Interim Report and Unaudited Interim Condensed Financial Statements

for the six months ended 30 June 2014

REL

Riverstone Energy Limited

(LSE: RSE)

A focus on long-term capital growth

2014

The registered office of the Company is Heritage Hall, PO Box 225, Le Marchant Street,
St Peter Port, Guernsey, GY1 4HY, Channel Islands.

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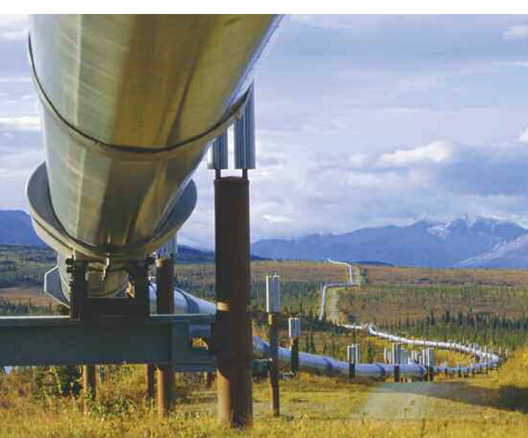

The registered office of the Company is Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY, Channel Islands.

Financial and Operational Highlights

Committed to Date	$376 million/31 per cent. of total capital raised[(1)]
Commitments during the six months ended 30 June 2014	Committed a total of $225 million: (i) $83 million to Rock Oil (ii) $82 million to Fieldwood and (iii) $60 million to CIOC
Invested to Date	$166 million/14 per cent. of capital raised[(1)]
Investments during the six months ended 30 June 2014	Invested a total of $165 million: (i) $66 million in Liberty II (ii) $54 million in Fieldwood (iii) $39 million in CIOC (iv) $5 million in Eagle II and (v) $2 million in Rock Oil

Key Financials

NAV as at 30 June 2014	$1,137 million
NAV per share as at 30 June 2014	$16.00
Profit/(loss) for the six months ended 30 June 2014	$(2.4) million[(2)]
Basic profit/(loss) per share for the six months ended 30 June 2014	(3.33) cents[(2)]
Market capitalisation at 30 June 2014	$1,124 million/£657 million[(3)]
Share price at 30 June 2014	$15.82/£9.25[(3)]

(1) Based on total capital raised of $1,229 million at an assumed exchange rate of 1.6167 $/£, including KFI's second tranche of £50 million, which is due no later than 4Q2015. Amount committed to date excludes option to increase commitment to Eagle II from $50 million to $100 million.
(2) Including KFI's second tranche of 5 million shares and excluding the related KFI commitment fee income for the six months ended 30 June 2014, the diluted profit/(loss) was $(3.0) million and per share for the period was (3.94) cents.
(3) Assumed exchange rate of 1.710 $/£.

Chairman's Statement

A very good start…

"REL has made good progress over the first half of 2014. We have made a number of new investments during the first half of the year. In addition, the first two investments we made in 2013 continue to show promising results. REL has also been able to deliver strongly on its stated objectives to invest alongside proven management teams across a broad footprint of exploration and production in North America."

Although still in our first year of operations as a company, as of 30 June 2014, REL, through the Partnership, has committed capital of $376 million or 31 per cent. of total capital raised[1]. Of this, $166 million has been invested, equating to 14 per cent. of total capital raised[1]. This pace of activity is in line with our stated aim to be fully committed within 24 to 36 months of our IPO. REL's current portfolio provides investors with exposure to seven oil & gas basins in North America and a mix of onshore and offshore, conventional and unconventional plays, executed by five management teams with proven track records in their respective areas of focus. Our ultimate objective remains the realisation of long term capital appreciation through the active management of our portfolio.

Events in both Eastern Europe and the Middle East have once again caused both volatility and intensified interest in the energy sector. At the same time, the growth in energy production in North America has helped cushion the blow of geopolitical tension to the energy markets as the U.S. surpassed Saudi Arabia to become the world's largest producer of oil and gas[2]. This has been led by Texas and North Dakota, where crude oil production has more than doubled in the past three years.

This growth in North America and elsewhere continues to require very significant amounts of capital. The majors and large independents continue to focus on rationalising their portfolios, creating abundant opportunity for new, well-capitalised players. REL, through its existing commitments and pipeline of opportunities, continues to offer investors exposure to this powerful trend through proprietary investments executed by deeply specialised management teams.

(1) Based on total capital raised of $1,229 million at an assumed exchange rate of 1.6167 $/£, including KFI's second tranche of £50 million, which is due no later than 4Q2015. Amount committed to date excludes option to increase commitment to Eagle II from $50 million to $100 million.

(2) Source: Bank of America Merrill Lynch – data for Q1 2014.

// Performance

REL incurred a loss of $2.4 million for the six months ended 30 June 2014, resulting in a NAV per share at 30 June 2014 of $16.00. This is flat compared to NAV per share as of 31 March 2014, and is down 4¢ when compared to NAV per share at 31 December 2013. NAV benefitted from the 10 per cent. increase in the value of our Gulf of Mexico investment, Fieldwood.

