

– THIS ANNOUNCEMENT INCLUDES INSIDE INFORMATION –

Riverstone Energy Limited – Interim Management Statement

London, UK (23 May 2018) - Riverstone Energy Limited (“REL” or the “Company”) is issuing this Interim Management Statement (“IMS”) for the period from 1 January 2018 to 31 March 2018 (the “period”).

Highlights

- Key Financials (unaudited)
 - NAV as at 31 March 2018 \$1,707 million (£1,218 million)¹
 - NAV per share as at 31 March 2018 \$20.21 / £14.42¹
 - Profit/(loss) during period \$(35.9) million
 - Basic profit/(loss) per share during period \$(42.52) cents
 - Market capitalisation at 31 March 2018 \$1,412 million (£1,007 million)¹
 - Share price at 31 March 2018 \$16.71 / £11.92¹

- Total invested capital during the period of \$9 million
 - \$8 million in ILX Holdings III, LLC
 - \$1 million in Sierra Oil and Gas Holdings, L.P.

- Total realisations during the period of \$103 million from Centennial Resource Development, Inc. (\$85 million) and Three Rivers Natural Resources Holdings III, LLC (\$18 million)
- Total gross committed capital at 31 March 2018 is \$1,752 million
- Total net committed capital at 31 March 2018 is \$1,553 million or 108 per cent. of net capital available²
- Total net capital invested at 31 March 2018 is \$1,211 million or 84 per cent. of net capital available²
- Subsequent to quarter end, REL received \$173 million in gross proceeds from the closing of the sale of Three Rivers Natural Resources Holdings III, LLC. The Company has also repaid its loan of \$100 million, secured against shares in Centennial Resource Development, Inc.

Richard Hayden, Chairman of REL, commented:

“REL had a strong start to the year, achieving over \$275 million of realisations to date. This has strengthened REL’s capital position, resulting in a cash balance in excess of \$265 million following repayment of the Centennial margin loan, and the Board is now considering a variety of options for deploying this capital.”

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

“The rebalancing of the oil market has supported prices increasing to levels not seen since 2014. Meanwhile, North America continues to provide the engine to meet increased global appetite for energy. REL is well placed to realise value in this environment and capitalise upon attractive opportunities as they emerge throughout the energy value chain. ”

Portfolio Update

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

Centennial Resource Development, Inc. (“Centennial”)

REL, through the Partnership, made a partial realisation of its investment in Centennial through the sale of 4.4 million shares, resulting in gross proceeds of \$85 million, at a Gross MOIC³ of 1.8x (Net MOIC³ of 1.6x) and a Gross IRR³ of 55 per cent. (Net IRR³ of 44 per cent.). REL retains a substantial holding in Centennial, which has a gross unrealised value of \$283 million as of 31 March 2018.

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

In February 2018, REL announced the sale of its investment in Three Rivers III, through the Partnership. The transaction closed in April 2018, resulting in gross cash proceeds to REL of approximately \$203 million, a Gross MOIC³ of 2.2x (Net MOIC³ of 1.9x) and a Gross IRR³ of 48 per cent. (Net IRR³ of 40 per cent.) on the Company's investment of \$94 million.

ILX Holdings III LLC (“ILX III”)

In the third quarter, REL, through the Partnership, invested \$8 million in ILX III.

Sierra Oil and Gas Holdings, L.P. (“Sierra”)

In the first quarter, REL, through the Partnership, invested \$1 million in Sierra.

1Q 2018 Quarterly Portfolio Valuations

Previously, on 13 April 2018, REL announced its quarterly portfolio summary as of 31 March 2018, inclusive of updated quarterly unaudited fair market valuations:

	Target Basin	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Realised Capital (\$mm) ⁴	Net Invested Capital (\$mm) ⁵	Gross Realised & Unrealised Value (\$mm) ³	Gross MOIC ³
Hammerhead Resources (formerly CIOC)	Deep Basin (Canada)	\$307	\$295	\$23	\$275	\$561	1.9x
Centennial	Permian (U.S.)	268	268	172	170	455	1.7x
Three Rivers III	Permian (U.S.)	167	94	18	76	205	2.2x
Liberty II	Bakken, PRB (U.S.)	142	142	-	142	177	1.3x
ILX III	Deepwater GoM (U.S.)	200	125	-	125	150	1.2x
Carrier II	Permian (U.S.)	133	110	-	110	131	1.2x
RCO⁶	North America	125	87	82	23	93	1.1x
CNOR	Western Canada	90	83	-	83	83	1.0x
Meritage III⁷	Western Canada	67	34	-	34	59	1.8x
Eagle II	Mid-Continent (U.S.)	67	62	-	62	49	0.8x
Castex 2014	Gulf Coast Region (U.S.)	67	44	-	44	44	1.0x
Sierra	Mexico	38	9	-	9	21	2.4x
Fieldwood	GoM Shelf (U.S.)	82	59	3	59	12	0.2x
Total Current Portfolio⁸		\$1,752	\$1,411	\$298	\$1,211	\$2,040	1.4x
Percentage of REL net capital available²					84%		

Realisations

	Target Basin	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Realised Capital (\$mm) ⁴	Unrealised Value (\$mm)	Gross Realised & Unrealised Value (\$mm) ³	Gross MOIC ³
Rock Oil⁹	Permian (U.S.)	-	114	229	11	240	2.1x
CanEra III	Western Canada	-	1	1	-	1	0.4x
Origo	North Sea (Norway, U.K.)	-	9	-	-	-	0.0x
Castex 2005	Gulf Coast Region (U.S.)	-	48	-	-	-	0.0x
Total Investments⁸			\$1,584	\$528		\$2,281	1.4x

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. REL has 13 active investments spanning conventional and unconventional oil and gas activities in the Continental U.S., Western Canada, Gulf of Mexico, 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.

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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 2018 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.

¹ GBP:USD Fx rate of 1.402 as of 31 March 2018

² Net capital available of \$1,436 million is based on total capital raised of \$1,320 million, bank loan of \$100 million (fully repaid on 6 April 2018), realised profits and other income net of fees, expenses and performance allocation. The Board does not expect to fully fund all commitments

³ Gross MOIC is Multiple of Invested Capital. Gross Unrealised Value and Gross MOIC are before transaction costs, taxes (approximately 21 to 27.5 per cent. of U.S. sourced taxable income) and 20 per cent. carried interest on gross profits (without a hurdle rate). 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. In the normal course of business, REL may form wholly-owned subsidiaries, to be treated as C Corporations for US tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. effectively connected income. The C Corporations file U.S. corporate tax returns with the U.S. Internal Revenue Service and pay U.S. corporate taxes on its taxable income.

⁴ Realised capital is total gross proceeds realised on invested capital. Of the \$528 million of capital realised to date, \$315 million is the return of the cost basis, and the remainder is profit.

⁵ Net invested capital is total invested capital less cost basis of the realised capital.

⁶ Credit investment.

⁷ Midstream investment.

⁸ Amounts may vary due to rounding.

⁹ The unrealised value of the Rock Oil investment consists of rights to mineral acres.