

## Riverstone Energy Limited

### Final results for the year ended 31 December 2015

**London, 26 February 2016:** Riverstone Energy Limited (“REL” or the “Company”) announces its year end results for the 12-month period from 1 January 2015 to 31 December 2015.

#### Summary performance

##### 31 December 2015

NAV	\$1,347 million
NAV per share	\$15.95 / £10.83 <sup>1</sup>
Profit/(loss) during period	\$8.4 million
Basic profit/(loss) per share during period	11.03 cents
Market Capitalisation	\$985 million / £668 million <sup>1</sup>

Share price \$11.65 / £7.91<sup>1</sup>

#### Highlights

§ As of 31 December 2015, REL had a NAV per share of \$15.95. This implies a year-on-year decrease of 36 cents per share. However, the strengthening of the U.S. dollar resulted in the NAV per share increasing by 36 pence when compared with the previous year in Pounds Sterling terms, from £10.47 to £10.83.

§ The Company raised \$100 million of new capital via a Placing and Open Offer, allowing it to significantly increase its ownership of CIOC.

§ REL continues to execute on its strategy and now has a strong portfolio of sixteen investments in the Gulf of Mexico, Continental U.S., Canada, Mexico, and the Norwegian and U.K. continental shelves, covering both onshore and offshore as well as conventional and unconventional exploration & production.

§ The Company invested a total of \$469 million during the same period, bringing total investments as of 31 December 2015 to \$845 million, or 62 per cent of capital available and 64 per cent of capital raised.<sup>2</sup>

§ During the course of 2015, REL committed \$857 million to eight companies, including six new portfolio companies, bringing total commitments as of 31 December 2015 to \$1,581 million, or 116 per cent of total capital available and 120 per cent of capital raised.<sup>2</sup>

#### Commitments and Investments

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<sup>1</sup> GBP:USD Fx rate of 1.473 as of 31 December 2015.

<sup>2</sup> Total capital raised of \$1,320 million. Total capital available of \$1,360 million includes \$40 million of realizations.

§ Committed an additional \$172 million to and invested an additional \$178 million in CIOC, a private exploration & production company focused on unconventional oil and gas resources in Western Canada.

§ Committed an additional \$67 million to and invested an additional \$78 million in Rock Oil, to support its acquisition of an additional acreage in Howard County, Texas in the Permian Basin. Rock Oil has acquired approximately 23,000 net acres in that county as of the end of December 2015.

§ Committed \$125 million to and invested \$76 million in RCO, which was formed in January 2015 to take advantage of the dislocation in the leveraged capital markets for energy companies.

§ Committed \$33 million to and invested \$31 million in Carrier II, which is focused on the acquisition and exploitation of upstream oil and gas assets by partnering with select operators that are developing both unconventional and conventional reservoirs in North America.

§ Committed \$200 million to and invested \$29 million in ILX III, an oil and gas exploration and production partnership managed by Ridgewood Energy Corporation with a focus on the deepwater Gulf of Mexico.

§ Committed \$167 million to and invested \$11 million in Three Rivers III, an Austin, Texas-based company formed to pursue oil and gas acquisition and exploitation opportunities in the Permian Basin of West Texas and Southeast New Mexico.

§ Committed \$33 million to and invested \$17 million in Meritage III, which was established in April 2015 to pursue greenfield development opportunities and opportunistic acquisitions for the gathering, treating and handling of natural gas, NGLs and crude oil in Western Canada's developing resource plays, including CIOC's drilling program in western Canada.

§ Committed \$60 million to and invested \$1 million in CanEra III, a private Calgary-based oil and gas company formed to pursue oil and gas exploration and production opportunities in the Western Canadian Sedimentary Basin.

§ Invested an additional \$27 million in Liberty II to support its acquisition of oil and gas assets in North Dakota's Williston Basin and Wyoming's Powder River Basin.