During the period, the Company made three new commitments and invested capital in each of the five companies in the portfolio.

The new capital commitments made during the period were of $83 million to Rock Oil, $82 million to Fieldwood and $60 million to CIOC. All are focused on the North America upstream sector. Rock Oil is a build-up exploration and production investment focusing on well-established North American plays such as the Eagle Ford Shale, Utica Shale and Permian Basin. Fieldwood is a U.S. Gulf of Mexico shelf exploration and production company, into which an initial investment of $54 million was made to support the acquisition of a large Gulf of Mexico asset portfolio from SandRidge Energy Inc. Finally, CIOC is a Calgary-based upstream oil and gas company focused on the delineation and development of its Deep Basin position in West Central Alberta, Canada; $39 million was invested in CIOC from REL during the period.

As for the companies that were in the portfolio at the start of the period, REL invested $66 million in Liberty II to support the acquisition of approximately 53,000 acres and approximately 4,000 Boepd in the Williston Basin in North Dakota. Also during the period, REL invested an additional $5 million in Eagle II as the company progressed on its primary strategy to accumulate acreage for delineation and development in the Mid-Continent region of the United States.

The five REL companies cover a broad range of the North American exploration and production opportunity set, geographically stretching from the Gulf of Mexico to North West Canada and incorporating a mix of conventional and unconventional assets. In all of these portfolio companies, we are investing alongside proven management teams with outstanding operational experience.

While these investments are still in the initial phase, they offer excellent growth prospects in the near term, both through acquisitions such as those completed by Liberty II and Fieldwood, and through active drilling campaigns.

During the period, Riverstone also announced it commenced fundraising for a new private equity fund, Fund VI, which has a target of $7.5 billion and will be the successor to Fund V as the investment partner for REL.

On behalf of the Board, I would like to thank all of our shareholders for their commitment to REL. The investment pipeline for the Company remains robust, with a number of actionable exploration & production and midstream investments in various stages of review and negotiation. We are pleased with our progress and confident the Company will perform strongly for shareholders.

Sir Robert Wilson
Chairman
29 July 2014

Macro-trends continue to provide positive backdrop…

During the first six months of this year, we have seen significant asset divestments announced by major oil companies; we have seen U.S. oil production on track to reach levels not seen since the 1970s; and we have seen renewed geopolitical unrest once again impacting global energy markets.

This has created a positive backdrop for our business. Our focus on North America remains, and we believe we are well-positioned, strategically and financially, to continue to make attractive investments. Our firm continues to grow. We opened our office in Mexico City during the first six months of 2014, which we believe will help position us to participate in the Mexican oil and gas sector, which is opening up to foreign investment for the first time in 76 years.

// About the Investment Manager

Appointed in September 2013, the Investment Manager, an affiliate of Riverstone, provides advice to the Company on the origination and completion of new investments, on the management of the portfolio and on realisations, as well as on funding requirements.

// Investment Strategy

The Investment Manager's objective is to achieve superior risk adjusted returns by making privately negotiated control investments primarily in the exploration and production and midstream energy sectors. The energy sector is global and a significant component of virtually all major economies. Prevalent market drivers of economic expansion, population growth, development of markets, deregulation and privatisation are expected to continue to create opportunities globally for investors in energy.

Key Drivers:

- The industry is being transformed as the unconventional production growth in North America creates numerous investment opportunities and attracts capital away from conventional oil & gas assets.
- Growing success rates of deepwater exploration and other technology-driven sources of reserves.
- Larger companies are under pressure to rationalise assets.
- Historical under-investment in energy infrastructure.

Macro-drivers make energy investment a very attractive proposition, particularly in shale gas, tight oil, energy infrastructure, orphaned assets and certain offshore basins such as the Gulf of Mexico.

The Investment Manager, through its affiliates, has an outstanding track record of building businesses with exceptional management teams and of delivering consistently strong returns and significant outperformance against both crude oil and natural gas benchmarks. The Company aims to capitalise on the opportunities presented by Riverstone's pipeline of investments.

The Investment Manager utilises its extensive industry expertise and relationships to thoroughly evaluate and investigate investment prospects and uses its significant experience in conducting due diligence, valuing assets and all other aspects of deal execution, including financial and legal structuring, accounting and compensation design. The Investment Manager also draws upon its extensive network of relationships with industry-focused professional advisory firms to assist with due diligence in other areas such as legal, accounting, tax, employee benefits, environmental, engineering or insurance.

// Investment Portfolio Summary

The Investment Manager has assessed numerous potential exploration & production and midstream investments since REL's admission. As of 30 June 2014, five exploration and production investments have been completed as further discussed below. The Investment Manager continues to maintain a strong pipeline of investment opportunities and expects to make a number of new commitments during the rest of 2014.

