

Riverstone Energy Limited

Results for the half year ended 30 June 2022

London, UK (17 August 2022) - Riverstone Energy Limited (“REL” or the “Company”) announces its Half Year Results for the 6-month period from 1 January 2022 to 30 June 2022 (the “Period”).

Summary Performance

30 June 2022

NAV	\$719 million ¹ (£593 million) ²
NAV per share	\$13.64 / £11.25 ²
Profit/(loss) for Period ended	\$55.34 million
Basic profit/(loss) per share for Period ended	103.19 cents
Total liquidity (cash and public portfolio)	\$243 million (£200 million) ²
Market capitalisation	\$425 million (£351 million) ²
Share price	\$8.07 / £6.66 ²

Highlights

§ As of 30 June 2022, REL had a NAV per share of \$13.64 (£11.25), representing an increase in USD and GBP of 10 and 22 per cent., respectively, compared to the 31 December 2021 NAV.

§ Onyx, Hammerhead and Centennial were the largest drivers of REL’s NAV improvement over the Period.

§ During the half year ended 30 June 2022, the Company invested \$74 million in five new decarbonisation investments, bringing the total invested in this area to \$189 million, which, in aggregate, were valued at \$246 million, or 1.3x Gross MOIC, at 30 June 2022.

§ Total invested capital during the Period of \$74 million: Anuvia Plant Nutrients (\$20 million), T-REX Group (\$17.5 million), Infinitum Electric (\$17.5 million), Tritium DCFC (\$15 million) and Group14 Technologies (\$4.0 million).

§ Total net realisations and distributions during the Period of \$67.3 million: Pipestone (\$41.7 million), Centennial (\$22.2 million), Meritage III (\$1.7 million), and an aggregate of \$1.7 million from ILX III, GoodLeap and Rock Oil.

§ REL finished the Period with a cash balance of \$72 million and remaining potential unfunded commitments of \$10 million³.

§ Since the initial announcement of the Share Buyback Programme on 1 May 2020, the Company has bought back a total of 27,182,444 ordinary shares at an average price of approximately £3.70 per ordinary share, which has contributed to the share price increase of ~203 per cent. from £2.20 to £6.66 over the period to 30 June 2022.

Recent NAV & Share Price Performance of the Company

As announced on 30 October 2020, the Company's independent directors agreed to closely monitor the Investment Manager's success in repositioning the Company's existing investment policy through the modified investment strategy over the next twenty-four months following the previous quarter ended 30 September 2020. In the absence of a significant improvement in the performance of the Company, taking into account the trading price of the Ordinary Shares and portfolio performance over that period through 30 September 2022, the independent directors would release an announcement in November 2022 regarding an EGM to seek Shareholder approval before 31 December 2022 to amend the Company's investment policy to provide for the managed wind-down of the Company.

Based on the significant improvement in the performance of REL since the aforementioned announcement, and the outlook for further energy transition investment opportunities from the Investment Manager, the Company's independent Directors will not seek Shareholder approval before 31 December 2022 to amend the Company's investment policy to provide for the managed wind-down of the Company. The Board is fully supportive of the Company's modified investment programme to continue shifting the portfolio from conventional energy to decarbonisation assets and expects that the Company will seek shareholder approval to amend its investment policy to facilitate this transition further in the coming months.

Board Succession

As highlighted in the 2021 Annual Report, Peter Barker, Patrick Firth and Richard Hayden are each reaching their ninth year as Non-Executive Directors and intend to retire from the Board in advance of the Company's Annual General Meeting in 2023. The Board has retained major search consultants and will be taking into account current guidelines when making the appointments. Additionally, the Board is planning for a period of overlap for the new and retiring Directors which will allow for an orderly transition in due course.

Share Buyback Programme

Since the Company's announcement on 14 February 2022 of the authorised increase of £46 million for the share buyback programme, 2,223,312 ordinary shares have been bought back at a total cost of approximately £14.5 million (\$18.4 million) at an average share price of approximately £6.54 (\$8.27). As of 30 June 2022, £35 million remains available for repurchasing; however, the Board has since taken a decision to limit the share buyback amount to £17 million (\$21 million) of the available £35 million (\$43 million) for the period to 31 December 2022.

Investment Manager Outlook

§ REL's \$72 million aggregate cash balance at 30 June 2022 makes the Company well positioned to both fund the capital needs of the portfolio and make new investments.

§ Geopolitical tension and consequent fuel supply insecurity driving energy commodity volatility has underscored our collective need to accelerate the energy transition. REL's portfolio is well-positioned to capitalise on market volatility in the legacy commodity-linked portfolio as well as on new opportunities in the cleantech and decarbonisation space.

§ The Investment Manager believes that the current market environment is generating attractive risk-reward investment opportunities in the energy transition and decarbonisation space. While the Investment Manager continues to pursue energy transition and decarbonisation assets, it also remains focused on managing liquidity and operational efficiency at REL's existing legacy portfolio companies.

