

28 October 2015

Riverstone Energy Limited – Interim Management Statement

Guernsey (28 October 2015) - Riverstone Energy Limited ("REL") is issuing this Interim Management Statement ("IMS") for the period from 1 July 2015 to 30 September 2015 (the "period").

Highlights

- Key Financials (unaudited)
 - NAV as at 30 September 2015 \$1,239 million
 - NAV per share as at 30 September 2015 \$16.30
 - Profit/(loss) during period \$(4.9) million
 - Basic profit/(loss) per share during period (6.44) cents
 - Market capitalisation at 30 September 2015 \$1,043 million (£689 million)¹
 - Share price at 30 September 2015 \$13.72 / £9.07¹
- No change in committed capital during the period
- Total invested capital during the period of \$105 million
 - \$63 million in Rock Oil Holdings LLC
 - \$15 million in Riverstone Credit Opportunities, LP
 - \$8 million in Meritage Midstream Services III, LLC
 - \$7 million in Three Rivers Natural Resources Holdings III, LLC
 - \$6 million in Carrier Energy Partners II, LLC
 - \$3 million in Canadian Non-Operated Resources, LP
 - \$1 million each in Liberty Resources II LLC, Eagle Energy Exploration LLC and Sierra Oil & Gas S. de R.L. de C.V.
- Total committed capital at 30 September 2015 is \$1,304 million or 107 per cent. of total capital raised²
- Total invested capital at 30 September 2015 is \$660 million or 54 per cent. of total capital raised²

Sir Robert Wilson, Chairman of REL, commented:

“During the last year the oil price has approximately halved. We believe that the lower oil price environment provides an exceptional opportunity for REL and we are happy to see a further \$105 million of new investment during this quarter. The Company’s NAV per share stands at \$16.30 per share, marginally up on 12 months ago and down by just 6 cents during the last quarter.”

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

"REL has invested in fifteen companies led by best-in-class management teams operating in a selection of the most attractive basins globally. Several of the companies made notable progress during the past quarter, including Sierra securing two blocks in Mexico’s initial shallow Gulf of Mexico tender, Rock Oil making a significant acquisition of additional Permian basin acreage, Three Rivers III kicking off its drilling campaign, and further investments by Riverstone Credit Opportunities. We believe the breadth of this portfolio, along with REL’s significant cash position of over \$500 million, makes REL well positioned to capitalize on attractive opportunities while managing risk and maximizing operational and capital flexibility at the portfolio company level.”

¹ Assumed exchange rate of 1.513 USD/GBP.

² Based on total capital raised of \$1,221 million, including KFI’s second tranche of £50 million (at exchange rate of 1.621 USD/GBP).

Portfolio Update

Below is a summary of the most recent activity in the portfolio.

Rock Oil Holdings LLC (“Rock Oil”)

In the third quarter, REL, through Riverstone Energy Investment Partnership, L.P. (the “Partnership”), invested \$63 million in Rock Oil in connection with the acquisition of an additional 6,700 acres in Howard County, leading to a total position of approximately 22,000 net acres in that county. The blended MOIC³ mark for Rock Oil was reduced to 1.3 times invested capital as this new investment is valued at cost. There was no change to the valuation of the company’s prior investments.

Riverstone Credit Opportunities, LP (“RCO”)

In the third quarter, REL, through the Partnership invested \$15 million in RCO as the company made 10 additional energy credit investments in the context of a large number of new opportunities becoming available during the quarter as commodity prices weakened further. Since being formed in January 2015, RCO has made a total of 17 investments, four of which have already been fully exited.

Meritage Midstream Services III, LLC (“Meritage III”)

In the third quarter, REL, through the Partnership invested \$8 million in Meritage III. This funding was related to the ongoing construction of gas gathering, gas processing, and oil gathering infrastructure in support of CIOC’s drilling program in western Canada.

Three Rivers Natural Resources Holdings III, LLC (“Three Rivers III”)

In the third quarter, REL, through the Partnership invested \$7 million in Three Rivers III. Similar to Riverstone’s two prior successful partnerships with this management team, the company focuses on oil and gas acquisition and development opportunities in the Permian Basin. During the period, the company spud its first horizontal well at properties acquired earlier in the year in Culberson & Reeves Counties.

Carrier Energy Partners II, LLC (“Carrier II”)

In the third quarter, REL, through the Partnership invested \$6 million in Carrier II. In May, Carrier II entered into a joint venture agreement with a highly experienced operator group made up of Henry Resources and PT Petroleum targeting 19,131 net acres for development in the southern Midland Basin. Carrier II continues to progress the development of this asset base and the evaluation of additional potential acquisitions.

Canadian Non-Operated Resources, LP (“CNOR”)

In the third quarter, REL, through the Partnership invested \$3 million in CNOR. CNOR is currently investing actively in new wells through its joint venture with Tourmaline Oil in the Peace River High area.

