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### Riverstone Energy Limited Announces 4Q18 Quarterly Portfolio Valuations

London, UK (31 January 2019) - Riverstone Energy Limited ("REL") announces its quarterly portfolio summary as of 31 December 2018, inclusive of updated quarterly unaudited fair market valuations:

#### Current Portfolio

Investment (Initial Investment Date)	Target Basin	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) <sup>1</sup>	Gross Unrealised Value (\$mm)	Gross Realised Capital & Unrealised Value (\$mm)	31 Dec 2018 Gross MOIC <sup>2</sup>	30 Sep 2018 Gross MOIC <sup>2</sup>
<b>Hammerhead Resources</b> (27 Mar 2014)	Deep Basin (Canada)	\$307	\$295	\$23	\$416	\$439	1.5x	1.8x
<b>Centennial</b> (6 Jul 2016)	Permian (U.S.)	268	268	172	167	339	1.3x	1.9x
<b>ILX III</b> (8 Oct 2015)	Deepwater GoM (U.S.)	200	151	-	197	197	1.3x	1.4x
<b>Liberty II</b> (30 Jan 2014)	Bakken, PRB (U.S.)	142	142	-	156	156	1.1x	1.3x
<b>Carrier II</b> (22 May 2015)	Permian & Eagle Ford (U.S.)	133	110	16	94	110	1.0x	1.2x
<b>RCO<sup>3</sup></b> (2 Feb 2015)	North America	87	87	83	10	93	1.1x	1.1x
<b>Meritage III<sup>4</sup></b> (17 Apr 2015)	Western Canada	67	40	-	80	80	2.0x	2.0x
<b>CNOR</b> (29 Aug 2014)	Western Canada	90	90	-	72	72	0.8x	1.0x
<b>Fieldwood</b> (17 Mar 2014)	GoM Shelf (U.S.)	82	81	3	55	58	0.7x	0.8x
<b>Castex 2014</b> (3 Sept 2014)	Gulf Coast Region (U.S.)	67	47	-	47	47	1.0x	1.0x
<b>Sierra</b> (24 Sept 2014)	Mexico	38	18	-	37	37	2.0x	2.2x
<b>Eagle II</b> (18 Dec 2013)	Mid-Continent (U.S.)	67	62	-	19	19	0.3x	0.5x
<b>Total Current Portfolio<sup>5</sup></b>		<b>\$1,547</b>	<b>\$1,391</b>	<b>\$297</b>	<b>\$1,349</b>	<b>\$1,646</b>	<b>1.2x</b>	<b>1.4x</b>

## Realisations

Investment (Initial Investment Date)	Target Basin	Gross		Gross Realised Capital (\$mm) <sup>1</sup>	Gross Unrealised Value (\$mm)	Gross Realised Capital & Unrealised Value (\$mm)	31 Dec 2018 Gross MOIC <sup>2</sup>	30 Sep 2018 Gross MOIC <sup>2</sup>
		Committed Capital (\$mm)	Invested Capital (\$mm)					
<b>Rock Oil<sup>6</sup></b> (12 Mar 2014)	Permian (U.S.)	114	114	230	9	239	2.1x	2.1x
<b>Three Rivers III</b> (7 Apr 2015)	Permian (U.S.)	94	94	200	3	203	2.2x	2.1x
<b>Total Realisations<sup>5</sup></b>		<b>\$209</b>	<b>\$209</b>	<b>\$430</b>	<b>\$12</b>	<b>\$442</b>	<b>2.1x</b>	<b>2.1x</b>
Withdrawn Commitments and Impairments <sup>7</sup>		59	59	1	-	1	0.0x	0.0x
<b>Total Investments<sup>5</sup></b>		<b>\$1,815</b>	<b>\$1,659</b>	<b>\$729</b>	<b>\$1,360</b>	<b>\$2,089</b>	<b>1.3x</b>	<b>1.5x</b>
<b>Cash and Cash Equivalents</b>					<b>\$137</b>			
<b>Total Investments &amp; Cash and Cash Equivalents<sup>5</sup></b>					<b>\$1,497</b>			

## Results and Investor Call

REL will release its Annual Report for the 12 month period from 1 January 2018 to 31 December 2018 on 27 February 2019. The Report will include the NAV of REL as well as updates on the portfolio.

Representatives of Riverstone International Limited will host an investor conference call in order to review developments in the Company's investment portfolio.

The conference call will take place at 1200 GMT / 1300 CET / 0700 ET on 27 February 2019 and can be accessed by dialing 0800 028 8438 (UK) or +44 (0) 20 3107 0289 (International) (Conference ID: 5834899).

A playback facility will be available from 1500 GMT on the same day. This facility can be accessed for the following two weeks by dialing 0800 917 2646 (UK) or +44 (0) 20 3107 0235 (International) and using conference ID 5834899. A recording of the investor call will also be available on REL's website within several days after the call.

## **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 12 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](http://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.

## **Media Contacts**

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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 December 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 Performance Review Team ("PRT") as part of the valuation process. The PRT was formed to serve as a single structure overseeing the existing Riverstone portfolio with the goal of improving operational and financial performance.

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.

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<sup>1</sup> Gross realised capital is total gross proceeds realised on invested capital. Of the \$729 million of capital realised to date, \$427 million is the return of the cost basis, and the remainder is profit.

<sup>2</sup> Gross Unrealised Value and Gross MOIC (Gross Multiple of Invested Capital) 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 (including cash) 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 U.S. 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.

<sup>3</sup> Credit investment.

<sup>4</sup> Midstream investment.

<sup>5</sup> Amounts may vary due to rounding.

<sup>6</sup> The unrealised value of the Rock Oil investment consists of rights to mineral acres.

<sup>7</sup> Withdrawn commitments consist of Origo (\$9 million) and CanEra III (\$1 million), and impairments consist of Castex 2005 (\$48 million).