

– THIS ANNOUNCEMENT INCLUDES INSIDE INFORMATION –

Riverstone Energy Limited – Interim Management Statement

London, UK (24 May 2017) - Riverstone Energy Limited ("REL") is issuing this Interim Management Statement ("IMS") for the period from 1 January 2017 to 31 March 2017 (the "period").

Highlights

- Key Financials (unaudited)
 - NAV as at 31 March 2017 \$1,722 million (£1,372 million)¹
 - NAV per share as at 31 March 2017 \$20.38 / £16.24¹
 - Profit/(loss) during period \$23.4 million
 - Basic profit/(loss) per share during period \$27.72 cents
 - Market capitalisation at 31 March 2017 \$1,314 million (£1,047 million)¹
 - Share price at 31 March 2017 \$15.55 / £12.39¹

- Total invested capital during the period of \$116 million
 - \$64 million in Canadian International Oil Corp.
 - \$14 million in ILX Holdings III LLC
 - \$11 million in Liberty Resources II LLC
 - \$10 million in Three Rivers Natural Resources Holdings III LLC
 - \$5 million in Carrier Energy Partners II LLC
 - \$12 million in aggregate to five other portfolio companies: Castex Energy 2014 LLC, Eagle Energy Exploration, LLC, Meritage Midstream Services III, L.P., Canadian Non-Operated Resources LP and Origo Exploration Holding AS

- Total realisations during the period of \$7 million by Riverstone Credit Opportunities, L.P., CanEra Inc., Canadian International Oil Corp., and Fieldwood Energy LLC
- Reduction in commitment to CanEra Inc. during the period of \$59 million
- Total gross committed capital at 31 March 2017 is \$1,868 million
- Total net committed capital at 31 March 2017 is \$1,786 million or 123 per cent. of net capital available²
- Total net capital invested at 31 March 2017 is \$1,298 million or 89 per cent. of net capital available²

Richard Hayden, Chairman of REL, commented:

"I am pleased to report that REL delivered another quarter of NAV growth. This reflects the Company's focus on low-cost basins and the ongoing recovery in onshore North American energy production."

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

"REL continues to grow its most profitable companies, deploying over \$100 million during the quarter. The exercise of warrants in CIOC held by REL accounted for over half of the new investment in the quarter and will provide additional funding to the company as it expands production."

¹ Assumed exchange rate of 1.255 USD/GBP.

² Based on total capital raised of \$1,320 million plus realised profits and other income net of fees, expenses and performance allocation. The Board does not expect to fully fund all commitments in the normal course of business.

In addition, Riverstone continues to adjust commitment levels to reflect the evolving opportunity set. This has resulted in us withdrawing commitments from CanEra III and Origo (subsequent to quarter end) with limited capital exposure as we concentrate on the opportunities offering the most attractive risk adjusted returns to investors. We believe this highlights the strength of Riverstone's 'build-up' approach and has resulted in a portfolio of high-quality of investments focused in North America's premium basins."

Portfolio Update

Below is a summary of material activity in the portfolio during the period.

Canadian International Oil Corp. ("CIOC")

In the first quarter, REL, through Riverstone Energy Investment Partnership, L.P. (the "Partnership"), invested \$64 million by exercising warrants for common shares of CIOC.

ILX Holdings III LLC ("ILX III")

In the first quarter, REL, through the Partnership, invested \$14 million in ILX III.

Liberty Resources II LLC ("Liberty II")

In the first quarter, REL, through the Partnership, invested \$11 million in Liberty II.

Three Rivers Natural Resources Holdings III LLC ("Three Rivers III")

In the first quarter, REL, through the Partnership, invested \$10 million in Three Rivers III.

Carrier Energy Partners II LLC ("Carrier II")

In the first quarter, REL, through the Partnership, invested \$5 million in Carrier II.

