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Riverstone Energy Limited

Final results for the year ended 31 December 2022

London, UK (1 March 2023) - Riverstone Energy Limited (“REL” or the “Company”) announces its Year End Results from 1 January 2022 to 31 December 2022 (the “Period”).

Summary Performance

31 December 2022

NAV	\$739 million ¹ (£610 million) ²
NAV per share	\$14.52 / £11.99 ²
Profit/(loss) for Period ended	\$88.9 million
Basic profit/(loss) per share for Period ended	171.87 cents
Total liquidity (cash and cash equivalents & public portfolio)	\$311 million (£257 million) ²
Market capitalisation	\$418 million (£351 million) ²
Share price	\$8.21 / £6.78 ²

Highlights

§ As of 31 December 2022, REL had a NAV per share of \$14.52 (£11.99), representing an increase in USD and GBP of 17 and 30 per cent., respectively, compared to the 31 December 2021 NAV.

§ Onyx, Hammerhead and Permian were the largest drivers of REL’s NAV improvement over the Period.

§ During the Period, under the Company’s modified investment programme, the Company invested \$95.2 million in seven new decarbonisation investments, bringing the total invested in this area to \$210 million, which, in aggregate, were valued at \$227 million, or 1.08x Gross MOIC, at 31 December 2022.

§ Total invested capital during the Period of \$95.2 million: Anuvia Plant Nutrients (\$20 million), T-REX Group (\$17.5 million), Infinitum Electric (\$17.5 million), Tritium DCFC (\$15 million), Our Next Energy (\$11.5 million) DCFC Loan (\$9.7 million) and Group14 Technologies (\$4.0 million).

§ Total net realisations and distributions during the Period of \$163.8 million: Onyx (\$61.0 million), Pipestone (\$41.7 million), Carrier II (\$34.0 million), Centennial (\$22.2 million), Meritage III (\$1.7 million), Rock Oil (\$1.1 million) and an aggregate of \$1.4 million from ILX III, GoodLeap and DCFC loan.

§ REL finished the Period with a cash balance of \$119 million and remaining potential unfunded commitments of \$11 million³.

§ Since the initial announcement of the Share Buyback Programme on 1 May 2020, the Company has bought back a total of 29,005,073 ordinary shares at an average price of approximately £3.89 per ordinary

share, which has contributed to the share price increase of ~208 per cent. from £2.20 to £6.78 over the period to 31 December 2022.

Recent NAV & Share Price Performance of the Company

As announced on 30 October 2020, the Company's independent directors agreed to closely monitor the Investment Manager's success in repositioning the Company's existing investment policy through the modified investment strategy over the next twenty-four months following the previous quarter ended 30 September 2020. In the absence of a significant improvement in the performance of the Company, taking into account the trading price of the Ordinary Shares and portfolio performance over that period through 30 September 2022, the independent directors would release an announcement in November 2022 regarding an EGM to seek Shareholder approval before 31 December 2022 to amend the Company's investment policy to provide for the managed wind-down of the Company.

Based on the significant improvement in the performance of REL since the aforementioned announcement, and the outlook for further energy transition investment opportunities from the Investment Manager, the Company's independent Directors did not seek Shareholder approval before 31 December 2022 to amend the Company's investment policy to provide for the managed wind-down of the Company. The Board is fully supportive of the Company's modified investment programme to continue shifting the portfolio from conventional energy to decarbonisation assets and expects that the Company will seek shareholder approval to amend its investment policy to facilitate this transition further in the coming months.

Board Changes

As previously announced, after nearly ten years as a REL Non-Executive Director and as Chair of the Board for almost seven years, Richard Hayden is standing down as Chair of the Board in February 2023 and retiring from the Board after the Annual General Meeting in May 2023. During 2022, two further Non-Executive Directors announced that they would be standing down from the Board, having served for nearly ten years. Peter Barker will retire from the REL Board at the Company's 2023 AGM, while Patrick Firth will remain on the Board until December 2023 to ensure the orderly transition of his responsibilities as Chair of the Audit Committee.