Castex Energy 2005, LLC (“Castex 2005”)

In the third quarter, the fair market valuation for Castex 2005 grew to 1.1 times invested capital as a result of the company’s progress in its drilling and operational programs. Castex 2005 is a partnership focused on a portfolio of properties in Southern Louisiana and the Gulf of Mexico Shelf which produce approximately 112 mmcfepd, as well as a seismic-driven exploration program in the same basin.

Fieldwood Energy LLC (“Fieldwood”)

In the third quarter, the fair market valuation for Fieldwood was reduced to 1.0 times invested capital. This was primarily driven by a deterioration in the market valuations of publicly-traded peers operating in the shallow Gulf of Mexico. Operationally, Fieldwood’s performance has been strong during 2015, with five successful wells out of six wells drilled, 31 recompletions, and significant decommissioning activity including 54 wells, 51 pipelines, and 15 platforms. The company was also awarded an offshore block in Mexico containing two oil &

gas discoveries. Production has been stable at around 95 thousand boepd, and the company has been able to continue growing proven reserves through a combination of well activity and bolt-on acquisitions.

Valuation of the Portfolio

Previously, on 15 October 2015, REL announced its quarterly portfolio summary as of 30 September 2015, inclusive of updated quarterly unaudited fair market valuations:

	Target Basin	Subsector	Committed Capital (\$mm)	Invested Capital (\$mm)	Realized Capital (\$mm)	Gross Unrealized Value (\$mm) ³	Gross MOIC ³
CIOC	Deep Basin (Canada)	E&P	\$155	\$115	-	\$151	1.3x
Rock Oil	Permian (U.S.)	E&P	150	93	-	126	1.3x
Liberty II	Bakken, PRB (U.S.)	E&P	100	85	-	85	1.0x
CNOR	Western Canada	E&P	90	73	-	73	1.0x
RCO	North America	Credit	125	65	40	22	1.0x
Fieldwood	Gulf of Mexico Shelf (U.S.)	E&P	82	54	-	54	1.0x
Castex 2005	Gulf Coast Region (U.S.)	E&P	50	48	-	51	1.1x
Eagle II	Mid-Continent (U.S.)	E&P	50	42	-	42	1.0x
Castex 2014	Gulf Coast Region (U.S.)	E&P	67	27	-	27	1.0x
Carrier II	Permian (U.S.)	E&P	33	23	-	23	1.0x
Meritage III	Western Canada	Midstream	33	16	-	16	1.0x
Three Rivers III	Permian (U.S.)	E&P	167	9	-	9	1.0x
Origo	North Sea (Norway, U.K.)	E&P	67	6	-	6	1.0x
Sierra	Mexico	E&P	75	3	-	3	1.0x
CanEra III	Western Canada	E&P	60	1	-	1	1.0x
Total⁴			\$1,304	\$660	\$40	\$689	1.1x
Percentage of REL capital⁵			107%	54%			

Outlook and Pipeline

The investment pipeline for REL and its portfolio companies remains strong, driven in part by the large number of energy assets and businesses in need for capital as a result of the weak commodity price environment. REL is in the fortunate position of having ready access to the financial and operational resources to act on the highest quality opportunities while protecting its downside exposure.

³ Gross MOIC is Multiple of Invested Capital. Gross Unrealized Value and Gross MOIC are before transaction costs, taxes, carried interest, management fees and other expenses. Given these costs and expenses are in aggregate expected to be considerable, Total Net Value and Net MOIC will be materially less than Gross Unrealized Value and Gross MOIC. 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.

⁴ Amounts may vary due to rounding.

⁵ Based on total capital raised of \$1,221 million.

Ends

Media Contacts

For Riverstone Energy Limited:

Alfredo Marti

+44-20-3206-6300

John Cosgrove

+1-212-993-0076

Brunswick:

Robin Wrench

+44-207-404-5959

About Riverstone Energy Limited:

REL is a closed-ended investment company that invests exclusively in the global energy industry, with a particular focus on the exploration & production and midstream sectors. The company is uniquely positioned to benefit from the large number of investment opportunities being driven by the North American energy revolution and the continued growth in global energy demand. REL aims to capitalise on the opportunities presented by Riverstone's energy investment platform. REL is a member of the FTSE 250 and its ordinary shares are listed on the London Stock Exchange, trading under the symbol RSE. To date, REL has made 15 investments spanning conventional and unconventional oil and gas activities in the Gulf of Mexico, Continental U.S., Western Canada, the U.K. North Sea, the Norwegian Sea, Mexico and credit.

For further details, see www.RiverstoneREL.com

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

Note:

This IMS aims to give an update of material events and transactions that have taken place during the period from 1 July 2015 to 30 September 2015 and their impact on the financial position of REL. This update reflects REL's and the Board's current views. They are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, inter alia, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of REL.

This IMS contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and REL's actions to differ materially from those expected or implied in the forward-looking statements.

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 or Fund VI 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. Ernst & Young LLP attends the valuation review meetings that are relevant to the Company as part of their statutory audit process.