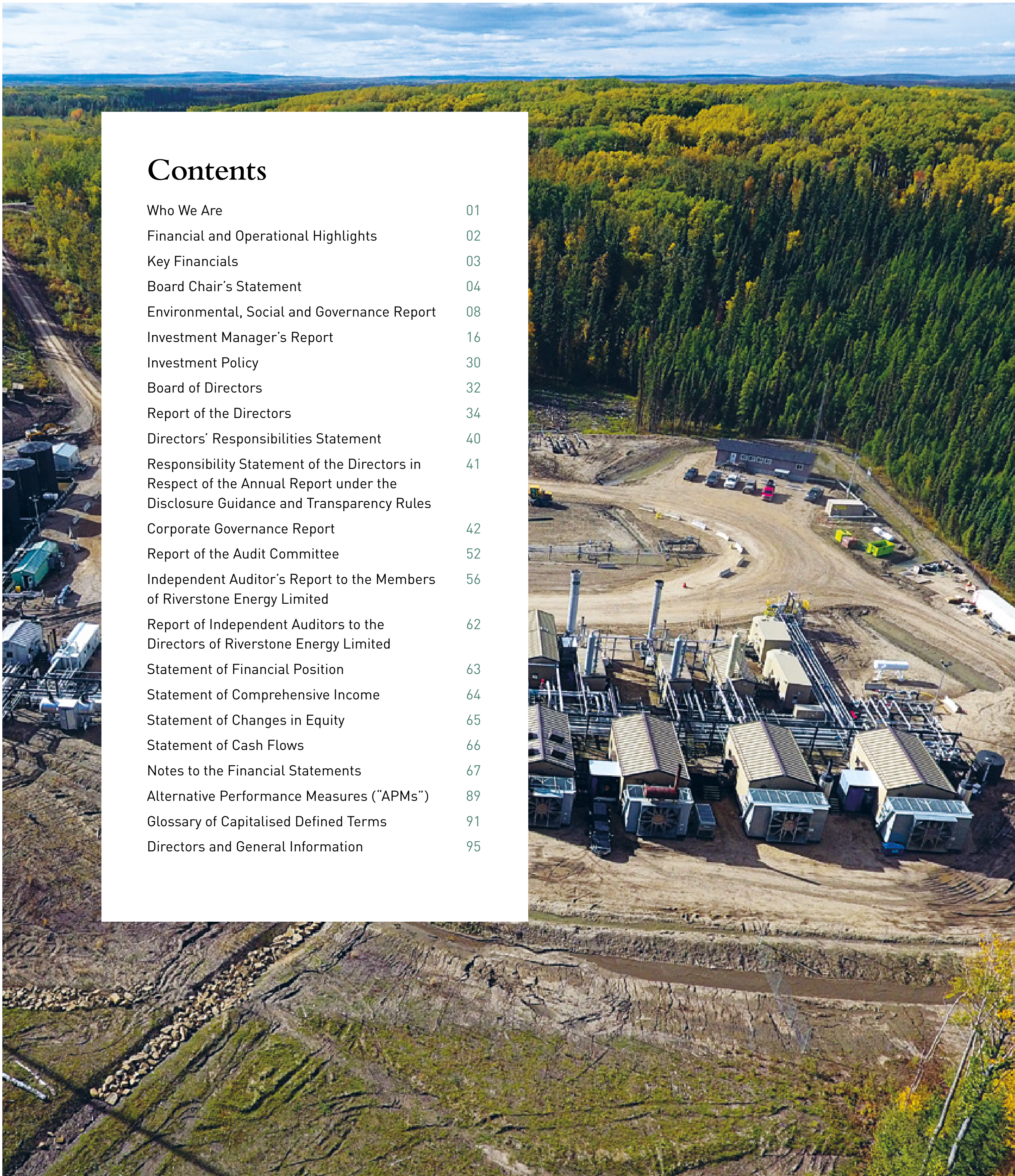
2023

Annual Report and Financial Statements

for the year ended 31 December 2023

Riverstone
Energy
Limited

(LSE: RSE)



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Who We Are

RIVERSTONE ENERGY LIMITED

THE COMPANY SEEKS TO ACHIEVE SUPERIOR RISK ADJUSTED RETURNS THROUGH INVESTING IN THE ENERGY SECTOR WITH A RECENT FOCUS ON ENERGY TRANSITION AND DECARBONISATION OF THE GLOBAL ECONOMY.

The Company's Investment Manager is RIGL Holdings, LP, which is majority-owned and controlled by affiliates of Riverstone.

Riverstone is an energy and power-focussed private investment firm founded in 2000 by David M. Leuschen and Pierre F. Lapeyre with approximately $45 billion of capital raised. Riverstone conducts buyout and growth capital investments in the E&P, midstream, oilfield services, power and renewable sectors of the energy industry. Since 2009, Riverstone has committed over $8 billion to the renewable energy and decarbonisation sectors, across 47 investments ranging from wind power development to financial software enabling the deployment of renewable infrastructure projects.

With offices in New York, London, Mexico City and Amsterdam, the firm has committed to over 200 investments in North America, Latin America, Europe, Africa, Asia and Australia.

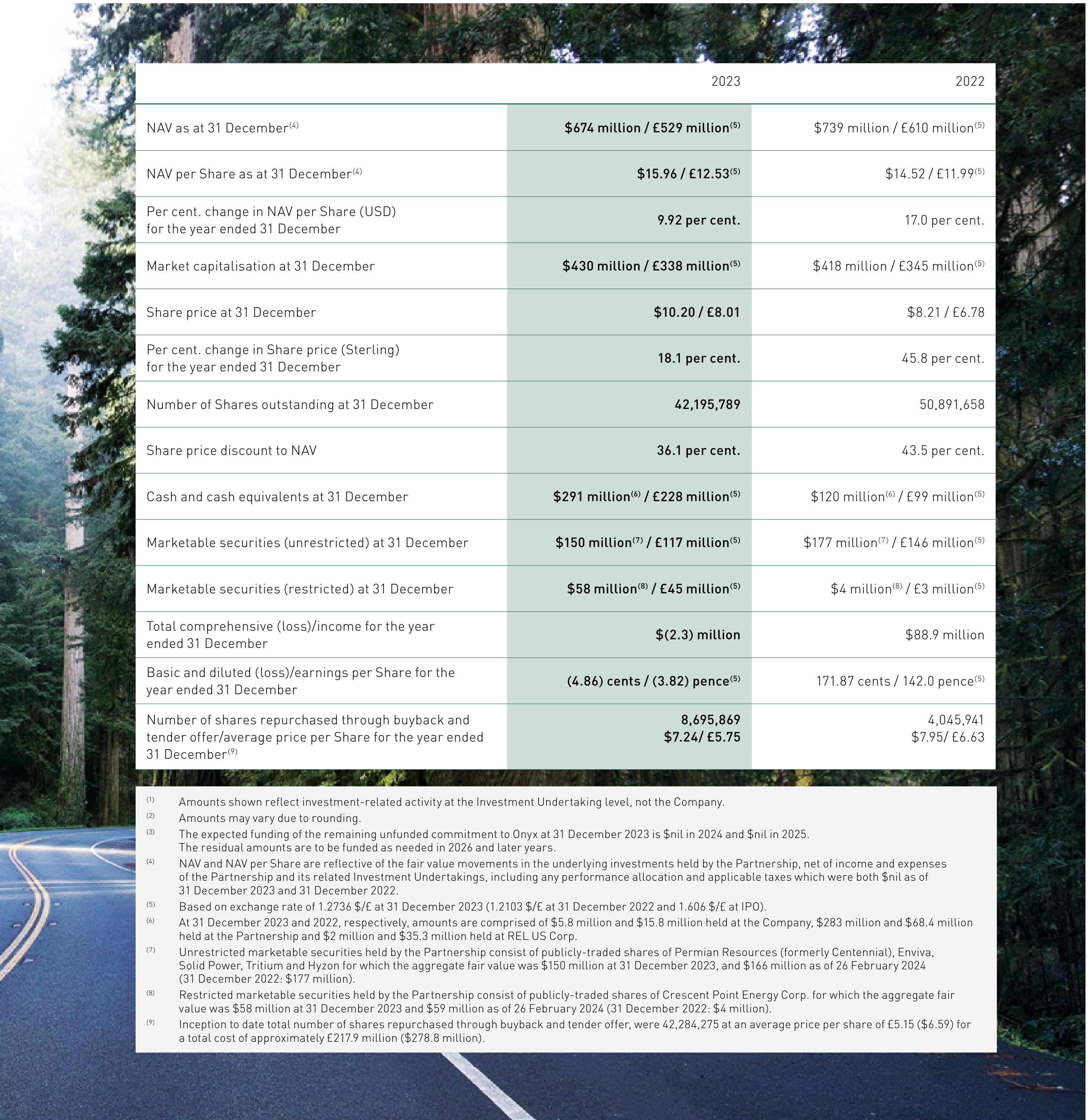
The transition to a low emission mix of energy sources will require unprecedented investment in new technologies and infrastructure. REL is poised to power that momentum by supporting its conventional positions and by executing on its modified investment programme. In 2023, REL invested $22.3 million in 5 existing portfolio companies in the energy transition value chain.

The registered office of the Company is PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

Financial and Operational Highlights(1)(2)

→ COMMITMENTS DURING THE YEAR ENDED 31 DECEMBER 2023	Commitments increased by a total of $17.8 million(2) pursuant to decarbonisation strategy: (i) $10.0 million in Infinitum Electric Inc. (ii) $4.0 million in FreeWire Technologies, Inc. (iii) $3.8 million in T-REX Group, Inc.
→ COMMITMENT REDUCTIONS DURING THE YEAR ENDED 31 DECEMBER 2023	(i) $12.2 million from Hammerhead Energy Inc. upon sale
→ REMAINING POTENTIAL UNFUNDED COMMITMENTS AT 31 DECEMBER 2023	(i) $6.0 million(3) in Onyx Power
→ INVESTMENTS DURING THE YEAR ENDED 31 DECEMBER 2023	Invested a total of $22.3 million(2) pursuant to decarbonisation strategy: (i) $10.0 million in Infinitum Electric Inc. (ii) $4.0 million in FreeWire Technologies, Inc. (iii) $3.8 million in T-REX Group, Inc. (iv) $3.5 million in Enviva Inc. (v) $1.0 million in Our Next Energy Inc.
→ REALISATIONS DURING THE YEAR ENDED 31 DECEMBER 2023	Realised a total of $272.2 million(2) ($271.2 million pursuant to legacy conventional strategy; $1.0 million pursuant to decarbonisation strategy): (i) $175.6 million from Hammerhead Energy Inc. sale to Crescent Point Energy Corp. (ii) $60.1 million from Onyx Power (iii) $30.4 million from Permian Resources Corporation (formerly Centennial Resource Development, Inc.) (iv) $4.8 million from Carrier II Energy (v) $1.0 million from Tritium DCFC Limited and Enviva, Inc. (vi) $0.4 million from Rock Oil Holdings, LLC.

Key Financials



	2023	2022
NAV as at 31 December[4]	**$674 million / £529 million[5]**	$739 million / £610 million[5]
NAV per Share as at 31 December[4]	**$15.96 / £12.53[5]**	$14.52 / £11.99[5]
Per cent. change in NAV per Share (USD) for the year ended 31 December	**9.92 per cent.**	17.0 per cent.
Market capitalisation at 31 December	**$430 million / £338 million[5]**	$418 million / £345 million[5]
Share price at 31 December	**$10.20 / £8.01**	$8.21 / £6.78
Per cent. change in Share price (Sterling) for the year ended 31 December	**18.1 per cent.**	45.8 per cent.
Number of Shares outstanding at 31 December	**42,195,789**	50,891,658
Share price discount to NAV	**36.1 per cent.**	43.5 per cent.
Cash and cash equivalents at 31 December	**$291 million[6] / £228 million[5]**	$120 million[6] / £99 million[5]
Marketable securities (unrestricted) at 31 December	**$150 million[7] / £117 million[5]**	$177 million[7] / £146 million[5]
Marketable securities (restricted) at 31 December	**$58 million[8] / £45 million[5]**	$4 million[8] / £3 million[5]
Total comprehensive (loss)/income for the year ended 31 December	**$(2.3) million**	$88.9 million
Basic and diluted (loss)/earnings per Share for the year ended 31 December	**(4.86) cents / (3.82) pence[5]**	171.87 cents / 142.0 pence[5]
Number of shares repurchased through buyback and tender offer/average price per Share for the year ended 31 December[9]	**8,695,869 $7.24/ £5.75**	4,045,941 $7.95/ £6.63

(1) Amounts shown reflect investment-related activity at the Investment Undertaking level, not the Company.

(2) Amounts may vary due to rounding.

(3) The expected funding of the remaining unfunded commitment to Onyx at 31 December 2023 is $nil in 2024 and $nil in 2025. The residual amounts are to be funded as needed in 2026 and later years.

(4) NAV and NAV per Share are reflective of 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 which were both $nil as of 31 December 2023 and 31 December 2022.

(5) Based on exchange rate of 1.2736 $/£ at 31 December 2023 (1.2103 $/£ at 31 December 2022 and 1.606 $/£ at IPO).

(6) At 31 December 2023 and 2022, respectively, amounts are comprised of $5.8 million and $15.8 million held at the Company, $283 million and $68.4 million held at the Partnership and $2 million and $35.3 million held at REL US Corp.

(7) Unrestricted marketable securities held by the Partnership consist of publicly-traded shares of Permian Resources (formerly Centennial), Enviva, Solid Power, Tritium and Hyzon for which the aggregate fair value was $150 million at 31 December 2023, and $166 million as of 26 February 2024 (31 December 2022: $177 million).

(8) Restricted marketable securities held by the Partnership consist of publicly-traded shares of Crescent Point Energy Corp. for which the aggregate fair value was $58 million at 31 December 2023 and $59 million as of 26 February 2024 (31 December 2022: $4 million).

(9) Inception to date total number of shares repurchased through buyback and tender offer, were 42,284,275 at an average price per share of £5.15 ($6.59) for a total cost of approximately £217.9 million ($278.8 million).

Board Chair's Statement

OVER THE LAST COUPLE OF YEARS INVESTORS – ALONGSIDE GOVERNMENTS – HAVE DEVELOPED A RENEWED APPRECIATION FOR ENERGY SECURITY.

This has combined with a growing awareness that the energy transition will take longer to achieve and be more costly than previously thought. The consequence of this shift in priorities is that in 2023 we began to see higher values being put on conventional energy.

DEAR SHAREHOLDER,

Consolidation and scale support sustainable profitability

Sustained higher oil prices are one part of what is driving this as well as greater capital discipline and very low-to-no leverage following the implosion of demand during the COVID-19 lockdowns. This in turn has helped mitigate the drag experienced from higher interest rates and helped deliver improved cash generation.

Higher values in conventional energy have also begun to drive a new wave of consolidation. We have seen some signs of this in recent years as private equity-backed Independents sought to combine their businesses to achieve greater scale, increased relevance, more drilling inventories with stronger balance sheets, reduced leverage and higher cash flow generation. In 2023 REL pursued a similar strategy with two of our portfolio companies. Permian Resources Inc. acquired Earthstone Energy Inc. and Hammerhead Energy was sold to Crescent Point Energy. Both transactions have created significant value for our shareholders.

The market reaction in the second half of 2023 to ExxonMobil's acquisition of Pioneer Natural Resources and Chevron's acquisition of Hess further highlights the value of this approach. We anticipate this trend for consolidation in conventional energy will continue into 2024.

In contrast, it was unquestionably a difficult year for the renewable and decarbonisation sector, marked by substantial valuation compression, even at large listed businesses in North America and Europe. The dramatic increases in interest rates and inflationary cost growth have had a knock-on effect on the ability of companies to generate cash, especially as many projects ordinarily rely on high levels of leverage to improve returns.

A period of politically and environmentally fuelled growth in renewables – backed by what was effectively free money – has now given way to a more disciplined return-driven approach with the realisation that, to be truly sustainable, companies must be sustainably profitable. There is a dawning realisation in the sector that, at least for early-stage decarbonisation companies, we will also need a period of consolidation and rationalisation.

While this shift has undoubtedly presented headwinds to the performance of our decarbonisation portfolio it also opens up opportunities for us. Just as REL successfully invested in and restructured its conventional energy portfolio in the down-cycle to deliver significant value for our shareholders, I have every confidence that our efforts to do the same in renewables and decarbonisation will also bear fruit from present levels.

Geopolitics continues to drive oil prices; weaker natural gas and European power prices

The world is becoming increasingly polarised. Conflict, both economic and military, is seemingly on the rise. We have seen the Russian and Ukrainian war continue through 2023. In Asia there is growing concern over potential flashpoints, notably around Taiwan. We are also witnessing growing unrest and political instability across the Middle East with potentially grave consequences for the world's trade and energy flows.

In short, geopolitics as a significant driver of commodity prices is back and looks to be here to stay. This has meant that while oil prices in 2023 were lower on average than in 2022, relative to a few years ago oil prices remain elevated. WTI crude oil prices averaged US$77.58 per barrel in 2023, down 18 per cent. against the 2022 average WTI price of US$94.91 per barrel.

US natural gas was a different story. Henry Hub prices were impacted by a mixture of oversupply, gas-on-gas competition, a large backlog of pending LNG export capacity additions and warmer weather. As a result, Henry Hub gas prices were significantly down in 2023 versus 2022, averaging US$2.57 per MMbtu in 2023, a 62 per cent. fall versus 2022.

The other area of disappointment was in European power prices. At the end of the second quarter, Europe removed the power price caps introduced in the immediate aftermath of Russia's invasion of Ukraine in 2022. However, this was more than offset by a warmer winter, mild summer season, strong renewable production and record gas storage across the continent. This would have negatively impacted the performance of Onyx, our European power producer; had judicious hedges not been in place.

Inflation and interest rates

Although being below the highs of 2022 and early 2023, inflation has been more persistent than initially anticipated across the major developed economies. In response, central banks continued to raise interest rates into the second half of the year. While the pace of increase had slowed by year end, our expectation is that we are now in a structurally higher interest rate environment and will remain in it for several years to come.

As I outlined above, while this poses significant challenges in the near term, I am pleased that despite the steep rise in rates globally, REL's portfolio has held up well. In particular, our conventional energy businesses have continued to generate healthy levels of cash flow through the year even as higher interest rates have impacted our growth-stage decarbonisation investments.

This demonstrates the strength of our strategy to invest both in conventional energy and in our decarbonisation portfolio, as well as our ability to deliver value for our shareholders through the cycle. Our share price performance for the year also reflected this, ending the year at 801p/share on 31 December 2023, which was up from 678p/share on 31 December 2022 – an 18 per cent. increase in the year and outperforming both the FTSE 100 and Dow Jones Industrial Average.

Board changes

The year saw some big changes to our Board. Following our AGM in May 2023, Richard Hayden retired from the Board having served for nearly ten years as a REL Non-Executive Director and as Chair of the Company for almost seven of those. As I wrote in my interim report, under Richard's stewardship REL implemented significant adjustments to the Investment Management Agreement and a pivot into renewable energy and decarbonisation investments. Peter Barker also retired as a Non-Executive Director after the AGM having brought significant experience from his decades-long career in investment banking. We are enormously grateful for the guidance and leadership provided by Richard and Peter during their time on the REL Board.

We welcomed Karen McClellan to the Board as a Non-Executive Director in May. Karen brings with her two decades of experience in investment banking and deep expertise working across carbon policy, clean infrastructure finance and zero-carbon technologies, having raised and deployed more than £700 million in renewable energy projects, carbon funds, technology investments and other transactions.

After the year-end, John Roche was appointed as the new Chair of the Audit Committee, effective from 1 January 2024, replacing Patrick Firth who will be retiring before the AGM in 2024 and will not seek re-election. John was appointed to the Board in December 2022 and is a former managing partner at PwC.

Board Chair's Statement continued

Investment portfolio summary and performance

As of 31 December, REL's portfolio comprised fourteen active investments, with eleven companies in the decarbonisation sector and three in conventional assets. This reflects the sale of Hammerhead Energy in December to Crescent Point Energy and the ongoing liquidation of Anuvia. Over the course of the year, NAV per Share increased by 9.9 per cent. to $15.96 per share (4.5 per cent. to £12.53 per share).

The decarbonisation portfolio continued to be the most impacted with declines in the total value of $111 million through changes in fair value and $1 million in realisations. On the conventional side, we saw an increase of $141 million, which consisted of $271 million in realisations and changes in fair value. In addition, REL continued to realise value from its conventional portfolio as outlined below with Hammerhead Energy.

In 2023, REL invested an aggregate amount of $22.3 million in energy transition and decarbonisation investments, bringing the total invested in this area to over $231.5 million across eleven investments, which in aggregate were valued at $116.3 million, or 0.50x Gross MOIC, as at 31 December 2023.

In August, REL's portfolio company Permian Resources announced it was acquiring Earthstone Energy Inc in an all-stock transaction valued at approximately $4.5 billion, inclusive of Earthstone's net debt. The transaction will strengthen Permian Resources' position as a leading Delaware Basin independent E&P company with over 400,000 Permian net acres and pro forma production of approximately 300,000 Boe/d. The transaction completed in November with REL holding a 1.3 per cent. interest in the combined company.

In November we announced the sale of Hammerhead Energy Inc., a Canadian energy company with assets in the Montney shale in Alberta. Crescent Point Energy acquired Hammerhead Energy for an enterprise value of C$2.55 billion with each Hammerhead Energy share being exchanged for C$15.50 in cash and the equivalent of C$5.50 in Crescent Point Energy common shares. As a result of the transaction, the Partnership realised total proceeds of US$175 million in cash and received 8.3 million shares of Crescent Point Energy common equity, which were valued at $58 million as of 31 December 2023. The transaction represented an approximate 23 per cent. uplift to the Gross MOIC as of 31 December 2023 as compared to 30 September 2023, which was based on US$11.93 per Hammerhead Energy share on the NASDAQ. The transaction closed in December 2023.

Also during the year, REL was informed that Anuvia Plant Nutrients, one of the Company's portfolio companies, ceased operations. The Company invested US$20 million in Anuvia in March 2022. Whilst the Series D Investors, including the Company, are first equity in line to receive proceeds from Anuvia, the Company's Investment Manager informed the Board in July that no such proceeds can be reasonably expected given the debt burden on the business.

Our portfolio, although challenged by the current market conditions, is well diversified across the major industrial verticals that are critical to decarbonisation if we are to deliver a successful energy transition. Our investment in Infinitum Electric supports the development of advanced electric motors that will be crucial to the decarbonisation of global industry. We have built significant exposure to EV charging through our stake in Tritium and in new battery technology through Solid Power and Group14. Finally, hydrogen fuel cell technology offers the potential to electrify heavy transportation, an area REL has built its exposure to through Hyzon Motors. Taken together, these companies provide our shareholders with exposure to the technologies critical to the decarbonisation of vital sectors. While we are confident that we have backed winning technologies and companies, we remain cautious on other companies in the portfolio that face funding challenges in the current environment. T-REX Group and Our Next Energy are businesses that will need to raise additional capital in the next twelve months if they are to continue funding their business plans. As we have seen already with Anuvia Plant Nutrients, the inability to raise capital in an adverse environment can be fatal.

Tender offer and buyback programme

In August we announced an EGM and Tender Offer to shareholders, reflecting a significant build up in our cash reserves as a result of strong cash flows and recent asset disposals. In total the Company determined to use up to £80 million to provide the opportunity for shareholders to exit part of their shareholding in the Company. The Tender Offer was for up to 13,840,830 of the Company's ordinary shares, representing approximately 30.4 per cent of its issued share capital as at 16 August 2023. At the close of the Tender Offer, shareholders chose to offer only 3,182,196 shares for sale and cancellation.

Separately to the Tender Offer, REL has continued to buy back its shares. During the course of 2023, the Company returned £31.6 million to shareholders through the purchase of 5,513,673 shares at a weighted average price of £5.74 ($7.35) per share.

As a result of the sale of Hammerhead Energy in November, REL and the Partnership now has a substantial cash balance of $291.4 million. 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 "2024 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 £8.00 on 7 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 2024 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 2024 Tender Offer will close on 25 March 2024. The 2024 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 world needs it all

The International Energy Agency (IEA) estimates that oil demand hit 103 million barrels in the summer of 2023 despite the growth in new sales of electric vehicles. Absent a material global recession, we expect the relentless pressure for more energy in the developing parts of the world and their disproportionately larger populations is likely to drive further demand for conventional energies despite appropriate climate and renewable goals. Governments are increasingly focused on controlling energy security and this is playing an increasing role in greater realism which is extending the likely timing and increasing the probable costs of the energy transition.

At the same time the IEA is forecasting a trebling of new renewable energy capacity coming online between 2023 and 2028. This is approximately 3,700 GW of new renewable production, with solar and wind set to account for 95 per cent. of this expansion around the world. By the end of 2024 the IEA is forecasting that wind and solar combined will generate more electricity than hydropower. By 2025 renewables will become the largest source of electricity generation around the world – ahead even of coal.

The continued growth of both highlights the truth that the world needs it all; renewable and conventional energy. But we also need to reduce the environmental impact of carbon emissions when providing it. If diversity and diversification is good for the population, for the economy, for companies and for investment allocation, why then should it not also be good for something as basic to human progress as energy? Especially at a time when the world is clearly less hospitable and governments and their economies can no longer run the risk of relying on the energy of a competitive neighbour.

Thank you for your continued support of REL, its management and its strategy. I look forward to continuing REL's work and of course speaking with many of you over the coming year.

Richard Horlick
Chair of the Board
28 February 2024

Environmental, Social and Governance Report

THE INVESTMENT STRATEGY OF THE COMPANY, WHICH WAS ORIGINALLY FOCUSSED ON THE TRADITIONAL OIL AND GAS SECTOR, HAS TRANSITIONED TOWARDS DECARBONISATION ASSETS SINCE 2020. THE COMPANY UTILISES THE SERVICES OF RIVERSTONE AS THE INVESTMENT MANAGER TO TAKE APPROPRIATE ESG PRINCIPLES INTO ACCOUNT IN ITS INVESTMENT DECISIONS AND IN THE ONGOING MANAGEMENT OF THE PORTFOLIO.

This shift is reflective of a larger awareness and implementation of Environmental, Social and Governance ("ESG") policies and is reflected in the Company's focus on this area. The Company's focus on ESG not only guides its new investments, but also extends to its legacy portfolio, which has made demonstrable progress in the pursuit of improvement of ESG policies and performance.

THE COMPANY ITSELF, LED BY ITS INDEPENDENT BOARD, VIEWS ESG AS A CORE ELEMENT IN THE MANAGEMENT OF REL. IN ORDER TO PUT ESG PRINCIPLES INTO PRACTICE, THE BOARD RELIES ON ITS INVESTMENT MANAGER TO DESIGN AND IMPLEMENT AN ESG POLICY WHICH APPLIES TO THEIR OPERATIONS AND THOSE OF THE INVESTEE COMPANIES. THIS POLICY AND EXAMPLES OF ITS APPLICATION ARE HIGHLIGHTED BELOW.

In order to support the robustness of these principles, the Board engages with the Investment Manager on ESG matters and monitors compliance of REL's portfolio companies with Riverstone's ESG policy. John Roche, a member of the REL Board and Audit Committee Chair, presently leads the ESG efforts for the Company after succeeding Patrick Firth as Audit Committee Chair with effect from 1 January 2024. The Board receives periodic updates from the Investment Manager on the Investment Manager's ESG programme and on ESG matters related to the REL investment portfolio. The Board takes its fiduciary responsibility to Shareholders seriously and engages with Riverstone on corporate governance matters as evidenced by the changes to the Investment Management Agreement agreed in January 2020.

Riverstone plans to publish its annual ESG report for 2023 in February 2024. The pages that follow summarise the key elements for Shareholders which impact REL's current and future investments. More detail is included in the full report available on Riverstone's website: https://www.riverstonellc.com/en/responsible-investing/. The statement from the Investment Manager below relates to the Investment Manager's portfolio which includes investments made by the Company. This report does not include the companies where Riverstone's ownership is below 10 per cent. and where Riverstone does not hold one or more board seats. This includes the following companies: FreeWire, GoodLeap, Group14, Hyzon, Our Next Energy, Permian Resources, Solid Power and Tritium.

While Riverstone seeks to integrate ESG matters in its overall investment management processes, including the standards and strategies described below, there can be no assurance that Riverstone will be able to successfully apply such strategies or implement its ESG policies to procure particular ESG results for any particular portfolio company or other initiative. The ESG results for any portfolio company or business are no guarantee as to ESG outcomes for any other portfolio company. Applying ESG factors to investment decisions involves a mix of factors, including considerations that are qualitative and subjective by nature. There can be no assurance that the ESG criteria utilised by Riverstone, or any judgment exercised by Riverstone with respect to ESG matters, will reflect the beliefs or values of any third party.

No representation, warranty, forecast or other projection is given with respect to any investment results. This report contains forward-looking statements and actual results and outcomes may differ materially and adversely. Numbers and percentages in this report include estimates, approximations and assumptions that, if inaccurate, may make results differ from current disclosures and expectations. We are also reliant in part on third party data that we have not independently verified or audited.

Riverstone's ESG Report

In an increasingly complex, challenging, and fast-moving world, Riverstone's mission as a steward of our investors' capital has remained constant: to deploy capital in a sustainable manner, focusing on delivering the strongest possible risk-adjusted returns.

The recent politicisation of ESG issues has created challenges for firms like ours as we navigate an often-polarised topic. Despite this, we remain committed to our belief that a consistent and transparent approach to ESG matters of financial relevance to our business and portfolio, and their integration across our strategies, funds, and investments, is a key component to our investment approach.

Since Riverstone was founded nearly 24 years ago, we have always believed that the success of our business begins but does not end with financial returns. Since 2000, we have helped the businesses in which we invest implement and institutionalise top quartile ESG policies and practices in order to integrate core pre-financial risks. We endeavour to achieve outcomes that are positive in a financial sense, but also in terms of personnel and communities, partner and regulatory relationships, and the general health of the planet for future generations.

We do not trade financial returns for these outcomes because we do not need to. Across the companies we have invested in positive financial outcomes can correspond to positive outcomes for other stakeholders as well.

Riverstone is proud to share our fifth annual ESG report which we believe underscores our dedication to managing ESG risks and capitalising on climate-related opportunities presented by the energy transition.

