

Riverstone Energy Limited

Final results for the half year ended 30 June 2021 & update on share buyback programme

London, UK (18 August 2021) - Riverstone Energy Limited (“REL” or the “Company”) announces its Half Year Results for the 6-month period from 1 January 2021 to 30 June 2021 (the “Period”).

Summary Performance

30 June 2021

NAV	\$582 million (£420 million) ¹
NAV per share	\$9.46 / £6.83 ¹
Profit/(loss) for Period ended	\$198.13 million
Basic profit/(loss) per share for Period ended	316.29 cents
Market capitalization	\$295 million (£213 million) ¹
Share price	\$4.79 / £3.46 ¹

Highlights

§ As of 30 June 2021, REL had a NAV per share of \$9.46 (£6.83), representing an increase in USD and GBP of 53 and 50 per cent., respectively, compared to the 31 December 2020 NAV.

§ Centennial, Hammerhead and ILX III were the largest drivers of REL’s NAV improvement over the Period.

§ During the half year ended 30 June 2021, the Company invested \$36 million in four new energy transition investments, bringing the total invested in this area to \$54 million, which, in aggregate, were valued at \$74 million, or 1.4x Gross MOIC, at 30 June 2021.

§ Total invested capital during the Period of \$47.3 million: GoodLeap, LLC (formerly Loanpal, LLC) (\$25.0 million), FreeWire Technologies, Inc. (\$10.0 million), Onyx Power (\$7.0 million), ILX Holdings III, LLC (\$4.2 million), Decarbonization Plus Acquisition Corp II (\$0.6 million) and Decarbonization Plus Acquisition Corp III (\$0.5 million). The investments in Decarbonization Plus Acquisition II and Decarbonization Plus Acquisition III were sponsor equity and warrants, which were purchased at US\$1.50 per warrant.

§ Total net realisations and distributions during the Period of \$7.6 million: Castex Energy 2014, LLC (\$6.1 million), Meritage Midstream Services III, L.P. (\$2.3 million), GoodLeap, LLC (formerly Loanpal, LLC) (\$0.6 million) and Ridgebury H3, LLC (\$0.3 million), offset by a contingent earnout payment of \$1.7 million related to the 2019 sale of Sierra Oil & Gas.

§ REL made a \$20 million commitment to Decarbonization Plus Acquisition Corporation III through a PIPE investment that is expected to be completed in conjunction with the business combination with Solid Power, Inc. in Q4 2021.

§ REL finished the Period with a cash balance of \$53 million and remaining potential unfunded commitments of \$43 million².

Share Buyback Programme

As previously announced on 1 July 2021, with today's publication of the Company's Interim Report and Financial Statements for the period ended 30 June 2021, the Board will recommence its £20.0 million open market share buyback programme with Numis Securities Limited and J.P. Morgan Securities plc. Since the Company's announcement on 11 May 2021, 1,185,808 ordinary shares have been bought back at a total cost of approximately £4.0 million (\$5.6 million) at an average share price of approximately £3.36 (\$4.72).

Subsequent Events

§ In July 2021, REL sold its one-third ownership interest in ILX III to an institutional investment fund managed by Ridgewood Energy Corporation for net proceeds of \$168 million. As of 30 June 2021, pro forma for this sale, REL holds total cash of \$221 million. With this transaction, REL no longer owns any interest in ILX III³.

§ In connection with the closing of the previously announced merger between Decarbonization Plus Acquisition Corporation ("DCRB") and Hyzon Motors Inc. ("Hyzon") (NASDAQ: HYZN), REL purchased \$10 million of DCRB common stock in a private placement transaction at \$10 per share in July 2021. Hyzon, headquartered in Rochester, New York, is the industry-leading global supplier of zero-emissions hydrogen fuel cell powered commercial vehicles.

§ In August 2021, REL purchased an interest in one of Samsung Ventures' battery technology focused venture capital portfolios for \$30.0 million. The remaining interest was purchased by Riverstone affiliates. The portfolio consists of seven unrealised investments with the majority of value deriving from over 1.6 million shares of Solid Power, Inc.

§ Also, in August 2021, REL announced an investment of \$0.6 million in DCRD, a special purpose acquisition vehicle sponsored by an affiliate of REL's investment manager which raised over \$316 million in its IPO.

Manager Outlook

§ REL's \$178 million aggregate cash balance and \$86 million of unrestricted marketable securities at 16 August 2021 makes the Company well positioned to fund the capital needs of the portfolio. With the funding of the \$10.0 million DCRB PIPE commitment in July 2021, the Company has remaining potential

unfunded commitments of up to \$33 million²; however, the Board, in consultation with the Investment Manager, does not expect to fully fund all commitments in the normal course of business.