In October 2022, Richard Horlick was appointed to the Board as a Non-Executive Director. Richard brings with him a huge amount of experience from a long career in investment management, including with Schroders and Fidelity International. As well as joining the Audit Committee, Nomination Committee and Management Engagement Committee, Richard will become Chair of the Board in February 2023. Additionally, John Roche, a former partner of PwC, joined the Board as a Non-Executive Director in December 2022 and will become Chair of the Audit Committee, taking over from Patrick Firth.

Share Buyback Programme

Since the Company's announcement on 14 February 2022 of the authorized increase of £46 million for the share buyback programme, 4,045,941 ordinary shares have been bought back at a total cost of approximately £26.8 million (\$32.2 million) at an average share price of approximately £6.63 (\$7.95). As of 31 December 2022, £23.2 million was available for repurchasing and is £17.4 million as of the date of this report.

The Investment Manager will continue to be required to apply each Performance Allocation (net of taxes) to acquire ordinary shares of the Company. In accordance with the Performance Allocation terms announced on 3 January 2020, effective from 30 June 2019, no further Performance Allocation will be payable until there is an increase of \$95 million (largest deficit of \$605.5 million at 30 June 2020) of realised and unrealised value to date at 31 December 2022. As such, the earned carried interest of \$0.8 million at 31 December 2022 has been deferred and will expire in October 2023 if the aforementioned losses are not made whole. Further, since REL has not yet met the appropriate Cost Benchmark at 31 December 2022, \$38.0 million in unearned Performance Allocation fees that would have been due under the prior agreement were not accrued. Based on the aforementioned Performance Allocation, net of estimated applicable taxes, the potential increase arising from the Investment Manager's share purchases would be \$19 million as of 31 December 2022.

Post-Year End Update

As a result of the combination of Hammerhead and DCRD, which closed on 23 February 2023, REL's existing Hammerhead ownership converted into 15.4 million common shares of Hammerhead Energy Inc. (NASDAQ / TSX: HHRS). REL also owns a 5 per cent. stake in the DCRD Sponsor. The DCRD Sponsor is entitled to up to 45 per cent. of the 7.9 million Sponsor Shares subject to Riverstone Fund V achieving a 1.0x Gross MOIC, as detailed in the F-4 Side Letter. Therefore, at or above a \$10.53 share price, REL will own an additional 0.2 million HHRS shares. Based on the 15.4 million common shares of HHRS at the HHRS closing share price of \$14.97 as of 27 February 2023, the company's initial day of trading on NASDAQ and TSX, REL's investments in Hammerhead and the DCRD Sponsor are valued at \$255.8 million, inclusive of previously realised proceeds of \$23.1 million, which is an increase from \$179.9 million as at 31 December 2022. There can be no assurance that the closing price as of 27 February 2023 is an indicator of future performance. As the shares of HHRS are publicly traded, going forward the valuation will be determined based on the market price, rather than the basis used previously for unquoted investments.

Investment Manager Outlook

§ REL's \$120 million aggregate cash balance at 31 December 2022 makes the Company well positioned to both fund the capital needs of the portfolio and make new investments.

§ Geopolitical tension and consequent fuel supply insecurity driving energy commodity volatility has underscored our collective need to accelerate the energy transition. REL's portfolio is well-positioned to

capitalise on market volatility in the legacy commodity-linked portfolio as well as on new opportunities in the cleantech and decarbonisation space.

§ The Investment Manager believes that the current market environment is generating attractive risk-reward investment opportunities in the energy transition and decarbonisation space. While the Investment Manager continues to pursue energy transition and decarbonisation assets, it also remains focused on managing liquidity and operational efficiency at REL's existing legacy portfolio companies.

Richard Hayden, Chair of the Board of Riverstone Energy Limited, commented:

“Since the lows of June 2020, NAV is up 97.6 per cent. and stock is up 77.7 per cent. Despite continued structural discount to net asset value, the modified investment strategy we put in place in 2020 is working. We are selectively and opportunistically monetising our conventional investments and investing in decarbonisation investments that will play an important role in lowering the carbon footprint of the global economy.