In our 2022 ESG report, we described the important work we undertook to support our portfolio companies in measuring greenhouse gas (GHG) emissions and undertaking of the identification of physical and transition climate risks. In our most recent report, having listened to our investors and with an eye on incoming ESG regulation, we have focused on the following:

- → Revising our ESG policy and in so doing recalibrating and redefining how we integrate ESG into our day-to-day processes
- → Revising our annual ESG questionnaire and stewardship approach to align with emerging policies, legal frameworks, and industry-recognised best practices
- → Deeper engagement with our portfolio companies on ESG, including the use of a technology platform to enable our portfolio companies to improve collection of accurate ESG data faster, and using that information to update our portfolio company ESG monitoring scorecards
- → Ongoing training and accountability of our investment professionals to enable them to understand the correlation between ESG and value creation better equip them in a practical sense to advise and support portfolio companies on their ESG journeys
- → Reducing investor costs on ESG portfolio monitoring and reporting through a top-down review of our third-party consultants

As a manager of businesses and assets in the energy sector, our focus on environmental impact is a very important factor. However, we recognise the importance of a just transition and the critical social and governance factors needed to achieve this. Transparency, integrity and trust are the cornerstones of our governance framework and we hold ourselves and encourage our portfolio companies to hold themselves accountable to ethical and responsible practices.

Our firm's success to date is intertwined with the wellbeing of the communities and people with whom we and our portfolio companies engage every day. We aim to encourage the prioritisation of fair labour practices, and a better corporate culture in all our portfolio companies.

Riverstone encourages its portfolio companies to support causes that align with its values by actively engaging with their employees to promote their safety and welfare at all times. By fostering strong relationships with our stakeholders and focusing on the areas in which we know we can make a material impact, we aim to create shared value for our investors and society at large.

Our commitment to robust ESG principles is not just a business strategy – it is a fundamental part of our identity. While we realise there is still much work to be done, we understand that long-term success depends on our ability to adapt to and address the ever-evolving needs of society, the environment, and our stakeholders. We thank our investors, employees, and partners for sharing this vision with us, and we look forward to the collective journey ahead guided by these principles of responsible and sustainable investing.

Environmental, Social and Governance Report continued

Riverstone's approach to ESG

Energy is the world's largest industry and significant capital is required to meet growing demand needs. Riverstone believes that implementing best-in-class ESG practices can improve a company's performance and market value over the long-term. We believe that integrating material ESG factors across an investment's lifecycle enables us to make well-informed decisions and is consistent with meeting our fiduciary duty to our investors.

Riverstone recognises that climate change poses a systemic risk to the global economy, society and ecosystems, and is a driver of investment risk and opportunity, as the world transitions to a lower-carbon economy. We believe that our investments in the energy sector can and should have a positive impact on that transition, and that management of climate-related risk and opportunity is a core part of our approach to investing. We believe that operating with transparency and adhering to all applicable laws and regulations is critical to our reputation within the energy industry as a fair and trustworthy partner.

Riverstone recognises that scarce resources, changing consumer demands, supply chain issues, geopolitics, social norms, other ESG factors and ever-tightening regulations also pose increasing challenges and opportunities to companies around the world. Riverstone takes these issues into consideration across the investment lifecycle to help mitigate risks and drive value.

ESG Objectives

Riverstone has established institutional ESG processes that support the high standards that it has set for itself. These procedures were developed to achieve several key objectives related to ESG, including:

- Providing Riverstone personnel and its portfolio companies with training and the resources to enable those portfolio companies to provide the necessary ESG support appropriately
- Identifying potential risks and mitigants before an investment is made
- Immediate assistance with the identification of any issues that may arise and tracking ongoing performance through portfolio monitoring
- Evaluating and tracking portfolio companies' execution of opportunities to improve current practices at its portfolio companies and firm

Riverstone's ESG policy

Riverstone has an ESG policy that sets out its approach to handling key ESG factors, including inter alia natural resource management, health and safety, community and stakeholder impact, climate change, GHG emissions and governance. This policy, which was updated in 2023, helps inform the ESG considerations that are relevant to the management of Riverstone's portfolio companies from initial due diligence all the way through to an exit, and the operation of Riverstone's own business. Riverstone has continuously evolved its ESG policy in conjunction with third-party ESG experts to strive towards best practices across the board. A copy of Riverstone's ESG policy is available online: https://www.riverstonellc.com/media/1345/2023_riverstone_esg_policy-final.pdf.

ESG resources at Riverstone

Riverstone has an ESG Committee which meets on a regular basis, provides leadership on a range of ESG matters within Riverstone and its portfolio companies, ensures consistent application of Riverstone's ESG policy and associated ESG initiatives across its activities and operations, and facilitates communication with its investors and other relevant stakeholders.

Nominated investment team members serve as ESG deal leads and engage with their respective portfolio companies on ESG management and performance. In partnership with Riverstone's internal legal team, ESG deal leads maintain responsibility for coordinating the completion of annual compliance reviews and ESG questionnaires and providing feedback on the ESG monitoring scorecards.

Riverstone's annual performance reviews assess the quality of ESG engagement driven by each ESG deal lead, and the results inform decisions related to compensation and promotion for ESG deal leads.

ESG Integration

Riverstone integrates ESG factors throughout the investment lifecycle as outlined below. Its investment teams leverage the templates and processes outlined in its ESG toolkit to consistently identify and manage material ESG risks and opportunities for Riverstone's investments. The careful evaluation of ESG issues is a mandatory component for the underwriting of all REL investments, both by the Investment Manager's Investment Committee and the Company's Board.

While there are differences between asset classes due to the nature of those investments, the below outlines Riverstone's general approach to diligence and engagement across the platform.

Due Diligence & Investment Committee

- Each Investment Committee memo includes an ESG diligence scorecard, which assesses pre-investment ESG performance, incorporates Riverstone's climate change screening questionnaire, describes findings from due diligence (including key ESG risks, observed good practices and improvement opportunities) and outlines any ESG actions required for advanced investments

Initial Investment

- In the first 100 days of ownership, Riverstone aims to collaborate with the portfolio company management teams to execute actions from the 100-day plans which reflect due diligence findings, and to help those portfolio companies establish policies, plans and processes to manage ESG risks and drive value creation
- Riverstone's ESG onboarding pack provides our portfolio companies with the criteria for meeting our ESG minimum expectations and details of our programme, and highlights to them the likely touchpoints with Riverstone

Ongoing Monitoring & Portfolio Management

- Riverstone collects data from its portfolio companies through annual ESG questionnaires to assess alignment with its ESG minimum expectations, measure changes in ESG performance, and gather ESG key performance indicators
- Based on ESG questionnaire responses, Riverstone generates annual ESG monitoring scorecards that summarise each portfolio company's overall ESG performance against its ESG minimum expectations, frameworks and material factors; and in subsequent feedback it highlights good ESG practices reported and recommendations for improvement for portfolio companies
- Riverstone's portfolio is provided support to enhance their programmes
  - It provides a suite of ESG support to help companies make progress in ESG integration and accelerate value on an ongoing basis
  - Its goal is to upskill the portfolio on ESG topics material to them, allow for the sharing of best practices, and enhancing collaborative opportunities
  - It provides its portfolio with insights into how they are viewed externally by regulators, financial market participants, and other key stakeholders
  - In addition to this overarching support, it also provides targeted assistance to each company. Following the completion of the annual ESG assessment, each business receives a tailored report focused on material areas with recommendations on how to progress and realise its ESG journey
- Riverstone periodically evaluates the climate-related risks and opportunities in our portfolio and collaborates with portfolio companies to mitigate risks and leverage opportunities

Exit

- Riverstone deal teams summarise the ESG performance of our investments and, where appropriate, make relevant ESG disclosures and evaluate whether potential buyers' ESG standards comply with all applicable laws

Environmental, Social and Governance Report continued

CLIMATE CHANGE AND DECARBONISATION

Climate Change

Riverstone acknowledges that climate change is a critical issue which poses a significant challenge to business and society. As a long-term investor in private and illiquid markets with influence over our portfolio companies, we recognise the impact we are able to have, and the role we can play in mitigating this risk.

Riverstone supports the goals of the Paris Agreement and its objective to limit global temperature rise to well below 2°C above pre-industrial levels in this century. We recognise the responsibility to manage assets for our investors in a way that takes account of all material risks, including the material effects of climate change. To do this, we align ourselves with the Taskforce on Climate-Related Financial Disclosures (TCFD) framework. Riverstone's disclosures aligning with TCFD recommendations can be found in the following pages. We also align with the Partnership for Carbon Accounting Financial (PCAF) standards for the financial industry.

While climate change and global warming represent a significant risk; we also recognise the opportunities that this transition offers. Our task is to manage these risks proactively as part of our investment process, enabling us to have visibility and understanding at the investment stage, and work effectively alongside our portfolio companies as part of our stewardship process. As an active investor in low-carbon solutions and infrastructure, both in our equity and credit portfolios, we are committed to providing solutions that will achieve a sustainable transition as well as drive strong financial returns.

In 2022, Riverstone engaged third-party experts to assist it with a climate evaluation, the results of which were translated into our overarching climate strategy and tangible actions. A description of the past external evaluation process can be found in Riverstone's 2022 ESG report which was issued by Riverstone in February 2023.

Our disclosures for both our business and operations are divided into the key areas below:

Governance

At Riverstone, corporate governance is embedded throughout our firm and championed by our senior leadership team. Our Executive Board has overseen our strategic position, to be implemented by our ESG committee. Riverstone's ESG Committee has direct links to the Investment Committee of each fund.

Our ESG Committee monitors the consistent application of our ESG Policy throughout our firm and the investment cycle. This includes the principles around which we assess climate related risks and opportunities for each portfolio company.

Each of our investment teams has a designated ESG deal lead who helps to screen, assess, and manage climate-related risks and opportunities for each portfolio company throughout the investment lifecycle. We incorporate external support as needed to enhance our ESG program and disclosures, as well as working with third-party subject matter specialists such as Petra Funds Group, which acts as an external ESG and sustainability consultant to Riverstone and supports our deal leads with portfolio engagement and stewardship.

Accountability

Nominated investment team members serve as ESG deal leads and engage their respective portfolio company on ESG management and performance. In partnership with Riverstone's internal legal team, ESG deal leads maintain responsibility for coordinating the completion of annual compliance reviews and ESG questionnaires, and providing feedback on the ESG monitoring scorecards. Riverstone's annual performance reviews assess the quality of ESG engagement driven by each ESG deal lead, and the results inform decisions related to compensation and promotion for ESG deal leads.

Awareness

We continually look to enhance our understanding of climate-related risks and opportunities, to upgrade our training program, to review our current processes and to provide guidance on the resources available to our staff. This in turn helps us to inform our teams about the role they play in the integration of ESG factors across the portfolio. This includes material climate change risks and opportunities which are appropriately considered throughout our investment processes.

[1] Nominated investment team members serve as ESG deal leads and engage their respective portfolio company on ESG management and performance. In partnership with Riverstone's internal legal team, ESG deal leads maintain responsibility for coordinating the completion of annual compliance reviews and ESG questionnaires, and providing feedback on the ESG monitoring scorecards. Riverstone's annual performance reviews assess the quality of ESG engagement driven by each ESG deal lead, and the results inform decisions related to compensation and promotion for ESG deal leads.

Strategy

We continue to monitor, revise, and implement a climate strategy based on physical and transition risks within our portfolio. We work closely with our portfolio companies to collect key information, improve our understanding of risks, and drive forward our collective approach to decarbonisation. We use the following time horizons to assess risk:

- Short term: Present-2030
- Medium term: 2031-2040
- Long term: 2041-2050

Climate risk assessments allow us to proactively identify key hazards. Our investment time horizon focuses on the short-term timeframe. By understanding present and future risks, we can support portfolio company success throughout the lifetime of our investment and integrate our findings into implementation plans and investment strategies to support portfolio companies throughout the lifecycle of the investments, leveraging their expertise as well as that of third party advisors.

Climate Risks and Opportunities

Physical Risk

Having carried out an evaluation of Riverstone's physical risks in 2022 for our highest emitting assets, the study found that, in the short-term, top climate hazards across select portfolio companies encompass water stress (including drought), tropical cyclones, wildfires, and flooding risks. Over medium- and long-term time horizons, the key emerging risks are extreme heat, water stress, and wildfires. Company-specific risk profiles, which highlight the key climate hazards facing respective portfolio companies, were developed and shared with each company that was included in the assessment.

The impacts of climate hazards vary by sector and asset type. Examples of potential impacts to portfolio company operations include the following:

- Extreme weather events, such as cyclones, wildfires, and flooding, may damage critical infrastructure, such as buildings, equipment, and vehicles, as well as interrupt key transportation routes and supply chain networks
- Water stress and extreme heat may reduce productivity levels and lead to higher costs for cooling systems and other operational needs
- Climate hazards may pose health and safety risks to site personnel, and may require delays in operations, which in turn impacts revenue
- If risks are not managed properly, climate-related events could lead to potential contamination, waste releases, and water pollution in the local environment

Transition Risk

Transition risks can adversely impact the value, performance, and viability of certain businesses, and assets in which REL invests. We believe identifying areas at risk and enables us to we stay ahead of, and in compliance with, market and regulatory developments is crucial to managing our risks in the near-, medium-, and long-term. A selection of the transition risks and opportunities we monitor are outlined below.

Policy and Legal

- Increased carbon taxes, carbon pricing and cap and trade programmes could add costs to fuel and require companies to make investments to reduce emissions from operations
- Increased potential for changes to federal regulations relating to oil and gas operations, such as drilling or methane flaring
- Greater pressure to reduce emissions throughout the supply chain, including raw materials, construction and product manufacturing stages, may increase operational costs

Technology and Resource Efficiency

- Decreased fossil fuel demand due to greater clean resource adoption or advancements in energy efficiency technology could lead to loss of revenue
- Additional emissions-reducing technology may be required to decarbonise manufacturing processes and operations, which could potentially lead to increasing capital cost of investments

Markets

- Decreased fossil fuel demand may result in loss of market share and revenue for midstream services, exploration and production and power companies
- Greater adoption of low- or zero-emitting power sources and related support services and analytics for these intermittent resources could present market growth opportunities
- Increased transportation electrification resulting in greater build-out of supportive charging infrastructure could present market growth opportunities

Reputation

- Further change in customer perceptions or stakeholder pressures to decarbonise
- Increased shift directly away from carbon-intensive industries

Environmental, Social and Governance Report continued

Implementation

We work with portfolio companies on an individual basis leveraging the findings from our materiality assessments. Each implementation plan developed by those companies is tailored to the company's individual requirements to mitigate both their physical and transitional risks.

Going forward, we intend to invest in businesses that support the low-carbon transition and represent key growth opportunities.

As we continue to evolve our investment strategy in alignment with the low-carbon transition, we will also consider opportunities to integrate climate-related physical and transition risks into our investment process. We will strive to capitalise on potential opportunities to increase resilience, drive value creation, and further encourage the development of reporting standards across our portfolio.

Throughout the stewardship process we focus on material factors to each portfolio company, identifying key areas of risk and opportunity. We look to understand the key areas of environmental impact depending on the sector and region of operation. This year we have evaluated additional environmental factors, taking into account areas such as exposure to biodiversity risk, water consumption, and recycling.

Risk Management

We actively utilise our ESG toolkit, climate risk assessments and portfolio engagement processes to support our portfolio companies in managing climate-related risks and monitoring GHG emissions.

During pre-investment due diligence, our deal teams evaluate how a potential investment assesses and manages climate-related risks and opportunities. As part of scoring prospective investments' ESG performance, Riverstone's deal teams utilise our climate change screening questionnaire to analyse whether a company has sufficiently considered impacts from climate-related market shifts, regulatory and voluntary frameworks, and extreme weather events. Each Investment Committee memo includes the results of this assessment, along with a summary of other key ESG practices, to appropriately inform investment decisions.

As part of our stewardship approach, we work with portfolio companies to develop actions plans to help portfolio companies meet their overall ESG performance, including efforts related to climate change.

Climate Risk Assessment

Riverstone utilises risk assessments throughout the investment lifecycle to identify and assess the impacts from potential climate-related risks and opportunities. The analysis allows us to identify risks for, and to better inform our engagement with, specific portfolio companies. We continue to build upon our 2022 climate assessment. This assessment formed the basis of our ongoing implementation plan.

Physical Risk Analysis

To understand physical risk, selected Riverstone portfolio companies, including certain REL investments, were evaluated against 2030 and 2050 timeframes. Utilising the IPCC as a basis for assessment two scenarios were analysed in our physical risk assessment.

- SSP1-2.6 is a low GHG emissions scenario in which global warming stays below 2°C by 2100, aligned to current commitments under the Paris Agreement
- SSP3-7.0 represents a high GHG emissions scenario in which an average warming greater than 3°C is projected to occur by 2100

The climate risk assessment we undertook in 2022 showed that approximately 3 per cent. of assets have high risk and 35 per cent. have moderate risk. While the number of high-risk assets remains the same by 2030, the proportion of moderate risk assets increases to 45 per cent.

Details of this assessment can be found in Riverstone's 2022 ESG report.

Transition Risk Analysis

In 2022 we also carried out climate transition risk assessment to better understand how climate-related risks and opportunities might develop under different scenarios, including how impacts change if policy efforts ramp up over time to help meet climate targets. Similar to the physical risk analysis, the transition risk analysis employed two main scenarios to determine potential trends. For global temperature alignments, the scenarios incorporated data primarily from the International Energy Agency (IEA) World Energy Outlook and IEA Energy Technology Perspectives models:

- The 2°C scenario limits global temperature rises to less than 2°C by 2100, based on pathways for sustainable development
- The business-as-usual (BAU) scenario applies current policies and commitments outlined by countries to mitigate emissions

Scenario indicators were selected to cover a broad range of transition risks and opportunities across the economy and REL's sector-specific model results related to emissions in various industries and across the value chain, fuel demand in certain markets, fuel prices and different power generation resource types. Transition scenario indicators collectively describe an economy-wide shift from BAU to the low carbon 2°C scenario path and individually they provide relevance to the target sector and portfolio company.

The risk assessment provides key information for Riverstone and the REL Board to consider while evaluating potential adjustments to risk appetite and strategy. We can also use the findings to respond to emerging changes in a low carbon future and to capitalise on potential opportunities for growth. This evaluation of risks continues to represent an ongoing process as we strive to determine the extent of financial and risk management implications.

Metrics and Targets

As we have strengthened our engagement with portfolio companies, we have a greater understanding of their goals and progress. For portfolio companies where we have oversight, we have asked them to share Scope 1 and 2 emissions, and included partial Scope 3 emissions where possible. Following our engagement with an external provider in 2022, our portfolio companies where appropriate have been working independently and with chosen vendors to improve the scope of their GHG reporting removing reliance on estimated data where possible.

During 2022, REL financed emissions were 1.2 million metric tons CO_2e (Scope 1 and 2).

This figure includes only those companies where Riverstone holds material influence as described at the outset of the report. GHG accounting was performed in alignment with the PCAF standard to estimate our Scope 3 category 15 financed emissions across our portfolio. We recognise the increase in emissions compared to 2022 and this is reflective of the increased reporting within the portfolio's traditional energy holdings.

Riverstone continues to try and reduce its firmwide footprint. We have chosen not to report on this figure this year as we look to assess the ESG materiality of business activities going forward.

RIGL Holdings, LP
28 February 2024

Investment Manager's Report

IN MANY WAYS 2023 WAS A YEAR OF CONTRASTS. INTEREST RATES ROSE AT RAPID LEVELS ACROSS THE WORLD AS CENTRAL BANKS SOUGHT TO BRING SIGNIFICANT GLOBAL INFLATIONARY PRESSURES UNDER CONTROL.

This has created concern and uncertainty about the economic impact this would have on a world which has become used to persistently low levels of interest rates.

IN ADDITION, THE GEOPOLITICAL INSTABILITY CREATED THROUGH RUSSIA'S INVASION OF UKRAINE AND TENSIONS BETWEEN THE US AND CHINA WERE EXACERBATED BY A RENEWED PERIOD OF INSTABILITY IN THE MIDDLE EAST. DISRUPTION TO GLOBAL SHIPPING AND SUPPLY LINES THROUGH THE RED SEA AND INCREASING CONCERN ABOUT THE RISK OF AN EXPANSION AND ESCALATION OF THE CONFLICT IN THE MIDDLE EAST ARE ADDING TO AN ALREADY TENSE GLOBAL POLITICAL SITUATION.

Against this, and despite all these many causes of concern, the global economy came through 2023 in good shape, largely avoiding the recession some had feared and delivering GDP growth of around 3 per cent. There remain growth challenges for some major economies but others are seeing an acceleration as Government spending and hopes for interest rate cuts support a more optimistic mood amongst consumers and businesses than was evident earlier in the year. This was reflected in strong equity market performance with the S&P500 up 24 per cent. in 2023, driven in particular by the performance of the 'Magnificent Seven', the giant US technology companies which include Alphabet, Apple and Microsoft.

The macro-backdrop did not prevent a decline in energy prices in 2023, with other factors including warmer weather, over-supply in certain parts of the market and an increase in LNG delivery impacting demand for natural gas in particular. In 2023, WTI crude oil prices were down 18 per cent. against the 2022 average WTI and Henry Hub gas prices were down 62 per cent. versus 2022 (IEA). This has helped alleviate some of the inflationary and spending pressure which consumers and businesses were feeling and removes further the impact of the price spike which occurred in the wake of Russia's invasion of Ukraine. Even so, average oil prices remain above where they have been in the years immediately prior to 2022, providing a more favourable environment for conventional energy companies.

The mixed backdrop in the global economy was reflected in our portfolio with conventional assets performing well, increasing their value due to their low indebtedness and strong cash generation. The conventional portfolio, which now consists of three investments, saw an increase in the values of Permian and Crescent Point Energy (via disposal of Hammerhead Energy). In addition, Onyx was marked-up reflecting its strong cash generation and healthy balance sheet. Overall, the conventional asset portfolio saw an uptick in valuation with the MOIC of 1.07x as at 31 December 2022 increasing to 1.30x at 31 December 2023. The active conventional portfolio had realisations totalling $271 million during the year and the unrealised value of $265 million accounted for approximately 70 per cent. of the unrealised value in the portfolio overall as of 31 December 2023.

In contrast, the decarbonisation portfolio, despite its well diversified investment base, saw a reduction in valuations across the portfolio as small-cap, high growth assets responded negatively to higher interest rates and a more cautious approach from investors. This particularly affected the value of our investments in GoodLeap, Our Next Energy, T-REX Group and FreeWire along with the publicly listed stakes in Enviva, Solid Power and Tritium, which were a key driver of the decrease in the MOIC from 1.08x at 31 December 2022 to 0.50x at 31 December 2023. This equates to a reduction in value of $111 million or £88 million during 2023.

Overall, the NAV per share for the Company has ended the period 31 December 2023 at $15.96 or £12.53, an increase of 9.9 per cent. in USD or 4.5 per cent. in GBP vs 31 December 2022.

The Investment Manager has continued to invest, consistent with its strategy, behind the imperative of decarbonisation, providing an additional $22.3 million for investment into decarbonisation assets in 2023. This consisted of additional investments into Infinitum ($10.0 million), FreeWire ($4.0 million), T-REX Group ($3.8 million) Enviva ($3.5 million) and Our Next Energy ($1.0 million). The long-term outlook for energy demand remains resilient as populations and economies grow and as energy demands increase. The demand for renewables looks even stronger as companies and consumers seek to meet their own decarbonisation goals. The macro-shifts towards electric vehicles, sustainable fuels and energy storage, to name a few are driving demand for renewable and clean energy which cannot be met by today's infrastructure, despite the increasing levels of investment that are being made. In 2023, $622.5 billion was invested into the energy transition, an 8.1 per cent. increase on the year before. This provides a sustainable path for investment and returns for many years to come as the world realises the transition to clean energy and upgraded infrastructure will take longer and cost more than originally expected.

Our involvement in these trends allows us to spot and assess areas of interest, to leverage the experience and expertise we have built up and to participate in the best opportunities. Our total investment in decarbonisation assets is now $232 million spread across eleven public and private companies encompassing a diversified range of technologies, geographies and energy transition exposures.

In the decarbonisation portfolio, several companies took important steps forward in the year.

- → Infinitum made substantial progress in increasing manufacturing capacity, producing more motors in 1Q23 than in all of 2022. Additionally, the company acquired Circuit Connect, a printed circuit board (PCB) fabricator based in New Hampshire. The acquisition supports Infinitum's strategy to become vertically integrated and increase the production capacity of PCB stators.
- → Tritium became the first fast charger manufacturer in the US to receive an order funded by the National Electric Vehicle Infrastructure Program.
- → Group14 began construction of the world's largest commercial factory for advanced silicon battery materials.
- → Hyzon Motors announced the completion and factory acceptance testing of the first single-stack 200KW fuel cell system B samples at its production centre in Illinois, marking an important milestone toward an on-time commercial launch of its fuel cell systems.

Counter to this progress, the Company was forced to write down the value of its investment in Anuvia Plant Nutrients to zero after that company ceased trading. Anuvia is in the process of realising its assets and it is not yet certain if or when equity holders will recover any of their investment. Whilst Series D equity holders are first in line to receive proceeds from Anuvia, the Investment Manager has informed the Board that no such proceeds can now be reasonably expected given the debt burden on the business. The Investment Manager also wrote down its positions in FreeWire and T-REX Group, reflecting a truncated growth outlook as the two companies slow scaling to conserve cash. Please see Post Year End Update section for further information on subsequent markdown of the FreeWire investment. Additionally, ONE will need to raise additional capital in 2024 to fund its growth plans. These mark-downs reflect the difficult fund-raising environment for growth stage companies. Additionally, the decrease in the valuation of GoodLeap was largely driven by the impact of interest rates on the profitability of the business.

In our conventional assets portfolio, REL continued the trend of realisations and distributions with $268.9 million from the realisations of Hammerhead Energy, Permian Resources, Onyx, Carrier II, and Rock Oil. In November, the sale of Hammerhead Energy to Crescent Point Energy, a Calgary based energy company, for an enterprise value of C$2.55 billion was announced. REL held approximately 15.5 million shares in Hammerhead Energy, representing an approximate 17 per cent. interest. At the agreed transaction price, REL's interest in Hammerhead Energy was valued at US$260 million, or 0.88x Gross MOIC inclusive of prior distributions. Total proceeds to REL consisted of US$175 million of realised cash and approximately 8.3 million shares of Crescent Point Energy common equity, which were valued at US$58 million as of 31 December 2023.

Investment Manager's Report continued

Current Portfolio – Conventional[13]

Investment (Public/Private)	Gross Committed Capital ($mm)	Invested Capital ($mm)	Gross Realised Capital ($mm)[1]	Gross Unrealised Value ($mm)[2]	Gross Realised Capital & Unrealised Value ($mm)	31 Dec 2023 Gross MOIC[2]	31 Dec 2022 Gross MOIC[2]
Permian Resources[4] *(Public)*	268	268	225	137	362	1.35x	1.17x
Onyx *(Private)*	66	60	121	70	191	3.20x	3.00x
Crescent Point Energy (Hammerhead Energy)[10] *(Public)*	296	296	198	58	256	0.87x	0.60x
Total Current Portfolio – Conventional – Public[3]	**$564**	**$564**	**$423**	**$195**	**$618**	**1.10x**	**1.17x**
Total Current Portfolio – Conventional – Private[3]	**$66**	**$60**	**$121**	**$70**	**$191**	**3.20x**	**1.00x**
Total Current Portfolio – Conventional – Public & Private[3]	**$630**	**$624**	**$544**	**$265**	**$809**	**1.30x**	**1.07x**

Current Portfolio – Decarbonisation[13]

Investment (Public/Private)	Gross Committed Capital ($mm)	Invested Capital ($mm)	Gross Realised Capital ($mm)[1]	Gross Unrealised Value ($mm)[2]	Gross Realised Capital & Unrealised Value ($mm)	31 Dec 2023 Gross MOIC[2]	31 Dec 2022 Gross MOIC[2]
GoodLeap (formerly Loanpal) *(Private)*	25	25	2	29	31	1.25x	2.20x
Infinitum *(Private)*	27	27	–	30	30	1.10x	1.30x
T-REX Group *(Private)*	21	21	–	17	17	0.82x	1.00x
Tritium DCFC[4][11] *(Public)*	25	25	1	11	12	0.46x	0.60x
Solid Power[4] *(Public)*	48	48	–	11	11	0.22x	0.39x
Our Next Energy *(Private)*	13	13	–	3	3	0.25x	1.00x
Group14 *(Private)*	4	4	–	4	4	1.00x	1.00x
FreeWire *(Private)*	14	14	–	3	3	0.25x	2.00x
Ionic I & II (Samsung Ventures) *(Private)*	3	3	–	3	3	1.00x	1.00x
Enviva[4] *(Public)*	22	22	0	1	1	0.05x	1.93x
Hyzon Motors *(Public)*	10	10	–	1	1	0.09x	0.16x
Anuvia Plant Nutrients *(Private)*	20	20	–	–	–	0.00x	1.00x
Total Current Portfolio – Decarbonisation – Public[3]	**$105**	**$105**	**$1**	**$23**	**$24**	**0.23x**	**0.72x**
Total Current Portfolio – Decarbonisation – Private[3]	**$127**	**$127**	**$2**	**$90**	**$92**	**0.73x**	**1.42x**
Total Current Portfolio – Decarbonisation – Public & Private[3]	**$232**	**$232**	**$3**	**$113**	**$116**	**0.50x**	**1.08x**
Total Current Portfolio – Conventional & Decarbonisation – Public & Private[3]	**$861**	**$855**	**$548**	**$378**	**$926**	**1.08x**	**1.07x**
Cash and Cash Equivalents[9]			**$291**				
Total Liquidity[12]			**$509**				
Total Market Capitalisation			**$430**				

Realisations

Investment *(Initial Investment Date)*	**Gross Committed Capital ($mm)**	**Invested Capital ($mm)**	**Gross Realised Capital ($mm)[1]**	**Gross Unrealised Value ($mm)[2]**	**Gross Realised Capital & Unrealised Value ($mm)**	**31 Dec 2023 Gross MOIC[2]**	**31 Dec 2022 Gross MOIC[2]**
Rock Oil[5] *(12 Mar 2014)*	114	114	234	4	238	2.08x	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 III[6] *(17 Apr 2015)*	40	40	88	–	88	2.20x	2.20x
RCO[7] *(2 Feb 2015)*	80	80	80	–	80	0.99x	0.99x
Carrier II *(22 May 2015)*	110	110	67	–	67	0.61x	0.60x
Pipestone Energy (formerly CNOR)	90	90	58	–	58	0.64x	0.64x
Sierra *(24 Sept 2014)*	18	18	38	–	38	2.06x	2.06x
Aleph Midstream *(9 Jul 2019)*	23	23	23	–	23	1.00x	1.00x
Ridgebury H3 *(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[3]	**$819**	**$819**	**$1,000**	**$4**	**$1,004**	**1.23x**	**1.22x**
Withdrawn Commitments and Impairments[8]	350	350	9	–	9	0.02x	0.02x
Total Investments[3]	**$2,029**	**$2,024**	**$1,557**	**$382**	**$1,939**	**0.96x**	**0.95x**
Total Investments & Cash and Cash Equivalents[3][9]				**$674**			

(1) Gross realised capital is total gross proceeds realised on invested capital. Of the $1,557 million of capital realised to date, $1,194 million is the return of the cost basis, and the remainder is profit.