§ Following a difficult year for energy in 2020, the macro environment has started to stabilise but is expected to have significant uncertainty due to the prolonged nature of the COVID-19 pandemic and delays in vaccine administration.

§ REL remains focussed on managing liquidity and operational efficiency at the portfolio company level, while continuing to execute on its modified investment programme, which includes a pivot from E&P investments towards energy transition and decarbonisation assets. The Investment Manager believes the current market environment is generating attractive risk-reward investment opportunities within these subsectors.

Richard Hayden, Chairman of Riverstone Energy Limited, commented:

“While the macro outlook remains uncertain the continued commodity price recovery into the second quarter provided REL with improved financial resilience and has allowed us to extend our buyback programme by a further £20 million. As of 16 August, REL has an aggregate cash balance of \$178 million, freely tradeable securities of \$86 million, and \$15 million of securities with sale restrictions that are estimated to expire no later than December 2022. It has been exciting to see a pick-up in momentum for action on climate change around the world over the last six months – with REL stepping up its own activity and making five new energy transition investments in businesses that further diversify our portfolio away from fossil fuels. Looking ahead, we will draw further on our experience and expertise to access opportunities that will help drive the energy transition while delivering value for our Shareholders.”

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

“As the world makes progress in emerging from the pandemic, albeit at an uneven pace, our focus continues to be on actively managing our portfolio to improve efficiency and increase liquidity. Alongside the investments in decarbonisation made in the first half of 2021, we exited ILX III after the period closed, raising net proceeds of \$168 million and further shifting our focus towards clean energy.”

- Ends -

Riverstone Energy Limited's 2021 Interim Report is available to view at: www.RiverstoneREL.com.

2Q21 Quarterly Portfolio Valuation

Previously, on 30 July 2021, REL announced its quarterly portfolio summary as of 30 June 2021, inclusive of updated quarterly unaudited fair market valuations:

Current Portfolio – Private

Investment <i>(Initial Investment Date)</i>	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm)⁴	Gross Unrealised Value (\$mm)⁵	Gross Realised Capital & Unrealised Value (\$mm)	31 Mar 2021 Gross MOIC⁵	30 Jun 2021 Gross MOIC⁵
ILX III <i>(8 Oct 2015)</i>	200	179	4	168	172	0.9x	1.0x
Hammerhead Resources <i>(27 Mar 2014)</i>	307	295	23	65	88	0.2x	0.3x
Carrier II <i>(22 May 2015)</i>	133	110	29	37	66	0.6x	0.6x
Onyx <i>(30 Nov 2019)</i>	66	60	-	60	60	1.0x	1.0x
Enviva <i>(22 Jul 2020)</i>	25	18	-	31	31	1.6x	1.7x
GoodLeap (formerly Loanpal) <i>(13 Jan 2021)</i>	25	25	1	24	25	1.0x	1.0x
FreeWire <i>(20 Jan 2021)</i>	10	10	-	10	10	1.0x	1.0x
Fieldwood <i>(17 Mar 2014)</i>	89	88	8	-	8	0.1x	0.1x
Total Current Portfolio – Private⁶	\$856	\$784	\$64	\$395	\$459	0.5x	0.6x

Current Portfolio - Public

Investment (Initial Investment Date)	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) ⁴	Gross Unrealised Value (\$mm) ⁵	Gross Realised Capital & Unrealised Value (\$mm)	31 Mar 2021	30 Jun 2021		
						Gross MOIC ⁵	Closing Price per Share ⁷	Gross MOIC ⁵	Closing Price per Share ⁷
Centennial (6 Jul 2016)	\$268	\$268	\$172	\$103	\$275	0.9x	\$4.20	1.0x	\$6.78
CNOR (29 Aug 2014)	90	90	16	22	38	0.3x	\$1.27	0.4x	\$1.86
DCRN⁸ (3 Feb 2021)	1	1	-	4	4	1.0x	n/a	7.3x	\$9.87
DCRC⁸ (22 Mar 2021)	1	1	-	4	4	1.0x	n/a	8.2x	\$10.37
Total Current Portfolio – Public^{6,9}	\$359	\$359	\$188	\$133	\$321	0.7x		0.9x	
Cash and Cash Equivalents				\$53					
Cash and Cash Equivalents (pro forma for ILX III sale)				\$221					
<i>Total Liquidity (Cash and Cash Equivalents & Public Portfolio)</i>				<i>\$186</i>					
<i>Total Liquidity (pro forma for ILX III sale)</i>				<i>\$354</i>					
<i>Total Market Capitalisation</i>				<i>\$295</i>					