Liberty II

As of 30 June 2014, REL, through the Partnership, has invested $66 million of its $100 million commitment to Liberty II. On 12 March 2014, Liberty II acquired approximately 53,000 net acres and approximately 4,000 Boepd production in the Williston Basin in North Dakota, U.S. Two drilling rigs have since been deployed in this acreage, with new wells expecting to start contributing to production growth by 4Q 2014. Liberty II will continue to apply its completions expertise in these properties, as well as pursue additional acquisitions in the Bakken and Three Forks formations.

As of 30 June 2014, REL's interest in Liberty II, through the Partnership, was valued at 1.0x Gross MOIC[1] or $66 million.

Eagle II

As of 30 June 2014, REL, through the Partnership, has invested $6 million of its initial $50 million commitment to Eagle II, and has the right to commit an additional $50 million for a total commitment of $100 million. Eagle II's primary strategy is to accumulate acreage for delineation and development in the Mid-Continent region of the United States, leveraging its management's deep connections with local landowners and operators, and the generally decreasing cost of entry in the region. To date, the company has secured approximately 8,000 acres in the South Central Oklahoma Oil Province ("SCOOP") through signed purchase and sale agreements, and is planning to drill its first well in late 3Q or early 4Q 2014.

As of 30 June 2014, REL's interest in Eagle II, through the Partnership, was valued at 1.0x Gross MOIC[1] or $6 million.

Rock Oil

On 13 March 2014, REL, through the Partnership, committed $83 million to Rock Oil and made an initial investment of $2 million. Rock Oil is a newly formed, Denver and Houston-based oil and gas company focused on the acquisition and development of assets in top-tier North American plays. Rock Oil is applying the management team's land and technical expertise to build concentrated acreage positions with substantial production in development stage areas with repeatable and predictable results. Rock Oil is concentrating its efforts in well-established North American plays, specifically the Eagle Ford Shale, Utica Shale and Permian Basin.

As of 30 June 2014, REL's interest in Rock Oil, through the Partnership, was valued at 1.0x Gross MOIC[1] or $2 million.

Fieldwood

On 13 March 2014, REL, through the Partnership, committed up to $82 million to Fieldwood. Riverstone formed Fieldwood in partnership with CEO Matt McCarroll and his team in December 2012 with a $600 million commitment from Riverstone Global Energy and Power Fund V. Since then, Fieldwood has successfully closed two material transactions. The acquisition of Apache Corporation's Gulf of Mexico business unit closed in September 2013 and established Fieldwood as owner of the largest operated asset base on the GOM Shelf with production in excess of 95,000 Boepd. In February 2014, Fieldwood closed the acquisition of SandRidge Energy Inc.'s GOM and Gulf Coast business unit, adding production in excess of

(1) Gross MOIC is Multiple of Invested Capital before transaction costs, taxes, carried interest, management fees and other expenses. Given these costs and expenses are in aggregate expected to be considerable, Net MOIC will be materially less than the Gross MOIC.

25,000 Boepd. Following these acquisitions, Fieldwood has a leasehold comprising more than 650 blocks in the GOM. REL, through the Partnership, invested approximately $54 million in March to support the SandRidge acquisition, giving REL an ownership in the pro forma Company of approximately 4 per cent. The company has continued to successfully add reserves through the deployment of four drilling rigs and twelve "plug & abandonment" spreads. Year to date, Fieldwood has drilled 6 successful wells out of 8 total wells (75 per cent. success rate), completed 23 recompletion projects, plugged 125 wells and removed 15 platforms and 32 pipelines.

As of 30 June 2014, REL's interest in Fieldwood, through the Partnership, was valued at 1.1x Gross MOIC[1] or $59 million.

CIOC

On 27 March 2014, REL announced a $60 million equity commitment to CIOC, a private exploration & production company focused on liquids-rich unconventional resources in the Deep Basin of Western Canada. An initial investment of approximately $30 million was subsequently made to support near-term drilling, and a further $9 million was invested in 2Q 2014 for the acquisition of additional shares from existing CIOC investors. Since its establishment in 2010, CIOC has aggregated one of the largest and most advantaged land positions in the emerging Montney and Duvernay formations of the Deep Basin. The company controls and operates 100 per cent. of this asset base, which comprises approximately 400,000 acres, currently produces approximately 3,000 Boepd. CIOC is currently in the process of further delineating its resource base, with three rigs currently drilling a combination of development and delineation wells.

As of 30 June 2014, REL's interest in CIOC, through the Partnership, was valued at 1.0x Gross MOIC[1] or $39 million.

// Valuation

The Investment Manager is charged with the responsibility of valuing the assets held by REL through the Partnership. The Partnership has directed that securities and instruments be valued at their fair value. REL's valuation policy follows the IFRS accounting standards and IPEV Valuation Guidelines. Riverstone 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 and the Fund V proportion will follow the Riverstone valuation policy. Valuations determined by Riverstone are disclosed quarterly to investors.

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 of subsequent financing rounds, if any, or if subsequent financing rounds are below original cost, the investment is valued at the "down round". For those early stage privately held companies where there are other indicators of a decline in the value of the investment, Riverstone will value the investment accordingly even in the absence of a subsequent financing round.