In the past year, energy prices have performed well and been the major contributor to REL's performance. However, I'd point out also that our growth equity investments in decarbonising companies have also withstood the extreme volatility of 2022, rising interest rates, and the mass, coordinated selloff of tech and growth equities.

This is my last note before I transfer my duties as Chair of the Board to Richard Horlick. As I hand over the reins, I'm glad to say that we are on a fundamentally important and exciting path. The transition is happening, and we are on the arc toward a more sustainable, decarbonised future.

In my nearly seven years as Chair of the Board, I've seen boom and bust trends in North American shale to the energy transition. We are executing on our investment programme in a disciplined fashion while delivering consistent, risk-adjusted results. I leave REL well-positioned and in Richard Horlick's very capable hands. I firmly believe that we are as well-positioned as we've ever been to create value for our shareholders and to contribute to a sustainable, resilient energy future.”

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

“2022 provided a dismal backdrop for investors with both equity and bond indices posting negative returns. This sell-off was precipitated by coordinated and unprecedented action from central banks around the world as they hiked benchmark rates in an effort to contain runaway inflation while bracing themselves for an expected global recession. If this weren't bad enough, the Russian invasion of Ukraine in February only compounded supply chain issues lingering from the pandemic and highlighted structural deficiencies in global energy and critical materials supply chain security. Underinvestment in and outright disinvestment from conventional sources of energy over the past few years have caused tremendous volatility in underlying energy commodity prices and power prices in Europe.

Despite these powerful headwinds, REL's portfolio performed very well: our four remaining conventional energy investments were net beneficiaries of energy and power price volatility, while our growth-stage

decarbonisation investments continued to deliver against their plans. For our publicly listed decarbonisation investments, stock price performance in 2022 became detached from underlying, fundamental performance. We trust that in time, this will be rectified.

When we set course for REL's strategy to invest in companies that will contribute to decarbonising the global economy, we had not foreseen two major events that occurred in 2022 that are having and will continue to have a profound impact on our strategy going forward. Firstly, the war in Ukraine has set off an irreversible trend among countries around the world to secure their energy needs by diversifying their supply and accelerating the production of native, renewable energy. Secondly, though late to the game the US has enacted a paradigm-shifting piece of legislation unleashing potentially trillions of dollars of investment in the form of the Inflation Reduction Act, passed in August 2022. This law apportions roughly half of its \$738 billion budget to tackle energy and climate change. This occurred on the back of another piece of (mostly unnoticed) legislation in 2021, the Bipartisan Infrastructure and Jobs Act, which committed over \$25 billion to EV charging, clean transportation and, EV battery components, critical minerals and materials.

These laws are having an immediate impact on our portfolio: Group14 and Solid Power, two battery technology companies, have received over \$100 million in funding from the US Department of Energy to support their development. In February, another one of our portfolio companies, Tritium a leading manufacturer of EV fast-chargers, announced the opening of its US-based factory in Tennessee which will have the ability to produce 30,000 DC fast chargers per year at peak capacity, at the White House, standing next to President Biden.

As we find ourselves at the forefront of major changes in energy and industry, we feel strongly that Riverstone Energy Limited is doing well today in executing on its transition plan and is well-positioned to take advantage of existing tailwinds supporting energy transition and the decarbonisation of global industry.”

Director Change of Responsibilities

Following its announcement on 26 October 2022, in accordance with Listing Rule 9.6.11, the Company is pleased to advise Shareholders that Richard Hayden has been succeeded as non-executive Chairman of the Board by Richard Horlick with effect from 1 March 2023. Mr Hayden will retire from the Board at the conclusion of the Company's annual general meeting in 2023. The Board wishes to thank Mr Hayden for his many years of service and contribution to the Company.

- Ends -

Riverstone Energy Limited's 2022 Annual Report is available to view at: www.RiverstoneREL.com.