Realisations

Investment (Initial Investment Date)	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) ⁴	Gross Unrealised Value (\$mm) ⁵	Gross Realised Capital & Unrealised Value (\$mm)	31 Mar 2021 Gross MOIC ⁵	30 Jun 2021 Gross MOIC ⁵
Rock Oil¹⁰ (12 Mar 2014)	114	114	232	3	235	2.0x	2.1x
Three Rivers III (7 Apr 2015)	94	94	204	-	204	2.2x	2.2x
Meritage III¹¹ (17 Apr 2015)	40	40	86	-	86	2.1x	2.2x
RCO¹² (2 Feb 2015)	80	80	80	-	80	1.0x	1.0x
Sierra (24 Sept 2014)	18	18	38	-	38	2.1x	2.1x
Aleph (9 Jul 2019)	23	23	23	-	23	1.0x	1.0x
Ridgebury (19 Feb 2019)	18	18	22	-	22	1.2x	1.2x
Castex 2014 (3 Sep 2014)	52	52	14	-	14	0.2x	0.3x
Total Realisations⁶	\$440	\$440	\$699	\$3	\$702	1.8x	1.6x
<i>Withdrawn Commitments and Impairments¹³</i>	262	262	1	-	1	0.0x	0.0x
Total Investments^{6,14}	\$1,917	\$1,846	\$952	\$531	\$1,483	0.8x	0.8x
Total Investments & Cash and Cash Equivalents⁶				\$584			

About Riverstone Energy Limited:

REL is a closed-ended investment company that invests exclusively in the global energy industry across all sectors. REL aims to capitalise on the opportunities presented by Riverstone's energy investment platform. REL's ordinary shares are listed on the London Stock Exchange, trading under the symbol RSE. REL has 14 active investments spanning decarbonisation, oil and gas, renewable energy and power in the Continental U.S., Western Canada, Gulf of Mexico and Europe.

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.

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 30 June 2021 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 Board reviews and considers the valuations of the Company’s investments held through the Partnership.

¹ GBP:USD FX rate of 1.386 as of 30 June 2021

² Excludes the remaining unfunded commitments for ILX III of \$21 million, which was released upon realisation in July 2021, as well as Carrier II, Hammerhead and Fieldwood of \$37 million, in aggregate, which are not expected to be funded. The expected funding of the remaining unfunded commitments at 30 June 2021 are \$30 million in 2021 and \$nil in 2022. The residual amounts are to be funded in 2023 and later years.

³ REL will continue to own 43,333 shares of Talos Energy Inc stock (NYSE:TALO) in connection with its former investment in ILX III.

⁴ Gross realised capital is total gross proceeds realised on invested capital. Of the \$952 million of capital realised to date, \$656 million is the return of the cost basis, and the remainder is profit.

⁵ 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 applicable gross profits in accordance with the revised terms announced on 3 January 2020, but effective 30 June 2019. Since there was no netting of losses against gains before the aforementioned revised terms, the effective carried interest rate on the portfolio as a whole will be greater than 20 per cent. No further carried interest will be payable until the \$362 million of realised and unrealised losses to date at 30 June 2021 are made whole with future gains, so the earned carried interest of \$0.8 million at 30 June 2021 has been deferred and will expire in October 2023 if the aforementioned losses are not made whole. 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.

⁶ Amounts may vary due to rounding.

⁷ Represents closing price per share in USD for publicly traded shares of Centennial Resource Development, Inc. (NASDAQ:CDEV – 30 June 2021: \$6.78 price per share) for Centennial investment, as well as USD-equivalent closing price per share for Pipestone Energy Corp. (TSX-V:PIPE – 30 June 2021: \$1.86 price per share) for CNOR investment.

⁸ SPAC Sponsor investment for Decarbonization Plus Acquisition Corporation II (NASDAQ:DCRN) and Decarbonization Plus Acquisition Corporation III (NASDAQ:DCRC) (see note 14 below for further information regarding the SPAC PIPE commitment for DCRC).

⁹ This figure reflects REL’s holding of \$125 million of freely marketable securities as at 30 June 2021. An REL RNS announcement dated 22 July 2021 incorrectly referred to a figure of \$86 million of freely marketable securities as of 30 June 2021. This was based on a preceding date’s closing share price and should have referred to as \$125 million using the closing share price as of 30 June 2021.

¹⁰ The unrealised value of the Rock Oil investment consists of rights to mineral acres.

¹¹ Midstream investment.

¹² Credit investment.

¹³ Withdrawn commitments consist of Origo (\$9 million) and CanEra III (\$1 million), and impairments consist of Liberty II (\$142 million), Eagle II (\$62 million) and Castex 2005 (\$48 million).

¹⁴ As the funding of the DCRB and DCRC PIPE commitments of \$10 million and \$20 million, respectively, will occur in conjunction with the respective business combination during 2021, they have not been included in this table of the Company’s investments at 30 Jun 2021.