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Riverstone Energy Limited

Results for the year ended 31 December 2023

London, UK (29 February 2024) - Riverstone Energy Limited (“REL” or the “Company”) announces its Year End Results for the period from 1 January 2023 to 31 December 2023 (the “Period”).

Summary Performance

31 December 2023

NAV	\$674 million ¹ (£529 million) ²
NAV per share	\$15.96 / £12.53 ²
Profit/(loss) for Period ended	(\$2.3 million)
Basic profit/(loss) per share for Period ended	(4.86 cents)
Total liquidity (cash and cash equivalents & public portfolio)	\$509 million (£400 million) ²
Market capitalisation	\$430 million (£338 million) ²
Share price	\$10.20 / £8.01 ²

Highlights

§ As of 31 December 2023, REL had a NAV per share of \$15.96 (£12.53), representing an increase in USD and GBP of 10 and 5 per cent., respectively, compared to the 31 December 2022 NAV.

§ The realisation of Hammerhead (now Crescent Point), as well as increases in value for Onyx and Permian Resources, were offset by downturns in Enviva, Anuvia, Our Next Energy, FreeWire and GoodLeap.

§ Total net realisations and distributions during the Period of \$272.3 million: Hammerhead sale to Crescent Point (\$175.5 million), Onyx (\$60.1 million), Permian Resources (\$30.4 million), Carrier II (\$4.8 million), and an aggregate of \$1.4 million from Rock Oil, Tritium DCFC and Enviva.

§ During the Period, under the Company’s modified investment programme, the Company invested \$22.3 million in five existing decarbonisation investments, bringing the total invested in this area to \$232 million, which, in aggregate, were valued at \$116 million, or 0.50x Gross MOIC, at 31 December 2023.

§ Total invested capital during the Period of \$22.3 million: Infinitum (\$10.0 million), FreeWire (\$4.0 million), T-REX (\$3.8 million), Enviva (\$3.5 million) and Our Next Energy (\$1.0 million).

§ REL finished the Period with a cash balance of \$291 million and remaining potential unfunded commitments of \$6 million³.

§ Since the initial announcement of the Share Buyback Programme on 1 May 2020, the Company has bought back a total of 34,518,746 ordinary shares at an average price of approximately £4.19 per ordinary share,

which has contributed to the share price increase of over 3.5x from £2.20 to £8.01 over that period to 31 December 2023.

Share Buyback Programme and 2023 Tender Offer

Since the Company's announcement on 23 May 2023 of the authorised increase of £30 million for the share buyback programme up to 31 December 2023, 3,126,023 ordinary shares have been bought back at a total cost of approximately £18 million (\$22 million) at an average share price of approximately £5.67 (\$7.13). As of 31 December 2023, £22 million was available for share repurchases.

In addition, pursuant to changes to the Investment Management Agreement announced on 3 January 2020, the Investment Manager agreed for the Company to be required to repurchase shares or pay dividends equal to 20 per cent. of net gains on dispositions. No further carried interest will be payable until the \$85 million of realised and unrealised losses to date at 31 December 2023 are made whole with future gains.

On 17 August 2023, REL announced a tender offer to repurchase up to 13,840,830 shares at £5.78 per share. On 27 September 2023, the Company repurchased 3,182,196 shares representing 7 per cent. of outstanding shares at that date, and 23 per cent. of the tender offer.

Post-Year End Update

§ As announced on 8 February 2024, the Company proposes to return \$200 million (equivalent to approximately £158 million on the basis of the prevailing USD:GBP exchange rate) of its excess capital to shareholders by means of a tender offer (the "Tender Offer") at a price of £10.50 per ordinary share. The Tender Price represents a premium of approximately 31 per cent. to the closing market price per ordinary share of £9.20 on 21 February 2024 and represents a 16 per cent. discount to the net asset value per ordinary share of £12.53 as at 31 December 2023 (on the basis of the prevailing USD:GBP exchange rate at 31 December 2023 of 1.2736). The Company launched the Tender Offer on 23 February 2024 for up to 15,047,619 of the Company's ordinary shares, representing 36 per cent. of the existing shares in issue (excluding any ordinary shares held in treasury, of which there are none currently) and the Tender Offer will close on 25 March 2024. The Tender Offer will require shareholder approval at an extraordinary general meeting of the Company's shareholders, which is due to be held on 26 March 2024, and will be subject to other legal, regulatory and customary conditions.

The authority to repurchase Shares in the Tender Offer pursuant to the Resolution to be proposed at the extraordinary general meeting due to be held on 26 March 2024 is in addition to the authority for the Company to make market purchases of Shares granted at the Company's annual general meeting on 23 May 2023. The Company will not make market purchases of Shares while the Tender Offer is continuing. The Company may resume its market purchase share buyback programme following the completion of the Tender Offer, although any decision to resume the buyback programme, the amount of any buyback programme and the timing of any such purchases, will be entirely at the Board's discretion and subject to, amongst other things, applicable law, the Company's performance, market conditions and the cash reserves

available to the Company, in each case as determined by the Board with the consent of the Investment Manager at the relevant time.