(2) 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.

(3) Amounts may vary due to rounding.

(4) 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 DCFC 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).

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

(6) Midstream investment.

(7) Credit investment.

(8) 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).

(9) This figure is comprised of $5.8 million held at the Company, $283.0 million held at the Partnership and $2.0 million held at REL US Corp.

(10) Crescent Point Energy shares were acquired via realisation of Hammerhead Energy.

(11) 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).

(12) Total liquidity comprises remaining fair value of all public investments and all cash held at REL and within RELIP structure.

(13) The investments in the tables are held within the Partnership.

Investment Manager's Report continued

Investment Portfolio Summary

$268 MILLION

INVESTED IN FULL OF ITS COMMITMENT TO PERMIAN RESOURCES

PERMIAN RESOURCES

Permian Resources (formerly Centennial)

As of 31 December 2023, REL, through the Partnership, has invested in full its $268 million commitment to Permian Resources. Headquartered in Midland, Texas, Permian Resources is the largest pure-play E&P company in the Delaware Basin.

Permian Resources completed the previously announced ~$4.5 billion acquisition of Earthstone Energy, Inc. (NYSE: ESTE) in November 2023. The transaction bolsters Permian Resource's leading position in the Delaware Basin and increases operating size and scale. The transaction further enhances free cash flow generation and is expected to generate ~$175 million of annual synergies. The pro-forma company remains committed to achieving an investment grade rating.

In Q4 2023, Permian Resources announced a quarterly variable cash dividend of $0.07 per share in addition to the base dividend of $0.05 per share in November 2023, maintaining its commitment to returning →50 per cent. of free cash flow to shareholders.

Since the beginning of 2023, Permian Resources remained active in high-grading its portfolio through a series of bolt-on acquisitions (3), acreage swaps (2), grassroots acquisitions (→140) and non-core divestitures (2). Overall, Permian Resources' robust portfolio optimisation efforts added approximately 17,000 Permian net acres, 7,300 Permian net royalty acres and over 200 high-quality, gross operated locations in the core of the Delaware Basin. The cumulative effect of these transactions resulted in the Company replacing over 100 per cent. of its developed inventory during 2023 on a standalone basis for less than $100 million net of divestitures.

REL, through the Partnership, owns approximately 10.1 million shares which are publicly traded (NYSE: PR).

As of 31 December 2023, REL's interest in Permian Resources, through the Partnership, was valued at 1.35x Gross MOIC[(1)] or $362 million (Realised: $225 million, Unrealised: $137 million). The Gross MOIC[(1)], which reflects the mark-to-market value of REL's shareholding, increased over the year.

$60 MILLION

INVESTED OF ITS $66 MILLION COMMITMENT TO ONYX

ONYX POWER

Onyx

As of 31 December 2023, REL, through the Partnership, has invested $60 million of its $66 million commitment to Onyx. Onyx is a European-based independent power producer that was created through the successful acquisition of 2,350MW of gross installed capacity (1,941MW of net installed capacity) of five coal- and biomass-fired power plants in Germany and the Netherlands from Engie SA. Two of the facilities in the current portfolio are among Europe's most recently constructed thermal plants, which benefit from high efficiencies, substantial environmental controls, low emissions profiles and the potential use of sustainable biomass.

As of 31 December 2023, REL's interest in Onyx, through the Partnership, was valued at 3.20x Gross MOIC[(1)] or $191 million (Realised: $121 million, Unrealised: $70 million). The Gross MOIC[(1)] increased over the year.

(1) 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, $33.2 million in performance allocation fees that would have been due under the prior agreement were not accrued.

As of 31 December 2023, REL's portfolio comprised fourteen active investments including two E&P investments, eleven decarbonisation investments and one power investment.

$296 MILLION

INVESTED IN FULL OF ITS COMMITMENT TO HAMMERHEAD ENERGY

Crescent Point Energy (acquired through the sale of Hammerhead Energy)

As of 31 December 2023, REL, through the Partnership, had invested its $296 million commitment in full to Hammerhead Energy, a company focused on liquids-rich unconventional resources in the Montney and Duvernay resource play in Western Canada. REL provided an initial equity commitment to Hammerhead Energy in 1Q14; since the initial commitment, REL had made several additional investments into Hammerhead Energy. Prior to the acquisition, Hammerhead Energy had aggregated a position of ~190,000 net acres in the Montney and ~100,000 net acres in the Duvernay formations and operated 100 per cent. of its asset base.

On 6 November 2023, Crescent Point Energy acquired Hammerhead Energy for C$21 per share (C$15.50 cash, C$5.50 stock). Pro forma for the transaction, REL owns ~1.3 per cent. of Crescent Point Energy. Crescent Point Energy in combination with Hammerhead Energy is the seventh largest E&P company in Canada with production of 200,000 Boe/d (65 per cent. liquids) and attractive drilling opportunities in the Viewfield, Shaunavon, SK Viking, Flat Lake, Duvernay, and Montney plays. Crescent Point Energy will have a quarterly dividend of C$0.115 per share, implying an annualised dividend yield of 5.0 per cent.

On 21 December 2023, Crescent Point Energy completed the acquisition of Hammerhead Energy for a total value of approximately C$2.55 billion, inclusive of assumed net debt, or C$21.00 per Hammerhead Energy share (approximately US$15.26 per share based on a ~C$1.38 CAD/USD f/x rate). Each Hammerhead Energy share was exchanged for (i) C$15.50 (approximately US$11.26) per share in cash consideration and (ii) C$5.50 (approximately US$4.00) per share in Crescent Point Energy common shares. The purchase price represented a 4 per cent. premium to the 9 November closing price per Hammerhead Energy share on the NASDAQ, a 17 per cent. premium to the five-day volume-weighted average price ("VWAP") per Hammerhead Energy share on the NASDAQ, and a 21 per cent. premium to the 30-day VWAP per Hammerhead Energy share on the NASDAQ. The transaction represents a gross MOIC for REL of 0.87x, of which 0.67x, or US$198 million was realised based on the cash portion of the consideration, and 0.20x, or US$62 million was received in the form of Crescent Point Energy shares.

As of 31 December 2023, REL's interest in Crescent Point Energy, was valued at 0.87x Gross MOIC[1] or $256 million (Realised: $198 million, Unrealised: $58 million). The Gross MOIC[1] increased over the year.

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.

Investment Manager's Report continued

Investment Portfolio Summary continued

$27.5 MILLION

INVESTED IN FULL ITS COMMITMENT TO INFINITUM

Infinitum

Infinitum Electric

As of 31 December 2023, REL, through the Partnership, has fully invested its $27.5 million commitment to Infinitum, including $10 million within their recent $185 million Series E round closed in H2 2023. Infinitum's patented air-core motors offer superior performance in half the weight and size, at a fraction of the carbon footprint of traditional motors, making them pound for pound one of the most efficient in the world. Infinitum motors open up sustainable design possibilities for the machines we rely on to be smaller, lighter and quieter, improving our quality of life while also saving energy.

As of 31 December 2023, REL's interest in Infinitum, through the Partnership, was valued at 1.10x Gross MOIC[(1)] or $30.2 million (Realised: nil, Unrealised: $30.2 million).The Gross MOIC[(1)] has decreased slightly over the year.

$25 MILLION

INVESTED IN FULL ITS COMMITMENT TO GOODLEAP

goodleap

GoodLeap (formerly Loanpal)

As of 31 December 2023, REL, through the Partnership, has invested in full its $25 million commitment to GoodLeap. The company is a technology-enabled sustainable home improvement loan originator, providing a point-of-sale lending platform used by key residential contractors. GoodLeap does not take funding risk. The company presells its originated loans via forward purchase agreements to large asset managers. The company's attractive unit economics and asset-light business model allow for rapid growth and the ability to scale faster than its competitors, while generating free cash flow by capitalising on upfront net cash payments on the flow of loan originations and avoiding costly SG&A and capital expenditures incurred by other portions of the value chain.

Over the course of 2023, the decrease in the valuation of GoodLeap was largely driven by the impact of interest rates on the profitability of the business. The company continues to enforce strategic changes to better navigate market dynamics such as expanding product partnerships and tightening contractor payment guidelines.

As of 31 December 2023, REL's interest in GoodLeap, through the Partnership, was valued at 1.25x Gross MOIC[(1)] or $31 million (Realised: $2 million, Unrealised: $29 million). The Gross MOIC[(1)] decreased over the year.

(1) 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, $33.2 million in performance allocation fees that would have been due under the prior agreement were not accrued.

$21.3 MILLION

INVESTED IN FULL ITS COMMITMENT TO T-REX GROUP

T REX

T-REX Group

As of 31 December 2023, REL, through the Partnership, has fully invested its $21.3 million commitment to T-REX Group. T-REX Group, a SaaS provider supporting the asset-backed financing industry, brings together asset class expertise, critical data management capabilities, and a platform for deal structuring, cash flow modelling, scenario analysis, real-time performance tracking, and reporting.

T-REX Group combines sophisticated cloud-based SaaS technology with big data and asset class expertise to drive down operating and capital expense, reduce risk exposure, and enhance performance for complex investments. In November 2023, T-REX successfully executed its contract with Blackstone's Private Credit group, which is currently in a "Pilot" phase.

As of 31 December 2023, REL's interest in T-REX Group, through the Partnership, was valued at 0.82x Gross MOIC(1) or $17.4 million (Realised: nil, Unrealised: $17.4 million). The Gross MOIC(1) has decreased over the year.

$25.6 MILLION

INVESTED IN FULL ITS COMMITMENT TO DCRN/TRITIUM DCFC

DCRN+
TRITIUM

DCRN/Tritium DCFC

In February 2021, REL, through the Partnership, invested $0.6 million in the Founder Shares and Warrants of Decarbonisation Plus Acquisition Corp. II (NASDAQ: DCRN) at the time of its IPO. In May 2021, DCRN announced it would combine with Tritium, a Brisbane based pioneer in e-mobility and EV charging infrastructure. On 4 January 2022, Tritium announced record breaking Q4'21 and FY'21 financial performance results. The merger vote to approve the combination of Tritium and DCRN occurred and closed on 12 January 2022.

In February 2022, REL funded an additional $15 million commitment to Tritium. The funding event occurred three days after the company met with President Biden to announce the construction of the company's Lebanon, Tennessee manufacturing plant. The plant will employ 500 over the next four years, produce over 10,000 DC fast chargers units annually, and will ultimately reach peak production capacity of 30,000 units annually.

In September 2023, Tritium secured a financing commitment of up to $75 million, with an initial funding of $25 million. The company plans to use proceeds to continue its investment in working capital to meet expected continued strong customer demand in the 2024 calendar year.

In October 2023, Tritium secured a major order for more than 200 fast chargers from Driveco, a leading French charging network operator.

In November 2023, Tritium implemented a new strategic plan to achieve a path to profitability in 2024. The plan improves operational efficiency and margins by consolidating Tritium's global manufacturing operations into its plant in Tennessee and reduces SG&A expenses via decreased headcount.

Tritium announced it changed its fiscal year-end from 30 June to 31 December, effective beginning in the 2024 calendar year. Tritium maintains its expectation to become EBITDA positive during H1 2024.

As of 31 December 2023, REL's interest in Tritium, through the Partnership, consisted of the $0.6 million sponsor investment, which was valued at 0.22x Gross MOIC(1) or $0.1 million (Realised: nil, Unrealised: $0.1 million), the $15 million equity investment, which was valued at 0.04x Gross MOIC(1) or $0.6 million (Realised: nil, Unrealised: $0.6 million), and the $9.7 million loan investment, which was valued at 1.12x Gross MOIC(1) or $10 million (Realised: $0.8 million, Unrealised: $10.0 million).

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.

Investment Manager's Report continued

Investment Portfolio Summary continued

$47.8 MILLION

INVESTED IN FULL ITS COMMITMENT TO SOLID POWER

Solid Power

As of 31 December 2023, REL, through the Partnership, has fully invested its $47.8 million commitment to Solid Power. Riverstone sponsored DCRC's $350 million IPO on 23 March 2021. REL made a $0.6 million investment in DCRC at the time of the IPO, as the blank check company began to pursue merger candidates. On 15 June 2021, DCRC announced its business combination agreement with Solid Power, a Louisville, Colorado based producer of all solid-state batteries for electric vehicles, to which REL, through the Partnership, committed an additional $20 million to the $165 million PIPE that was raised. On 17 August 2021, REL announced the purchase of an interest in one of Samsung Ventures' battery technology focused venture capital portfolios (the "Samsung Portfolio") for $30.0 million, of which $27.2 million related to the purchase of 1.66 million shares of Solid Power.

In addition to the announcement late last year that Solid Power closed on a $130 million Series B investment raise led by BMW Group, Ford Motor Company, and Volta Energy Technologies, earlier this year, the company announced that it received an award from the U.S. Department of Energy (DOE) to continue its development of nickel- and cobalt-free solid-state battery cells. Solid Power expects to receive up to $5.6 million to develop battery cells containing a lithium metal anode and sulphur composite cathode to enable improved energy and charging performance. The DOE announced $42 million in funding for 12 projects to strengthen the domestic supply chain for advanced batteries that power electric vehicles (EVs), with Solid Power's award being a portion of this funding. Projects selected aim to expand US domestic EV adoption by developing batteries that last longer, charge faster, perform efficiently in freezing temperatures and have better overall range retention. The company continues to meet its milestones and has demonstrated a track record of partnering with leading companies and investors globally.

The business combination between DCRC and Solid Power closed on 8 December 2021, with Solid Power beginning to trade on NASDAQ under the ticker "SLDP".

As of 31 December 2023, REL's interest in Solid Power, through the Partnership, consisted of the $0.6 million sponsor investment, which was valued at 1.22x Gross MOIC[1] or $0.7 million (Realised: nil, Unrealised: $0.7 million), the $20 million PIPE investment, which was valued at 0.15x Gross MOIC[1] or $2.9 million (Realised: nil, Unrealised: $2.9 million), and the $27.2 million secondary purchase from Samsung Ventures, which was valued at 0.26x Gross MOIC[1] or $7.0 million (Realised: nil, Unrealised: $7.0 million).

(1) 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, $33.2 million in performance allocation fees that would have been due under the prior agreement were not accrued.

$12.5 MILLION

INVESTED IN FULL ITS COMMITMENT TO OUR NEXT ENERGY (ONE)

Our Next Energy (ONE)

In December 2022, REL invested $11.5 million of its $12.5 million commitment (remaining $1 million funded in January 2023) to Our Next Energy's (ONE) $300 million Series B round. ONE is a Michigan-based energy storage technology company working to develop batteries for mobility and large-scale storage applications.

The company had previously agreed to terms with an outside investor in 2H 2023 to lead a Series C round. However this transaction did not proceed. Due to the ongoing cash burn and liquidity position, ONE needed to pivot to an insider-led round for Q1 2024. As a result, ONE has adjusted its business plan to better align commercial offtake with factory scale-up and future financing. ONE continues to demonstrate its compelling technology through qualification programmes with automotive customers. The company plans to use the proceeds from the insider led financing to continue operations. The position was marked down in the portfolio to reflect the risk that the company runs out of capital before achieving its larger capital raise.

As of 31 December 2023, REL's interest in ONE, through the Partnership, was valued at 0.25x Gross MOIC[(1)] or $3.1 million (Realised: nil, Unrealised: $3.1 million).

$4 MILLION

INVESTED IN FULL ITS COMMITMENT TO GROUP14

Group14

In April 2022, REL, through the Partnership, invested $4 million into Group14 Technologies, Inc.'s $400 million Series C funding round. The Series C round was led by Porsche AG, with participation from OMERS Capital Markets, Decarbonisation Partners, Vsquared Ventures, and others. Group14 is a battery materials technology company founded in 2015. The company has developed a proprietary silicon-based anode battery material to replace graphite in conventional lithium-ion batteries.

In 2023, the company continued to build out its manufacturing capacity through its JV in South Korea and in Washington, as well as acquired a silane plan (a critical raw material input) in Germany to further accelerate vertical integration.

As of 31 December 2023, REL's interest in Group14, through the Partnership, remained at 1.00x Gross MOIC[(1)] or $4.0 million (Realised: nil, Unrealised: $4.0 million). The Gross MOIC remained flat over the year due to continued strong demand, along with slightly delayed, but ongoing manufacturing build out.

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.

Investment Manager's Report continued

Investment Portfolio Summary continued

$14 MILLION

INVESTED IN FULL ITS COMMITMENT TO FREEWIRE TECHNOLOGIES

FREEWIRE

FreeWire

As of 31 December 2023, REL, through the Partnership, has fully invested its $14 million commitment to FreeWire. FreeWire is the leading provider of battery-integrated DC fast chargers (DCFCs) and their associated software. Riverstone led the company's $50 million Series C round in January 2021, and recently participated in the company's Series E financing.

FreeWire's primary hardware product is the Boost Charger, which offers charging speeds of up to 200kW with only a 25kW grid connection by using a 160kWh battery. These specifications support 15-24 fast charging sessions per day. In addition to hardware sales, FreeWire's software platform offers recurring revenues, enabling charger management and third-party platform integration with plans to offer energy management and grid services. The position was marked down in the portfolio to reflect the company's updated growth outlook in order to preserve liquidity, as well as the challenging EV Charging environment (public peers traded down 53 per cent. in 2023).

As of 31 December 2023, REL's interest in FreeWire, through the Partnership, was valued at 0.25x Gross MOIC[(1)] or $3.5 million (Realised: nil, Unrealised: $3.5 million). The Gross MOIC[(1)] decreased by 1.75x over the year.

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.

$2.7 MILLION

INVESTED IN FULL ITS COMMITMENT TO IONIC I & II

IONIC

Ionic I & II

On 17 August 2021, REL announced the purchase of an interest in one of Samsung Ventures' battery technology focused venture capital portfolios (the "Samsung Portfolio") for $30.0 million, of which $2.7 million related to shares of Ionic Materials (Ionic I & II), a material science company that manufactures transformative polymers for use in solid-state batteries, healthcare and 5G applications. Ionic Materials' solid polymer is believed to be the first of its kind to conduct ions at room temperature, a critical enabler of solid-state batteries.

As of 31 December 2023, REL's aggregate investment in Ionic Materials through the Samsung Ventures portfolio, was marked at 1.00x Gross MOIC[(1)] or $2.7 million (Realised: nil, Unrealised: $2.7 million). The Gross MOIC[(1)] remained flat over the year.

(1) 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, $33.2 million in performance allocation fees that would have been due under the prior agreement were not accrued.

$22 MILLION

INVESTED IN FULL OF ITS COMMITMENT TO ENVIVA

Enviva

As of 31 December 2023, REL, through the Partnership, has invested $22 million of its $22 million commitment to Enviva, with the final $3.5 million invested in Q1 2023. Enviva, based in Bethesda, Maryland, is the world's largest supplier of wood pellets to major utilities and heat and power generators, principally in Europe and Japan. Through its subsidiaries, Enviva owns and operates ten plants with a combined wood pellet production capacity of approximately 6.2 million metric tons per year.

On 31 December 2021, Enviva completed its conversion from a master limited partnership to a corporation following approval by Enviva unitholders on 17 December 2021. Enviva's decline in stock price from Q3 2023 to Q4 2023 was driven primarily by the release of third quarter 2023 results. Subsequent to the close of the third quarter, on 9 November 2023, Enviva's management released its third quarter 2023 earnings results, announced a comprehensive review of its capital structure to improve the company's financial position, and announced a realignment of leadership, including the appointment of Glenn Nunziata, Chief Financial Officer, as Enviva's interim Chief Executive Officer as the company focuses on executing a multi-faceted transformation plan. The company reported lower adjusted EBITDA for third-quarter 2023 of $36.6 million as compared to $60.6 million for third-quarter 2022, primarily due to lower revenue from commercial activities.

Since 9 November 2023, Enviva's leadership and advisors have been actively engaged in negotiations with potential strategic partners, customers, and other stakeholders in connection with the company's previously announced comprehensive review of alternatives to strengthen its capital structure, augment liquidity, address contractual liabilities, and increase long-term profitability. In January 2024, Enviva elected to utilize its contractual 30-day grace period and not make the semi-annual interest payment of approximately $24.4 million, with respect to the company's outstanding 6.5 per cent. Senior Notes due 2026, notwithstanding that the company has sufficient cash on hand to make the interest payment.

As of 31 December 2023, REL's interest in Enviva, through the Partnership, was valued at 0.05x Gross MOIC[1] or $1 million (Realised: $0.4 million, Unrealised: $1.0 million). The Gross MOIC[1] decreased over the year.

$10 MILLION

INVESTED IN FULL ITS COMMITMENT TO HYZON

Hyzon

In connection with the closing of the previously announced merger between DCRB and Hyzon Motors Inc. (NASDAQ: HYZN), REL purchased $10 million of DCRB common stock in a private placement transaction at $10 per share in July 2021. Hyzon is the industry-leading global supplier of zero-emissions hydrogen fuel cell powered commercial vehicles.

As of 31 December 2023, REL's interest in Hyzon, through the Partnership, was valued at 0.09x Gross MOIC[1] or $1 million (Realised: nil, Unrealised: $1 million). The Gross MOIC[1] decreased over the year.

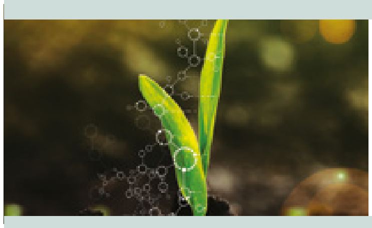
In addition, there is a management fee of 1.5 per cent. of net assets (including cash) per annum and other expenses. Given these costs, fees and expenses are in aggregate expected to be considerable, Total Net Value and Net MOIC will be materially less than Gross Unrealised Value and Gross MOIC. Local 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.

Investment Manager's Report continued

Investment Portfolio Summary continued

$20 MILLION

INVESTED IN FULL ITS COMMITMENT TO ANUVIA PLANT NUTRIENTS



Anuvia Plant Nutrients

Anuvia Plant Nutrients, Inc. has ceased operations and is undergoing liquidation. Anuvia engaged Evercore to advise on a fundraising or sale process beginning in Q3 2022. The capital raise effort was ultimately unsuccessful subsequent to the 31 March 2023 valuation. The investment was marked down from $20 million to $14 million at the 31 March 2023 valuation to reflect uncertainty around the potential success of the capital raise. As is often the case, the capital raise had pathways to be successful until the very end, but ultimately did not materialise and the company ceased operations on 15 May 2023. Anuvia is in the process of realising its assets. Whilst Series D equity holders are first equity in line to receive proceeds from Anuvia, the Investment Manager informed the Board on 10 July 2023 that no such proceeds can now be reasonably expected given the debt burden on the business.

Valuation

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 is compliant with IFRS and IPEV Valuation Guidelines and has been applied consistently from period to period since inception. As the Company's investments, through the Partnership, have tended to be generally not publicly quoted, valuations require meaningful judgement 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.

The Investment Manager values each underlying investment in accordance with the Riverstone valuation policy, the IFRS accounting standards and IPEV Valuation Guidelines. 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. 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 early stage private investments, Riverstone's investment due diligence process includes assumptions about short-term financial results in determining the appropriate purchase price for the investment.

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.

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.

Uninvested Cash

As of 31 December 2023, REL had a cash balance of $5.8 million and the Partnership, including its wholly-owned subsidiaries, REL Cayman Holdings, LP, REL US Corp and REL US Centennial Holdings, LLC, had uninvested funds of over $285.6 million held as cash, United States Treasury Bills and short-term money market fixed deposits, gross of the accrued management fee of $2.2 million. After the accrued management fee, REL's aggregate cash balance is $289.2 million. As in prior years, in accordance with the Partnership Agreement, if the Company requires additional funds for working capital, it is entitled to receive further distributions from the Partnership. The Partnership maintains deposit accounts with several leading international banks. In addition, the Partnership invests a portion of its cash deposits in short-term money market fixed deposits. REL's treasury policy seeks to protect the principal value of cash deposits utilising low risk investments with top-tier counterparts. Uninvested cash earned approximately 340 basis points during the year ended 31 December 2023. All cash deposits referred to in this paragraph are denominated in U.S. dollars.

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 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 £8.00 on 7 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 2024 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 2024 Tender Offer will close on 25 March 2024. The 2024 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.

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.

Outlook

The themes of global macro-economic uncertainty, geopolitical instability and tension are likely to remain. On top of this, elections in 64 countries for around half of the world's total population this year will add to the sense of uncertainty and the potential for drama. A change in US administration could see a shift in the rhetoric around the environmental and energy debate but it will not impact the science or need for continued investment to address climate change, and to upgrade, modernise and improve the world's energy infrastructure.

A stable macro-economic outlook, increasing geopolitical tensions and further disruption to global supply routes could provide a favourable environment for energy prices. A reduction in interest rates is likely to be reflected positively in the valuations of small-cap, high growth companies which could be supportive for our renewables portfolio. The timing, scale and speed of any reduction in interest rates is still unknown but inflationary pressures across the world have been reduced, providing optimism that central banks will be able to cut rates when conditions allow.

RIGL Holdings, LP
28 February 2024

Investment Policy

THE COMPANY'S INVESTMENT OBJECTIVE IS TO GENERATE LONG TERM CAPITAL GROWTH BY MAKING INVESTMENTS IN THE GLOBAL ENERGY SECTOR.

For so long as the Investment Manager (or any of its affiliates) remains the investment manager of the Company, the Company shall have the option to participate in all Qualifying Investments in which the Private Riverstone Funds invest.

Asset Allocation

THE COMPANY SHALL ACQUIRE ITS INTERESTS IN EACH QUALIFYING INVESTMENT AT THE SAME TIME (OR AS NEAR AS PRACTICABLE THERETO) AS, AND ON SUBSTANTIALLY THE SAME ECONOMIC AND FINANCIAL TERMS AS, THE RELEVANT PRIVATE RIVERSTONE FUND WHICH MAY INVOLVE THE PRIVATE RIVERSTONE FUND ACQUIRING ALL OR SOME OF SUCH QUALIFYING INVESTMENT AND SELLING IT ON TO THE COMPANY ON THE SAME TERMS ON WHICH THE PRIVATE RIVERSTONE FUND ACQUIRED THE TRANSFERRED INTEREST IN THE QUALIFYING INVESTMENT.

The Company and either Fund V or Fund VI has participated in each applicable Qualifying Investment in which Fund V or Fund VI, respectively, invests in a ratio of one-third to two-thirds. This investment ratio was subject to adjustment on a case-by-case basis (a) to take account of the liquid assets available to each of the Company and Fund V for investment at the relevant time and any other investment limitations applicable to either of them or otherwise if (b) both (i) a majority of the Company's independent directors and (ii) the Investment Manager agree that the investment ratio should be adjusted for specific Qualifying Investments.

For each Private Riverstone Fund subsequent to Fund V which is of a similar target equity size as Fund V (i.e. US$7.7 billion) and has a similar investment policy to the Company, Riverstone shall seek to ensure that, subject to the investment capacity of the Company at the time, the Company and the Private Riverstone Fund invest in applicable Qualifying Investments in an investment ratio of one-third to two-thirds or in such other ratio as the Company's independent directors and the Investment Manager agree at or prior to the first closing of such Private Riverstone Fund.

Such investment ratio may be adjusted by agreement between the Company's independent directors and the Investment Manager on subsequent closings of a Private Riverstone Fund having regard to the total capital commitments raised by that Private Riverstone Fund during its commitment period, the liquid assets available to the Company at that time and any other investment limitations applicable to either of them.

The Investment Manager will typically seek to ensure that the Company and the Private Riverstone Funds dispose of their interests in Qualifying Investments at the same time and on substantially the same terms, and in the case of partial disposals, in the same ratio as the relevant Qualifying Investment was acquired, but this may not always be the case.

In addition, the Company may at any time make investments consistent with its investment policy independent from Private Riverstone Funds, which may include investments alongside Riverstone employee co-investment vehicles or other Riverstone-managed co-investment arrangements.

The Company may hold controlling or non-controlling positions in its investments and may make investments in the form of equity, equity-related instruments, derivatives or indebtedness (to the extent that such indebtedness is a precursor to an ultimate equity investment). The Company may invest in public or private securities. The Company will not permit any investments to be the subject of stock lending or sale and repurchase.

In selecting investments, the Investment Manager will target investments that are expected to generate long term capital growth and, in particular, investments that are expected to generate a Gross IRR of between 20 and 30 per cent.

Diversification

No one investment made by the Company may (at the time of the relevant investment) represent more than 25 per cent. of the Company's gross assets, including cash holdings, measured at the time the investment is made. The Company shall utilise the Partnership and its Investment Undertakings or other similar investment holding structures to make investments and this limitation shall not apply to its ownership interest in the Partnership or any such Investment Undertaking.

Gearing

The Company may, but shall not be required to, incur indebtedness for investment purposes, working capital requirements and to fund own-share purchases or redemptions up to a maximum of 30 per cent. of the last published NAV as at the time of the borrowing, or such greater amount as may be approved by the Shareholders passing an ordinary resolution. The consent of a majority of the Company's Directors shall be required for the Company or the Partnership to enter into any credit or other borrowing facility. This limitation will not apply to portfolio level entities in respect of which the Company is invested or is proposing to invest. The Company currently has not had any indebtedness during the period of this Annual Report.

Investment Restrictions

The Company is subject to the following investment restrictions:

- for so long as required by the Listing Rules, it will at all times seek to ensure that the Investment Manager invests and manages the Company's and the Partnership's assets in a way which is consistent with the Company's objective of spreading risk and in accordance with the Company's investment policy;
- for so long as required by the Listing Rules, it must not conduct a trading activity which is significant in the context of the Company and its Investment Undertakings;
- for so long as required by the Listing Rules, not more than 10 per cent. of the value of its total assets will be invested in other UK-listed closed-ended investment funds, except for those which themselves have published investment policies to invest not more than 15 per cent. of their total assets in other UK-listed closed-ended investment funds; in addition, the Company will not invest more than 15 per cent. of the value of its total assets in other UK-listed closed-ended investment funds; and
- any investment restrictions that may be imposed by Guernsey law (although no such restrictions currently exist).

Currency and interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and these transactions will not be undertaken for speculative purposes.