Riverstone reviews the valuations on a quarterly basis with the Riverstone investment committee as part of the valuation process.

// Formation and Initial Expenses

The formation and initial expenses of the Company, in the amount of approximately $22.5 million as at 30 June 2014, have been paid in full by the Investment Manager. In some circumstances, this may be repayable in full by the Company (see Note 8).

// Investment Management Fee

The Investment Manager has agreed to deduct from its annual Investment Management Fee all fees, travel costs and related expenses of the Directors exceeding certain specified annual limits (see Note 9).

(1) Gross MOIC is Multiple of Invested Capital before transaction costs, taxes, carried interest, management fees and other expenses. Given these costs and expenses are in aggregate expected to be considerable, Net MOIC will be materially less than the Gross MOIC.

The annual limits are subject to adjustment by agreement between the Investment Manager and the Company acting by its independent Directors. Based on the NAV as of 30 June 2014, the maximum amount of annual fees, travel and related expenses of the Directors is $904,248. The maximum amount pro-rated for the period was $448,408. During the period, fees and expenses of the Directors amounted to $540,239.

// Uninvested Cash

Of the $1,140 million[1] of cash raised in the IPO, $1,130 million[2] has been invested into the Partnership for investment purposes. The Partnership maintains deposit accounts with several leading international banks. In addition, the Partnership invests a portion of its cash deposits in short-term U.S. treasury bills. 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 3 bps during the half year period ended 30 June 2014.

In connection with the listing of REL on the London Stock Exchange, all proceeds of the offering were converted to U.S. dollars. All cash deposits referred to above are denominated in U.S. dollars. Additionally, REL's functional currency and financial statements are all presented in U.S. dollars. The Partnership's commitments are denominated in U.S. dollars, except CIOC which is denominated in Canadian dollars. REL expects foreign exchange to have nominal impact on its business and overall financial results.

// Going Concern

Of the $10 million of cash retained by the Company in the IPO, $7.8 million remains at 30 June 2014 in addition to the £1.5 million KFI financing charge (see Note 9). This amount is adequate to meet the Company's liabilities as they fall due over the going concern horizon. The Partnership has $752.4 million of uncommitted cash and U.S. treasury bills and has no material going concern risk. In light of the above, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the interim condensed financial statements.

// Principal Risks and Uncertainties

The Company's assets consist of investments, through the Partnership, within the global energy sector, with a particular focus on opportunities in the global exploration and production and midstream energy sub-sectors. Its principal risks are therefore related to market conditions in the energy sector in general, but also the particular circumstance of the businesses in which it is invested through the Partnership. The Investment Manager to 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.

The key areas of risk faced by the Company are the following: 1) concentration risk from investing only in the global energy sector, 2) Ordinary Shares trading at a discount to NAV per Share and 3) inherent risks associated with the exploration and production and midstream sectors of the global energy sector.

The principal risks and uncertainties of REL were identified in further detail in the 2013 Annual Report and Financial Statements. There have been no changes to REL's principal risks and uncertainties in the six-month period ended 30 June 2014 and no changes are anticipated in the second half of the year.

// Outlook

The investment pipeline for REL remains robust with several actionable exploration and production and midstream investments in various stages of review and negotiation. Several current industry themes continue to drive the investment opportunity set for REL, as outlined above. The Investment Manager continues to believe that this is a market where patience and a disciplined approach to investment are likely to be well rewarded.

Riverstone International Limited
29 July 2014

(1) Does not include KFI's second tranche of £50 million (see Note 9).

(2) The Company retained $10 million of cash raised in the IPO to meet liabilities over the Company's going concern horizon, of which $7.8 million remains at 30 June 2014.

Directors' Responsibilities Statement

The Directors are responsible for preparing this Interim Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The unaudited interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU; and
- The Chairman's Statement and Investment Manager's Report meet the requirements of an interim management report, and include a fair review of the information required by:
  - (i) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the unaudited interim condensed financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (ii) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the year and that have materially affected the financial position and performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Sir Robert Wilson
Chairman
29 July 2014

Independent Review Report to the Members of Riverstone Energy Limited

We have been engaged by the Company to review the condensed set of financial statements in the Interim Financial Report for the six months ended 30 June 2014 which comprises the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and related Notes 1 to 10. We have read the other information contained in the Interim Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

// Directors' Responsibilities

The Interim Financial Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Financial Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Interim Financial Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

// Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Financial Report based on our review.

// Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

// Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

Ernst & Young LLP
Guernsey
29 July 2014

[1] The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

[2] Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Condensed Statement of Financial Position

As at 30 June 2014

	Notes	30 June 2014 $'000 (Unaudited)	31 December 2013 $'000 (Audited)
ASSETS:			
Non-current assets			
Investment at fair value through profit or loss	7	1,129,002	1,130,051
Total non-current assets		1,129,002	1,130,051
Current assets			
Trade and other receivables		285	553
Cash and cash equivalents		9,503	11,805
Total current assets		9,788	12,358
TOTAL ASSETS		1,138,790	1,142,409
LIABILITIES:			
Non-current liabilities			
Due to affiliates	9	419	1,028
Current liabilities			
Trade and other payables		380	1,132
Due to affiliates	9	1,351	1,243
Total current liabilities		1,731	2,375
TOTAL LIABILITIES		2,150	3,403
NET ASSETS		1,136,640	1,139,006
EQUITY			
Share capital		1,138,431	1,138,431
(Accumulated losses)/Retained earnings		(1,791)	575
TOTAL EQUITY		1,136,640	1,139,006
Number of shares in issue at period end	10	71,032,058	71,032,058
Net asset value per share ($)	10	16.00	16.04

The condensed financial statements on pages 10 to 22 were approved and authorised for issue by the Board of Directors on 29 July 2014 and signed on their behalf by:

Sir Robert Wilson
Chairman

Richard Hayden
Director

The accompanying notes form an integral part of these interim condensed financial statements.

Condensed Statement of Comprehensive Income

For the six months ended 30 June 2014

	Notes	1 January 2014 to 30 June 2014 $'000 (Unaudited)
Income		
Change in fair value of investment at fair value through profit or loss	7	(1,049)
Expenses		
Directors' fees and expenses		(540)
Legal and professional fees		(222)
Audit fees		(133)
Other operating expenses		(1,212)
Total expenses		(2,107)
Operating loss for the period		(3,156)
Finance income		
Foreign exchange gain		161
Other finance income	9	626
Interest income		3
Total finance income		790
Loss for the period		(2,366)
Other comprehensive income		–
Total comprehensive loss for the period		(2,366)
Basic loss per share (cents)	10	(3.33)
Diluted loss per share (cents)	10	(3.94)

All activities derive from continuing operations.

The accompanying notes form an integral part of these interim condensed financial statements.

Condensed Statement of Changes in Equity

For the six months ended 30 June 2014 (Unaudited)

	Share capital $'000	Retained earnings/ (Accumulated losses) $'000	Total Equity $'000
As at 1 January 2014	**1,138,431**	**575**	**1,139,006**
Loss for the period	–	(2,366)	(2,366)
Other comprehensive income	–	–	–
Total comprehensive loss for the period	**–**	**(2,366)**	**(2,366)**
As at 30 June 2014	**1,138,431**	**(1,791)**	**1,136,640**

The accompanying notes form an integral part of these interim condensed financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 June 2014

	1 January 2014 to 30 June 2014 $'000 (Unaudited)
Cash flows from operating activities	
Operating loss for the period	(3,156)
Adjustments for:	
Net finance income	629
Change in fair value on investment at fair value through profit or loss	1,049
Decrease in amounts due to affiliates	(501)
Decrease in trade receivables	268
Decrease in trade payables	(752)
Foreign exchange loss on trade receivables/payables	(40)
Net cash used in operating activities	(2,503)
Net movement in cash and cash equivalents during the period	(2,503)
Cash and cash equivalents at the beginning of the period	11,805
Effect of foreign exchange rate changes	201
Cash and cash equivalents at the end of the period	9,503

The accompanying notes form an integral part of these interim condensed financial statements.

Notes to the Interim Condensed Financial Statements

For the six months ended 30 June 2014

1. General information

Riverstone Energy Limited 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 Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY, Channel Islands.

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 company registered in the Cayman Islands.

The Partnership invests alongside Private Riverstone Funds in all Qualifying Investments in which the Private Riverstone Funds participate. These funds are managed and advised by affiliates of the Investment Manager, and therefore all of these parallel investments are considered to be related party transactions. Further detail of these investments is provided in the Investment Manager's Report.

2. Accounting policies

Basis of preparation

The annual financial statements for the period ended 31 December 2013 were prepared in accordance with EU Adopted IFRS, applicable legal and regulatory requirements of Guernsey Law.

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". They do not contain all the information and disclosures presented in the annual financial statements and should be read in conjunction with the Annual Financial Statements as of 31 December 2013. As a result of the Company commencing operations on 29 October 2013, no information is available for the comparative six month period to 30 June 2013.

The same accounting policies and methods of computation have been followed in the preparation of these interim condensed financial statements as were followed in the annual financial statements for the period ended 31 December 2013.

These interim condensed financial statements are presented in U.S. dollars and are rounded to the nearest $'000, unless otherwise indicated.

3. 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 on the Company's Net Asset Value, as calculated under IFRS, 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'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.

4. Critical accounting judgement and estimation uncertainty

The estimates and judgements made by management are consistent with those made in the annual financial statements for the period ended 31 December 2013.

5. Taxation

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 £600.

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. Instead, each of the Company's shareholders will take into account its 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 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 withholding taxes may apply on distributions from such operating entity investments. Based upon the current commitments and investments in Liberty II, Eagle II, Rock Oil and Fieldwood, the future U.S. tax liability on profits is expected to be in the range of 35 to 41.5 per cent.