§ On 3 February 2024, a potential acquiror of FreeWire, who had been under exclusivity, withdrew from the sale process. Given the accelerating cash constraints and limited runway in combination with the sale process withdrawal, FreeWire evaluated all alternatives which culminated in a sale of the company on 20 February 2024 to a private investor. The consideration with respect to the sale was 100 per cent. assumption of all company liabilities. As of 20 February 2024, REL, through the Partnership, has a realized Gross MOIC of 0.00x in the FreeWire investment, which is no longer an investment in the portfolio.

Investment Manager Outlook

§ REL's portfolio of conventional energy assets will continue to benefit from cash flow generation, low to no leverage and supportive underlying commodity prices. When appropriate, the Investment Manager will take advantage of favorable market conditions to continue monetizing its publicly listed holdings. The pursuit of liquidity will remain tempered by a desire to maximise returns for all shareholders.

§ While REL's energy transition and decarbonisation investments continue to benefit from structural and regulatory tailwinds, as we enter 2024, funding growth-stage companies seeking scale continues to face headwinds. These are symptomatic of a higher rates environment and subdued risk appetite from investors who have suffered from a paucity of distributions from their existing portfolios. While the Investment Manager is confident that the decarbonisation portfolio will perform well as a whole, the next twelve months will be critical for some of those companies.

Richard Horlick, Chair of the Board of Riverstone Energy Limited, commented:

"Higher values in conventional energy have begun to drive a new wave of consolidation in the oil & gas sector which has benefited our portfolio with the sale of Hammerhead Energy to Crescent Point Energy, and with Permian Resources growing through acquisitions. We expect this consolidation to continue as investors assign a premium to greater scale, more drilling inventories, strong balance sheets and high cash flow generation. Concurrently, the Board and the Investment Manager are focused on returning excess capital to shareholders through judicious share repurchases and the recently announced tender offer."

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

"Much of the market dynamics since the second half of 2022 remain in place as we enter 2024. These are namely strong operating performances from our legacy energy investments aided by continued consolidation in the North American upstream energy markets, and continued challenges for some of the decarbonisation investments in the portfolio. While we are confident that REL owns clear winners of the energy transition, there is no doubt that a difficult funding environment will continue to impact some portfolio companies that will need to raise capital in 2024 to reach critical scale. While the environment is improving thanks to the prospect of lower rates we remain vigilant and focussed on helping all of our companies achieve their potential."

- Ends -

Riverstone Energy Limited's 2023 Annual Report is available to view at: www.RiverstoneREL.com.

4Q23 Quarterly Portfolio Valuation

Previously, on 8 February 2024, REL announced its quarterly portfolio summary as of 31 December 2023, 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)	30 Sep 2023 Gross MOIC ⁵	31 Dec 2023 Gross MOIC ⁵
Permian Resources ⁶ (Public)	268	268	225	137	362	1.36x	1.35x
Onyx (Private)	66	60	121	70	191	3.00x	3.20x
Crescent Point Energy (Hammerhead Energy) ¹² (Public)	296	296	198	58	256	0.71x	0.87x
Total Current Portfolio - Conventional – Public⁷	\$576	\$564	\$423	\$195	\$618	1.02x	1.10x
Total Current Portfolio - Conventional – Private⁷	\$66	\$60	\$121	\$70	\$191	3.00x	3.20x
Total Current Portfolio - Conventional – Public & Private⁷	\$642	\$624	\$544	\$265	\$809	1.21x	1.30x

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)	30 Sep 2023 Gross MOIC ⁵	31 Dec 2023 Gross MOIC ⁵
Infinitum (Private)	27	27	-	30	30	1.05x	1.10x
GoodLeap (formerly Loanpal) (Private)	25	25	2	29	31	1.50x	1.25x
T-REX Group (Private)	21	21	-	17	17	1.00x	0.82x
Tritium DCFC ^{6 13} (Public)	25	25	1	11	12	0.47x	0.46x
Solid Power ⁶ (Public)	48	48	-	11	11	0.31x	0.22x
Group14 (Private)	4	4	-	4	4	1.00x	1.00x
FreeWire (Private)	10	10	-	3	3	1.00x	0.25x
Our Next Energy (Private)	13	13	-	3	3	1.00x	0.25x
Ionic I & II (Samsung Ventures) (Private)	3	3	-	3	3	1.00x	1.00x
Enviva ⁶ (Public)	22	22	0	1	1	0.29x	0.05x
Hyzon Motors ⁶ (Public)	10	10	-	1	1	0.13x	0.09x
Anuvia Plant Nutrients (Private)	20	20	-	-	-	0.00x	0.00x
Total Current Portfolio - Decarbonisation – Public ⁷	\$105	\$105	\$1	\$23	\$24	0.32x	0.23x