Board of Directors

AN EXPERIENCED BOARD

Richard Horlick (64)

Chair of the Board and
Non-executive Independent Director

Appointment: Appointed to the Board in October 2022 and appointed as Chair of the Board in March 2023.

Experience: Richard Horlick serves as a non-executive director and chair of BH Macro Limited and a non-executive director of VH Global Sustainable Energy Opportunities PLC, each of which is admitted to trading on the Main Market of the London Stock Exchange. In addition to his listed positions, he is currently the non-executive chairman of CCLA Investment Management which manages assets for over 38,000 charities and church and local authority funds. Richard Horlick is a UK resident and has served on a number of closed end fund boards and was previously head of investment and main board director of Schroders Plc and President, Institutional, of Fidelity International and subsequently chairman of the Trust Bank for the Fidelity Mutual funds in the US. He has had a long and distinguished career in investment management since graduating from Cambridge University in 1980 with an MA in Modern History.

Committee Membership

A N M

Patrick Firth (62)

Non-executive
Senior Independent Director

Appointment: Appointed to the Board in May 2013 and appointed as Senior Independent Director in May 2016. Due to retire before the Company's next AGM.

Experience: Patrick Firth qualified as a Chartered Accountant with KPMG Guernsey in 1991 and is also a member of the Chartered Institute for Securities and Investment. He has worked in the fund industry in Guernsey since joining Rothschild Asset Management (CI) Limited in 1992 before moving to become Managing Director at Butterfield Fund Services (Guernsey) Limited (subsequently Butterfield Fulcrum Group (Guernsey) Limited), a company providing third party fund administration services, where he worked from April 2002 until June 2009. He is a non-executive Director of a number of investment funds, including India Capital Growth Fund Limited, CT UK Capital & Income Investment Trust plc and Next Energy Solar Fund Limited. Patrick Firth is a UK resident.

Committee Membership

A N M

(Audit Committee Chair until 31 December 2023)

Karen McClellan (63)

Non-executive
Independent Director

Appointment: Appointed to the Board in May 2023.

Experience: Karen McClellan is an advisory board member of TT International's Environmental Solutions Fund and serves as an appointed expert for the UK Accelerated Climate Transitions programme, on the Global SDG Council for Alternative Fuels, and on the Climate Tech Council (London). Karen McClellan has gained over the last two decades hands-on experience in carbon policy, clean infrastructure finance and zero-carbon technologies, having raised and deployed more than £700 million in renewable energy and carbon funds and transactions. During two decades as an investment banker at Lehman Brothers, Robert Fleming and the EBRD, Karen McClellan structured investment funds backed by emission reductions and energy savings and served on their investment committees. Karen holds degrees from the Stanford Graduate School of Business (MBA) and Yale University (BA Economics). Karen McClellan is a UK resident.

Committee Membership

A N M

A Audit Committee Member

N Nomination and Remuneration Committee Member

M Management Engagement Committee Member

Chair

John Roche (58)

Non-executive
Independent Director

Appointment: Appointed to the Board in December 2022.

Experience: John Roche qualified as an Irish Chartered Accountant in 1988 and moved immediately to Guernsey to join the PwC predecessor firm, Coopers & Lybrand. He seconded to the investment management practices at PwC Ireland (1996-1998) and PwC UK (2003-2008) returning on a full time basis in 2009 to PwC Channel Islands, Guernsey office. Promoted to partner in 2006, he is now recently retired with a strong background in auditing as well as IPO and capital markets transactions for investment companies on the various London markets. He focussed on delivering audit services to alternative investment managers, specialising in private equity, secondaries, private debt, infrastructure and real estate in the listed and private sectors. John Roche has been the PwC Channel Islands firm's Risk Management Partner (2008-2015), Partner Responsible for Independence/Ethics & Business Conduct (2008-2015 & 2018-2022), as well as the Guernsey Office Managing Partner (2013-2020). He was also President of the Guernsey Society of Chartered and Certified Accountants (2013-2015). John Roche is a Guernsey resident.

Committee Membership

A N M

Jeremy Thompson (68)

Non-executive
Independent Director

Appointment: Appointed to the Board in May 2016 and will become Senior Independent Director following Patrick Firth's retirement.

Experience: Jeremy Thompson has sector experience in Finance, Telecoms, Engineering and Oil & Gas. He acts as an independent non-executive director for both listed, including DP Aircraft 1 Limited, and PE funds. Prior to that, he has worked in private equity and was CEO of four autonomous global businesses within Cable & Wireless Plc (operating in both regulated and unregulated markets), and earlier held CEO roles within the Dowty Group. He currently serves as chairman of the States of Guernsey Renewable Energy Team and is a commissioner of the Alderney Gambling Control Commission. He is also an independent member of the Guernsey Tax Tribunal panel. He is a graduate of Brunel (B.Sc), Cranfield (MBA) and Bournemouth (M.Sc) Universities and was an invited member to the UK's senior defence course RCDS (Royal College of Defence Studies). He is a member of the IoD and holds the IoD's Certificate and Diploma in Company Direction, is an associate of the Chartered Institute of Arbitration and a chartered Company Secretary. Jeremy Thompson is a resident of Guernsey and has previously lived and worked in the UK, USA and Germany.

Committee Membership

A N M

Claire Whittet (68)

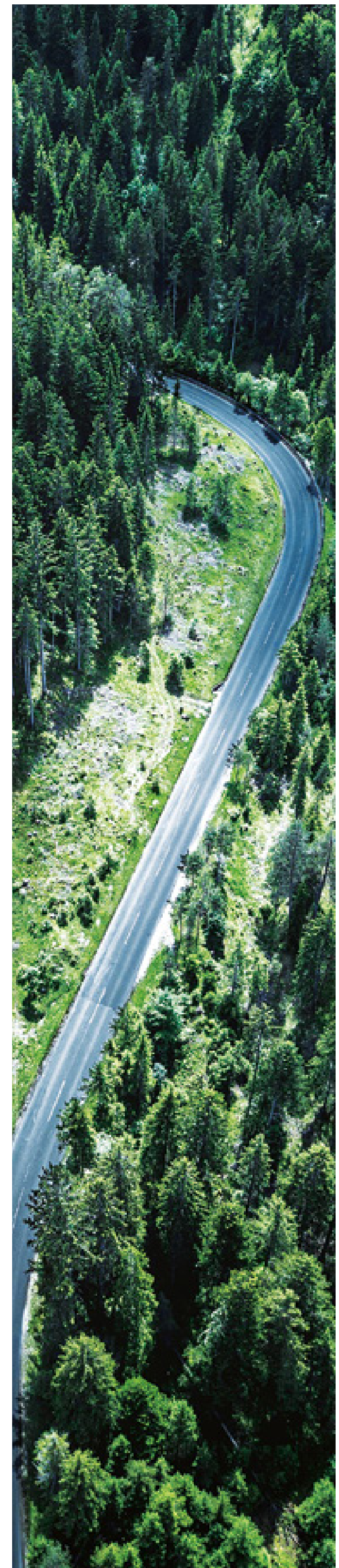
Non-executive
Independent Director

Appointment: Appointed to the Board in May 2015.

Experience: Claire Whittet has over 40 years of experience in the financial services industry. After obtaining a MA (Hons) in Geography from the University of Edinburgh, she joined the Bank of Scotland for 19 years and undertook a wide variety of roles. She moved to Guernsey in 1996 and was Global Head of Private Client Credit for Bank of Bermuda before joining the Board of Rothschild & Co Bank International Limited in 2003, initially as Director of Lending and latterly as Managing Director and Co-Head until May 2016 when she became a non-executive Director until her retirement in July 2023. Claire Whittet is an ACIB member of the Chartered Institute of Bankers in Scotland, a Chartered Banker, a member of the Chartered Insurance Institute and holds an IoD Diploma in Company Direction. She is an experienced non-executive Director and currently sits on the boards of two other listed funds (Eurocastle Investment Limited and Third Point Offshore Investors Limited) and various PE funds. Claire Whittet is a Guernsey resident.

Committee Membership

A N M



Report of the Directors

THE DIRECTORS HEREBY SUBMIT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2023. THIS REPORT OF THE DIRECTORS SHOULD BE READ TOGETHER WITH THE CORPORATE GOVERNANCE REPORT ON PAGES 42 TO 51.

General Information

REL is a company limited by shares, which was incorporated on 23 May 2013 in Guernsey with an unlimited life and registered with the Commission as a Registered Closed-ended Collective Investment Scheme pursuant to the POI Law. It has been listed on the London Stock Exchange since 29 October 2013. The registered office of the Company is PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

Principal Activities

The principal activity of the Company is to act as an investment entity through the Partnership and make investments in the energy sector.

The Company's investment objective is to generate long-term capital growth by investing in the global energy sector.

Business Review

A review of the Company's business and its likely future development is provided in the Board Chair's Statement on pages 4 to 7 and in the Investment Manager's Report on pages 16 to 29.

Listing Requirements

Since being admitted on 29 October 2013 to the Official List of the UK Listing Authority, maintained by the FCA, the Company has complied with the applicable Listing Rules.

Results and Dividend

The results of the Company for the year are shown in the audited Statement of Comprehensive Income on page 64.

The Net Asset Value of the Company as at 31 December 2023 was $674 million (31 December 2022: $739 million).

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2023 (31 December 2022: $nil).

Share Capital

At incorporation on 23 May 2013, the Company issued one founder Ordinary Share of no par value. On 29 October 2013, the Company issued 71,032,057 Ordinary Shares of no par value at £10 per Ordinary Share in an initial public offering raising a total of $1,138 million.

KFI, one of the Cornerstone Investors in the Company, paid for and acquired 10 million Ordinary Shares in two equal tranches of £50 million. The first tranche was paid on Admission and the second tranche of 5,000,000 Ordinary Shares was paid on 26 September 2014.

On 11 December 2015, the Company raised £67.6 million ($102.3 million)(1) through the issuance of 8,448,006 new Ordinary Shares at £8.00 per Ordinary Share.

On 15 October 2018, the Company announced a Tender Offer for £55.0 million ($71 million) in value of the Company's Ordinary Shares. The Company acquired 4,583,333 Ordinary Shares at £12.00 ($15.48) per share, which were cancelled on 23 November 2018.

On 1 May 2020, the Company announced a buyback programme with the intention of returning £50 million to Shareholders via on market buybacks; which was completed on 9 March 2021. Since the announcement, the Company has purchased 17,214,197 shares, in aggregate, for £50 million ($63 million) at an average share price of £2.90 ($3.67).

On 11 May 2021, the Company announced a buyback programme with the intention of returning £20 million to Shareholders via on market buybacks, which subsequently, on 4 October 2021, was increased to £40 million. Since the announcement, the Company has purchased 7,744,935 shares, in aggregate, for £36 million ($50 million) at an average share price of £4.65 ($6.40).

On 14 February 2022, the Company announced that the Board and Investment Manager agreed to allocate an additional £46.0 million ($62.4 million) to the programme, which subsequently on 15 May 2023, was increased by a further £30 million ($37.4 million).

In addition to the buyback programme, the Company has acquired 3,182,196 ordinary shares pursuant to the Tender Offer announced on 17 August 2023 at a total cost of approximately £18.4 million ($23.4 million). Since the announcement in February 2022, inclusive of the August 2023 tender offer, 12,741,810 ordinary shares have been bought back at a total cost of approximately £76.9 million ($95.1 million) at an average share price of approximately £6.04 ($7.47).

As at 31 December 2023, the share capital of the Company is 42,195,789 Ordinary Shares in aggregate.

On 8 February 2024, the Company announced that it proposes to return £158 million ($200 million) of its excess capital to shareholders by means of a tender offer at a price of £10.50 per ordinary share. The Company launched the 2024 Tender Offer on 23 February 2024 and the 2024 Tender Offer will close on 25 March 2024.

(1) Gross of share issuance costs of $3.6 million.

The Company has one class of Ordinary Shares. The issued value of the Ordinary Shares represents 100 per cent. of the total issued value of all share capital. Under the Company's Articles of Incorporation, on a show of hands, each Shareholder present in person or by proxy has the right to one vote at general meetings. On a poll, each Shareholder is entitled to one vote for every share held.

Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company. The Company has not declared or paid dividends from inception to 31 December 2023, and has no intention to do so.

The Ordinary Shares have no right to fixed income.

Shareholdings of the Directors

The Directors with beneficial interests in the shares of the Company as at 31 December 2023 and 2022 are detailed below:

Director	**Ordinary Shares held 31 December 2023**	**Per cent. Holding at 31 December 2023**	Ordinary Shares held 31 December 2022	Per cent. Holding at 31 December 2022
Richard Horlick(1)	**10,000**	**0.024**	10,000	0.020
Patrick Firth(2)	**8,000**	**0.019**	8,000	0.016
Jeremy Thompson(1)	**3,751**	**0.009**	3,751	0.007
Claire Whittet(1)(3)	**2,250**	**0.005**	2,250	0.004
John Roche(1)	**2,201**	**0.005**	2,201	0.004
Karen McClellan(1)	**–**	**–**	–	–
Richard Hayden(4)	**N/A**	**N/A**	10,000	0.020
Peter Barker(4)	**N/A**	**N/A**	5,000	0.010

(1) Non-executive Independent Director.
(2) Senior Independent Director.
(3) Ordinary Shares held indirectly with spouse.
(4) Retired from Board in May 2023; were no longer Non-Executive Independent Directors as of 31 December 2023.

In addition, the Company also provides the same information as at 23 February 2024, being the most current information available.

Director	Ordinary Shares held 23 February 2024	Per cent. Holding at 23 February 2024
Richard Horlick(1)	10,000	0.024
Patrick Firth(2)	8,000	0.019
Jeremy Thompson(1)	3,751	0.009
Claire Whittet(1)(3)	2,250	0.005
John Roche(1)	2,201	0.005
Karen McClellan(1)	–	–

(1) Non-executive Independent Director.
(2) Senior Independent Director.
(3) Ordinary Shares held indirectly with spouse.

Report of the Directors continued

Directors' Authority to Buyback Shares

At the AGM on 23 May 2023 in St Peter Port, Guernsey, the Company renewed the authority to make market purchases of up to a maximum of 14.99 per cent. of the issued share capital of the Company. Any buyback of the Company's Ordinary Shares will be made subject to Companies Law ("Companies (Guernsey) Law, 2008, (as amended)")and within any guidelines established from time to time by the Board. The making and timing of any buybacks will be at the absolute discretion of the Board, with consent of the Investment Manager, and not at the option of the Shareholders. Purchases of the Company's Ordinary Shares will only be made through the market for cash at prices below the prevailing Net Asset Value of the Company's Ordinary Shares (as last calculated) where the Directors believe such purchases will enhance Shareholder value. Such purchases will also only be made in accordance with the Listing Rules.

In accordance with the Company's Articles of Incorporation and Companies Law, up to 100 per cent. of the Company's Ordinary Shares may be held as treasury shares.

Directors' and Officers' Liability Insurance

The Company maintains insurance in respect of directors' and officers' liability in relation to their acts on behalf of the Company.

Substantial Shareholdings

As at 31 December 2023, the Company had been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules, of the following substantial voting rights as Shareholders of the Company.

Shareholder	Shareholding	Per cent. Holding	Nature of Holding
Moore Capital Mgt	8,430,490	19.96	Indirect
Quilter Investors	4,987,702	11.81	Indirect
AKRC Investments LLC	4,777,598	11.31	Direct
SIX Group Ltd.	3,658,421	8.66	Indirect
Riverstone Related Holdings	3,262,619	7.72	Direct

In addition, the Company also provides the same information as at 23 February 2024, being the most current information available.

Shareholder	Shareholding	Per cent. Holding	Nature of Holding
Moore Capital Mgt	8,430,490	19.98	Indirect
AKRC Investments LLC	4,777,598	11.32	Direct
Quilter Investors	4,757,465	11.27	Indirect
SIX Group Ltd.	3,660,421	8.67	Indirect
Riverstone Related Holdings	3,262,619	7.73	Direct

The Directors confirm that there are no securities in issue that carry special rights with regards to the control of the Company.

Independent External Auditor

Ernst & Young LLP has been the Company's external auditor since incorporation in 2013. The Audit Committee reviews the appointment of the external auditor, its effectiveness and its relationship with the Company, which includes monitoring the use of the external auditor for non-audit services and the balance of audit and non-audit fees paid. Following a review of the independence and effectiveness of the external auditor, a resolution will be proposed at the 2024 Annual General Meeting to reappoint Ernst & Young LLP. Each Director believes that there is no relevant information of which the external auditor is unaware. Each has taken all steps necessary, as a Director, to be aware of any relevant audit information and to establish that Ernst & Young LLP is made aware of any pertinent information. This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of the Companies Law. Further information on the work of the external auditor is set out in the Report of the Audit Committee on pages 52 to 55.

Articles of Incorporation

The Company's Articles of Incorporation may only be amended by special resolution of the Shareholders. At the AGM on 25 May 2021, the Company adopted Amended and Restated Articles.

AIFMD

REL is regarded as an externally managed non-EEA AIF under the AIFM Directive. RIGL is the Investment Manager of the Company as its non-EEA AIFM. The AIFMD outlines the required information which has to be made available to investors in an AIF and directs that material changes to this information be disclosed in the Annual Report of the AIF. All information required to be disclosed under the AIFMD is either disclosed in this Annual Report or is detailed in the Appendix entitled AIFMD Disclosures on page 178 in REL's latest Prospectus which can be obtained through the Company's website: www.riverstonerel.com/investors/reports-and-presentations/ The AIFM has no remuneration within the current or prior year that falls within the scope of Article 22 of the Directive.

RIGL provides AIFMD compliant management services to REL. The AIFM acting on behalf of the AIF, has appointed Ocorian Depositary Company (UK) Limited to provide depositary services to the AIF. The appointment of the Depositary is intended to adhere to, and meet the conditions placed on the Depositary and the AIFM under Article 21 and other related articles of the AIFMD. The Depositary shall only provide depositary services to the AIF should it admit one or more German and/or Danish investors following marketing activity towards them. At that time, the Depositary shall observe and comply with the Danish and German regulations applying to the provision of depositary services to a non-EEA AIF marketed in Denmark or Germany, as the case may be, by a non-EEA AIFM.

UCITS Eligibility

The Investment Manager is a relying adviser of Riverstone Investment Group LLC. Riverstone Investment Group LLC is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act. As such, the Investment Manager is subject to Riverstone Investment Group LLC's supervision and control, the advisory activities of the Investment Manager are subject to the U.S. Investment Advisers Act and the rules thereunder and the Investment Manager is subject to examination by the SEC. Accordingly the Company has been advised that its Ordinary Shares should be "transferable securities" and, therefore, should be eligible for investment by authorised funds in accordance with the UCITS Directive or NURS on the basis that:

- the Company is a closed end investment company;
- the Ordinary Shares are admitted to trading on the Main Market of the London Stock Exchange; and
- the Ordinary Shares have equal voting rights.

However, the manager of the relevant UCITS or NURS should satisfy itself that the Ordinary Shares are eligible for investment by the relevant UCITS or NURS.

AEOI Rules

Under AEOI Rules the Company continues to comply with both FATCA and CRS requirements to the extent applicable to the Company.

General Partner's Performance Allocation and Management Fees

The General Partner's performance allocation is equal to 20 per cent. of all applicable realised pre-tax profits, in accordance with the revised terms announced on 3 January 2020, but effective 30 June 2019 (see Note 9 for further detail). In particular, taxes on realised gains from ECI investments, as shown in the Investment Manager's Report, in excess of existing net operating losses, can be substantial at rates up to 27.5 per cent. The Company is not an umbrella collective investment undertaking and therefore has no gross liability. 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.

The General Partner's performance allocation is calculated under the aforementioned revised terms of the Partnership Agreement announced on 3 January 2020, but effective 30 June 2019, and as described in the Prospectuses.

The accrued performance allocation is calculated on a quarterly basis, which is taken into account when calculating the fair value of the Company's investment in the Partnership, as described in Note 10. The fair value of the Company's investment in the Partnership is after the calculation of management fees, as described in Note 9.

The financial effect of the General Partner's performance allocation, management fees and any taxes on ECI investments is shown in Note 6. The Investment Management Agreement continues into perpetuity post the seventh year anniversary as the Discontinuation Resolution was not passed in 2020, subject to the termination for cause provisions described in Note 9.

However, either the Board or a 10 per cent. Shareholder or group can request an EGM to vote on a wind-up of the Company at any time. If passed, such actions would trigger an exit fee equal to 20 times the most recent quarterly management fee totalling $43,858,530.

Report of the Directors continued

Going Concern

The Audit Committee has reviewed the appropriateness of the Company's Financial Statements being prepared in accordance with Companies Law and IFRS and presented on a going concern basis, which it has recommended to the Board. As further disclosed in the Corporate Governance Report, the Company is a member of the AIC and complies with the AIC Code. The Financial Statements have been prepared on a going concern basis for the reasons set out below and as the Directors, with the recommendation from the Audit Committee, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, which is defined as the period from the date of approval of Financial Statements up until 31 March 2025. In reaching this conclusion, the Directors, with the recommendation from the Audit Committee, have considered the risks that could impact the Company's liquidity over the period from the date of approval of the Financial Statements up until 31 March 2025.

In reaching this conclusion, that the audited Financial Statements are prepared on a going concern basis, the Directors have considered the principal risks faced by the Company, the substantial level of cash/cash equivalent balances held by the Company and the Partnership as at 31 December 2023, the liquidity of certain listed investments held, the cash flow forecasts for the Company outlining the requirements to settle current and expected liabilities (including the funding of the Company's share buyback programme and the 2024 Tender Offer announced post year-end) and the potential unfunded commitments of the Partnership.

Viability Statement

The Directors, with recommendation from the Audit Committee, have assessed the prospects of the Company and relevant stresses (i.e. 2024 Tender Offer, additional funding requirements to existing portfolio companies, share buyback programme, management fees and expenses) over a longer period than required by the going concern provision. With recommendation from the Audit Committee, the Board chose to conduct a review for a period of three years to 31 December 2026 as it was determined to be an appropriate timeframe based on the historical investment cycle of the Company's investments, through the Partnership, and its financial planning processes. On a rolling basis the Directors evaluate the outcome of the investments and the Company's financial position as a whole. While an unprecedented and long-term decline in global oil and gas consumption could threaten the Company's performance, it would not necessarily threaten its viability, not least as a result of the ample cash/cash equivalents available at the Company and the Partnership and other liquid assets.

In support of this statement, the Audit Committee recommended to the Directors to take into account all of the principal risks and their mitigation as identified in the Principal Risk and Uncertainties section of the Corporate Governance Report, the nature of the Company's business; including the cash reserves, money market deposits and other liquid investments held at the Partnership, the potential of its portfolio of investments to generate future income and capital proceeds, and the ability of the Directors to minimise the level of cash outflows, if necessary. The most relevant potential impacts of the identified Principal Risks and Uncertainties on viability were determined to be:

- An investment's capital requirements may exceed the Company's ability to provide capital; and
- The Company may not have sufficient capital available to participate in all investment opportunities presented.

Each quarter, the Directors, through the Audit Committee, review threats to the Company's viability utilising the risk matrix, which it updates as required due to recent developments and/or changes in the global market. The Board relies on periodic reports provided by the Investment Manager and Administrator regarding risks faced by the Company. When required, experts are utilised to gather relevant and necessary information, regarding tax, legal, and other factors.

The Investment Manager considers the future cash requirements of the Company before funding portfolio companies. Furthermore, the Board receives regular updates from the Investment Manager on the Company's cash position, which allows the Board to maintain their fiduciary responsibility to the Shareholders and, if required, limit funding for existing commitments.

Based on the aforementioned procedures and the existing internal controls of the Company and Investment Manager, the Board, with recommendation from the Audit Committee, has concluded there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of the assessment.

Directors' Responsibilities

Although the Company is domiciled in Guernsey, in accordance with the guidance set out in the AIC Code, the Directors describe in this Annual Report how the matters set out in Section 172 of the UK Companies Act 2006 have been considered in their board discussions and decision-making. Section 172 of the Companies Act requires that the directors of a company act in the way that they consider, in good faith, is most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decision in the long term and the interests of all the Company's stakeholders.

The Board seeks to encourage engagement between the Company's Shareholders and the Chair of the Board, the Chairs of the Audit and Management Engagement Committees and the Senior Independent Director, which has been facilitated throughout the year. Up to date quarterly reporting also provides the Board with accurate, timely information on shareholder sentiment and direct feedback from service providers, impacted by the Company's operations, and is canvassed at least annually by the Chair of the Management Engagement Committee. It is against this backdrop that key decisions which are either material to the Company or are significant to any of the Company's key stakeholders on pages 48 to 49 are taken. The below key decisions were made or approved by the Directors during the year, with the overall aim of promoting the success of the Company, having regard to the long term, while considering the impact on its members, stakeholders and the wider society as outlined in the ESG section on pages 8 to 15.

Engagement with Shareholders

The Company reports to Shareholders in a number of formal ways, including its Annual Report, Interim Report and regulatory news releases, all of which are approved by the Board. In addition, the Company's website contains comprehensive information for Shareholders.

On 15 May 2023, the Company announced a share buyback programme for £30.0 million in the value of the Company's Ordinary Shares. During 2023, the Company acquired 5,513,673 Ordinary Shares which were subsequently cancelled.

On 17 August 2023, the Company announced a Tender Offer for £18.4 million in the value of the Company's Ordinary Shares. The Company acquired 3,182,196 Ordinary Shares which were cancelled on 29 September 2023.

Following the cancellation of Ordinary Shares from the Tender Offer and share buyback programme, the share capital of the Company is 42,195,789 Ordinary Shares in aggregate.

Financial Risk Management Objectives

Financial Risk Management Objectives are disclosed in Note 10 on pages 82 to 86.

Principal Risk and Uncertainties

Principal Risk and Uncertainties are discussed in the Corporate Governance Report on pages 49 to 51.

Annual General Meetings

The AGM of the Company will be held at 10:30 BST on 21 May 2024 at the offices of Ocorian Administration (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands. Details of the resolutions to be proposed at the AGM, together with explanations, will appear in the notices of meetings to be distributed to Shareholders listed on the register as at 31 December 2023 together with this Annual Report. As a matter of good practice, all resolutions will be conducted on a poll and the results will be announced to the market as soon as possible after the meeting.

Members of the Board, including the Chair of the Board and the Chair of each Committee, intend to be in attendance at the AGM, and will be available to answer Shareholder questions. Additionally, Shareholders can submit questions in advance to IR@RiverstoneREL.com addressed for the attention of the Board.

By order of the Board

Richard Horlick
Chair of the Board
28 February 2024

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

The Companies Law requires the Directors to prepare Financial Statements for each financial year. Under the Companies Law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the Financial Statements comply with Companies Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.RiverstoneREL.com). The work carried out by the external auditor does not involve considerations of these matters and, accordingly, the external auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Report under the Disclosure Guidance and Transparency Rules

Each of the Directors whose names are on pages 32 to 33 confirms to the best of their knowledge and belief that:

- the Financial Statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties faced; and
- the Annual Report and Financial Statements include information required by the UK Financial Conduct Authority so that the Company complies with the provisions of the Listing Rules, Disclosure Guidance and Transparency Rules of the UK Listing Authority. With regard to corporate governance, the Company is required to disclose how it has applied the principles and complied with the provisions of the corporate governance code applicable to the Company.

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. As part of the preparation of the Annual Report and Financial Statements, the Directors have received reports and information from the Company's Administrator and Investment Manager. The Directors have considered, reviewed and commented upon the Annual Report and Financial Statements throughout the drafting process in order to satisfy itself in respect of the content. In the opinion of the Directors, the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Richard Horlick
Chair of the Board
28 February 2024

John Roche
Director
28 February 2024

Corporate Governance Report

AS A UK LISTED COMPANY, REL'S GOVERNANCE POLICIES AND PROCEDURES ARE BASED ON THE PRINCIPLES OF THE UK CODE AS REQUIRED UNDER THE LISTING RULES. THE UK CODE IS AVAILABLE ON THE FINANCIAL REPORTING COUNCIL'S WEBSITE, WWW.FRC.ORG.UK.

The Company is subject to the GFSC Code, which applies to all companies registered as collective investment schemes in Guernsey. The GFSC has also confirmed that companies that report against the UK Code or the AIC Code are deemed to meet the GFSC Code.

The Board monitors developments in corporate governance to ensure the Board remains aligned with best practice especially with respect to the increased desired focus on greater gender and ethnic diversity on the boards of listed companies. The Board recognises and supports the Hampton Alexander Review and the Parker Review and acknowledges the importance of having a variety of backgrounds and experiences represented in the boardroom for the effective functioning of the Board. It is the ongoing aspiration of the Board to have a well-diversified representation. The Board also values diversity of business skills and experience because Directors with diverse skills sets, capabilities and experience gained from different geographical backgrounds enhance the Board by bringing a wide range of perspectives to the Company. The Board is satisfied with the current composition and functioning of its members and notes a 33 per cent. female representation (rising to 40 per cent. with the retirement of Patrick Firth before the upcoming AGM), meeting the Hampton Alexander target. The Board is cognisant that it does not currently have an ethic minority representation, contrary to the FCA diversity guidelines. The Board's view has been and, continues to be, that all appointments to the Board should be merit based, assessed against objective selection criteria. The Board has a Diversity Policy which is actively implemented as part of the board succession process and whilst the Board has not become more ethnically diverse as a result of recruitment in 2023, this continues to be a key focus during future succession planning. To avoid precluding any deserving candidate from consideration, executive search consultants will be asked to provide candidates from a diverse range of backgrounds.

The AIC Code addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company. The Board considers that reporting against the principles and recommendations of the AIC Code provides better information to Shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

As explained in the UK Code, the Board considers that the above provisions are not currently relevant to the position of the Company, being an externally managed investment company, which delegates most day-to-day functions to third parties.

The Company does not have a chief executive or any executive directors. The Company has no employees or internal operations and has therefore not reported further in respect of these provisions. The need for an internal audit function is discussed in the Audit Committee report.

The Board

The Company is led and controlled by a Board of Directors, which is collectively responsible for the long-term sustainable success of the Company. It does so by creating and preserving value and has as its foremost principle acting in the interests of Shareholders as a whole and the Company's stakeholders.

The Company believes that the composition of the Board is a fundamental driver of its success as the Board must provide strong and effective leadership of the Company. The current Board was selected, as their biographies illustrate, to bring a breadth of knowledge, skills and business experience to the Company. The non-executive Directors provide independent challenge and review, bringing wide experience, specific expertise and a fresh objective perspective.