6. Fair Value

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.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following 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 has unobservable inputs and is not traded. Amounts classified under Level 3 for the periods ended 30 June 2014 and 31 December 2013 are $1,129 million and $1,130 million, respectively.

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

Transfers during the period

There have been no transfers between levels. Due to the nature of the investments, they are always expected to be classified under Level 3.

Notes to the Interim Condensed Financial Statements

For the six months ended 30 June 2014

6. Fair Value (continued)

Valuation techniques

The value of the Company's investment in the Partnership is based on the value of the Company's limited partner capital account within the Partnership. This is based on the components within the Partnership, principally the value of the Partnership's investments in addition to cash and U.S. treasury bills held. Any fluctuation in the value of the Partnership's investments in addition to cash and U.S. treasury bills held will directly impact on the value of the Company's investment in the Partnership.

In measuring this fair value, the net asset value of the Partnership is adjusted, as necessary, to reflect liquidity, future commitments, and other specific factors of the Partnership and Investment Manager.

When valuing the underlying investee companies, 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.

Initially, acquisitions are valued at price of recent investment. Subsequently, and as appropriate, the Investment Manager values the investments using common industry valuation techniques, including comparable public market valuation, comparable merger and acquisition transaction valuation, and discounted cash flow valuation. 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. 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.

The Partnership's investments in Eagle II, Liberty II, Rock Oil, CIOC and Fieldwood are valued using the techniques described in the Company's valuation policy. For the period ended 30 June 2014, Eagle II, Liberty II, Rock Oil and COIC are valued at cost, and Fieldwood is valued at 1.1x cost. There would be no material impact on the valuation of the Partnership's investments from reasonably possible changes to unobservable inputs to those valuations.

The Board reviews and considers the fair value arrived at by the Investment Manager before incorporating 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 the investments mean that there are inherent difficulties in determining the fair value of these investments that cannot be eliminated. Therefore the amounts realised on the sale of investments may differ from the fair values reflected in these interim condensed financial statements and the differences may be significant.

The Company approves the valuations performed by the Investment Manager and monitors the range of reasonably possible changes in significant observable inputs on a regular basis.

7. Investment at fair value through profit or loss

	30 June 2014 $'000 (Unaudited)	31 December 2013 $'000 (Audited)
Cost		
Brought forward	1,130,438	–
Investment in the Partnership	–	1,130,438
Carried forward	1,130,438	1,130,438
Fair value adjustment through profit or loss		
Brought forward	(387)	–
Fair value movement during period	(1,049)	(387)
Carried forward	(1,436)	(387)
Fair value at end of the period	1,129,002	1,130,051

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 or applicable taxes.

Summary financial information for the Partnership

	30 June 2014 $'000 (Unaudited)	31 December 2013 $'000 (Audited)
Net asset value		
Investments at fair value	171,706	989
Cash and cash equivalents	111,775	529,518
U.S. treasury bills	849,991	599,974
Management fee payable – see Note 9	(1,396)	(387)
Deferred tax on investment – see Note 5	(1,507)	–
Other net liabilities	(491)	(43)
Partnership's net asset value	1,130,078	1,130,051
General Partner performance allocation – see Note 9	(1,076)	–
Fair Value of REL's investment in the Partnership	1,129,002	1,130,051

	1 January 2014 to 30 June 2014 $'000 (Unaudited)
Summary Income Statement	
Total income	5,608
Management fee expense – see Note 9	(2,790)
Deferred tax on investment – see Note 5	(1,507)
Other operating expenses	(1,284)
Partnership's operating profit for the period	27
General Partner performance allocation – see Note 9	(1,076)
Portion of the operating loss for the period for REL's investment in the Partnership	(1,049)

Notes to the Interim Condensed Financial Statements

For the six months ended 30 June 2014

8. Contingent liabilities

Contingent liabilities are potential future cash outflows where the likelihood of payment is considered more than remote but is not considered probable or cannot be measured reliably.

Formation and initial expenses

The formation and initial expenses of the Company, in the amount of approximately $22.5 million as at 30 June 2014, have been paid in full by the Investment Manager. However, if the Investment Management Agreement is terminated by the Company on or before the seventh anniversary of Admission (other than for a material breach by the Investment Manager attributable to its fraud) the Company will be required to reimburse the Investment Manager in respect of the formation and initial expenses of the Company and the costs and the expenses of the Issue to the full extent that such costs and expenses were borne by the Investment Manager. At this time, the Directors consider the likelihood of the Investment Management Agreement being terminated by the Company to be remote.

9. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

Directors

The Company has nine non-executive Directors. Annual remuneration terms for each Director are as follows: the Chairman receives $200,000 (£120,000), the chairman of the Audit Committee receives $100,000 (£60,000), the chairman of the Management Engagement Committee receives $100,000 (£60,000), the chairman of the Nomination Committee receives $100,000 (£60,000) and the other non-executive Directors receive $100,000 (£60,000).