4Q22 Quarterly Portfolio Valuation

Previously, on 1 February 2023, REL announced its quarterly portfolio summary as of 31 December 2022, inclusive of updated quarterly unaudited fair market valuations:

Current Portfolio – Conventional

Investment (Public/Private)	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) ⁴	Gross Unrealised Value (\$mm) ⁵	Gross Realised Capital & Unrealised Value (\$mm)	30 Sep 2022 Gross MOIC ⁵	31 Dec 2022 Gross MOIC ⁵
Permian Resources⁶ (Public)	268	268	194	118	312	1.04x	1.17x
Onyx (Private)	66	60	61	118	179	3.00x	3.00x
Hammerhead Resources (Private)	307	295	23	154	177	0.59x	0.60x
Total Current Portfolio - Conventional – Public⁷	\$268	\$268	\$194	\$118	\$312	1.04x	1.17x
Total Current Portfolio - Conventional – Private⁷	\$376	\$355	\$84	\$272	\$356	0.93x	1.00x
Total Current Portfolio - Conventional – Public & Private⁷	\$641	\$623	\$278	\$390	\$668	1.02x	1.07x

Current Portfolio – Decarbonisation

Investment (Public/Private)	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) ⁴	Gross Unrealised Value (\$mm) ⁵	Gross Realised Capital & Unrealised Value (\$mm)	30 Sep 2022 Gross MOIC ⁵	31 Dec 2022 Gross MOIC ⁵
GoodLeap (formerly Loanpal) (Private)	25	25	2	53	55	2.50x	2.20x
Enviva⁶ (Public)	22	18	-	35	35	2.16x	1.93x
Infinitum (Private)	18	18	-	23	23	1.00x	1.30x
FreeWire (Private)	10	10	-	20	20	2.00x	2.00x
Anuvia Plant Nutrients (Private)	20	20	-	20	20	1.00x	1.00x
Solid Power⁶ (Public)	48	48	-	19	19	0.80x	0.39x
T-REX Group (Private)	18	18	-	18	18	1.00x	1.00x
Tritium DCFC⁶ (Public)	16	16	0	15	15	0.75x	0.60x
Energy Storage Company (Private)	13	11	-	11	11	n/a	1.00x
Group14 (Private)	4	4	-	4	4	1.00x	1.00x
DCRD^{6, 8} (Public)	1	1	-	3	3	5.13x	4.99x
Ionic I & II (Samsung Ventures) (Private)	3	3	-	3	3	1.00x	1.00x
Hyzon Motors⁶ (Public)	10	10	-	2	2	0.17x	0.16x
Total Current Portfolio -	\$105	\$102	\$0	\$73	\$73	1.00x	0.72x

Decarbonisation – Public⁷							
Total Current Portfolio - Decarbonisation – Private⁷	\$109	\$108	\$2	\$152	\$154	1.50x	1.42x
Total Current Portfolio - Decarbonisation – Public & Private⁷	\$214	\$210	\$2	\$225	\$227	1.24x	1.08x
Total Current Portfolio - Decarbonisation – Public & Private⁷	\$855	\$833	\$280	\$615	\$895	1.07x	1.07x
Cash and Cash Equivalents				\$120			
<i>Total Liquidity (Cash and Cash Equivalents & Public Portfolio)</i>				<i>\$311</i>			
<i>Total Market Capitalisation</i>				<i>\$418</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)	30 Sep 2022 Gross MOIC⁵	31 Dec 2022 Gross MOIC⁵
Rock Oil⁹ (12 Mar 2014)	114	114	233	4	237	2.07x	2.07x
Three Rivers III (7 Apr 2015)	94	94	204	-	204	2.17x	2.17x
ILX III (8 Oct 2015)	179	179	172	-	172	0.96x	0.96x
Meritage III¹⁰ (17 Apr 2015)	40	40	87	-	87	2.20x	2.20x
RCO¹¹ (2 Feb 2015)	80	80	80	-	80	0.99x	0.99x
Carrier II (22 May 2015)	110	110	63	3	66	0.70x	0.60x
Pipestone Energy (formerly CNOR) (29 Aug 2014)	90	90	58	-	58	0.64x	0.64x
Sierra (24 Sept 2014)	18	18	38	-	38	2.06x	2.06x
Aleph (9 Jul 2019)	23	23	23	-	23	1.00x	1.00x
Ridgebury (19 Feb 2019)	18	18	22	-	22	1.22x	1.22x
Castex 2014 (3 Sep 2014)	52	52	14	-	14	0.27x	0.27x
Total Realisations⁷	\$819	\$819	\$995	\$7	\$1,002	1.24x	1.22x
<i>Withdrawn Commitments and Impairments¹²</i>	350	350	9	-	9	0.02x	0.02x
Total Investments⁷	\$2,024	\$2,001	\$1,285	\$662	\$1,906	0.96x	0.95x