The Board presently consists of six Non-executive Directors all of whom, including the Chair of the Board, are independent of the Company's Investment Manager; Richard Horlick, Patrick Firth, Claire Whittet, John Roche, Jeremy Thompson and Karen McClellan. All Directors served during the year, with Richard Horlick being appointed as Chair of the Board on 1 March 2023 and Karen McClellan being appointed to the Board on 25 May 2023. As flagged in the Board Chair's Statement, Richard Hayden and Peter Barker retired by rotation at the 2023 AGM. Patrick Firth will be retiring before the Company's next AGM.

The Chair of the Board is independent and is appointed in accordance with the Company's Articles of Incorporation. Richard Horlick is considered to be independent because he:

- has no current or historical employment with the Investment Manager;
- has no current directorships or partnerships in any other investment funds managed by the Investment Manager; and
- is not an executive of a self-managed company or an ex-employee who has left the executive team of a self-managed company within the last five years.

The Board is of the view that no individual or group of individuals dominates decision making.

New Directors receive an induction from the Investment Manager and all Directors receive other relevant training as necessary.

At each subsequent Annual General Meeting of the Company, each of the Directors at the date of the notice convening the Annual General Meeting shall retire from office and may offer themselves for election or re-election by the Shareholders.

The Board meets at least four times a year for regular, scheduled meetings and should the nature of the activity of the Company require it, additional meetings may be held, some at short notice. At each meeting the Board follows a formal agenda that covers the business to be discussed. The primary focus at Board meetings is a review of investment performance and associated matters such as asset allocation, share price discount/premium management, investor relations, peer group information, gearing, industry issues and principal risks and uncertainties in particular those identified at the end of this report. Additionally, since the Company's modified investment strategy was implemented in 2020, the Board is required to regularly hold meetings to consent to all new investments brought forward by the Investment Manager. During the year, the total number of ad hoc and regular meetings was 26.

Between meetings the Board visits the Investment Manager at least annually, and there is regular contact with the Administrator. The Board requires to be supplied in a timely manner with information by the Investment Manager, the Administrator, the Company Secretary and other advisers in a form and of a sufficient quality to enable it to discharge its duties.

The Company has adopted a share dealing code for the Board and will seek to ensure compliance by the Board and relevant personnel of the Investment Manager and other third-party service providers with the terms of the share dealing code.

Board Tenure and Re-election

In accordance with the AIC Code, when and if any director shall have been in office (or on re-election would at the end of that term of office) for more than nine years, the Company will consider further whether there is a risk that such a director might reasonably be deemed to have lost independence through such long service. Patrick Firth has served for more than nine years but the Board considers him to be independent and it has been agreed that he will retire before the next AGM and will not stand for re-election. The Board considers its composition and succession planning on an ongoing basis. All Directors stand for annual re-election at the AGM.

A Director who retires at an Annual General Meeting may, if willing to continue to act, be elected or re-elected at that meeting. If, at a general meeting at which a Director retires, the Company neither re-elects that Director nor appoints another person to the Board in the place of that Director, the retiring Director shall, if willing to act, be deemed to have been re-elected unless at the general meeting it is resolved not to fill the vacancy or unless a resolution for the re-election of the Director is put to the meeting and not passed.

Directors are appointed under letters of appointment, copies of which are available at the registered office of the Company. The Board considers its composition and succession planning on an ongoing basis.

Directors' Remuneration

The level of remuneration of the Directors reflects the time commitment and responsibilities of their roles. The remuneration of the Directors does not include any share options or other performance related elements and there are no plans to seek any Shareholder waivers to deviate from this.

With effect from 1 July 2023, a 10 per cent. increase was applied to the Directors remuneration.

The Chair of the Board is entitled to annual remuneration of £145,200 (31 December 2022: £132,000). The Chair of the Audit Committee is entitled to annual remuneration of £90,750 (31 December 2022: £82,500) and the Chair of the Management Engagement Committee is entitled to annual remuneration of £78,650 (31 December 2022: £71,500). The Chair of the Nomination and Remuneration Committee is entitled to remuneration of £78,650 (31 December 2022: £71,500). The other independent Directors are entitled to annual remuneration of £72,600 (31 December 2022: £66,000).

During the year ended 31 December 2023 and 31 December 2022, the Directors' remuneration was as follows:

Director	2023 ($'000)	2022 ($'000)
Richard Horlick[(1)(3)]	**159**	15
Patrick Firth[(1)(2)]	**108**	102
Jeremy Thompson[(1)(5)]	**93**	89
Claire Whittet[(1)(4)]	**93**	89
John Roche[(1)]	**86**	4
Karen McClellan[(1)]	**54**	–
Richard Hayden[(6)]	**46**	164
Peter Barker[(6)]	**32**	82

(1) Non-executive Independent Director.
(2) Senior Independent Director and Chair of the Audit Committee to 31 December 2023.
(3) Richard Horlick replaced Richard Hayden as Chair of the Company in 2023.
(4) Chair of the Management Engagement Committee.
(5) Chair of the Nominations and Remuneration Committee.
(6) Retired from the Board in May 2023.

The above fees due to the Directors are for the year ended 31 December 2023 and 31 December 2022, and none were outstanding at 31 December 2023 (31 December 2022: $nil).

Duties and Responsibilities

The Board is responsible to Shareholders for the overall management of the Company. The duties and powers reserved for the Board include decisions relating to the determination of investment policy and approval of investments in certain instances, strategy, capital raising, statutory obligations and public disclosure, financial reporting and entering into any material contracts by the Company.

Corporate Governance Report continued

The Board retains direct responsibility for certain matters, including (but not limited to):

- approving the Company's long-term objective and any decisions of a strategic nature including any change in investment objective, policy and restrictions, including those which may need to be submitted to Shareholders for approval;
- reviewing the performance of the Company in light of the Company's strategy objectives and budgets ensuring that any necessary corrective action is taken;
- the appointment, overall supervision and removal of key service providers and any material amendments to the agreements or contractual arrangements with any key delegates or service providers;
- approving any transactions with "related parties" for the purposes of the Company's voluntary compliance with the applicable sections of the UK Listing Rules;
- the review of the Company's valuation policy;
- the review of the Company's corporate governance arrangements; and
- approving any actual or potential conflicts of interest.

The Directors have access to the advice and services of the Administrator, who is responsible to the Board for ensuring that Board procedures are followed and that it complies with Companies Law and applicable rules and regulations of the GFSC and the LSE. Where necessary, in carrying out their duties, the Directors may seek independent professional advice services at the expense of the Company. The Company maintains directors' and officers' liability insurance in respect of legal action against its Directors on an ongoing basis.

The Board's responsibilities for the Annual Report are set out in the Directors' Responsibility Statement. The Board is also responsible for issuing appropriate half-yearly financial reports, quarterly portfolio valuations and other price-sensitive public reports.

Directors' attendance at Board and Committee Meetings:

One of the key criteria the Company uses when selecting Directors is their confirmation prior to their appointment that they will be able to allocate sufficient time to the Company to discharge their responsibilities in a timely and effective manner.

The Board formally met four times during the year. The Board has held a number of ad hoc meetings, and the sub committees of the Board have met frequently, during the course of 2023. The Chair of the Board meets privately with the Directors before each scheduled Board meeting. Directors are encouraged when they are unable to attend a meeting to give the Chair of the Board their views and comments on matters to be discussed, in advance. In addition to their meeting commitments, the Non-executive Directors also liaise with the Investment Manager whenever required and there is regular contact outside the Board meeting schedule. In addition to the Board members, members of the Investment Manager attend relevant sections of the Board meetings by invitation.

Attendance is further set out below:

Director	Board Meetings	Audit Committee Meetings	Nomination and Remuneration Committee Meetings	Management Engagement Committee Meetings	Tenure as at 31 December 2023
Patrick Firth(1)(2)	4	4	4	1	10 years and 8 months
Claire Whittet(1)	4	4	4	1	8 years and 8 months
Jeremy Thompson(1)	4	4	4	1	7 years and 8 months
John Roche(1)	3	3	3	1	1 year and 1 month
Richard Horlick(1)	4	4	4	1	1 year and 2 months
Karen McClellan(1)	2	2	2	1	8 months

(1) Non-executive Independent Director. (2) Non-executive Senior Independent Director.

A quorum is comprised of any two or more members of the Board from time to time, to perform administrative and other routine functions on behalf of the Board, subject to such limitations as the Board may expressly impose on this committee from time to time.

Board members who are not ordinarily resident in Guernsey were unable to travel and attend certain Board and committee meetings in person during 2023. In those cases, the relevant Board members attended those meetings by telephone or video link (and are shown as being in attendance at the relevant meeting in the table above).

Conflicts of interest

A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The Board requires Directors to declare all appointments and other situations that could result in a possible conflict of interest and has adopted appropriate procedures to manage and, if appropriate, approve any such conflicts. The Board is satisfied that there is no compromise to the independence of those Directors who have appointments on the boards of, or relationships with, companies outside the Company.

Committees of the Board

The Board believes that it and its committees have an appropriate composition and blend of skills, experience, independence and diversity of backgrounds to discharge their duties and responsibilities effectively. The Board keeps its membership, and that of its committees, under review to ensure that an acceptable balance is maintained, and that the collective skills and experience of its members continue to be refreshed. It is satisfied that all Directors have sufficient time to devote to their roles and that undue reliance is not placed on any individual.

Each committee of the Board has written terms of reference, approved by the Board, summarising its objectives, remit and powers, which are available on the Company's website (www.RiverstoneREL.com) and reviewed on an annual basis. All committee members are provided with appropriate induction on joining their respective committees, as well as on-going access to training. Minutes of all meetings of the committees (save for the private sessions of committee members at the end of meetings) are made available to all Directors and feedback from each of the committees is provided to the Board by the respective committee Chair at the next Board meeting. The Chair of each committee attends the AGM to answer any questions on their committee's activities.

The Board and its committees are supplied with regular, comprehensive and timely information in a form and of a quality that enables them to discharge their duties effectively. All Directors are able to make further enquiries of management whenever necessary and have access to the services of the Company Secretary.

Audit Committee

The Audit Committee was chaired by Patrick Firth until 31 December 2023, and who remains a member of the Audit Committee until his retirement before the AGM. John Roche chaired the Audit Committee from 1 January 2024 which comprises Jeremy Thompson, Claire Whittet, Richard Horlick and Patrick Firth all who held office throughout the year, as well as Karen McClellan who was appointed to the Audit Committee on 25 May 2023. The Chair of the Audit Committee, the Investment Manager and the external auditor, Ernst & Young LLP, have held discussions regarding the audit approach and identified risks. The external auditors attend Audit Committee meetings and a private meeting is routinely held with the external auditors to afford them the opportunity of discussions without the presence of management. The Audit Committee activities are contained in the Report of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by Jeremy Thompson and comprises, Claire Whittet, John Roche, Patrick Firth and Richard Horlick, all who held office throughout the year, as well as Karen McClellan who was appointed to the Nomination and Remuneration Committee on 25 May 2023. Patrick Firth remains a member of the Nomination and Remuneration Committee until his retirement before the AGM.

The Nomination and Remuneration Committee is convened for the purpose of considering the appointment of additional Directors as and when considered appropriate. The Nomination and Remuneration Committee recognises the continuing importance of planning for the future and ensuring that succession plans are in place. In considering appointments to the Board, the Nomination and Remuneration Committee takes into account the ongoing requirements of the Company and evaluates the balance of skills, experience, independence, and knowledge of each candidate. Appointments are therefore made on personal merit and against objective criteria with the aim of bringing new skills and different perspectives to the Board whilst taking into account the existing balance of knowledge, experience and diversity.

In the case of candidates for Directorships, care is taken to ascertain that they have sufficient time to fulfil their Board and, where relevant, committee responsibilities. The Board believes that the terms of reference of the Nomination and Remuneration Committee ensure that it operates in a rigorous and transparent manner. The Board also believes that diversity of experience and approach, including gender diversity, amongst Board members is of great importance and it is the Company's policy to give careful consideration to issues of Board balance and diversity when making new appointments. The Board remains focussed on the guidelines outlined by the Hampton-Alexander Review and The Parker Review.

The Nomination Committee changed its name to the Nomination and Remuneration Committee in May 2023 and incorporated additional duties in the terms of reference to determine and make recommendations to the Board regarding the remuneration of the Directors. The newly appended Remuneration Committee utilised the work of a local specialist before recommending a 10 per cent. increase, which reflected no remuneration increase since 2016 and the relatively high workload.

The Nomination and Remuneration Committee met frequently in the first half of the year, and working with a leading search firm (Fletcher Jones), conducted a rigorous process, including long and short lists, to identify a successor to Peter Barker as an Independent Director. Following a process which included a long list and short list process. The Committee interviewed five candidates in person and recommended the appointment of Karen McClellan, who has vast experience in the energy and investment sectors, across a wide range of applications. This recommendation was accepted and adopted by the Board.

Corporate Governance Report continued

In accordance with both Listing Rules and AIC Guidelines the Board composition is tabulated below. The Board will continue to take diversity into account as part of its continuing succession planning and recruitment process.

Board Gender Identity at 31 December 2023

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board
Men	4[1]	66.66%	2
Women	2	33.33%	–

[1] It is intended that Patrick Firth will retire before the 2024 AGM.

Board Ethnic Background at 31 December 2023

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board
White British or other white (including minority-white groups)	6[1]	100%	2
Other ethnic group	–	–	–

[1] It is intended that Patrick Firth will retire before the 2024 AGM.

The Nomination and Remuneration Committee has reviewed the composition, structure and diversity of the Board, succession planning, the independence of the Directors and whether each of the Directors has sufficient time available to discharge their duties effectively. The Nomination and Remuneration Committee and the Board confirm that they believe that the Board has an appropriate mix of skills and backgrounds, that all Directors can be considered as Independent in accordance with the provisions of the AIC Code and that all Directors have the time available to discharge their duties effectively.

Accordingly, the Board recommends that Shareholders vote in favour of the re-election of all Directors at the forthcoming AGM, as noted in the Board Tenure and Re-election section of the Corporate Governance Report.

Management Engagement Committee

The Management Engagement Committee is chaired by Claire Whittet and comprises Jeremy Thompson, John Roche, Patrick Firth and Richard Horlick, all who held office throughout the year, as well as Karen McClellan who was appointed to the Management Engagement Committee on 25 May 2023. Patrick Firth remains a member of the Management Engagement Committee until his retirement before the AGM. The Management Engagement Committee meets at least once a year pursuant to its terms of reference.

The Management Engagement Committee provides a formal mechanism for the review of the performance of the Investment Manager and the Company's other advisors and service providers. It carries out this review through consideration of a number of objective and subjective criteria and through a review of the terms and conditions of the advisors' appointments with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Shareholders.

As part of the 2023 annual review of service providers, all service providers were asked to complete a Cyber Security Review Questionnaire ("CSRQ"), the results of which the Committee commissioned Newgate Compliance Limited ("Newgate"), an affiliate company of the Company's Administrator, to review. Newgate's report was discussed by the MEC in February 2024. None of the CSRQs indicated significant cybersecurity weaknesses. Recommendations mostly related to requests for further detail or minor improvements and Newgate concluded that the Company's service providers had sufficiently detailed their cybersecurity arrangements and have adequate processes in place.

Board Performance and Evaluation

In accordance with Provision 26 of the AIC Code which requires a formal and rigorous annual evaluation of its performance, the Board formally reviews its performance annually through an internal process. Internal evaluation of the Board, the Audit Committee, the Nomination and Remuneration Committee, the Management Engagement Committee and individual Directors has taken the form of self-appraisal questionnaires and discussions to determine effectiveness and performance in various areas as well as the Directors' continued independence.

The Board believes that annual evaluations are helpful and provide a valuable opportunity for continuous improvement.

Whilst the Board is not a FTSE 350 company, in 2023, an externally facilitated review of the Board, its committees and individual Directors (including the Chair) was undertaken following a review of six potential providers. The Board evaluation was facilitated by Lintstock Ltd. The 2023 Board effectiveness review took the form of a structured questionnaire which covered a range of key topics including composition, skills, knowledge and experience of the Board, the respective roles and responsibilities of the Directors, quality of strategic and risk debate, the effectiveness of decision making and interactions with management together, including the Chair. All Directors participated in the evaluation, and the findings were collectively considered by the Board.

No significant areas of weaknesses were highlighted during the evaluation. The Lintstock evaluation concluded that the priorities for the Board are identified as increased emphasis on shareholder engagements, clarification of the Company's investment strategy and assurance that Board succession is fully compliant with best practice within the industry.

The Board concluded that overall, it had operated effectively throughout 2023 and is confident in its ability to continue effectively to lead the Company and oversee its affairs. The Board believes that the current mix of skills, experience, knowledge and age of the Directors is appropriate to the requirements of the Company.

New Directors receive an induction on joining the Board and regularly meet with the senior management employed by the Investment Manager both formally and informally to ensure that the Board remains regularly updated on all issues. All members of the Board are members of professional bodies and serve on other Boards, which ensures they are kept abreast of the latest technical developments in their areas of expertise.

The Board arranges for presentations from the Investment Manager, the Company's brokers and other advisors on matters relevant to the Company's business. The Board assesses the training needs of Directors on an annual basis.

Internal Control and Financial Reporting

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or loss. However, the Board's objective is to ensure that REL has appropriate systems in place for the identification and management of risks. The Directors carry out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The key procedures which have been established to provide internal control are that:

- the Board has delegated the day-to-day operations of the Company to the Administrator and Investment Manager; however, it retains accountability for all functions it delegates;
- the Board clearly defines the duties and responsibilities of the Company's agents and advisors and appointments are made by the Board after due and careful consideration. The Board monitors the ongoing performance of such agents and advisors and will continue to do so through the Management Engagement Committee;
- the Board monitors the actions of the Investment Manager at regular Board meetings and is given frequent updates on developments arising from the operations and strategic direction of the underlying investee companies;
- the Administrator provides administration and company secretarial services to the Company.
- the Administrator maintains a system of internal control on which they report to the Board; and
- the Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator and Investment Manager, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control, which safeguards Shareholders' investment and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external reporting purposes. The Administrator and Investment Manager both operate risk-controlled frameworks on a continual ongoing basis within a regulated environment. During 2023 the Administrator continued to report to the Board on a quarterly basis with respect to their performance in respect of financial accounting and financial reporting matters together with other related matters through a compliance report. However, the Administrator did not produce a 2023 ISAE 3402: Assurance Reports on Controls at a Service Organisation report and the Audit Committee was required to undertake certain additional procedures to ensure that the appropriate levels of comfort were obtained for the 2023 financial year. The Report of the Audit Committee outlines this additional review work undertaken. The Investment Manager formally reports to the Board quarterly including updates within Riverstone and also engages with the Board on an ad-hoc basis as required. No weaknesses or failings within the relevant operations of the Administrator or Investment Manager have been identified.

The systems of control referred to above are designed to ensure the effectiveness and efficient operation of the relevant internal controls over financial reporting and compliance with laws and regulations. In establishing the systems of internal control which the Company relies upon, regard is paid to the materiality of relevant risks, the likelihood of costs being incurred and costs of control. It follows therefore that the systems of internal control can only provide reasonable but not absolute assurance against the risk of material misstatement in financial reporting or loss. These processes at the Administrator and the Investment Manager have been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements. These processes are reviewed by the Board, operating largely via the Audit Committee and are in accordance with the FRC's internal control publication: Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Investment Management Agreement

The Investment Manager is the sole Investment Manager of the Company and the Partnership. Pursuant to the Investment Management Agreement, the Investment Manager has responsibility for and discretion over investing and managing the Company's and the Partnership's direct and indirect assets, subject to and in accordance with the Company's investment policy. The Investment Manager is entitled to delegate all or part of its functions under the Investment Management Agreement to one or more of its affiliates.

The Company has delegated the provision of all services to external service providers whose work is overseen by the Management Engagement Committee at its regular scheduled meetings. Each year, a detailed review of performance pursuant to their terms of engagement is undertaken by the Management Engagement Committee. In particular, during 2019, the Management Engagement Committee and the Investment Manager discussed fees, termination provisions, capital structure management, the performance of the Company, and the basis of the Company's and the Investment Manager's relationship and alignment of interests at length, including the benefits to the Company of Riverstone's extensive participation in the management of all of the Company's investments and the significant equity commitment of Riverstone to the Company as one of its major Shareholders.

Corporate Governance Report continued

In accordance with Listing Rule 15.6.2(2)R and having formally appraised the performance and resources of the Investment Manager, in the opinion of the Directors the continuing appointment of the Investment Manager on the terms agreed is in the interests of the Shareholders as a whole.

On 3 January 2020, the Company announced amendments to the performance allocation arrangements under the Investment Management Agreement that were effective from 30 June 2019. The amended terms on which the Company is required to pay a performance allocation in respect of its investment are as follows:

- Portfolio level cost benchmark: A performance allocation will only be distributed in respect of a realised investment if, at the time of the realisation of the relevant investment, the aggregate of the fair market value of all of the Company's then unrealised investments and the proceeds of all of its realised investments since inception exceeds the aggregate acquisition price of all of the Company's unrealised and realised investments. If this portfolio level cost benchmark is not met at the time of realisation of the relevant investment, distribution of the performance allocation is subject to deferment as described further below. As of 31 December 2023, the portfolio level cost benchmark was in deficit by $84.7 million.
- 8 per cent. Hurdle rate: A performance allocation will only be accrued for payment upon the realisation of an investment if the proceeds from that investment exceed an amount equal to its acquisition cost plus an 8 per cent. annual cumulative hurdle rate calculated from the date of investment to the date of realisation. If the hurdle is met, the performance allocation will be 20 per cent of all Net Profits in respect of each such investment. As of 31 December 2023, five investments exceeded the hurdle rate with $32.2 million not being accrued in light of the portfolio level cost benchmark being in material deficit and additionally, the total portfolio's Gross IRR is approximately (1) per cent.
- Full realisation: A performance allocation will only be calculated and accrued on the full realisation of the entire interest in an investment, unless a partial realisation results in the full return of all capital invested in such investment. Otherwise, no performance allocation will be payable on partial disposals and the ability for the Investment Manager to elect to receive a performance allocation on an investment that has been held by the Company for at least seven years (but not sold) has been removed.
- Deferral: If the portfolio level cost benchmark is not met at the time of full realisation of the relevant investment, it will be retested on a quarterly basis for the following three years. If, at any time during those three years, the benchmark is satisfied for four continuous quarters, the relevant performance allocation will then become distributable without interest. Any accrued but undistributed performance allocation that has been deferred due to the portfolio level cost benchmark test will expire after 36 months.

The Investment Manager will continue to be required to apply each performance allocation (net of taxes) to acquire ordinary shares of the Company.

During 2021, in compliance with the laws of the Cayman Islands, the Company and its existing Investment Manager, Riverstone International Limited, a Cayman Islands exempted company, assigned its investment advisory rights and obligations under the Company's Investment Management Agreement to RIL's immediate parent entity, RIGL Holdings, LP, a Cayman Islands exempted limited partnership.

Furthermore, on 9 December 2020, the Company's Investment Management Agreement has been amended to remove the Investment Manager's ability to nominate directors of the Company and to replace it with the ability to request that its representatives attend Board meetings as observers instead, except in circumstances where matters specifically regarding the Investment Manager and its affiliates are being considered.

Distribution of Investment Proceeds

In addition, the Company and the Investment Manager have agreed that, going forward, 20 per cent. of the Net Profits attributable to each fully realised investment, net of taxes, withholdings or reserves for taxes will, at the discretion of the Company, be available for distribution to the Company's Shareholders, whether by dividend or share repurchases.

Our Culture

The Board has determined that the Company's culture is built around that of the Investment Manager, with a focus on long lasting relationships with a diverse investor base; sustainable investment excellence; and a world class team demonstrating extensive industry knowledge. The Board monitors the Company's culture on an annual basis through continued engagement with Shareholders and management.

Relations with Shareholders

The Board welcomes Shareholders' views and places great importance on communication with its Shareholders. In addition, Patrick Firth, as the Senior Independent Director from May 2016, is available to Shareholders if they have concerns which contact through the normal channels has failed to resolve or for which such contact would be inappropriate. Claire Whittet, Management Engagement Committee Chair, is available to discuss matters regarding the service providers of REL. The Chair of the Board, Senior Independent Director and other Directors are also available to meet with Shareholders at other times, if required. At the request of several Shareholders, the Chair of the Board, Senior Independent Director and other Directors arranged meetings and addressed direct correspondence raised at the quarterly Board meetings during the year.

The Company reports formally to Shareholders in a number of ways; regulatory news releases through the London Stock Exchange's Regulatory News Service, announcements are issued in response to events or routine reporting obligations. Also, an Interim Report will be published each year outlining performance to 30 June and the Annual Report will be published each year for the year ended 31 December, both of which will be made available on the Company's website.

In addition, the Company's website contains comprehensive information, including company notifications, share information, financial reports, investment objectives and policy, investor contacts and information on the Board and corporate governance. Shareholders and other interested parties can subscribe to email news updates by registering online on the website.

The Investment Manager is available for regular contact with Shareholders, including the Cornerstone Investors, and any views that they may have are communicated to the Board and vice versa. No sensitive information is provided to the Cornerstone Investors that is not provided to the Shareholders as a whole and at the same time. The Board is also kept fully informed of all relevant market commentary on the Company by the Investment Manager and the Corporate Brokers. The Directors and Investment Manager receive informal feedback from analysts and investors, which is presented to the Board by the Company's Broker. The Company Secretary also receives informal feedback via queries submitted through the Company's website and these are addressed by the Board, the Investment Manager or the Company Secretary, where applicable.

Financial results, events, corporate reports, webcasts and fact books are all stored in the Investor Relations section of our website: www.riverstonerel.com/investors/

2024 Key Shareholder Engagements

February	Quarterly Portfolio Valuations Full Year Results Approved
March	Extraordinary Meeting in regards to 2024 Tender Offer
April	Notice of Annual General Meeting Quarterly Portfolio Valuations
May	Annual General Meeting
July	Quarterly Portfolio Valuations
August	Half Year Results
October	Quarterly Portfolio Valuations

Engagement with Stakeholders

The wider stakeholders of the Company comprise its service providers, investee companies and suppliers and the Board recognises and values these stakeholders.

The Company's relationship with its service providers, including the Investment Manager, is of particular importance. Service providers have been selected and engaged based on due diligence and references including consideration of their internal controls and expertise. The Company has a Management Engagement Committee, who will review the performance of each service provider annually and provide feedback as appropriate, to maintain good working relationships.

Responsible investing principles have been applied to each of the investments made, which ensures that appropriate due diligence has been conducted and that the terms of the investments are clearly set out and agreed with investee companies in advance.

The Board recognises that relationships with suppliers are enhanced by prompt payment and the Company's Administrator, in conjunction with the Investment Manager, ensures all payments are processed within the contractual terms agreed with the individual suppliers.

Relations with Other Stakeholders

The Investment Manager meets regularly with analysts and investors to provide further updates with how the Company and the investment portfolio are performing.

The Directors and Investment Manager receive informal feedback from analysts and investors, which is presented to the Board by the Company's Brokers. The Company Secretary also receives informal feedback via queries submitted through the Company's website and these are addressed by the Board, the Investment Manager or the Company Secretary, where applicable.

The Directors recognise that the long-term success of the Company is linked to the success of the communities in which Riverstone, and its investee companies, operate.

Whistleblowing

The Board has considered arrangements by which staff of the Investment Manager or Administrator may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters. It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their organisation.

Principal Risks and Uncertainties

The Company's assets consist of listed and private equity investments, held through the Partnership, in the conventional and decarbonisation portfolios. Initially, there was a particular focus on opportunities in the global E&P and midstream energy sub-sectors, but since 2020 REL has been exclusively focussed on pursuing a global strategy across decarbonisation sectors presented by Riverstone's investment platform. Its principal risks are therefore related to market conditions in the energy and energy transition sectors in general, but also to the particular circumstances of the businesses in which it is invested through the Partnership. The Investment Manager, through 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.

Each Director is fully aware of the risks inherent in the Company's business and understands the importance of identifying, evaluating and monitoring these risks. The Board has adopted procedures and controls that enable it to carry out a robust assessment of the risks facing the Company, manage these risks within acceptable limits and meet all of its legal and regulatory obligations. The Board is committed to upholding and maintaining zero tolerance towards the criminal facilitation of tax evasion.

Corporate Governance Report continued

The Board thoroughly considers the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis and these risks are reported and discussed at Audit Committee and Board meetings. The Board ensures that effective controls are in place to properly mitigate these risks to the greatest extent possible and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are upheld.

For each material risk, the likelihood and consequences are identified, management controls and frequency of monitoring are confirmed, and results reported and discussed at the quarterly Board meetings.

The Company's principal risk factors are fully discussed in the Prospectuses, available on the Company's website (www.RiverstoneREL.com) and should be reviewed by Shareholders. Please note that not all principal risks are disclosed on the Company's website, only those established at the time of the Prospectuses.

The Company's current principal areas of risk and mitigating actions being taken are summarised below:

1. The Company initially intended to only invest in the global energy sector, with a particular focus on oil and gas exploration and production, and midstream investments, which exposed it to industry and sector concentration risk.

   Under the modified investment strategy, since 2020, the Company has pivoted to focus on energy transition and decarbonisation and this provides an element of diversification for the portfolio, albeit with the additional investment risks noted below. Overall, the valuation risk of the investment portfolio has also been reduced with an increased portion now being held in listed investments.

2. The Company's shares have, for a considerable period of time, been trading at a discount to NAV per share for reasons, including, but not limited to, general market conditions in the energy sector, liquidity concerns, perceived issues with the terms of the Investment Management Agreement and actual or expected Company performance as the Company transitions to maximise value from the conventional portfolio allowing investment into its decarbonisation strategy. This persistent discount to NAV has the potential to lead to material shareholder dissatisfaction where any shareholder or shareholder group which in aggregate totals 10 per cent or more of the shares outstanding can call an EGM for a shareholder vote.

   The Company has seen a marked improvement in the performance of its share price since 2020, and over this time it has also been very active in attempting to narrow this persistent discount with the introduction of a well-funded and material series of successive buybacks as well as enhanced shareholder engagement. There is no guarantee that the continued attempts to mitigate this discount will be successful or that the continued use of discount control mechanisms will remain possible over time. There is a risk that through successive buybacks to try and manage the share price discount to NAV, that the Company may become too small to be viable or to be able to make new or follow-on investments.

3. Existing or future shareholders could use or obtain a material ownership in the Company and exert influence through voting rights. During 2022 and 2023 there has been notified shareholder disquiet with the substantial discount to NAV of the ordinary shares in the market and concern over the pivot of the investment strategy to decarbonisation investments and performance to date of that strategy/use of available cash versus the level of the share buyback programmes.