Richard Hayden, Chairman of Riverstone Energy Limited, commented:

“Alongside a recovery in demand for oil and increased post-pandemic economic activity, we have seen a new geo-political crisis which has had significant impacts on energy markets and the world economy. The war in Ukraine has brought not only suffering and tragedy for the people of that country but also a new supply-side constraint exacerbating already tight supply conditions. This has only enhanced the impetus for investment into the energy transition, which the Investment Manager is well-positioned to achieved. In addition to executing several decarbonisation transactions in the first half of 2022, REL was able to allocate another £46.0 million to repurchase up to 14.99 per cent. of shares outstanding. In the next half of the year, REL will continue to work with the Investment Manager to further contribute to decarbonisation efforts across the globe to create value for our Shareholders.”

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

“Riverstone's focus rests on facilitating both a fair and equitable global energy transition and creating value for shareholders. We continue to work closely with portfolio companies to navigate shifting market dynamics and volatility with discipline. In addition to four decarbonisation investments in the first half of the year, REL fully exited its position in Pipestone Energy Corp., a Calgary-based oil and gas exploration company for CAD\$53 million. We were also pleased to assist Centennial Development in navigating its business combination with Colgate Energy to create the largest pure-play E&P in the Delaware Basin as part of our continued approach to maximise value of REL's conventional investments to support future decarbonisation investment opportunities.”

- Ends -

Riverstone Energy Limited's 2022 Interim Report is available to view at: www.RiverstoneREL.com.

2Q22 Quarterly Portfolio Valuation

Previously, on 29 July 2022, REL announced its quarterly portfolio summary as of 30 June 2022, inclusive of updated quarterly unaudited fair market valuations:

Current Portfolio – Conventional

Investment (Public/Private)	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) ⁴	Gross Unrealised Value (\$mm) ⁵	Gross Realised Capital & Unrealised Value (\$mm)	31 Mar 2022 Gross MOIC ⁵	30 Jun 2022 Gross MOIC ⁵
Centennial⁶ (Public)	268	268	194	75	269	1.10x	1.00x
Hammerhead Resources (Private)	307	295	23	133	156	0.50x	0.53x
Onyx (Private)	66	60	-	149	149	2.50x	2.50x
Carrier II (Private)	133	110	29	48	77	0.70x	0.70x
Total Current Portfolio - Conventional – Public	\$268	\$268	\$194	\$75	\$269	1.10x	1.00x
Total Current Portfolio - Conventional – Private⁸	\$507	\$465	\$52	\$330	\$382	0.80x	0.82x

Current Portfolio - Decarbonisation

Investment (Public/Private)	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) ⁴	Gross Unrealised Value (\$mm) ⁵	Gross Realised Capital & Unrealised Value (\$mm)	31 Mar 2022 Gross MOIC ⁵	30 Jun 2022 Gross MOIC ⁵
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GoodLeap (formerly Loanpal) <i>(Private)</i>	25	25	2	67	69	2.75x	2.75x
Solid Power⁶ <i>(Public)</i>	48	48	-	39	39	1.29x	0.82x
Enviva⁶ <i>(Public)</i>	22	18	-	37	37	2.79x	2.03x
FreeWire <i>(Private)</i>	10	10	-	20	20	2.17x	2.00x
Anuvia Plant Nutrients <i>(Private)</i>	20	20	-	20	20	1.00x	1.00x
T-REX Group <i>(Private)</i>	18	18	-	18	18	1.00x	1.00x
Infinitum <i>(Private)</i>	18	18	-	18	18	1.00x	1.00x
Tritium DCFC⁶ <i>(Public)</i>	16	16	-	17	17	1.78x	1.07x
Group14 <i>(Private)</i>	4	4	-	4	4	n/a	1.00x
Hyzon Motors⁶ <i>(Public)</i>	10	10	-	3	3	0.64x	0.29x
Ionic I & II (Samsung Ventures) <i>(Private)</i>	3	3	-	3	3	1.00x	1.00x
DCRD^{6, 7} <i>(Public)</i>	1	1	-	1	1	1.00x	1.00x
Total Current Portfolio - Decarbonisation – Public⁸	\$96	\$92	-	\$96	\$96	1.59x	1.04x
Total Current Portfolio - Decarbonisation – Private⁸	\$97	\$97	\$2	\$149	\$151	1.60x	1.56x
Cash and Cash Equivalents				\$72			
<i>Total Liquidity (Cash and Cash Equivalents & Public Portfolio)</i>				\$243			