Total Current Portfolio - Decarbonisation – Private⁷	\$127	\$127	\$2	\$90	\$92	0.95x	0.73x
Total Current Portfolio - Decarbonisation – Public & Private⁷	\$232	\$232	\$3	\$113	\$116	0.66x	0.50x
Total Current Portfolio – Conventional & Decarbonisation – Public & Private⁷	\$874	\$855	\$548	\$378	\$926	1.06x	1.08x
Cash and Cash Equivalents				\$291			
<i>Total Liquidity (Cash and Cash Equivalents & Public Portfolio)</i>				<i>\$509</i>			
<i>Total Market Capitalisation</i>				<i>\$430</i>			

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)	30 Sep 2023 Gross MOIC ⁵	31 Dec 2023 Gross MOIC ⁵
Rock Oil ⁸ (12 Mar 2014)	114	114	234	4	238	2.08x	2.08x
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 III ⁹ (17 Apr 2015)	40	40	88	-	88	2.20x	2.20x
RCO ¹⁰ (2 Feb 2015)	80	80	80	-	80	0.99x	0.99x
Carrier II (22 May 2015)	110	110	67	-	67	0.60x	0.61x
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 Realisations ⁷	\$819	\$819	\$1,000	\$4	\$1,004	1.23x	1.23x
<i>Withdrawn Commitments and Impairments</i> ¹¹	350	350	9	-	9	0.02x	0.02x
Total Investments ⁷	\$2,042	\$2,024	\$1,557	\$382	\$1,939	0.95x	0.96x

Total Investments & Cash and Cash Equivalents	\$674	
Draft Unaudited Net Asset Value	\$674	
Total Shares Repurchased to-date	34,518,746	at average price per share of £4.19 (\$5.35)
Current Shares Outstanding	42,195,789	

About Riverstone Energy Limited:

REL is a closed-ended investment company which invests in the energy industry. REL's ordinary shares are listed on the London Stock Exchange, trading under the symbol RSE. REL has 14 active investments spanning decarbonisation, oil and gas, renewable energy and power in the Continental U.S., Western Canada, Europe and Australia.

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 31 December 2023 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 31 December 2023, \$32.2 million in Performance Allocation that would have been due under the prior agreement were not accrued, and thereby would have reduced the NAV on a pro forma basis to \$641 million or \$15.20 per share

² GBP:USD FX rate of 1.2736 as of 31 December 2023

³ The expected funding of the remaining unfunded commitments at 31 December 2023 are \$nil and \$nil for 2024 & 2025. The residual amounts are to be funded as needed in later years.

⁴ Gross realised capital is total gross proceeds realised on invested capital. Of the \$1,557 million of capital realised to date, \$1,016 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 \$84.7 million of realised and unrealised losses to date at 31 December 2023 are made whole with future gains. Therefore, the earned carried interest of \$0.8 million that had been deferred, has now expired as of October 2023 since the aforementioned losses were not made whole. Since REL has not yet met the appropriate Cost Benchmark at 31 December 2023, \$32.2 million in performance allocation fees that would have been due under the prior agreement were not accrued. 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 Permian Resources Corporation (formerly Centennial Resource Development, Inc.) (NASDAQ:PR – 31-12-2023: \$13.60 per share / 30-09-2023: \$13.96 per share); Enviva, Inc. (NYSE:EVA – 31-12-2023: \$0.9958 per share / 30-09-2023: \$7.47 per share); Solid Power, Inc. (NASDAQ:SLDP – 31-12-2023: \$1.45 per share / 30-09-2023: \$2.02 per share); Hyzon Motors, Inc. (NASDAQ:HYZN – 31-12-2023: \$0.90 per share / 30-09-2023: \$1.25 per share); Tritium DCFE Limited (NASDAQ:DCFC – 31-12-2023: \$0.22 per share / 30-09-2023 \$0.30 per share); and Crescent Point Energy (NASDAQ: CPG – 31-12-2023: \$6.93 per share / 30-09-2023: n/a).

⁷ Amounts vary due to rounding

⁸ The unrealised value of Rock Oil investment consists of rights to mineral acres

⁹ Midstream investment

¹⁰ Credit investment

¹¹ 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)

¹² Crescent Point Energy shares were acquired via realisation of Hammerhead Energy.

¹³ Tritium consists of publicly traded shares related to original SPAC Sponsor investment and a further backstop funding (\$1 million at 31 December 2023) as well as an additional private loan investment (\$10 million at 31 December 2023).