4. The investment portfolio held by the Company in both the conventional and decarbonisation strategies exposes the Company to a number of specific investment and valuation risks, the most notable ones being:

→ The risks and judgements associated with the fair valuation of the private equity investments could result in the NAV of the Company being materially misstated. These private equity investments expose the Company's valuation models to changes over time in a number of variables including the price of oil, interest rates, certain public market trading comparables, transaction comparables, discounted cash flow rates, taxation etc. Ultimately the success or otherwise of a private equity investment will only be determined on eventual realisation.

  The Investment Manager has an extensive and consistent valuation policy which is applied each quarter and fair values all private equity investments held. All quarterly valuations firstly go through the valuation processes adopted by the Investment Manager and when approved by the Investment Manager are released to the Board for review and challenge. Quarterly meetings are held by the Board with the Investment Manager to review the draft valuations ahead of confirmation and release to the market.

→ Potential changes to domestic policy, banking, regulatory and/or the tax environment of target and existing investments in the Company's chosen geographies may adversely affect the fair value/market value or liquidity of those investments, their ability to borrow and transact business plans or impact the Company's ability to properly realise those investments at previously intended valuations or timescales.

  The Investment Manager closely monitors the sectors and industries in which the Company invests or intends to target investment. All investment opportunities proposed only proceed after thorough due diligence processes prior to acquisition and ongoing monitoring processes are employed while investments are held in the portfolio.

→ The specific investments in the decarbonisation portfolio can expose the Company to additional investment and operational risks arising from investment in the build-up and early/development stages where a company may have little or no operating history, be more vulnerable to financial failure than more established companies, have requirements to invest in further funding rounds or suffer dilution/decrease in value, operating in emerging industries with technologies that are as yet unproven and investments where the Company is a minority investor with limited access.

→ Significant global/regional conflict or the imposition of sanctions or adverse publicity and/or poor ethical practices of the Company or, more particularly, our portfolio companies, operating in hazardous industries which are highly regulated by health and safety laws and where their supply chains could lead to a significant increase in the risk of disruption to the supply chains that are key for the Company and our portfolio companies and have an adverse impact on the reputation of the Company and on the valuations/realisation prospects of our portfolio companies.

The Investment Manager maintains dialogue with the portfolio companies to make sure that they have appropriate plans and resources in place to prioritise the health and safety of their employees, as well as to assess their wider operational and macro environments to include supply chain disruptions and ensure the normal operations of their businesses and to protect our valuations. All investments are initially screened and then monitored against the Investment Manager's ESG policy.

Although this risk is reducing over time, there may be differences in the investment time horizons and fee provisions between the Company and the private funds managed by Riverstone where the Company has coinvested and these may create conflicts regarding the allocation of investment opportunities and holding periods between the Company and those funds, in particular as a result of step-downs in fees payable by a private fund part way through its duration.

5. The Company is heavily reliant on the services provided by the Investment Manager under the Investment Management Agreement, including ongoing investment opportunities for REL. The Investment Management Agreement requires the Investment Manager to provide competent, attentive, and efficient services and personnel to the Company. If the Investment Manager was not able to do this or if there was an unacceptable reduction in the service received or investment competence levels of the personnel employed by the Investment Manager, then the Company would not be able to terminate the Investment Management Agreement as it does not expressly provide for termination on notice without specific cause, and poor investment performance, the departure of key Riverstone executives or a change of control of Riverstone do not constitute cause for these purposes.

   Furthermore, it will be costly for the Company to terminate the Investment Management Agreement as the Company would be required to make a significant termination payment presently in the region of $43 million, including if a Discontinuation Resolution were to be proposed and passed by Shareholders or if the Company was otherwise wound up. Please refer to page 80.

   The Board has been engaged over time with the Investment Manager to effect some changes to the Investment Management Agreement most notably in the area of performance fees. The Board continues to monitor the performance of the Investment Manager and to discuss potential changes in light of the overall financial performance of the Company.

6. Affiliates of the Investment Manager and the Company's Cornerstone Investors would be entitled to vote on any Discontinuation Resolution that may be proposed. As the Investment Manager and its affiliates (and, indirectly, the Cornerstone Investors) receive fees from the Company, they will most probably be incentivised to vote against such resolution. As at 31 December 2023 and 23 February 2024, respectively, Riverstone and the Company's Cornerstone Investors, in aggregate, own ~8 per cent. and ~31 per cent, of outstanding Ordinary Shares, with the largest Cornerstone Investor owning ~20 per cent. at both period-ends.

7. The effects of climate change and the transition to a low carbon economy could possibly reduce demand for some of the Company's existing investments, as well as impact their valuations, and may limit future growth opportunities. General sentiment may affect investor appetite and hence may lead to a depression of the Company's share price. There is a risk that the change to ESG investment focus is wrongly perceived by the market as being without genuine foundation ("greenwashing"). Furthermore, there may be a perceived over reliance on the Investment Manager's ESG credentials. Riverstone has adopted what it believes are currently best practices for ESG investing having adopted the UN Principles for Responsible Investment and Sustainable Development Goals.

The Company (as with all companies) continues to be exposed to external cybersecurity threats. The Company recognises the increased incidence of cybersecurity threats and regularly reviews its policies, procedures and defences to mitigate associated risks, as well as receiving confirmation of the policies, procedures and defences of the Investment Manager, Administrator and key service providers, and engages market-leading specialists where appropriate. This is to ensure that the Company is resilient to existing and emerging threats.

The above risks are mitigated and managed by the Board through continual review, policy setting and updating of the Company's Risk Matrix at each Audit Committee Meeting to ensure that procedures are in place with the intention of minimising the impact of the above-mentioned risks. The Board relies on periodic reports provided by the Investment Manager and Administrator regarding risks that the Company faces. When required, experts will be employed to gather information, including tax advisers, legal advisers, and environmental advisers. As it is not possible to eliminate risks completely, the purpose of the Company's risk management policies and procedures is not to eliminate risks, but to reduce them and to ensure that the Company is adequately prepared to respond to such risks and to minimise any impact if the risk develops.

By order of the Board

Richard Horlick
Chair of the Board
28 February 2024

Report of the Audit Committee

THE AUDIT COMMITTEE OPERATES WITHIN CLEARLY DEFINED TERMS OF REFERENCE, WHICH ARE AVAILABLE FROM THE COMPANY'S WEBSITE WWW.RIVERSTONEREL.COM, AND INCLUDE ALL MATTERS INDICATED BY DISCLOSURE GUIDANCE AND TRANSPARENCY RULE 7.1, THE AIC CODE AND THE UK CODE.

John Roche replaced Patrick Firth as Chair of the Audit Committee with effect from 1 January 2024. Patrick Firth remains on the Audit Committee and the Board as a Director, retiring from the Board before the AGM at which he will not stand for re-election. Its other members are Richard Horlick, Jeremy Thompson, Karen McClellan and Claire Whittet. Members of the Audit Committee must be independent of the Company's external auditor and Investment Manager. The Audit Committee will meet no less than three times in a year, and at such other times as the Audit Committee Chair shall require and will meet the external auditor at least once a year.

The Committee members have considerable financial and business experience and the Board has determined that the membership, as a whole, has sufficient recent and relevant sector and financial experience to discharge its responsibilities and that at least one member has competence in accounting or auditing having a background as a chartered accountant.

Responsibilities

The main duties of the Audit Committee are:

- to monitor the integrity of the Company's Financial Statements and regulatory announcements relating to its financial performance and review significant financial reporting judgements;
- to report to the Board on the appropriateness of the Company's accounting policies and practices;
- to review the valuations of the Company's investments prepared by the Investment Manager, and provide a recommendation to the Board on the valuation of the Company's investments;
- to oversee the relationship with the external auditors, including agreeing their remuneration and terms of engagement, monitoring their independence, objectivity and effectiveness, ensuring that policy surrounding their engagement to provide non-audit services is appropriately applied, and making recommendations to the Board on their appointment, reappointment or removal, for it to put to the Shareholders in general meeting;
- to monitor and consider annually whether there is a need for the Company to have its own internal audit function;
- to keep under review the effectiveness of the Company's internal controls, including financial controls and risk management systems;
- to review and consider the UK Code, the AIC Code, the GFSC Code, the AIC Guidance on Audit Committees and the Stewardship Code; and
- to report to the Board on how it has discharged its responsibilities.

The Audit Committee is aware that the Annual Report is not subject to formal statutory audit, including the Board Chair's Statement and the Investment Manager's Report. Financial information in these sections is reviewed by the Audit Committee.

The Audit Committee is required to report its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

The external auditor is invited to attend the Audit Committee meetings where audit planning and approach discussions take place as well as the meetings at which the Annual Report and Interim Financial Report are considered. These meetings will at least annually facilitate an opportunity for the external auditor to meet with the Audit Committee without representatives of the Investment Manager or Administrator being present.

Financial Reporting

The primary role of the Audit Committee in relation to financial reporting is to review with the Administrator, Investment Manager and the external auditor and report to the Board on the appropriateness of the Annual Report and Financial Statements and Interim Financial Report, concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- material areas in which significant judgements have been applied or there has been discussion with the external auditor including the going concern status of the Company and the viability statement;
- whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy; and
- any correspondence from regulators in relation to financial reporting.

To aid its review, the Audit Committee considers reports from the Administrator and Investment Manager and also reports from the external auditor on the outcomes of their half-year review and annual audit. The Audit Committee supports Ernst & Young LLP in displaying the necessary professional scepticism their role requires.

Meetings

During the year ended 31 December 2023, the Audit Committee met formally four times and maintained ongoing liaison and discussion between the external auditor and the Chair and other members of the Audit Committee with regards to the audit approach and the identified risks. Additional ad hoc meetings or informal discussions have been convened at other times during the year as the Audit Committee determined appropriate. The Audit Committee, chaired by new Audit Committee chair, John Roche, has met on one occasion since the year-end through to the date of this report on 26 February 2024. The matters discussed at that and the other meetings include:

- review of the terms of reference of the audit committee for approval by the Board;
- review of the accounting policies and format of the Financial Statements;
- review and approval of the audit plan of the external auditor including the scope of work for the interim review;
- discussion and approval of the fees for the external audit and the interim review;
- detailed review of the quarterly and year end valuations of the Company's investment portfolio held by the Partnership and recommendation for approval by the Board;
- detailed review of the Annual Report and Financial Statements, Interim Financial Report and the relevant quarterly portfolio valuations, and recommendation for approval by the Board;
- assessment of the independence of the external auditor;
- assessment of the effectiveness of the external audit process as described below;
- review of the Company's key risks and internal controls being relied upon;
- consideration of going concern applicability;
- focus on ESG; and
- application of any IFRS changes.

Significant Areas of Judgement Considered by the Audit Committee

The Audit Committee has determined that a key risk of misstatement of the Company's Financial Statements relates to the valuation of the investment in the Partnership at fair value through profit or loss, in the context of the judgements necessary to evaluate the individual fair values of the underlying investments held through the Partnership.

The Directors have considered whether any discount or premium should be applied to the net asset value of the Partnership, which is based on the fair value of its underlying investments. In view of the Company's investment in the Partnership and the nature of the Partnership's assets, no adjustment to the net asset value of the Partnership has been made, as this is deemed equivalent to fair value.

The Audit Committee reviews, considers and, if thought appropriate, recommends for the purposes of the Company's Financial Statements, valuations prepared by the Investment Manager in respect of the investments held through the Partnership. As outlined in Note 6 to the Financial Statements, the total carrying value of the investment in the Partnership at fair value through profit or loss at 31 December 2023 was $666 million (31 December 2022: $723 million). Market quotations are not available for this financial asset such that the value of the Company's investment is based on the fair value of the Company's limited partner capital account with the Partnership, which itself is based on the fair value of the Partnership's investments as determined by the Investment Manager, along with the cash, fixed deposits and other short term fixed interest securities held. The valuation for each individual portfolio company investment held by the Partnership is determined by reference to common industry valuation techniques, including reliance on listed public market prices, comparable public market valuations, comparable merger and acquisition transaction valuations, and discounted cash flow valuations, as detailed in the Investment Manager's Report and Note 5 to the Financial Statements.

The valuation process, methodology adopted and conclusions were variously discussed with the Investment Manager and with the external auditor at the Audit Committee meetings held on 19 October 2023 and 26 February 2024. The Chair of the Audit Committee was also actively involved in discussions with the Investment Manager challenging and reviewing the individual investment fair values proposed and finally concluding on the fair values determined for investments as at 31 December 2023.

During the audit planning and completion phases, members of the Audit Committee also sat in on various of the valuation meetings between the Investment Manager and external auditor. During 2023, the Investment Manager continued to carry out on an investment-by-investment basis, an inhouse quarterly valuation, providing the overall summary and detailed valuation papers and models to the Audit Committee and the Company at each quarter end, including as at 31 December 2023 with all relevant changes in the valuation processes explained. The Audit Committee has therefore also been active in reviewing the quarter on quarter and particularly the year end investment valuations throughout 2023.

Report of the Audit Committee continued

The Audit Committee reviewed the Investment Manager's Report.

The external auditor explained the results of their audit work on individual investment valuations within the scope of the year-end audit.

The Audit Committee considers, and if thought appropriate, recommends that the Board adopts the going concern basis for preparing the Company's Financial Statements. As outlined in the Report of the Directors on pages 34 to 39, the Audit Committee has considered the risks that could impact the Company's liquidity and therefore its ability to meet its obligations as they fall due over the next period from the date of approval of the Financial Statements up until March 2025.

The Audit Committee, based on the reasons set out in the Report of the Directors, is satisfied, as of today's date, that it is appropriate to adopt the going concern basis in preparing these Financial Statements and has recommended this approach is adopted by the Board.

The Audit Committee considers, and if thought appropriate, recommends that the Board considers the Company's viability over a period of three years to 31 December 2026. The Audit Committee has determined that the period of three years continues to be deemed to be an appropriate timeframe and that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over this period of assessment, as further outlined in the Report of the Directors on pages 34 to 39. Accordingly, the Audit Committee has recommended the three year period of assessment for the Company's longer-term viability is adopted by the Board.

Risk Management

The Board is accountable for carrying out a robust assessment of the principal risks facing the Company, including those threatening its business model, future performance, solvency and liquidity. On behalf of the Board, the Audit Committee reviews the effectiveness of the Company's risk management processes, such processes being largely reliant on the effective functioning of the key parties where the Company has outsourced functions, particularly the outsourced functions provided by the Investment Manager and the Administrator.

The Company's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Audit Committee. During 2023 and into 2024, the work of the Audit Committee was again driven primarily by the Company's assessment of its principal risks and uncertainties as set out in the Corporate Governance Report. That Corporate Governance Report has noted that the Administrator did not produce an independently assured controls report covering the 2023 financial year and therefore the Audit Committee was required to undertake additional procedures during and after the reporting period to gain the necessary comfort for the purposes of financial reporting. These additional procedures were undertaken by a member of the Audit Committee and included:

→ meeting with key accounting and secretarial staff at the Administrator in Guernsey in Q1 2023 as part of an induction and oversight process to understand the broad accounting and financial reporting operations for the Company and the Partnership and the key controls operated by the Administrator with respect to financial reporting, the custody/control of cash/assets held by the Company, the oversight of investment management fees etc;

→ meeting with key finance staff at the Investment Manager in New York in Q4 2023 to understand and challenge (i) the process and key activities undertaken to deal with the operations, accounting and financial reporting for the Partnership, (ii) the structure through which investments are ultimately held, and (iii) the top down and bottom up quarterly investment valuation processes adopted by the Investment Manager prior to releasing investment valuations for Audit Committee and Board review; and

→ detailed discussions with senior management from the Administrator to understand and seek assurance as to the normal operations of the key financial and operating controls that the Company relies upon.

The above procedures allowed the Audit Committee to conclude that there were no material matters to note.

The Audit Committee receives reports from the Investment Manager and Administrator on their and by association the Company's risk evaluation processes and reviews changes to significant risks identified.

Internal Audit

The Audit Committee shall consider at least once a year whether or not there is a need for an internal audit function. Currently, the Audit Committee does not consider there to be a need for an internal audit function, given that there are no employees in the Company and all outsourced functions are with parties who have their own internal controls and procedures.

External Audit

Ernst & Young LLP has been the Company's external auditor since the Company's incorporation. This is the eleventh year of audit.

The external auditor is required to rotate the audit partner every five years. As a result, Richard Le Tissier has replaced David Moore as the Ernst & Young LLP lead audit partner, who started his tenure in 2018 and ended with the audit of the 2022 Annual Report and Financial Statements. Richard Le Tissier therefore started his tenure with the audit of the 2023 Annual Report and Financial Statements. There are no contractual obligations restricting the choice of external auditor and the Company will put the audit services contract out to tender periodically. It continues to be decided that the audit services contract will not be put out to tender for the next reporting period due to mutual benefits and efficiencies of Ernst & Young's external audit contract for the Company with the audits of other Riverstone private funds. Under Companies Law, the reappointment of the external auditor is subject to Shareholder approval at the Annual General Meeting.

The Audit Committee assessed the qualifications, expertise and resources, and independence of the external auditor as well as the effectiveness of the audit process. This review covered all aspects of the audit service provided by Ernst & Young LLP, including obtaining a report on the audit firm's own internal quality control procedures and consideration of the audit firm's annual transparency reports. The Audit Committee also approved the external audit terms of engagement and remuneration.

During 2023 and into 2024, the Audit Committee and/or the Audit Committee Chair held formal and ad hoc private meetings with the external auditor. The Audit Committee Chair also maintained regular contact with the audit partner throughout the year. These meetings provide an opportunity for open dialogue with the external auditor without management being present. Matters discussed included the auditor's assessment of significant financial risks and the performance of management in addressing these risks, the auditor's opinion of management's role in fulfilling obligations for the maintenance of internal controls, the transparency and responsiveness of interactions with management, confirmation that no restrictions have been placed on them by management, maintaining the independence of the audit, and how they have exercised professional challenge and scepticism in dealing with material judgemental areas.

The Audit Committee will continue to monitor the performance of the external auditor on an annual basis and will consider their independence and objectivity, taking account of appropriate guidelines. In addition, the Audit Committee Chair will continue to maintain regular contact with the lead audit partner outside the formal Committee meeting schedule, not only to discuss formal agenda items for upcoming meetings, but also to review any other significant matters. Members of the Audit Committee also sat in on the valuation meetings between the Investment Manager and external auditor.

The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the external auditor, with particular regard to the level of non-audit fees. The Audit Committee is also monitoring developments, in this regard, with respect to the Crown Dependencies' Audit Rules and Guidance. Notwithstanding such services the Audit Committee considers Ernst & Young LLP to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit.

To further safeguard the objectivity and independence of the external auditor from becoming compromised, the Audit Committee has a formal policy governing the engagement of the external auditor to provide non-audit services. This precludes Ernst & Young LLP from providing certain services such as valuation work or the provision of accounting services and also sets a presumption that Ernst & Young LLP should only be engaged for non-audit services where Ernst & Young LLP are best placed to provide the non-audit service for example, the interim review.

Note 13 details services provided by Ernst & Young LLP. In addition to processes put in place to ensure segregation of audit and non-audit roles, Ernst & Young LLP is required, as part of the assurance process in relation to the audit, to confirm to the Audit Committee that it has both the appropriate independence and the objectivity to allow it to continue to serve the members of the Company. This confirmation is received every six months and no matters of concern were identified by the Audit Committee.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee considers:

- discussions with or reports from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the external auditor.

To assess the effectiveness of the external auditor, the committee reviews:

- the external auditor's fulfilment of the agreed audit plan and variations from it;
- discussions or reports highlighting the major issues that arose during the course of the audit; and
- feedback from other service providers evaluating the performance of the audit team.

The Audit Committee is satisfied with Ernst & Young LLP's effectiveness and independence as external auditor having considered the degree of diligence and professional scepticism demonstrated by them. Having carried out the review described above and having satisfied itself that the external auditor remains independent and effective, the Audit Committee has recommended to the Board that Ernst & Young LLP be reappointed as external auditor for the year ending 31 December 2024.

The Audit Committee has provided the Board with its recommendation to the Shareholders on the re-appointment of Ernst & Young LLP as external auditor for the year ending 31 December 2024. Accordingly, a resolution proposing the reappointment of Ernst & Young LLP as our external auditor will be put to Shareholders at the Annual General Meeting.

On behalf of the Audit Committee,

John Roche
Chair of the Audit Committee
28 February 2024

Independent Auditor's Report to the Members of Riverstone Energy Limited

Opinion

We have audited the financial statements of Riverstone Energy Limited (the "Company") for the year ended 31 December 2023 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 15, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRS").

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included

- The audit engagement partner directed and supervised the audit procedures on going concern;
- We assessed the determination made by the Board of Directors of the Company and the Investment Manager that the Company is a going concern up until 31 March 2025, and hence the appropriateness of the financial statements to be prepared on a going concern basis;
- We obtained the cash flow forecasts and sensitivities prepared by the Investment Manager and tested the arithmetical accuracy of the models;
- We challenged the appropriateness of the Investment Manager's forecasts by assessing historical forecasting accuracy, challenging their consideration of downside sensitivity analysis and applying further sensitivities to understand the impact on liquidity of the Company;
- We assessed whether available funds compared to commitments made to underlying investments, taking account of the existing arrangements with the Riverstone Energy Investment Partnership, L.P. ("the underlying Partnership"), continued share buybacks and 2024 the Tender Offer, cast significant doubt over the going concern status of the Company; and
- We assessed the disclosures in the Annual Report and Financial Statements relating to going concern to ensure they were fair, balanced and understandable and in compliance with IAS1.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern from the date the financial statements are authorised for issue up until 31 March 2025.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	→ Misstatement or manipulation of the valuation of the Company's investment in Riverstone Energy Investment Partnership, L.P. ("the underlying Partnership").
Materiality	→ Overall materiality of $13.5 million which represents 2 per cent. of equity.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, changes in the business environment and the potential impact of climate change when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

The audit was led from Guernsey, and the audit team included individuals from the Guernsey and New York offices of Ernst & Young and operated as an integrated audit team. In addition, we engaged our Valuation, Modelling and Economics ("VME") industry valuation specialists who assisted us in auditing the valuation of unquoted investments held through the underlying Partnership.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Company. The Company has determined that the most significant future impacts from climate change on its operations will be from transition and physical risks. These are explained on pages 13 to 15 in the Task Force for Climate related Financial Disclosures and on pages 49 to 51 in the Principal Risks and Uncertainties. They have also explained their climate commitments on pages 12 to 15. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Company's business and any consequential material impact on its financial statements.

The Company has explained in note 3 their articulation of how climate change has been reflected in the financial statements and how they have reflected the impact of climate change in their financial statements. Significant judgements and estimates relating to climate change are also included in note 3.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 12 to 15 and the significant judgements and estimates disclosed in note 3 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows following the requirements of IFRS. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter. Our audit effort was focused on the significant assumptions used in estimating the valuation of the Company's investment in the underlying Partnership. Details of our procedures and findings are included in our key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Members of Riverstone Energy Limited continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Misstatement or manipulation of the valuation of the Company's investment in the underlying Partnership ($666 million; 2022 $723 million) Refer to the Audit Committee Report (page 52); Accounting policies (page 67); and Note 5 of the Consolidated Financial Statements (page 72) The fair value of the Company's investment in the underlying Partnership is based on the Net Asset Value ("NAV") of the underlying Partnership which, in turn, is based on the fair values of its net assets including the underlying investments held by the underlying Partnership through the investment structures. A number of the underlying investments are level three investments as defined in the IFRS hierarchy. Valuing such investments requires significant judgement and estimation as explained in Note 3 to the Financial Statements and in the Audit Committee Report on pages 52 to 55. It also requires significant industry expertise. The values of these unquoted investments may be misstated due to the application of inappropriate methodologies, inputs to the valuation, discount/premiums applied at the underlying Partnership level and/or inappropriate judgmental factors. There is also a risk that proper adjustments are not made in the fair value calculations for other matters including but not limited to the effects of taxes and General Partner performance allocation.	Our audit procedures consisted of: Updating and confirming our understanding of the Company's processes and controls surrounding investment valuation by performing our walkthrough procedures and evaluating the implementation and design effectiveness of controls; We agreed the value of the underlying Partnership to the NAV obtained from the underlying Partnership's independent Administrator; We agreed the price per share of the Level 1 investments used by the underlying Partnership at 31 December 2023 to determine the NAV to independent sources; We agreed cash balances represented in the NAV of underlying Partnership at 31 December 2023 to independent confirmations; With the assistance of EY tax professionals we assessed the reasonableness of the judgements and estimates made by the Company in respect of certain applicable taxes captured in determining the NAV of the underlying Partnership investments; We obtained and reviewed the Company's calculation of the performance allocation and assessed the impact on the NAV of the underlying Partnership; For the Level 3 portfolio company investments held through the underlying Partnership our audit procedures consisted of: → Understanding the investment methodologies applied by the underlying Partnership, including the use of industry specific measures, and policies for valuing those investments; → Obtaining and inspecting the valuation papers and supporting valuation models to assess whether the data used is appropriate and relevant, and discussing these with the Investment Manager to evaluate whether the fair value of the investment is consistent with the fair value requirements of IFRS; → Attending fair value discussions in relation to 31 December 2023 valuations with specific focus on changes in macro factors and specific events at the underlying investee company level. These discussions involved representatives from the Investment Manager, the audit team and EY VME; → Vouching key inputs into the valuation models that do not require specialist knowledge to the source data; → Where forecasted inputs were utilised we performed a 'look back' comparison to available actual results to determine the historical accuracy of such forecasts. Where there are indicators of material variances, we performed follow-up inquiries with the Investment Manager to ascertain whether or not these differences are recurring in nature and whether adjustments to the use of the forecasted figures in the current period's valuations would be required; and → Testing the arithmetical accuracy of the Investment Manager's calculations. For a sample of investments representing 88 per cent. of the Level 3 investments, we engaged EY VME teams to assess whether the reported value fell within a range of reasonable outcomes, which included: → assessing whether the methodologies used to value investments were in accordance with methods, particularly those specific to the industry, that could reasonably be expected to mirror what other market participants would use; and → utilising their knowledge to challenge the appropriateness of the Investment Manager's key inputs, and their related judgements comparing those against their own market data including but not limited to, discount rates, commodity prices, comparable companies' multiples and recent relevant transaction data. We assessed the adequacy of the additional disclosures of estimates and valuation assumptions disclosed in the notes were made in accordance with IFRS 13 – Fair Value.	We reported to the Audit Committee that, overall, the valuation of the Company's investment in the underlying Partnership was materially correct, in accordance with IFRS.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be $13.5 million (2022: $14.4 million), which is 2 per cent. (2022: 2 per cent.) of equity. We believe that equity provides us with the Company's primary performance measure for internal and external reporting.

During the course of our audit, we reassessed initial materiality and elected to update materiality at the 31 December 2023 materiality as it, in our professional judgment, is appropriate for the actual results for the financial year.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75 per cent. (2022: 75 per cent.) of our planning materiality, namely $10.1 million (2022: $10.8 million). We have set performance materiality at this percentage given that there is no history of material misstatements, the likelihood of misstatement in the future is deemed low, we have a strong understanding of the control environment and there were no changes in circumstances such as a change in accounting personnel or events outside of the normal course of business.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $0.7 million (2022: $0.8 million), which is set at 5 per cent. of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 55 and 63 to 97, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Riverstone Energy Limited continued

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 38;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 38;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 38;
- Directors' statement on fair, balanced and understandable set out on page 41;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 49 to 51;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 47; and
- The section describing the work of the audit committee set out on pages 52 to 55.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 40, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and the Investment Manager.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are:
  - Financial Conduct Authority ("FCA") Listing Rules;
  - Disclosure Guidance and Transparency Rules ("DTR");
  - The 2018 UK Corporate Governance Code;
  - The 2019 AIC Code of Corporate Governance;
  - The Companies (Guernsey) Law, 2008, as amended; and
  - The Protection of Investors (Bailiwick of Guernsey) Law, 2020 (including Registered Collective Investment Schemes Rules and Guidance, 2021).

- We understood how the Company is complying with those frameworks by:
  - Making enquiries of the Investment Manager and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the Financial Statements
  - Discussing the processes and procedures used by the Directors, the Investment Manager, the Company Secretary and Administrator to identify and respond to fraud risks ensure compliance with the relevant frameworks;
  - Understanding the Company's methods of enforcing and monitoring non-compliance with such policies and reviewing internal reports that evidenced quarterly compliance testing; and
  - Inspecting any correspondence with regulators.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by:
  - Obtaining an understanding of entity-level controls and the control environment;
  - Obtaining the Company's assessment of fraud risks including an understanding of the nature, extent and frequency of such assessment documented in the Board's risk matrix;
  - Making inquiries with those charged with governance as to how they exercise oversight of processes, including those of service providers for identifying and responding to fraud risks and the controls established by management to mitigate specifically those risks the entity has identified, or that otherwise help to prevent, deter and detect fraud; and
  - Making inquiries of the Investment Manager and those charged with governance regarding how they identify related parties including circumstances related to the existence of a related party with dominant influence.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
  - Through discussion, gaining an understanding of how those charged with governance, the Investment Manager, the Company Secretary and Administrator identify instances of non-compliance by the Company with relevant laws and regulations;
  - Inspecting the relevant policies, processes and procedures to further our understanding;
  - Holding discussions with the Company's nominated Compliance Officer;
  - Reviewing internal compliance reporting, Board and Audit Committee minutes;
  - Inspecting correspondence with regulators;
  - Undertaking the audit procedures set out in the Key Audit Matter section above and reading the financial statements to check that the disclosures are consistent with the relevant regulatory requirements, and
  - Obtaining relevant written representations from the Board of Directors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company to audit the financial statements for the year ending 31 December 2013 and subsequent financial periods. We signed an engagement letter on 28 January 2014.
- The period of total uninterrupted engagement including previous renewals and reappointments is eleven years, covering the years ending 31 December 2013 to 31 December 2023.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

/s/ Richard Geoffrey Le Tissier
Richard Geoffrey Le Tissier
For and on behalf of Ernst & Young LLP
Guernsey
28 February 2024

Report of Independent Auditors to the Directors of Riverstone Energy Limited

Opinion

We have audited the Financial Statements of Riverstone Energy Limited (the "Company"), which comprise the Statement of Financial Position as of 31 December 2023 and 2022, and the related Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years then ended, and the related notes (collectively referred to as the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company at 31 December 2023 and 2022, and the results of its operations, changes in equity, and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRS and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Financial Statements that are free of material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the Financial Statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Financial Statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Financial Statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Directors, as well as evaluate the overall presentation of the Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report set out on pages 1 to 55 and pages 63 to 97, but does not include the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Financial Statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

/s/ Ernst & Young LLP
Ernst & Young LLP
Guernsey, Channel Islands
28 February 2024

Statement of Financial Position

As at 31 December 2023

	Note	**31 December 2023 $'000**	31 December 2022 $'000
Assets			
Non-current assets			
Investment at fair value through profit or loss	6	**666,024**	723,102
Total non-current assets		**666,024**	723,102
Current assets			
Trade and other receivables		**2,276**	598
Cash and cash equivalents	7	**5,781**	15,755
Total current assets		**8,057**	16,353
Total assets		**674,081**	739,455
Current liabilities			
Trade and other payables		**512**	665
Total current liabilities		**512**	665
Total liabilities		**512**	665
Net assets		**673,569**	738,790
Equity			
Share capital	8	**1,038,721**	1,101,674
Retained deficit		**(365,152)**	(362,884)
Total equity		**673,569**	738,790
Number of Shares in issue at year end	8	**42,195,789**	50,891,658
Net Asset Value per Share ($)	12	**15.96**	14.52

The Financial Statements of the Company on pages 63 to 88 were approved and authorised for issue by the Board of Directors on 28 February 2024 and signed on its behalf by:

By order of the Board

Richard Horlick
Chair of the Board

John Roche
Director

The accompanying notes on pages 67 to 88 form an integral part of the Company's Financial Statements.

Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	1 January 2023 to 31 December 2023 $'000	1 January 2022 to 31 December 2022 $'000
Investment profit			
Change in fair value of investment at fair value through profit or loss	6	**2,722**	95,939
Expenses			
Directors' fees and expenses	9	**(902)**	(854)
Legal and professional fees		**(608)**	(1,036)
Other operating expenses		**(3,654)**	(3,732)
Total expenses		**(5,164)**	(5,622)
Operating (loss)/profit for the financial year		**(2,442)**	90,317
Foreign exchange gain/(loss)		**174**	(1,388)
(Loss)/Profit for the year		**(2,268)**	88,929
Total comprehensive (expense)/income for the year		**(2,268)**	88,929
Basic and Diluted (Loss)/Earnings per Share (cents)	12	**(4.86)**	171.87

All activities derive from continuing operations.

The accompanying notes on pages 67 to 88 form an integral part of the Company's Financial Statements.

Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Share capital $'000	Retained deficit $'000	Total equity $'000
As at 1 January 2023		**1,101,674**	**(362,884)**	**738,790**
Loss for the financial year		–	(2,268)	(2,268)
Total comprehensive expense for the year		**–**	**(2,268)**	**(2,268)**
Buyback and cancellation of shares	8	(62,953)	–	(62,953)
As at 31 December 2023		**1,038,721**	**(365,152)**	**673,569**

	Note	Share capital $'000	Retained deficit $'000	Total equity $'000
As at 1 January 2022		1,133,854	(451,813)	682,041
Profit for the financial year		–	88,929	88,929
Total comprehensive income for the year		–	88,929	88,929
Buyback and cancellation of shares	8	(32,180)	–	(32,180)
As at 31 December 2022		1,101,674	(362,884)	738,790

The accompanying notes on pages 67 to 88 form an integral part of the Company's Financial Statements.

Statement of Cash Flows

For the year ended 31 December 2023

	Note	**1 January 2023 to 31 December 2023 $'000**	1 January 2022 to 31 December 2022 $'000
Cash flow used in operating activities[1]			
(Loss)/Profit for the financial year		**(2,268)**	88,929
Adjustments for:			
(Increase) in fair value of investment at fair value through profit or loss	6	**(2,722)**	(95,939)
Foreign exchange gain/(loss)		**(174)**	1,388
(Increase)/Decrease in trade and other receivables		**(1,678)**	372
(Decrease)/Increase in trade and other payables		**(153)**	1
Net cash used in operating activities		**(6,995)**	(5,249)
Cash flow generated from investing activities			
Distribution from the Partnership	6	**59,800**	47,276
Net cash generated from investing activities		**59,800**	47,276
Cash flow used in financing activities			
Buyback of shares	8	**(62,953)**	(32,180)
Net cash used in financing activities		**(62,953)**	(32,180)
Net movement in cash and cash equivalents during the year		**(10,148)**	9,847
Cash and cash equivalents at the beginning of the year		**15,755**	7,296
Effect of foreign exchange rate changes		**174**	(1,388)
Cash and cash equivalents at the end of the year		**5,781**	15,755

[1] Cash flows from operating activities for the year ended 31 December 2023 are presented by adjusting Loss for the year before tax as opposed to Operating loss for the year. Cash flows from operating activities for the year ended 31 December 2022 have been re-presented in the format adopted for the year ended 31 December 2023.

The accompanying notes on pages 67 to 88 form an integral part of the Company's Financial Statements.

Notes to the Financial Statements

For the year ended 31 December 2023

1. GENERAL INFORMATION

REL 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 UK Listing Authority's Official List and to trading on the London Stock Exchange as part of its IPO which completed on 29 October 2013. The registered office of the Company is PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

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 partnership registered and regulated in the Cayman Islands.

The Partnership has the right to invest alongside the Private Riverstone Funds in all Qualifying Investments in which the Private Riverstone Funds participate. These Private Riverstone 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. ACCOUNTING POLICIES

Basis of preparation

The Financial Statements for the year ended 31 December 2023 have been prepared in accordance with IFRS and with the Companies (Guernsey) Law, 2008, (as amended) (the "Companies Law").

In the preparation of these Financial Statements, the Company followed the same accounting policies and methods of computation as compared with those applied in the previous year.

The Financial Statements have been prepared on a going concern basis. The Board has examined areas of possible financial risk, in particular the projected cash requirements for the Company and the Partnership. After due consideration, the Directors believe that the Company has adequate financial resources and suitable management arrangements in place to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. Accordingly, the Financial Statements have been prepared on a going concern basis.

Foreign currencies

The functional currency of the Company is U.S. Dollars reflecting the primary economic environment in which the Company operates.

The Company has chosen U.S. Dollars as its presentation currency for financial reporting purposes.

Transactions during the year, including purchases and sales of investments, income and expenses are translated into U.S. Dollars at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than U.S. Dollars are retranslated at the functional currency rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a currency other than U.S. Dollars are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a currency other than U.S. Dollars are translated using the exchange rates at the date when the fair value was determined. Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss in the Statement of Comprehensive Income as part of the "Change in fair value of investments at fair value through profit or loss". Exchange differences on cash and cash equivalents are included in profit or loss in the Statement of Comprehensive Income as "Foreign exchange gain/(loss)".

Notes to the Financial Statements continued

For the year ended 31 December 2023

Financial instruments

In accordance with IFRS 9, financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

At initial recognition, financial assets are classified based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company initially measures a financial asset at its fair value.

a) Investment at fair value through profit or loss

i. Classification

Financial assets classified at FVTPL are those that do not meet the contractual cash flow test and are managed with their performance evaluated on a fair value basis in accordance with the Company's investment strategy. The Company includes in this category its only investment, being the Partnership.

ii. Measurement

Investments made by the Company in the Partnership are measured initially and subsequently at fair value, with changes in fair value taken to the Statement of Comprehensive Income. These fair value movements are predominantly driven by the fair value movements in the Partnership's underlying investments.

The Company has determined that the fair value of its investment in the Partnership is $666 million (31 December 2022: $723 million), such valuation being calculated in accordance with applicable IFRS accounting standards and IPEV Valuation Guidelines. No adjustment to the net asset value of the Partnership has been made, as this is deemed equivalent to fair value.

b) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposit. Cash equivalents are held to meet short term cash commitments and comprise other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

c) Trade and other receivables

Trade receivables are classified as financial assets at amortised cost. They are measured at amortised cost less impairment assessed using the simplified approach of the expected credit loss model based on experience of previous losses and expectations of future losses.

Trade and other payables

Trade payables are classified as financial liabilities at amortised cost.

Equity

The Company's Ordinary Shares are classified as equity and upon issuance, the fair value of the consideration received is included in equity, net of share issue costs (excluding share issue costs of the IPO). All formation and initial expenses of the Company, including the share issue costs of its IPO, have been borne by the Investment Manager.

Repurchase of Ordinary Shares for cancellation

The cost of repurchasing Ordinary Shares, including any related stamp duty and transaction costs, is charged to 'Share Capital' and dealt with in the Statement of Changes in Equity. Share repurchase and cancellation transactions are accounted for on a trade date basis.

Expenses

Expenses include legal, accounting, auditing and other operating expenses. They are recognised on an accruals basis in the Statement of Comprehensive Income in the period in which they are incurred.

Provisions and Contingent Liabilities

In line with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, we recognise provisions when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where this criterion is not met we disclose a contingent liability if the Company has a possible obligation, or has a present obligation with an outflow that is not probable or which cannot be reliably estimated. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Assessment as an Investment entity

Although the Company only has one direct investment, it has indirect exposure to more than one investment held through the underlying Partnership. The Directors are of the opinion that the Company meets the essential criteria and typical characteristics of an Investment Entity as defined in IFRS 10.

Amended standards and interpretations

Accounting standards and interpretations have been published and will be mandatory for the Company's accounting periods beginning on or after 1 January 2023 or later periods. The following are the new or amended accounting standards or interpretations applicable to the current accounting period of the Company:

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023); and
- Amendments to IAS 8 – Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023);

The impact of these amendments were not material to the reported results and financial position of the Company.

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Notes to the Financial Statements continued

For the year ended 31 December 2023

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Company's accounting policies, management has made the following critical judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

Assessment of control over the Partnership

The Company makes its investments through the Partnership in which it is the sole limited partner.

The Board has assessed whether the Company has all the elements of control as prescribed by IFRS 10 in relation to the Company's investment in the Partnership and has concluded that although the Company is the sole limited partner, it has some influence but does not control the Partnership and therefore accounts for the Partnership at fair value.

Assessment of the Partnership as a structured entity

The Company considers the Partnership to be a structured entity under IFRS 12. Transfer of funds by the Partnership to the Company is determined by the General Partner (see Note 9). The risks associated with the Company's investment in the Partnership are disclosed in Note 10. The summarised financial information for the Company's investment in the Partnership is disclosed in Note 6.

Contingent Liabilities – Performance Fee Allocation

In the ordinary course of business, we monitor the performance fee allocation and provide for anticipated costs where an outflow of resources is considered probable and a reasonable estimate can be made of the likely outcome.

Where an outflow is not probable but is possible a contingent liability may still exist and its relevant details will be disclosed.

In January 2020, the Management Engagement Committee of REL, consisting of REL's independent directors, agreed with RIGL Holdings, LP (formerly Riverstone International Limited), REL's Investment Manager (the "Investment Manager"), to amend the terms on which REL is required to pay a performance allocation (the "performance allocation") in respect of REL's investments. These terms are disclosed in Note 9.

At the reporting date we are not aware of any evidence to indicate that a present obligation exists, nor is it probable that an outflow of resources will be required such that any amount should be provided for, even though there were realisations of certain investments during the period. This is due to the Portfolio Level Cost Benchmark and 8 per cent. Hurdle Rate not being met.

Estimates and assumptions

Fair valuation of investment in the Partnership

The area involving a high degree of judgement or complexity and where assumptions and estimates are significant to the Financial Statements has been identified as the risk of misstatement of the valuation of the investment in the Partnership. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The Board's determination that no discount or premium should be applied to the net asset value of the Partnership involves a degree of judgement due to the nature of the Partnership's investments and other assets and liabilities and the valuation techniques and procedures adopted by the Partnership.

A summary of the more relevant aspects of IPEV to the valuation of the Partnership's underlying valuations are set out below:

Marketable (Listed) Securities – where an active market exists for the security, the value is stated at the bid price on the last trading day in the period. Marketability discounts are not generally applied unless there is some contractual, governmental or other legally enforceable restriction preventing realisation at the reporting date.

Unlisted Investments – are carried at such fair value as the Investment Manager considers appropriate, and as approved or adjusted by the Board, taking into account the performance of each investee company and the exercise of ratchets, options or other incentive schemes. Methodologies used in arriving at the fair value include prices of recent investment, earnings multiples, net assets, discounted cash flows analysis and industry valuation benchmarks. Valuations may be derived by reference to observable valuation measures for comparable companies or transactions (examples include discount rates, forward oil prices, production multiples, volatility of comparable public traded prices, and multiplying a key performance metric of the investee company such as estimated, unobservable EBITDA by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted for differences between the investment and the referenced comparable.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

Climate change

In preparing the Financial Statements, the Directors have considered the impact of climate change, particularly in the context of the climate change risks identified in the ESG Report.

In preparing the Financial Statements, the Directors have considered the medium- and longer- term cash flow impacts of climate change on a number of key estimates included within the Financial Statements.

In line with IFRS the Partnership's investments are valued at fair value. The Level 1 are valued using quoted prices in active markets and therefore these reflect a market participants' view of climate change risk. In determining the value of Partnership's Level 3 investments consideration is made as to whether there are any specific climate risks which could directly impact the value of such investments, including the estimates of future cash flows and future profitability. In the current and previous period there is no material impact to the value of the Partnership's Level 3 investments.

Having assessed the impact of Climate Change on the Company, the Directors concluded this is not expected to have a significant impact on the going concern and viability assessments.

Notes to the Financial Statements continued

For the year ended 31 December 2023

4. TAXATION

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 their 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 held through REL US Corp., the future U.S. tax liability on profits is expected to be in the range of 21 to 27.5 per cent. (31 December 2022: 21 to 27.5 per cent.). Additionally, depending on REL US Corp's current and accumulated earnings and profit, the future U.S. tax liability on distributions from REL US Corp is expected to be 0 per cent. and 30 per cent., respectively, for those distributions determined to be return of capital and dividend income. Any applicable taxes are captured in the Company's NAV through the fair value movements in the underlying investments held by the Partnership and its related Investment Undertakings.

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 year ended 31 December 2023 were $666 million (31 December 2022: $723 million).

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

Transfers during the period

There have been no transfers between levels during the year ended 31 December 2023 (31 December 2022: $nil). Any transfers between the levels will be accounted for on the last day of each financial period. Due to the nature of the investment in the Partnership, it is always expected to be classified under Level 3.

Valuation methodology and process

The Directors base the fair value of the investment in the Partnership on the value of the limited partnership capital account received from the General Partner, which is determined on the basis of the fair value of the Partnership's assets and liabilities, adjusted if necessary, to reflect liquidity, future commitments, and other specific factors of the Partnership. This is based on the components within the Partnership, principally the value of the Partnership's investments in addition to cash, cash equivalents and short-term money market and other fixed income securities held. Any fluctuation in the value of the Partnership's investments in addition to cash, cash equivalents and short-term money market and other fixed income securities held will directly impact on the value of the Company's investment in the Partnership.

The Partnership's investments are valued using the techniques described in the Company's valuation policy. The Investment Manager's assessment of fair value of investments held by the Partnership, through Investment Undertakings, is determined in accordance with IPEV Valuation Guidelines. When valuing the Partnership's investments, the Investment Manager reviews information provided by the underlying investee companies and other business partners and applies IPEV methodologies, to estimate a fair value as at the date of the Statement of Financial Position, subject to Board approval. It is the opinion of the Directors, that the IPEV valuation methodology used in deriving a fair value is generally not different from the fair value requirements of IFRS 13. In the event that there is a difference, the requirements of IFRS 13 override the IPEV requirements.

The Investment Manager values the investments on a quarterly basis using common industry valuation techniques, including comparable public market valuations, comparable merger and acquisition transaction valuations and discounted cash flow valuations. For early-stage private investments, Riverstone's investment due diligence process includes assumptions about short-term financial results in determining the appropriate purchase price for the investment. For the SPAC Sponsor investments, the Investment Manager applies discounts to the closing price of the publicly traded shares for lack of identified target, risk of unsuccessful closing of the business combination and applicable lock-up periods post-closing. The techniques used in determining the fair value of the Company's investments through the Partnership are selected on an investment-by-investment basis so as to maximise the use of market based observable inputs.

REL's valuation policy is compliant with both IFRS and IPEV Valuation Guidelines and is applied consistently from period to period. As the Company's investments held in its structure are generally not publicly quoted, valuations require meaningful judgement 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.

For the year ended 31 December 2023, the valuations of the Company's investments, through the Partnership, are detailed in the Investment Manager's Report.

Notes to the Financial Statements continued

For the year ended 31 December 2023

5. FAIR VALUE continued

Qualitative Information for Level 3 Fair Value Measurements as at 31 December 2023

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 fair value of Level 3 investments[(2)]	Fair value of Level 3 Investments affected by unobservable input[(3)] (in thousands)
$157,807	Public comparables	2024E EV / EBITDA multiple	12.5x	27.5x	22.3x	30 per cent. weighted average change in the input would result in 2 per cent. change in the total fair value of Level 3 investments	29,406
		2024E EV / Revenue Multiple[(5)]	1.3x	10.6x	7.4x	40 per cent. weighted average change in the input would result in 5 per cent. change in the total fair value of Level 3 investments	80,493
		2025E EV / Revenue Multiple	1.5x	2.0x	1.9x	20 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	34,250
		2026E EV / Revenue Multiple	1.3x	1.3x	1.3x	30 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	7,125
		2027E EV / Revenue Multiple	1.0x	2.0x	1.0x	30 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	3,125
		2027E EV / EBITDA Multiple[(5)]	2.0x	6.0x	2.6x	30 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	3,125
	Transaction comparables	Precedent M&A Transaction	6.6x	17.8x	12.8x	50 per cent. weighted average change in the input would result in 3 per cent. change in the total fair value of Level 3 investments	17,385
	Discounted cash flow	Discount Rate[(4)]	30%	10%	18%	+/-50 per cent. weighted average change in the input would result in -/+1 per cent. change in the total fair value of Level 3 investments	70,189
$16,934	Other[(6)]						
$174,741	**Total**						

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

(2) Based on its professional experience and recent market conditions, the Investment Manager has provided the Board with these weighted average change in the inputs with a forecasted time period of 6 to 12 months.

(3) Some 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 as they have not been adjusted to reflect the specific weighting applied to each method at the year end.

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

(5) As at 31 December 2023, the sensitivity of this unobservable input 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 2022.

(6) 'Other' include certain investments that are not subject to a sensitivity analysis because they are insensitive to the changes in inputs set out above as at 31 December 2023 and 31 December 2022, respectively.

Qualitative Information for Level 3 Fair Value Measurements as at 31 December 2022

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 fair value of Level 3 investments[2]	Fair value of Level 3 Investments affected by unobservable input[3] (in thousands)
$255,797	Public comparables	2023E EV / EBITDA Multiple	16.0x	36.0x	34.1x	25 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	53,156
		2024E EV / EBITDA Multiple	1.0x	3.0x	1.0x	25 per cent. weighted average change in the input would result in 6 per cent. change in the total fair value of Level 3 investments	118,348
		2022E EV / Revenue Multiple	2.0x	12.4x	7.2x	20 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	40,043
		2023E EV / Revenue Multiple	2.0x	19.1x	10.9x	20 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	113,406
	Transaction comparables	Asset Value ($m/kW)	$56	$182	$58	50 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	118,348
	Discounted cash flow	Discount Rate[4]	30%	10%	30%	+/-50 per cent. weighted average change in the input would result in -/+1 per cent. change in the total fair value of Level 3 investments	138,348
$188,795	Other[6]						
$444,592	Total						

Notes to the Financial Statements continued

For the year ended 31 December 2023

5. FAIR VALUE continued

The Board reviews and considers the fair value of each 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 a number of these 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 certain of these investments may differ from the fair values reflected in these Financial Statements and incorporated into the fair value of the Company's investment in the Partnership 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 with consultation from the Investment Manager. Using its extensive industry experience, the Investment Manager provides the Board with its determination of the reasonably possible changes in significant unobservable inputs in normal market conditions as of the year end.

The Directors have considered whether a discount or premium should be applied to the net asset value of the Partnership and have concluded that as the Partnership's underlying assets are measured at fair value, no adjustment to the net asset value of the Partnership has been deemed to be necessary (see Note 3).

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. The table below reconciles the Company's Level 3 assets during the year.

	31 December 2023 $'000	31 December 2022 $'000
Cost		
Brought forward	1,046,814	1,094,090
Distribution from the Partnership	(59,800)	(47,276)
Carried forward	987,014	1,046,814
Fair value movement through profit or loss		
Brought forward	(323,712)	(419,651)
Fair value movement during the year – see Summary Income Statement below	2,722	95,939
Carried forward	(320,990)	(323,712)
Fair value at year end	666,024	723,102

Summary financial information for the Partnership's investments and its related Investment Undertakings

Summary Balance Sheet	31 December 2023 $'000	31 December 2022 $'000
Investments at fair value	384,255	657,040
Cash and cash equivalents[1]	283,593	68,483
Management Fee payable – see Note 9	(2,193)	(2,682)
Other net assets	369	261
Fair value of REL's investment in the Partnership	666,024	723,102

[1] These figures, together with the $2 million held at REL US Corp (31 December 2022: $35.3 million), comprise the $286 million cash and cash equivalents held in the Partnership (31 December 2022: $103.8 million).

Reconciliation of Partnership's investments at fair value	31 December 2023 $'000	31 December 2022 $'000
Investments at fair value – Level 1	207,495	177,136
Investments at fair value – Level 3 – see Note 5	174,741	464,592
Investments at fair value[1]	382,236	621,728
Cash and cash equivalents	2,019	35,312
Partnership's investments at fair value	**384,255**	657,040

[1] Partnership holds investments indirectly through Investment Undertaking.

Summary Income Statement	1 January 2023 to 31 December 2023 $'000	1 January 2022 to 31 December 2022 $'000
Unrealised and realised gain on Partnership's investments	5,315	108,696
Interest and other income	9,215	1,477
Management fee expense – see Note 9	(9,431)	(11,302)
Other operating expenses	(2,377)	(2,932)
Portion of the operating gain for the year attributable to REL's investment in the Partnership	**2,722**	95,939

Reconciliation of unrealised and realised gain on Partnership's investments	1 January 2023 to 31 December 2023 $'000	1 January 2022 to 31 December 2022 $'000
Unrealised gain on Partnership's investments	48,358	148,511
Realised loss on Partnership's investments	(43,024)	(37,235)
General Partner's performance allocation – see Note 9	–	–
Release of provision for taxation	(19)	(2,580)
Unrealised and realised gain on Partnership's investments	**5,315**	108,696

7. CASH AND CASH EQUIVALENTS

These comprise cash and short-term bank deposits available on demand. The carrying amounts of these assets approximate to their fair value.

Notes to the Financial Statements continued

For the year ended 31 December 2023

8. SHARE CAPITAL

	31 December 2023 $'000	31 December 2022 $'000
Authorised:		
Ordinary Shares of no par value	**Unlimited**	Unlimited

	Total No.	Total No.
Issued and fully paid:		
Unlimited Shares of no par value		
Shares as at inception	–	–
Issued on 23 May 2013	1	1
Issued on 29 October 2013	71,032,057	71,032,057
Issued on 10 October 2014	5,000,000	5,000,000
Issued on 11 December 2015	8,448,006	8,448,006
Cancelled during year ended 31 December 2018	(4,583,333)	(4,583,333)
Cancelled during year ended 31 December 2020	(16,958,265)	(16,958,265)
Cancelled during year ended 31 December 2021	(8,000,867)	(8,000,867)
Cancelled during year ended 31 December 2022	(4,045,941)	(4,045,941)
Cancelled during year ended 31 December 2023	(8,695,869)	–
Shares as at year end	**42,195,789**	50,891,658

Share capital	$'000	$'000
Share capital brought forward	1,101,674	1,133,854
Movements for the year:		
Cancellation of shares	(62,953)	(32,180)
Share capital as at year end	**1,038,721**	1,101,674

The Company has one class of Ordinary Shares. The issued value of the Ordinary Shares represents 100 per cent. of the total issued value of all share capital. Under the Company's Articles of Incorporation, on a show of hands, each Shareholder present in person or by proxy has the right to one vote at general meetings. On a poll, each Shareholder is entitled to one vote for every Share held.

Shareholders are entitled to all dividends paid by the Company and, on a winding up, providing the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company. The Ordinary Shares have no right to fixed income.

On 15 May 2023, the Company announced a share buyback programme for £30.0 million in the value of the Company's Ordinary Shares. During 2023 the Company acquired 5,513,673 Ordinary Shares which were subsequently cancelled.

On 17 August 2023, the Company announced a Tender Offer for £18.4 million in the value of the Company's Ordinary Shares. The Company acquired 3,182,196 Ordinary Shares which were cancelled on 29 September 2023.

Following the cancellation of Ordinary Shares from the Tender Offer and share buyback programme, the share capital of the Company is 42,195,789 Ordinary Shares in aggregate.

9. RELATED PARTY TRANSACTIONS

The following parties are considered to be the Company's related parties as defined by IFRS.

Directors

The Company has six non-executive Directors (31 December 2022: seven). The Chair of the Board is entitled to annual remuneration of £145,200 (31 December 2022: £132,000). The Chair of the Audit Committee is entitled to annual remuneration of £90,750 (31 December 2022: £82,500), the Chair of the Management Engagement Committee is entitled to annual remuneration of £78,650 (31 December 2022: £71,500) and the Chair of the Nomination and Remuneration Committee is entitled to remuneration of £78,650 (31 December 2022: £71,500). The other independent Directors are entitled to annual remuneration of £72,600 (31 December 2022: £66,000).

Directors' fees and expenses for the year ended 31 December 2023 amounted to $901,531 (31 December 2022: $854,413) which resulted in a reduction to the 31 December 2023 quarter-end management fee as further discussed below. $nil of Directors' expenses were outstanding at year-end (31 December 2022: $nil).

Partnership

In accordance with section 4.1(a) of the Partnership Agreement, the Company received distributions in aggregate of $59.8 million (31 December 2022: $47.2 million) from the Partnership through the year to 31 December 2023. The Company also received inter-entity loans of $1.7 million from the Partnership to fund further investments and the Tender Offer. 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 distributions from the Partnership.

Investment Manager

The Investment Manager, an affiliate of Riverstone, provides advice to the Company and the General Partner on the origination and completion of new investments, on the management of the portfolio and on realisations, as well as on funding requirements, subject to Board approval. 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.

The Investment Manager has agreed to deduct from its annual management fee all fees, travel costs and related expenses of the Directors exceeding the following annual limits:

Portion of NAV	Limit (as a percentage of the then last published NAV)
Up to and including £500 million	0.084 per cent.
From £500 million to and including £600 million	0.084 per cent. at £500 million and thereafter adjusted downwards proportionately to NAV to 0.07 per cent. at £600 million
From £600 million to and including £700 million	0.07 per cent. at £600 million and thereafter adjusted downwards proportionately to NAV to 0.06 per cent. at £700 million
Above £700 million	0.06 per cent.

The above limits are subject to adjustment by agreement between the Investment Manager and the Company acting by its independent Directors. Based on the last published NAV as of 31 December 2023, the maximum amount of annual fees, travel and related expenses of the Directors is $568,574 (31 December 2022: $765,682). During the year ended 31 December 2023, fees and expenses of the Directors amounted to $901,531 (31 December 2022: $854,413), resulting in a reduction of $332,957 to the 31 December 2023 quarter-end management fee (31 December 2022: reduction of $88,731 of the quarter-end management fee).

Notes to the Financial Statements continued

For the year ended 31 December 2023

9. RELATED PARTY TRANSACTIONS continued

During the year ended 31 December 2023, the Partnership incurred management fees of $9,430,572 (31 December 2022: $11,302,322) of which $2,192,927 remained outstanding as at the year-end (31 December 2022: $2,681,729). In addition, the Company and Partnership, in aggregate, reimbursed the Investment Manager $2,528,979 in respect of amounts paid on their behalf for the year (31 December 2022: $2,028,851), of which $2,498,492 related to legal and professional fees of the Company and Partnership ($218,956 specific to the Company) (31 December 2022: $1,376,733), and $101,386 related to travel and other operating expenses of the Investment Manager (all specific to the Company), (31 December 2022: $192,603), and reimbursable amounts from the Investment Manager of $70,900 (31 December 2022: due to the Investment Manager of $459,515) related to expenses incurred by portfolio companies (all specific to the Partnership).

The circumstances in which the Company and the Investment Manager may terminate the Investment Management Agreement are as follows:

Event	Notice period	Consequences of termination
By the Company if the Investment Manager is in material breach which has not been rectified	12 months	The General Partner is entitled to receive a payment equal to four times the quarterly management fee payable to the Investment Manager on the basis of the Company's most recent Net Asset Value ($8,771,708) and an amount equal to the performance allocation due on the Company's investments on the basis, at the Company's option, of the latest quarterly valuation ($nil) or the actual realisation value for each investment.
By the Investment Manager if the Company is in material breach which has not been rectified	12 months	The General Partner is entitled to receive a payment equal to twenty times the quarterly management fee payable to the Investment Manager on the basis of the Company's most recent Net Asset Value ($43,858,530) and an amount equal to the performance allocation due on the Company's investments on the basis, at the General Partner's option, of the latest quarterly valuation ($nil) or the actual realisation value for each investment.
By the Company if the Investment Manager becomes insolvent or resolves to wind up or if the Investment Manager commits an act of fraud or wilful default in relation to the Company which results in material harm to the Company	Immediate	No payment to be made to the Investment Manager or the General Partner.

The Investment Management Agreement cannot be terminated by either the Company or the Investment Manager without cause.

Following the seventh anniversary of the Company's London listing on 29 October 2020, a discontinuation resolution was proposed and not passed, therefore the Investment Management Agreement will continue in perpetuity subject to the termination for cause provisions described above. However, either the Board or Shareholders holding in aggregate 10 per cent. of the Company's voting securities can call an EGM at any time to vote on the liquidation of the Company (75 per cent. of the votes cast in favour required) or run-off of its portfolio (50 per cent. of the votes cast in favour required).

Under both these scenarios, the General Partner would be entitled to twenty times the most recent quarterly management fee payable to the Investment Manager ($43,858,530 as of 31 December 2023).

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 holding subsidiary 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.

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.

During the year ended 31 December 2023, the Partnership paid performance allocation of $nil (31 December 2022: $nil) of which $nil remained outstanding as at the year-end (31 December 2022: $nil).