Directors' fees for the period to 30 June 2014 amounted to $302,000.

None of the non-independent Directors are paid any remuneration in connection with their directorship.

Messrs Lapeyre and Leuschen are senior executives of Riverstone and have direct or indirect economic interests in affiliates and/or related parties of the Investment Manager, which holds the founder Ordinary Share of the Company, the General Partner, the general partner of Fund V, Riverstone Equity Partners, Riverstone Investment Group LLC, REL Coinvestment, LP and Other Riverstone Funds. REL Coinvestment, LP is subject to lock-up restrictions for two years from admission.

Lord Browne is a senior executive of Riverstone and has direct or indirect economic interests in Other Riverstone Funds as an investor.

Mr Hackett is a senior executive of Riverstone and has direct or indirect economic interests in Other Riverstone Funds as an investor.

Messrs Barker and Hayden have direct or indirect economic interests in Other Riverstone Funds as investors.

9. Related party transactions (continued)

Investment Manager

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. The fee is payable quarterly in arrear and each payment is calculated using the quarterly Net Asset Value as at the relevant quarter end. Notwithstanding the foregoing, no Management Fee is paid on the cash proceeds of the Issue to the extent that they have not yet been invested or committed to an investment. Amounts not forming part of a commitment to an investment that are invested in cash deposits, interest-bearing accounts or sovereign securities directly or indirectly, are not considered to have been invested or committed for these purposes.

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 NAV as of 30 June 2014, the maximum amount of annual fees, travel and related expenses of the Directors is $904,248. The maximum amount pro-rated for the period was $448,408. During the period, fees and expenses of the Directors amounted to $540,239.

During the period, the Partnership incurred Management Fees of $2,790,168 of which $1,395,305 remained outstanding as at the period end.

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 realised gross profits (if any) on the sale of any underlying asset of the Company.

The General Partner is entitled to receive its Performance Allocation in cash, a substantial portion of which Riverstone, through its affiliate RELCP, intends to reinvest in Ordinary Shares of the Company on the terms summarised in Part I and Part VIII of the Prospectus. No amounts are liable to be paid as yet. An amount of $1,076,515 has been allocated in respect of the Fieldwood investment and is taken into account when calculating the fair value of the Company's investment in the Partnership.

Notes to the Interim Condensed Financial Statements

For the six months ended 30 June 2014

9. Related party transactions (continued)

Qualifying Investments

For so long as the Investment Manager (or any of its affiliates) remains the investment manager of the Company, the Company, through the Partnership, invests alongside Private Riverstone Funds in all Qualifying Investments in which the Private Riverstone Funds participate. Three additional such qualifying investments were committed to by the Company, through the Partnership, in the period, taking the total to five.

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.

Each Cornerstone Investor has agreed with the Company and the Joint Bookrunners not to dispose of its Ordinary Shares for a specified period from Admission, subject to certain exclusions as described in paragraph 7.8 of Part VIII "Additional information" of this Prospectus. The subscriptions by each of the Cornerstone Investors and REL Coinvestment, LP are subject to lock-up restrictions for the following specified periods from Admission: in the case of AKRC, Hunt, Casita and McNair, 12 months; in the case of REL Coinvestment, LP, 2 years; and in the case of KFI, the later of the first anniversary of Admission and the date of payment for the second tranche of 5 million Ordinary Shares being made in full (which will become payable on or before the second anniversary of Admission).

KFI, one of the Cornerstone Investors in the Company, pays for and acquires its Ordinary Shares in two equal tranches of £50 million. The first tranche was paid on Admission at which time 5 million Ordinary Shares were issued to KFI. The second tranche will become payable upon the earlier of (i) such time as the Company has invested or committed 50 per cent. of the aggregate net proceeds of the Issue, calculated using KFI's total subscription monies; and (ii) the second anniversary of Admission. At this time, a further 5 million Ordinary Shares will be issued to KFI.

An upfront two year financing charge equal to 1.5 per cent. of the unpaid subscription monies of £50 million, calculated on an annual basis, therefore equal to £1.5 million ($2.5 million), was payable by KFI at the time the first tranche became due for payment shortly prior to Admission. If the second tranche becomes payable prior to the second anniversary of Admission, a portion of the financing charge will be repaid to KFI at the time the second tranche of subscription monies is paid (such portion to be calculated on a pro rata basis by reference to the date the second tranche is payable).

The Company and KFI are party to an Off-Market Acquisition Agreement, dated 23 September 2013, pursuant to which, upon the failure by KFI to pay the second tranche of subscription monies when requested to do so by the Company in accordance with its Cornerstone Subscription Agreement, the Company may elect to force a sale of, or compulsorily repurchase, such Ordinary Shares as equates in value to the second tranche of subscription monies which is unpaid (valued by reference to the then market price of the Ordinary Shares) for nil consideration.

