridgebury H3 LLC (“Ridgebury”)

In the first quarter, REL, through the Partnership, invested \$7 million in Ridgebury.

ILX Holdings III, LLC (“ILX III”)

In the first quarter, REL, through the Partnership, invested \$3 million in ILX III.

Castex Energy 2014, LLC (“Castex 2014”)

In the first quarter, REL, through the Partnership, invested \$3 million in Castex 2014.

Meritage Midstream Services III, L.P. (“Meritage III”)

REL, through the Partnership, received sale proceeds of \$83 million from Meritage III.

Sierra Oil and Gas Holdings, L.P. (“Sierra”)

REL, through the Partnership, received sale proceeds of \$37 million from Sierra.

Carrier Energy Partners II, L.P. (“Carrier II”)

REL, through the Partnership, received income distributions of \$3 million from Carrier II.

Current Portfolio

Investment (Initial Investment Date)	Target Basin	Gross		Gross Realised Capital (\$mm) ³	Gross Unrealised Value (\$mm)	Gross Realised Capital & Unrealised Value (\$mm)	31 Mar 2019 Gross MOIC ⁴	31 Dec 2018 Gross MOIC ⁴
		Committed Capital (\$mm)	Invested Capital (\$mm)					
Centennial (6 Jul 2016)	Permian (U.S.)	\$268	\$268	\$172	\$133	\$305	1.1x	1.3x
Hammerhead Resources (27 Mar 2014)	Deep Basin (Canada)	307	295	23	273	296	1.0x	1.5x
ILX III (8 Oct 2015)	Deepwater GoM (U.S.)	200	155	-	201	201	1.3x	1.3x
Liberty II (30 Jan 2014)	Bakken, PRB (U.S.)	142	142	-	156	156	1.1x	1.1x
Carrier II (22 May 2015)	Permian & Eagle Ford (U.S.)	133	110	18	92	110	1.0x	1.0x
RCO⁵ (2 Feb 2015)	North America	87	87	83	9	92	1.1x	1.1x
Fieldwood (17 Mar 2014)	GoM Shelf (U.S.)	82	81	3	49	52	0.6x	0.7x
CNOR (29 Aug 2014)	Western Canada	90	90	-	45	45	0.5x	0.8x
Castex 2014 (3 Sept 2014)	Gulf Coast Region (U.S.)	67	50	-	35	35	0.7x	1.0x
Ridgebury H3 (19 Feb 2019)	Global	22	7	-	7	7	1.0x	N/A
Eagle II (18 Dec 2013)	Mid-Continent (U.S.)	67	62	-	6	6	0.1x	0.3x
Total Current Portfolio⁶		\$1,465	\$1,346	\$299	\$1,006	\$1,305	1.0x	1.1x

Realisations

Investment (Initial Investment Date)	Target Basin	Gross		Gross Realised Capital (\$mm) ³	Gross Unrealised Value (\$mm)	Gross Realised Capital & Unrealised Value (\$mm)	31 Mar 2019 Gross MOIC ⁴	31 Dec 2018 Gross MOIC ⁴
		Committed Capital (\$mm)	Invested Capital (\$mm)					
Rock Oil⁷ (12 Mar 2014)	Permian (U.S.)	114	114	231	7	238	2.1x	2.1x
Three Rivers III (7 Apr 2015)	Permian (U.S.)	94	94	200	3	203	2.2x	2.2x
Meritage III⁸ (17 Apr 2015)	Western Canada	62	40	83	-	83	2.1x	2.0x
Sierra (24 Sept 2014)	Mexico	18	18	37	2	39	2.1x	2.0x
Total Realisations⁶		\$290	\$267	\$552	\$13	\$565	2.1x	2.1x
Withdrawn Commitments and Impairments ⁹		59	59	1	-	1	0.0x	0.0x
Total Investments⁶		\$1,813	\$1,672	\$852	\$1,019	\$1,871	1.1x	1.3x
Cash and Cash Equivalents					\$225			
Total Investments & Cash and Cash Equivalents⁶					\$1,244			

About Riverstone Energy Limited:

REL is a closed-ended investment company that invests exclusively in the global energy industry across all 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 oil and gas, energy services, and power in the Continental U.S., Western Canada, Gulf of Mexico, Europe and credit.

For further details, see www.RiverstoneREL.com

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

Media Contacts

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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 31 March 2019 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.

¹ GBP:USD FX rate of 1.304 as of 31 March 2019.

² Net capital available of \$1,351 million is based on total capital raised of \$1,320 million, capital utilised for Tender Offer of \$72 million, realised profits and other income net of fees, expenses and performance allocation. The Board, with consultation by the Investment Manager, does not expect to fully fund all commitments in the normal course of business.

³ Gross realised capital is total gross proceeds realised on invested capital. Of the \$852 million of capital realised to date, \$488 million is the return of the cost basis, and the remainder is profit.

⁴ Gross Unrealised Value and Gross MOIC (Gross Multiple of Invested Capital) 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 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.

⁵ Credit investment.

⁶ Amounts may vary due to rounding.

⁷ The unrealised value of the Rock Oil investment consists of rights to mineral acres.

⁸ Midstream investment.

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