On 3 January 2020, the Company announced amendments to performance allocation arrangements under the Investment Management Agreement that were effective from 30 June 2019. The amended terms on which the Company is required to pay a performance allocation in respect of its investment are as follows:

- Portfolio level cost benchmark: A performance allocation will only be distributed in respect of a realised investment if, at the time of the realisation of the relevant investment, the aggregate of the fair market value of all of the Company's then unrealised investments and the proceeds of all of its realised investments since inception exceeds the aggregate acquisition price of all of the Company's unrealised and realised investments. If this portfolio level cost benchmark is not met at the time of realisation of the relevant investment, distribution of the performance allocation is subject to deferment as described further below. As of 31 December 2023, the portfolio level cost benchmark was in deficit of $84.7 million.
- 8 per cent. hurdle rate: A performance allocation will only be accrued for payment upon the realisation of an investment if the proceeds from that investment exceed an amount equal to its acquisition cost plus an 8 per cent. annual cumulative hurdle rate calculated from the date of investment to the date of realisation. If the hurdle is met, the performance allocation will be 20 per cent. of all Net Profits in respect of each such investment. As of 31 December 2023, five investments exceeded the hurdle rate and the total portfolio's Gross IRR was approximately (1) per cent.
- Full realisation: A performance allocation will only be calculated and accrued on the full realisation of the entire interest in an investment unless a partial realisation results in the full return of all capital invested in such investment. Otherwise, no performance allocation will be payable on partial disposals and the ability for the Investment Manager to elect to receive a performance allocation on an investment that has been held by the Company for at least seven years (but not sold) has been removed.
- Deferral: If the portfolio level cost benchmark is not met at the time of full realisation of the relevant investment, it will be retested on a quarterly basis for the following three years. If, at any time during those three years, the benchmark is satisfied for four continuous quarters, the relevant performance allocation will then become distributable without interest. Any accrued but undistributed performance allocation that has been deferred due to the portfolio level cost benchmark test will expire after 36 months.

In accordance with the revised terms above, no further performance allocation 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. The earned performance allocation of $0.8 million at 31 December 2023 expired in October 2023 as 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 was not accrued in accordance with the terms of the current agreement, which would have been accrued under the prior agreement. The Investment Manager will continue to be required to apply each performance allocation (net of taxes) to acquire ordinary shares of the Company.

Distribution of Investment Proceeds

In addition, the Company and the Investment Manager have agreed that, going forward, 20 per cent. of the Net Profits attributable to each fully realised investment, net of taxes, withholdings or reserves for taxes will, at the discretion of the Company, be available for distribution to the Company's Shareholders, whether by dividend or share repurchases.

Notes to the Financial Statements continued

For the year ended 31 December 2023

9. RELATED PARTY TRANSACTIONS continued

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.

10. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Company's investing activities, through its investment in the Partnership, intentionally expose it to various types of risks that are associated with the underlying investee companies of the Partnership, including the ongoing volatility in the oil and gas market. The Company makes the investment in order to generate returns in accordance with its investment policy and objectives.

The most important types of financial risks to which the Company is exposed are market risk (including price, interest rate and foreign currency risk), liquidity risk and credit risk. The Board of Directors has overall responsibility for the determination of the Company's risk management and sets policy to manage that risk at an acceptable level to achieve those objectives. The policy and process for measuring and mitigating each of the main risks are described below.

The Investment Manager and the Administrator provide advice to the Company which allows it to monitor and manage financial risks relating to its operations through internal risk reports which analyse exposures by degree and magnitude of risks. The Investment Manager and the Administrator report to the Board on a quarterly basis.

Categories of financial instruments

	31 December 2023 $'000	31 December 2022 $'000
Financial assets		
Investment at fair value through profit or loss:		
Investment in the Partnership	**666,024**	723,102
Other financial assets:		
Cash and cash equivalents	**5,781**	15,755
Trade and other receivables	**2,276**	598
Financial liabilities		
Financial liabilities:		
Trade and other payables	**(512)**	(665)

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the capital return to Shareholders. The capital structure of the Company consists of issued share capital and retained earnings, as stated in the Statement of Financial Position.

In order to maintain or adjust the capital structure, the Company may buy back shares or issue new shares. During the year, the Company bought and cancelled 8,695,869 Ordinary Shares. There are no external capital requirements imposed on the Company.

The Company's investment policy is set out in the Investment Policy section of the Annual Report.

Market risk

Market risk includes price risk, foreign currency risk and interest rate risk.

(a) Price risk

The underlying investments held by the Partnership present a potential risk of loss of capital to the Partnership and hence to the Company. The Company invests through the Partnership. Price risk arises from uncertainty about future prices of underlying financial investments held by the Partnership, which at year-end was $368,027,035 (31 December 2022: $621,728,409). Please refer to Note 5 for quantitative information about the fair value measurements of the Partnership's Level 3 investments. There were $207 million (31 December 2022: $177 million) Level 1 investments which are exposed to price risk as well. A change of +/- 10 per cent. in the Level 1 investments would result in a +/- $20.7 million change in their fair value (31 December 2022: a change of +/- 10 per cent. in the Level 1 investments would result in a +/- $17.7 million change in their fair value).

The Partnership is exposed to a variety of risks which may have an impact on the carrying value of the Company's investment in the Partnership. The Partnership's risk factors are set out in (a)(i) to (a)(iii) below.

(i) Not actively traded

The Partnership's investments are not generally traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The underlying investments of the Partnership vary as to industry sub-sector, geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to uncertainty.

Although the investments are in the same industry, this risk is managed through careful selection of investments within the specified limits of the investment policy. The investments are monitored on a regular basis by the Investment Manager.

(ii) Concentration

The Company, through the Partnership, invests in the global energy sector, with a particular focus on businesses that engage in oil and gas exploration and production and midstream investments in that sector. This means that the Company is exposed to the risk of only making investments in the global energy sector, which may further relate to sub-sector, geography, and the relative size of an investment or other factors. Whilst the Company is subject to the investment and diversification restrictions in its investment policy, within those limits, material concentrations of investments have arisen.

The Board and the Investment Manager monitor the concentration of the investment in the Partnership on a quarterly basis to ensure compliance with the investment policy.

(iii) Liquidity

The Company's underlying investments through the Partnership are dynamic in nature. The Partnership will maintain flexibility in funding by keeping sufficient liquidity in cash and cash equivalents which may be invested on a temporary basis in line with the cash management policy as agreed by the Board from time to time.

As at 31 December 2023, $285.6 million[(1)] or 42.6 per cent. (31 December 2022: $103.8[(1)] million or 14.3 per cent.) of the Partnership's financial assets, including those held by its wholly-owned subsidiaries, REL US Corp and REL US Centennial Holdings, LLC, were cash and cash equivalent balances, being a mix of cash balances held on deposit with several A or higher rated banks and short term fixed rate securities.

(1) These figures are comprised of $283.6 million (2022: $68.5 million) held at the Partnership and $2 million (2022: $35.3 million) held at REL US Corp.

Notes to the Financial Statements continued

For the year ended 31 December 2023

10. FINANCIAL RISK MANAGEMENT continued

(b) Foreign currency risk

The Company has exposure to foreign currency risk due to the payment of some expenses in Pounds Sterling. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the U.S. Dollar.

The following tables set out, in U.S. Dollars, the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities:

As at 31 December 2023	$ $'000	£ $'000	Total $'000
Assets			
Non-current assets			
Investment in the Partnership[(1)]	666,024	–	666,024
Total non-current assets	666,024	–	666,024
Current assets			
Trade and other receivables	2,238	38	2,276
Cash and cash equivalents	932	4,849	5,781
Total current assets	3,170	4,887	8,057
Current liabilities			
Trade and other payables	110	402	512
Total current liabilities	110	402	512
Total net assets	669,084	4,485	673,569

(1) Includes the fair value of one investment held through the Partnership, Crescent Point Energy, denominated in CAD and therefore subject to foreign currency risk. This investment had an aggregate fair value of $57.2 million as at 31 December 2023.

As at 31 December 2022	$ $'000	£ $'000	Total $'000
Assets			
Non-current assets			
Investment in the Partnership[(1)]	723,102	–	723,102
Total non-current assets	723,102	–	723,102
Current assets			
Trade and other receivables	572	26	598
Cash and cash equivalents	2,037	13,718	15,755
Total current assets	2,609	13,744	16,353
Current liabilities			
Trade and other payables	100	565	665
Total current liabilities	100	565	665
Total net assets	725,611	13,179	738,790

(1) Includes the fair value of one investment held through the Partnership, Hammerhead Energy (now Cresent Point Energy), denominated in CAD and therefore subject to foreign currency risk. This investment had an aggregate fair value of $153.7 million as at 31 December 2022.

(c) Interest Rate Risk

The Company's exposure to interest rate risk relates to the Company's cash and cash equivalents held through the Partnership. The Company is subject to risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. As at the date of the Statement of Financial Position, the majority of the cash and cash equivalents were held by the Partnership on interest bearing fixed deposit accounts and Treasury Bills. Any exposure to interest rate risk at the underlying investment level is captured within price risk.

The Company has no other interest-bearing assets or liabilities as at the reporting date. As a consequence, the Company is only exposed to minimal variable market interest rate risk. Management does not expect any residual interest rate risk to be material, and therefore sensitivity analysis has not been provided.

	31 December 2023 $'000	31 December 2022 $'000
Non-interest bearing		
Cash and cash equivalents	**5,781**	15,755

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors.

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price.

The Company adopts a prudent approach to liquidity management and through the preparation of budgets and cash flow forecasts maintains sufficient cash reserves to meet its obligations. During the year, the Company received distributions in aggregate of $59.8 million (£47.1 million) from the Partnership (2022: $47.3/£39.1 million) to continue to fund the 2022 and 2023 share buyback programmes, 2023 Tender Offer and ongoing expenses. As in prior years, in accordance with the Partnership Agreement, if the Company requires additional funds for working capital, it is entitled to receive further distributions from the Partnership. In order to do so, the Company would submit a distribution request approved by the Board to the Partnership, which would then be required to arrange for the payment of the requested amount. Since REL's inception, the Company has requested and received twelve distributions from the Partnership for working capital needs. As at 31 December 2023, REL, through the Partnership, had available liquid resources of $286 million in excess of potential unfunded commitments of $6.2 million, but currently, as of the date of this report, REL, through the Partnership, has total potential unfunded commitments of up to $6.0 million.

The Company's financial assets (excluding equity investments) and liabilities have an expected maturity of less than 12 months from 31 December 2023 (2022: less than 12 months from 31 December 2022). Based on the assessment outlined above, the Board has concluded that, as of the date of this report, the Company and Partnership have sufficient available liquid resources to meet current liabilities as they fall due over the next 13 months to 31 March 2025.

Notes to the Financial Statements continued

For the year ended 31 December 2023

10. FINANCIAL RISK MANAGEMENT continued

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Any exposure to credit risk at the underlying investment level is captured within price risk.

Financial assets mainly consist of cash and cash equivalents, trade and other receivables, and investments at fair value through profit or loss. The Company's risk on liquid funds, including those held by the Partnership[1], is reduced because it can only deposit monies with institutions with a minimum credit rating of "single A". The Company mitigates its credit risk exposure on its investment at fair value through profit or loss by the exercise of due diligence on the counterparties of the Partnership, its General Partner and the Investment Manager.

The table below shows the material cash balances and the credit rating for the counterparties used at the year-end date:

Counterparty	Location	Rating	31 December 2023 $'000	31 December 2022 $'000
Barclays Bank Plc	Guernsey	A	5,781	15,755

(1) The Partnership holds its cash and cash equivalents ($284 million) at Barclays Bank Plc (Rating: A) and Citibank (Rating: A+).

The Company's maximum exposure to loss of capital from credit risk at the year-end is shown below:

31 December 2023	Carrying Value and Maximum exposure $'000
Other financial assets (including cash and cash equivalents but excluding prepayments and loan from the Partnership)	4,039

31 December 2022	Carrying Value and Maximum exposure $'000
Other financial assets (including cash and cash equivalents but excluding prepayments)	15,755

Gearing

As at the date of these Financial Statements the Company itself has no gearing. The Company may have indirect gearing through the operations of the underlying investee companies.

11. 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 of the Company's Net Asset Value and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the Financial Statements.

For management purposes, the Company is organised into one main operating segment, which invests in one limited partnership.

All of the Company and the Partnership'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.

12. (LOSS)/EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

(Loss)/Earnings per Share	**31 December 2023 Basic / Diluted**	31 December 2022 Basic / Diluted
(Loss)/Profit for the year ($'000)	**(2,268)**	88,929
Weighted average numbers of Shares in issue	**46,651,893**	51,742,789
(Loss per share)/EPS (cents)	**(4.86)**	171.87

The (Loss)/Earnings per Share is based on the profit or loss of the Company for the year and on the weighted average number of Shares the Company had in issue for that year.

The weighted average number of Shares during the year is 46,651,893 (31 December 2022: 51,742,789).

There are no dilutive Shares in issue as at 31 December 2023 (31 December 2022: nil).

Net Asset Value per Share	**31 December 2023 Basic / Diluted**	31 December 2022 Basic / Diluted
NAV ($'000)	**673,569**	738,790
Number of Shares in issue	**42,195,789**	50,891,658
Net Asset Value per Share ($)	**15.96**	14.52
Net Asset Value per Share (£)	**12.53**	11.99
Share Price (£)	**8.01**	6.78
Discount to NAV (per cent.)	**36.09**	43.46

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. The Discount to NAV is arrived at by calculating the percentage discount of the Company's Net Asset Value per Share to the Company's closing Share price as at the date of the Statement of Financial Position.

13. AUDITOR'S REMUNERATION

Other operating expenses include but is not limited to all fees payable to the auditor, which can be analysed as follows:

	2023 $'000	2022 $'000
Ernst & Young LLP Audit fees	**617**	626

	2023 $'000	2022 $'000
Ernst & Young LLP Interim Review fees	**213**	211
Ernst & Young Non-Audit fees	**213**	211

14. IFRS TO US GAAP RECONCILIATION

The Company's Financial Statements are prepared in accordance with IFRS, which in certain respects differ from US GAAP. These differences are not material and therefore no reconciliation between IFRS and US GAAP has been presented. For reference, please see below for a summary of the key judgments and estimates taken into account with regards to the Company as of 31 December 2023, as well as the Shareholders' financial highlights required under US GAAP.

Assessment as an Investment Entity

As stated in Note 2, REL meets the definition of an investment entity under IFRS 10. Per US GAAP (Financial Services – Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements or "ASC 946"), REL meets the definition of an investment company, and as required by ASC 946, REL measures its investment in the Partnership at FVTPL, which in turn measures its investment in the underlying investments at FVTPL.

Notes to the Financial Statements continued

For the year ended 31 December 2023

14. IFRS TO US GAAP RECONCILIATION continued

REL's Investment in the Partnership

As stated in Note 3, although the Company is the sole limited partner, it does not control the Partnership (as that is attributable to the General Partner) and, since REL meets the definition of an investment company in accordance with IFRS 10, it measures its investment in the Partnership at FVTPL. Taking into consideration all applicable US GAAP requirements (ASC 946 and ASC 323), REL accounts for its investment in the Partnership at FVTPL which is similar to the IFRS 10 requirements.

Fair Value Measurements

The fair value of the underlying investments held by the Partnership are determined based on valuation techniques and inputs that are observable and unobservable in the market which market participants have access to and will use to determine the exit price or selling price of the investments. The change in valuation of REL's investments held by the Partnership is then reflected in the fair value of REL's investment in the Partnership. No additional disclosures are needed, as the applicable fair value valuation techniques and disclosures are consistent to those made under IFRS.

Shareholders' Financial Highlights	**Year Ended 31 December 2023**	Year Ended 31 December 2022
Expense ratio[1]	**2.5%**	2.7%
Performance Allocation ratio[1]	**0.0%**	0.0%
Total Expense and Performance Allocation ratio	**2.5%**	2.7%
Net investment loss ratio[2]	**(1.9) %**	(2.6) %
Internal rate of return[3], beginning of year	**(3.8) %**	(5.4) %
Internal rate of return[3], end of year	**(3.7) %**	(3.8) %
Net contributed capital to total capital commitments[4]	**100.0%**	100.0%

15. POST-YEAR END UPDATE

As announced 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 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 £8.00 on 7 February 2024 and represents a 16 per cent. discount to the unaudited 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 2024 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 2024 Tender Offer will close on 25 March 2024. The 2024 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.

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.

(1) The expense ratio is calculated using total expenses of the Company and the Partnership allocated to the Shareholders divided by the Shareholders' average capital balance for the year presented. For the years ended 31 December 2023 and 2022, the performance allocation realised by the General Partner of the Partnership was $nil and $nil, respectively, and the performance allocation accrued by the General Partner of the Partnership was approximately $nil and $nil, respectively.

(2) The net investment loss ratio is the Shareholders' investment income of the Company and Partnership reduced by total expenses of the Company and the Partnership divided by the Shareholders' average capital balance for the year presented. However, net investment loss does not include any realised or unrealised gains/losses generated from the sale or recapitalisation of an investment of the Partnership. Thus, net investment loss includes dividend and interest income of the Company and the Partnership less the total expenses of the Company and the Partnership incurred during the year presented.

(3) The internal rate of return since the commencement of operations ("IRR") is computed based on the dates of the Shareholders' capital contributions to the Company, distributions from the Company to the Shareholders, and the fair value of the Shareholders' NAV as of 31 December 2023. The IRR of the Shareholders is net of all fees and performance allocation to the General Partner of the Partnership. The computation of the IRR for an individual Shareholder may vary from the IRR presented above due to the timing of capital transactions.

(4) Net contributed capital is based on the Shareholders' gross capital contributions.

Alternative Performance Measures ("APMs")

This Annual Report and Accounts contain APMs, which are financial measures not defined in IFRS. These include certain financial and operational highlights and key financials on pages 2 to 3, as well as in the performance section of the Board Chair's Statement 4 to 7. The definition of each of these APMs is shown below.

The Company assesses its performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. The APMs that the Company uses may not be directly comparable with those used by other companies. These APMs are used to present a clearer picture of how the Company has performed over the year and are all financial measures of historical performance.

For the 2023 Annual Report, the APMs, Performance Allocation Ratio and Net Contributed Capital to Total Capital Commitments are no longer deemed relevant and have been removed from the below table. The performance allocation has been nil since amendments to the Investment Management Agreement in 2020, as the portfolio level cost benchmark has remained in deficit. The Shareholders' gross capital contributions have remained at 100 per cent. for many years.

The table below defines our APMs.

APM	Definition	Purpose	Calculation and (where relevant) reconciliation to IFRS
NAV per Ordinary Share	The Company's NAV divided by the number of Ordinary Shares.	A measure of the value of one ordinary share.	The net assets as shown on the statement of financial position ($674 million as at 31 December 2023 and $739 million as at 31 December 2022) divided by the number of Ordinary Shares in issue as at the calculation date (42,195,789 as at 31 December 2023 and 50,891,658 as at 31 December 2022).
Ordinary NAV total return	The increase/(decrease) in the NAV per ordinary share.	A measure of the overall financial performance of the Company.	The difference in the NAV per Ordinary Share at the beginning and end of the year from the statement of financial position ($15.96 for the year ended 31 December 2023 & $14.52 for the year ended 31 December 2022) as a percentage of the opening NAV per Ordinary Share as shown in the Statement of Financial Position (being $14.52 per ordinary share as at 31 December 2022 & $12.41 as at 31 December 2021).
Premium/(discount) to NAV	The amount by which the ordinary share price is higher/lower than the NAV per Ordinary Share, expressed as a percentage of the NAV per ordinary share.	A measure of the performance of the Company's share price relative to the NAV per Ordinary Share.	The difference between the Company's share price and NAV per Ordinary Share as a relative percentage of the NAV per Ordinary Share (36.1 per cent. as at 31 December 2023 and 43.5 per cent. as at 31 December 2022).
Annual total costs' impact on return per year	The impact on return each year that total costs, including GP performance allocation, have on the investment return.	A measure to show how total costs, including GP performance allocation, affect the return from the Company.	Annual total costs of the Company and Partnership as a per cent. of average NAV of the Company: Total annual costs for the year ended 31 December 2023: $16,989,622 (31 December 2022: $19,856,075). Average NAV of the Company for the year ended 31 December 2023: $666,773,589 (31 December 2022: $742,637,411). Annual total costs' impact of return per year: 2.5 per cent. as of 31 December 2023 (2.6 per cent. as of 31 December 2022).
Reconciliation of Partnership's investments	The annual investment value of the Partnership, including capital deployed into the Company's assets, cash received from the Company's investment portfolio and the net unrealised change in value.	A reconciliation of the Partnership's investments on an annual basis.	For the year ended 31 December 2023: $622 million – Brought Forward $22 million – Capital Invested $(272) million – Cash Proceeds $10 million – Change in Unrealised Gain/ (Loss) $382 million – Carried Forward For the year ended 31 December 2022: $578 million – Brought Forward $95 million – Capital Invested $(164) million – Cash Proceeds $113 million – Change in Unrealised Gain/(Loss) $622 million – Carried Forward

Alternative Performance Measures ("APMs") continued

APM	Definition	Purpose	Calculation and (where relevant) reconciliation to IFRS
Expense Ratio	The impact on return each year that total costs, excluding GP performance allocation, have on the investment return.	A measure to show how costs, excluding GP performance allocation, affect the return from the Company.	As shown in Note 14, the expense ratio is calculated using total expenses of the Company and the Partnership allocated to the Shareholders divided by the Shareholders' average capital balance for the year presented 2.5 per cent. for the year ended 31 December 2023 & 2.7 per cent. for the year ended 31 December 2022).
Net Investment Loss Ratio	The impact on return each year that total costs, net of interest income, have on the investment return.	A measure to show how total costs, net of interest income, affect the return from the Company.	As shown in Note 14, the net investment loss ratio is the Shareholders' investment income of the Company and Partnership reduced by total expenses of the Company and the Partnership divided by the Shareholders' average capital balance for the year presented. However, net investment loss does not include any realised or unrealised gains/losses generated from the sale or recapitalisation of an investment of the Partnership. Thus, net investment loss includes dividend and interest income of the Company and the Partnership less the total expenses of the Company and the Partnership incurred during the year presented. (1.9 per cent. for the year ended 31 December 2023 & 2.6 per cent. for the year ended 31 December 2022).
Internal Rate of Return	The cumulative return on Shareholders' investment.	A measure to show the return from the Company.	As shown in Note 14, the internal rate of return since the commencement of operations ("IRR") is computed based on the dates of the Shareholders' capital contributions to the Company, distributions from the Company to the Shareholders, and the fair value of the Shareholders' NAV as of 31 December 2023. The IRR of the Shareholders is net of all fees and performance allocation to the General Partner of the Partnership. (3.7) per cent. as of 31 December 2023 (3.8) per cent. as of 31 December 2022 (5.4) per cent. as of 31 December 2021

Glossary of Capitalised Defined Terms

"Administrator" means Ocorian Administration (Guernsey) Limited (formerly 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;

"AIF" means Alternative Investment Funds;

"AIFM" means AIF Manager;

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

"Aleph Midstream" means Aleph Midstream S.A;

"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;

"Anuvia" means Anuvia Plant Nutrients;

"APMs" means Alternative Performance Measures;

"Articles of Incorporation" or **"Articles"** means the articles of incorporation of the Company, as amended from time to time;

"ASC 946" means per US GAAP (Financial Services – Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements;

"Audit Committee" means a formal committee of the Board with defined terms of reference;

"Board" or **"Directors"** means the directors of the Company;

"Boe/d" means Barrels of Oil Equivalent Per Day;

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

"CanEra III" means CanEra Inc.;

"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 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 Ocorian Administration (Guernsey) Limited (formerly 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 and McNair;

"Corporate Brokers" means JP Morgan Cazenove and Deutsche Numis;

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

"Crescent Point Energy" means Crescent Point Energy Corp;

"CRS" means Common Reporting Standard;

"DCRB" means Decarbonisation Plus Acquisition Corporation;

"DCRC" means Decarbonisation Plus Acquisition Corporation III;

"DCRN" means Decarbonisation Plus Acquisition Corporation II;

"Depositary" means Ocorian Depositary Company (UK) Limited (formerly Estera Depositary Company (UK) Limited);

"Disclosure Guidance and Transparency Rules" or **"DTRs"** mean the disclosure guidance published by the FCA and the transparency rules made by the FCA under section 73A of FSMA;

"Discontinuation Resolution" means a special resolution that was proposed and not passed by the Company's Shareholders to discontinue the Company within six weeks of the seventh anniversary of the Company's first Admission if the trading price has not met the Target Price, and the Invested Capital Target Return has not been met;

"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"** or **"Loss per Share"** means the Earnings or Loss per Ordinary Share and is expressed in U.S. dollars;

Glossary of Capitalised Defined Terms continued

"EBITDA" means earnings before interest, taxes, depreciation and amortisation;

"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;

"Enviva" means Enviva Holdings, LP;

"ESG" means Environmental, Social and Governance;

"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;

"FreeWire" means FreeWire Technologies, Inc.;

"Fund V" means Riverstone Global Energy & Power Fund V, L.P.;

"Fund VI" means Riverstone Global Energy & Power Fund VI, L.P.;

"FVTPL" means Fair Value through the profit or loss;

"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;

"GHG" means greenhouse gases;

"GoodLeap" means GoodLeap, LLC;

"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, performance allocation, management fees, taxes and organisational, partnership or transaction expenses;

"Gross MOIC" means gross multiple of invested capital;

"Group14" means Group14 Technologies, Inc.;

"Hammerhead Energy" means Hammerhead Energy Inc.;

"Henry Hub" means a pipeline interchange of natural gas in North America used as a benchmark in gas pricing;

"Hyzon" means Hyzon Motors, Inc.;

"IAS" means international accounting standards as issued by the Board of the International Accounting Standards Committee;

"IEA" means International Energy Agency;

"IFRS" means the International Financial Reporting Standards as adopted by the European Union, being the principles-based accounting standards, interpretations and the framework by that name issued by the International Accounting Standards Board;

"ILX III" means ILX Holdings III LLC;

"Infinitum Electric" means Infinitum Electric, Inc.;

"IRR" means the internal rate of return since the commencement of operations;

"Interim Report" means the Company's half yearly report and unaudited interim condensed financial statements for the period ended 30 June;

"Investment Manager" or **"IM"** means RIL (effective through 17 August 2020) and RIGL (effective after 17 August 2020) which are both majority-owned and controlled by Riverstone;

"Investment Management Agreement" or **"IMA"** 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 (effective 17 August 2020), the 2nd Amended & Restated investment management agreement effective after 17 August 2020 between RIGL, the Company and the Partnership (acting through its General Partner) under which RIGL is appointed as the Investment Manager of both the Company and the Partnership and the 3rd Amended & Restatement investment management agreement effective 9 December 2020 between RIGL, the Company and the Partnership (acting through its General Partner);

"Invested Capital Target Return" means, as defined in the Articles, the Gross IRR of 8 per cent. on the portion of the proceeds of the Issue (as such term is defined in the Company's Prospectus) that have been invested or committed to an investment ("Invested Capital") in respect of the period from the dates of investment or commitment of that Invested Capital (being the dates from which a management fee has been paid in respect of that Invested Capital) to the seventh anniversary of the first Admission, calculated by reference to the prevailing U.S. dollar valuations (as of the seventh anniversary of the first Admission (or earlier disposal) of the investment acquired with that Invested Capital and sales proceeds of investments that have been disposed of prior to such seventh anniversary and taking account of any distributions made on those investments prior to the seventh anniversary of the first Admission;

"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;

"ISA" means International Standards on Auditing (UK);

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

"ISIN" means an International Securities Identification Number;

"KFI" means Moore Capital Management, formerly known as 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;

"Loanpal" means Loanpal, LLC;

"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;

"Management Engagement Committee" means a formal committee of the Board with defined terms of reference;

"Management Fee" means the management fee to which the Investment Manager is entitled;

"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.;

"Mmbtu" means one million British thermal units;

"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 MOIC" means gross multiple of invested capital net of taxes and performance allocation on gross profit;

"Net Profits" means the proceeds received from each realised investment (after the expenses related to its disposal) minus the acquisition price of that realised investment;

"Nomination and Remuneration 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;

"ONE" or **"Our Next Energy"** means Our Next Energy, Inc.;

"Onyx Power" means Onyx Strategic Investment Management I BV;

"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;

"Partnership" or **"RELIP"** means Riverstone Energy Investment Partnership, L.P., 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;

"Permian Resources" means Permian Resources Corporation;

"PIPE" means private investment in public entity;

"POI Law" means the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended;

Glossary of Capitalised Defined Terms continued

"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;

"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;

"PRT" means Riverstone Performance Review Team;

"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.;

"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;

"Ridgebury H3" means Ridgebury H3, LLC;

"RIGL" means RIGL Holdings, LP;

"RIL" 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;

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

"SaaS" means Software as a Service;

"Samsung Portfolio" means Samsung Ventures' battery technology focused venture capital portfolios;

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

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

"Solid Power" means Solid Power, Inc.;

"SPAC" means special purpose acquisition company;

"Stewardship Code" means the UK Stewardship Code;

"Target Price" means, as defined in the Articles, £15.00, subject to (a) downward adjustment in respect of the amount of all dividends and other distributions, stock splits and equity issuances below the prevailing NAV per Ordinary Share made following the first Admission and (b) upward adjustment to take account of any share consolidations made following the first Admission;

"Tender Offer" means the £18.4 million in value of ordinary shares acquired by the Company in 2023;

"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;

"T-REX" or **"T-REX Group"** means T-REX Group, Inc.;

"Tritium" means Tritium DCFC Limited;

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

"UK" or **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland;

"UK Code" means The UK Corporate Governance Code 2018, issued by the FRC;

"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;

"US GAAP" means the accounting principles generally accepted in the United States;

"VWAP" means Volume-Weighted Average Price;

"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 Horlick (Chair of the Board from 1 March 2023)
Patrick Firth
Karen McClellan (from 25 May 2023)
John Roche
Jeremy Thompson
Claire Whittet

Audit Committee

Patrick Firth (Chair of the Committee until 31 December 2023)
John Roche (Chair of the Committee from 1 January 2024)
Richard Horlick
Karen McClellan (from 25 May 2023)
Jeremy Thompson
Claire Whittet

Management Engagement Committee

Claire Whittet (Chair)
Patrick Firth
Richard Horlick
Karen McClellan (from 25 May 2023)
John Roche
Jeremy Thompson

Nomination and Remuneration Committee

Jeremy Thompson (Chair)
Patrick Firth
Richard Horlick
Karen McClellan (from 25 May 2023)
John Roche
Claire Whittet

Investment Manager

RIGL Holdings, LP
190 Elgin Avenue
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Investment Manager's Performance Review Team

Pierre Lapeyre
David Leuschen
Baran Tekkora

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

Administrator and Company Secretary

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Registrar

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Corporate Brokers

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Canary Wharf
London
E15 5JP
United Kingdom

Deutsche Numis
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT
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 Audited Financial Statements for the year ended 31 December 2023 for RIVERSTONE ENERGY LIMITED (the "Fund").

Effective from 20 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 Board Chair's Statement, the Investment Manager's Report and the Report of the Directors 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 Board Chair's Statement, the Investment Manager's Report and the Report of the Directors 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 Adviser, 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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Riverstone
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Riverstone Energy Limited

Annual Report and Financial Statements for the year ended 31 December 2023