KFI has the right to pay the second tranche of subscription monies to the Company at any time after Admission, and prior to the due date for payment. The share capital will be issued in Pounds Sterling and therefore the Company bears the foreign exchange risk of the transaction.

9. Related party transactions (continued)

Cornerstone Investors (continued)

The terms of the Off-Market Acquisition Agreement, which is governed by Guernsey law, were approved by special resolution of the Company dated 23 September 2013.

	30 June 2014 $'000 (Unaudited)	31 December 2013 $'000 (Audited)
Other finance income recognised through Profit and Loss in the period	626	214
Due to affiliates current portion	1,351	1,243
Due to affiliates non-current portion	419	1,028

10. Earnings (loss) per share and net asset value per share

	1 January 2014 to 30 June 2014 (Unaudited)	
Loss per share	**Basic**	**Diluted**
Loss for the period ($'000)	(2,366)	(2,992)
Weighted average numbers of shares in issue	71,032,058	76,032,058
Loss per share (cents)	(3.33)	(3.94)

	1 January 2014 to 30 June 2014 $'000 (Unaudited)
Loss for the period	(2,366)
Less: Commitment fee relating to KFI arrangement – see Note 9	(626)
Loss for the period including assumed share issues	(2,992)
Weighted average numbers of shares in issue	71,032,058
Plus: Dilutive potential ordinary shares relating to KFI arrangement – see Note 9	5,000,000
Weighted average numbers of shares in issue	76,032,058

The earnings or loss per share is based on the profit or loss of the Company for the period and on the weighted average number of shares the Company had in issue for the period.

The deferred issue of shares to KFI as outlined in Note 9 may have a dilutive effect on earnings or loss per share. There are no other dilutive shares in issue.

Notes to the Interim Condensed Financial Statements

For the six months ended 30 June 2014

10. Earnings (loss) per share and net asset value per share (continued)

Net asset value per share

	30 June 2014 (Unaudited)	31 December 2013 (Audited)
NAV ($'000)	1,136,640	1,139,006
Number of shares in issue	71,032,058	71,032,058
Net asset value per share ($)	**16.00**	16.04

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.

Glossary of Capitalised Defined Terms

"**Administrator**" or "**Heritage**" or "**HIFM**" means Heritage International Fund Managers 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;

"**AIC**" means the Association of Investment Companies;

"**AIC Code**" means the AIC Code of Corporate Governance;

"**AIC Guide**" means the AIC Corporate Governance Guide for Investment Companies;

"**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;

"**Articles of Incorporation**" or "**Articles**" means the articles of incorporation of the Company;

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

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

"Boepd" means barrels of equivalent oil per day;

"CIOC" means Canadian International Oil Corporation;

"**Companies Law**" means the Companies (Guernsey) Law, 2008, (as amended);

"**Company**" or "**REL**" means Riverstone Energy 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, Hunt and McNair;

"**Corporate Governance Code**" means The UK Corporate Governance Code as published by the Financial Reporting Council;

"**Eagle II**" means Eagle Energy Exploration, LLC;

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

"**EU**" means the European Union;

"**FCA**" means the UK Financial Conduct Authority (or its successor bodies);

"Fieldwood" means Fieldwood Energy LLC;

"**Financial Statements**" means the audited financial records 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;

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

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

"**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;

"**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, carried interest, management fees, taxes and organisational, partnership or transaction expenses;

"**Gross MOIC**" means gross multiple of invested capital;

"**Hunt**" means Hunt REL Holdings LLC together with various members of Ray L. Hunt's family and their related entities;

Glossary of Capitalised Defined Terms

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

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

"**Investment Manager**" or "**RIL**" means Riverstone International Limited which is majority-owned and controlled by Riverstone;

"**Investment Management Agreement**" 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;

"**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 Guideline**" 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;

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

"**ISIN**" means an International Securities Identification Number;

"**KFI**" means 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;

"**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 RIL 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;

"**Mmboe**" means million barrels of oil equivalent;

"**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;

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

"**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;

"**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;

"**Other Riverstone Funds**" means other Riverstone-sponsored, controlled or managed entities, including Fund V, which are or may in the future be managed or advised by the Investment Manager or one or more of its affiliates, excluding the Partnership;

"**Partnership**" or "**RELIP**" means Riverstone Energy Investment Partnership, LP, the Investment Undertaking in which the Company is the sole limited partner;

Glossary of Capitalised Defined Terms

"**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;

"**POI Law**" means the Protection of Investors (Bailiwick of Guernsey) Law, 1987;

"**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;

"**Prospectus**" means the prospectus published on 24 September 2013 by the Company in connection with the IPO of Ordinary Shares;

"**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;

"**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;

"**RIL**" or "**Investment Manager**" 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;

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

"**Stewardship Code**" means the UK Stewardship Code;

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

"**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.

"**£**" or "**Pounds Sterling**" means British pound sterling; and

"**$**" means United States dollar.

General Information

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Cautionary Statement

The Chairman's Statement and Investment Manager's Report 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 Chairman's Statement and Investment Manager's Report 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 Manager, 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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