Total Market Capitalisation

\$425

Realisations

Investment (Initial Investment Date)	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) ⁴	Gross Unrealised Value (\$mm) ⁵	Gross Realised Capital & Unrealised Value (\$mm)	31 Mar 2022 Gross MOIC ⁵	30 Jun 2022 Gross MOIC ⁵
Rock Oil⁹ (12 Mar 2014)	114	114	233	4	237	2.06x	2.07x
Three Rivers III (7 Apr 2015)	94	94	204	-	204	2.17x	2.17x
ILX III (8 Oct 2015)	179	179	172	-	172	0.96x	0.96x
Meritage III¹⁰ (17 Apr 2015)	40	40	87	-	87	2.20x	2.20x
RCO¹¹ (2 Feb 2015)	80	80	80	-	80	0.99x	0.99x
Pipestone Energy (formerly CNOR) (29 Aug 2014)	90	90	58	-	58	0.64x	0.64x
Sierra (24 Sept 2014)	18	18	38	-	38	2.06x	2.06x
Aleph (9 Jul 2019)	23	23	23	-	23	1.00x	1.00x
Ridgebury (19 Feb 2019)	18	18	22	-	22	1.22x	1.22x
Castex 2014 (3 Sep 2014)	52	52	14	-	14	0.27x	0.27x
Total Realisations⁸	\$709	\$709	\$932	\$4	\$936	1.32x	1.32x
<i>Withdrawn Commitments and Impairment¹²</i>	350	350	9	-	9	0.02x	0.02x
Total Investments	\$2,026	\$1,980	\$1,188	\$654	\$1,842	0.97x	0.93x
Total Investments & Cash and Cash Equivalents				\$726			

Draft Unaudited Net Asset Value	\$719	
Total Shares Repurchased to-date	27,182,444	at average price per share of £3.70 (\$4.86)
Current Shares Outstanding	52,714,287	

About Riverstone Energy Limited:

REL is a closed-ended investment company which invests in the energy industry that has since 2020 been exclusively focused on pursuing and has committed \$171 million to a global strategy across decarbonisation sectors presented by Riverstone's investment platform. REL's ordinary shares are listed on the London Stock Exchange, trading under the symbol RSE. REL has 19 active investments spanning decarbonisation, oil and gas, renewable energy and power in the Continental U.S., Western Canada, Gulf of Mexico and Europe.

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 Riverstone Energy Investment Partnership, LP ("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 June 2022 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 Board reviews and considers the valuations of the Company’s investments held through the Partnership.

¹ Since REL has not yet met the appropriate Cost Benchmark at 30 June 2022, \$34.1 million in Performance Allocation was not accrued in accordance with the performance allocation terms announced on 3 January 2020, effective from 30 June 2019, which would have been accrued under the prior terms, and thereby would have reduced the NAV on a pro forma basis to \$685 million or \$12.99 per share

² GBP:USD FX rate of 1.211 as of 30 June 2022

³ Excludes the remaining unfunded commitments for Carrier II and Hammerhead \$36 million, in aggregate, which are not expected to be funded. The expected funding of the remaining unfunded commitments at 30 June 2022 are nil for the remainder of 2022, nil in 2023, and the residual amounts to be funded in 2024 and later years, if needed.

⁴ Gross realised capital is total gross proceeds realised on invested capital. Of the \$1,188 million of capital realised to date, \$888 million is the return of the cost basis, and the remainder is profit.

⁵ 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 applicable gross profits in accordance with the revised terms announced on 3 January 2020, but effective 30 June 2019. Since there was no netting of losses against gains before the aforementioned revised terms, the effective carried interest rate on the portfolio as a whole will be greater than 20 per cent. No further carried interest will be payable until the \$138.4 million of realised and unrealised losses to date at 30 June 2022 (largest deficit of \$605.5 million at 30 June 2020) are made whole with future gains, so the earned carried interest of \$0.8 million at 30 June 2022 has been deferred and will expire in October 2023 if the aforementioned losses are not made whole. Since REL has not yet met the appropriate Cost Benchmark at 30 June 2022, \$34.1 million in Performance Allocation was not accrued in accordance with the terms of the current agreement, which would have been accrued under the prior agreement. 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.

⁶ Represents closing price per share in USD for publicly traded shares of Centennial Resource Development, Inc. (NASDAQ:CDEV – 30-06-2022: \$5.98 per share / 31-03-2022: \$8.07 price per share); Enviva, Inc. (NYSE:EVA – 30-06-2022: \$57.22 per share / 31-03-2022: \$79.15 price per share); Solid Power, Inc. (NASDAQ:SLDP – 30-06-2022: \$5.38 per share / 31-03-2022: \$8.67 price per share); Hyzon Motors, Inc. (NASDAQ:HYZN – 30-06-2022: \$2.94 per share / 31-03-2022: \$6.39 price per share); and Tritium DFCF Limited (NASDAQ:DCFC – 30-06-2022: \$6.09 price per share / 31-03-2022 \$10.04 price per share.)

⁷ SPAC Sponsor investment for Decarbonization Plus Acquisition Corporation IV (NASDAQ:DCRD)

⁸ Amounts vary due to rounding

⁹ The unrealised value of Rock Oil investment consists of rights to mineral acres.

¹⁰ Midstream investment

¹¹ Credit investment

¹² Withdrawn commitments consist of Origo (\$9 million) and CanEra III (\$1 million), and impairments consist of Liberty II (\$142 million), Fieldwood (\$80 million), Eagle II (\$62 million) and Castex 2005 (\$48 million)