Total Investments & Cash and Cash Equivalents	\$741	
Draft Unaudited Net Asset Value	\$739	
Total Shares Repurchased to-date	29,005,073	at average price per share of £3.89 (\$5.00)
Current Shares Outstanding	50,891,658	

About Riverstone Energy Limited:

REL is a closed-ended investment company which invests in the energy industry that has since 2020 been exclusively focused on pursuing and has committed \$193 million to a global strategy across decarbonisation sectors presented by Riverstone's investment platform. REL's ordinary shares are listed on the London Stock Exchange, trading under the symbol RSE. REL has 16 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 Riverstone Energy Investment Partnership, LP ("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 2022 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 Since REL has not yet met the appropriate Cost Benchmark at 31 December 2022, \$38.0 million in Performance Allocation was not accrued in accordance with the performance allocation terms announced on 3 January 2020, effective from 30 June 2019, which would have been accrued under the prior terms, and thereby would have reduced the NAV on a pro forma basis to \$701 million or \$13.77 per share

² GBP:USD FX rate of 1.2103 as of 31 December 2022

³ Excludes the remaining unfunded commitment for Hammerhead of \$12.2 million, which is not expected to be funded. The expected funding of the remaining unfunded commitments at 31 December 2022 are \$4.5 million in 2023 and \$nil in 2024. The residual amounts are to be funded as needed in 2025 and later years.

⁴ Gross realised capital is total gross proceeds realised on invested capital. Of the \$1,285 million of capital realised to date, \$983 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 \$95.2 million of realised and unrealised losses to date at 31 December 2022 (largest deficit of \$605.5 million at 30 June 2020) are made whole with future gains, so the earned carried interest of \$0.8 million at 31 December 2022 has been deferred and will expire in October 2023 if the aforementioned losses are not made whole. Since REL has not yet met the appropriate Cost Benchmark at 31 December 2022, \$38.0 million in Performance Allocation was not accrued in accordance with the terms of the current agreement, which would have been accrued under the prior agreement. Based on the aforementioned Performance Allocation, net of estimated applicable taxes, the potential increase arising from the Investment Manager’s share purchases would be \$19 million as of 31 December 2022. 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 Represents closing price per share in USD for publicly traded shares of Centennial Resource Development, Inc. (NASDAQ:CDEV – 31-12-2022: \$9.40 per share / 30-09-2022: \$6.80 price per share); Enviva, Inc. (NYSE:EVA – 31-12-2022: \$52.97 per share / 30-09-2022: \$60.60 price per share); Solid Power, Inc. (NASDAQ:SLDP – 31-12-2022: \$2.54 per share / 30-09-2022: \$5.26 price per share); Hyzon Motors, Inc. (NASDAQ:HYZN – 31-12-2022: \$1.55 per share / 30-09-2022: \$1.70 price per share); and Tritium DCFC Limited (NASDAQ:DCFC – 31-12-2022: \$1.68 price per share / 30-09-2022 \$3.19 price per share.)

⁷ Amounts vary due to rounding

⁸ SPAC Sponsor investment for Decarbonization Plus Acquisition Corporation IV (NASDAQ:DCRD)

⁹ The unrealized value of Rock Oil investment consists of rights to mineral acres

¹⁰ Midstream investment

¹¹ Credit investment

¹² Withdrawn commitments consist of Origo (\$9 million) and CanEra III (\$1 million), and impairments consist of Liberty II (\$142 million), Fieldwood (\$80 million), Eagle II (\$62 million) and Castex 2005 (\$48 million)