1Q 2017 Quarterly Portfolio Valuations

Previously, on 5 May 2017, REL announced its quarterly portfolio summary as of 31 March 2017, inclusive of updated quarterly audited fair market valuations:

	Target Basin	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Realised Capital (\$mm)¹	Net Invested Capital (\$mm)²	Gross Realised & Unrealised Value (\$mm)³	Gross MOIC³
CIOC	Deep Basin (Canada)	\$307	\$295	\$23	\$275	\$533	1.8x
Centennial	Permian (U.S.)	268	268	-	268	440	1.6x
Three Rivers III	Permian (U.S.)	167	86	-	86	259	3.0x
Carrier II	Permian (U.S.)	133	110	-	110	137	1.3x
Liberty II	Bakken, PRB (U.S.)	142	131	-	131	164	1.3x
RCO⁴	North America	125	87	76	25	112	1.3x
ILX III	Deepwater GoM (U.S.)	200	81	-	81	105	1.3x
CNOR	Western Canada	90	76	-	76	76	1.0x
Eagle II	Mid-Continent (U.S.)	67	59	-	59	65	1.1x
Fieldwood	GoM Shelf (U.S.)	82	58	2	58	58	1.0x
Castex 2014	Gulf Coast Region (U.S.)	67	40	-	40	40	1.0x
Meritage III⁵	Western Canada	67	31	-	31	40	1.3x
Origo	North Sea (Norway, U.K.)	67	9	-	9	-	0.0x
Castex 2005	Gulf Coast Region (U.S.)	50	48	-	48	5	0.1x
Sierra	Mexico	38	1	-	1	2	1.1x
Total Current Portfolio⁶		\$1,868	\$1,381	\$101	\$1,298	\$2,036	1.5x
Percentage of REL net capital available⁷					89%		

Realisations

	Target Basin	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Realised Capital (\$mm) ¹	Unrealised Value (\$mm)	Gross Realised & Unrealised Value (\$mm) ³	Gross MOIC ³
Rock Oil ⁸	Permian (U.S.)	-	114	216	24	240	2.1x
CanEra III	Western Canada	-	1	1	-	1	0.4x
Total Investments⁶			\$1,497	\$318		\$2,276	1.5x

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. 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 17 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 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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Note:

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 follows IFRS and IPEV Valuation Guidelines. The Investment Manager values each underlying investment in accordance with the Riverstone valuation policy, the IFRS accounting standards and IPEV Valuation Guidelines. The Investment Manager has applied Riverstone's valuation policy consistently quarter to quarter since inception. The value of REL's portion of that investment is derived by multiplying its ownership percentage by the value of the underlying investment. If there is any divergence between the Riverstone valuation policy and REL's valuation policy, the Partnership's proportion of the total holding will follow REL's valuation policy. There were no valuation adjustments recorded by REL as a result of differences in IFRS and U.S. Generally Accepted Accounting Policies for the period ended 31 March 2017 or in any period to date. Valuations of REL's investments through the Partnership are determined by the Investment Manager and disclosed quarterly to investors, subject to Board approval.

Riverstone values its investments using common industry valuation techniques, including comparable public market valuation, comparable merger and acquisition transaction valuation, and discounted cash flow valuation.

For development-type investments, Riverstone also considers the recognition of appreciation or depreciation of subsequent financing rounds, if any. For those early stage privately held companies where there are other indicators of a decline in the value of the investment, Riverstone will value the investment accordingly even in the absence of a subsequent financing round.

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

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.

¹ Realised capital is total gross proceeds realised on invested capital. Of the \$318 million of capital realized to date, \$199 million is the return of the cost basis, and the remainder is profit.

² Net invested capital is total invested capital less cost basis of the realised capital.

³ Gross MOIC is Multiple of Invested Capital. Gross Unrealised Value and Gross MOIC are before transaction costs, taxes and 20 per cent. carried interest on gross profits. Since there is no netting of losses against gains, the effective carried interest rate on the portfolio as a whole will be greater than 20 per cent. In addition, there is a management fee of 1.5 per cent. of net assets 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 US 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.

⁴ Credit investment.

⁵ Midstream investment.

⁶ Amounts may vary due to rounding.

⁷ Based on total capital raised of \$1,320 million, bank loan, realised profits and other income net of fees, expenses and performance allocation. The Board does not expect to fully fund all commitments in the normal course of business.

⁸ The unrealised value of the Rock Oil investment consists of sale proceeds in escrow of \$13 million and rights to mineral acres of \$11 million.