### **Manager Outlook**

§ REL is well positioned to take advantage of attractive opportunities due to its broad portfolio of highly-experienced management teams and approximately \$550 million of investable cash.

§ Ongoing energy market volatility accentuates the opportunities for companies with strong capital discipline, conservative balance sheet management and access to low-cost resources, such as REL. Specific drivers of opportunity include financial distress, capital constraints and pressures to rationalise assets.

§ 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.

Sir Robert Wilson, Chairman of Riverstone Energy Limited, commented:

*“2015 was a challenging year for the energy industry, but REL’s prudent investment strategy is allowing the company to weather the storm and profit from industry distress.”*

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

*“In the two years since REL’s IPO, we have established a broad portfolio of investments whilst maintaining the core tenets of our investment strategy: backing “best-in-class” management teams, focusing on building premier companies over time, hedging commodity price risk and maintaining conservative capital structures. As our 2015 results demonstrate, this proven investment strategy has provided resilience amidst extreme levels of market volatility. With 16 investments across multiple basins and over \$550 million of investable cash, we look forward to taking advantage of emerging opportunities driven by lower commodity prices.”*

- Ends -

Riverstone Energy Limited's 2015 Annual Report is available to view at:  
[www.RiverstoneREL.com](http://www.RiverstoneREL.com).

The Investment Manager will host a conference call with investors at 12:00pm GMT today. Dial-in details are as follows:

Dial-in (UK): 0800 694 0257  
Dial-in (Intl.): +44 (0) 1452 555 566  
Conference ID: 43844181

#### 4Q15 Quarterly Portfolio Valuation

			Committed Capital (\$mm)	Invested Capital (\$mm)	Realized Capital (\$mm)	Gross Unrealized Value (\$mm) <sup>3</sup>	Gross MOIC <sup>3</sup>
CIOC	Deep Basin (Canada)	E&P	\$232	\$232	-	\$330	1.4x

<sup>3</sup> 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.

<b>Rock Oil</b>	Permian (U.S.)	E&P	150	98	-	130	1.3x
<b>Liberty II</b>	Bakken, PRB (U.S.)	E&P	100	93	-	84	0.9x
<b>CNOR</b>	Western Canada	E&P	90	73	-	73	1.0x
<b>Castex 2005</b>	Gulf Coast Region (U.S.)	E&P	50	48	-	48	1.0x
<b>Fieldwood</b>	GoM Shelf (U.S.)	E&P	82	54	-	43	0.8x
<b>Eagle II</b>	Mid-Continent (U.S.)	E&P	50	43	-	35	0.8x
<b>Carrier II</b>	Permian (U.S.)	E&P	33	31	-	31	1.0x
<b>Castex 2014</b>	Gulf Coast Region (U.S.)	E&P	67	30	-	30	1.0x
<b>ILX III</b>	Deepwater GoM (U.S.)	E&P	200	29	-	29	1.0x
<b>RCO</b>	North America	Credit	125	76	40	25	0.9x
<b>Meritage III</b>	Western Canada	Midstream	33	17	-	17	1.0x
<b>Three Rivers III</b>	Permian (U.S.)	E&P	167	11	-	11	1.0x
<b>Origo</b>	North Sea (Norway, U.K.)	E&P	67	6	-	6	1.0x
<b>Sierra</b>	Mexico	E&P	75	3	-	3	1.0x
<b>CanEra III</b>	Western Canada	E&P	60	1	-	1	1.0x
<b>Total<sup>4</sup></b>			<b>\$1,581</b>	<b>\$845</b>	<b>\$40</b>	<b>\$896</b>	<b>1.1x</b>
<b>Percentage of REL capital<sup>5</sup></b>			<b>100%+</b>	<b>64%</b>			

### 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 16 investments

<sup>4</sup> Amounts may vary due to rounding.

<sup>5</sup> Based on total capital raised of \$1,320 million.

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](http://www.RiverstoneREL.com)

Neither the contents of REL'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.

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