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Riverstone Energy Limited

Results for the half year ended 30 June 2023

London, UK (16 August 2023) - Riverstone Energy Limited (“REL” or the “Company”) announces its Half Year Results from 1 January 2023 to 30 June 2023 (the “Period”).

Summary Performance

30 June 2023

NAV	\$604 million ¹ (£479 million) ²
NAV per share	\$12.90 / £10.23 ²
Profit/(loss) for Period ended	(\$105.3 million)
Basic profit/(loss) per share for Period ended	(213.18 cents)
Total liquidity (cash and cash equivalents & public portfolio)	\$396 million (£315 million) ²
Market capitalisation	\$334 million (£265 million) ²
Share price	\$7.14 / £5.66 ²

Highlights

§ As of 30 June 2023, REL had a NAV per share of \$12.90 (£10.23), representing a decrease in USD and GBP of 11 and 15 per cent., respectively, compared to the 31 December 2022 NAV.

§ Enviva, Anuvia and GoodLeap were the largest drivers of REL’s NAV downturn over the Period.

§ During the Period, under the Company’s modified investment programme, the Company invested \$4.5 million in two existing decarbonisation investments, bringing the total invested in this area to \$214 million, which, in aggregate, were valued at \$156 million, or 0.73x Gross MOIC, at 30 June 2023.

§ Total invested capital during the Period of \$4.5 million: Enviva (\$3.5 million) and Our Next Energy (\$1.0 million).

§ Total net realisations and distributions during the Period of \$54.3 million: Permian Resources (\$28.1 million), Onyx (\$20.2 million), Carrier II (\$4.6 million), and an aggregate of \$1.4 million from Hammerhead, Tritium DCFC and Enviva

§ REL finished the Period with a cash balance of \$133 million and remaining potential unfunded commitments of \$6 million³.

§ Since the initial announcement of the Share Buyback Programme on 1 May 2020, the Company has bought back a total of 33,096,218 ordinary shares at an average price of approximately £4.12 per ordinary share, which has contributed to the share price increase of ~157 per cent. from £2.20 to £5.66 over the period to 30 June 2023.

Share Buyback Programme

Since the Company's announcement on 24 May 2023 of the authorized increase of £30 million for the share buyback programme, 1,703,495 ordinary shares have been bought back at a total cost of approximately £9.7 million (\$12.2 million) at an average share price of approximately £5.70 (\$7.18). As of 30 June 2023, £29.5 million was available for repurchasing.

In addition, pursuant to changes to the Investment Management Agreement announced on 3 January 2020, the Investment Manager agreed for the Company to be required to repurchase shares or pay dividends equal to 20 per cent. of net gains on dispositions. No further carried interest will be payable until the \$193 million of realised and unrealised losses to date at 30 June 2023 are made whole with future gains. REL continues to seek opportunities to purchase shares in the market at prices at or below the prevailing NAV per share.

Investment Manager Outlook

§ REL's \$130 million aggregate net cash balance at 30 June 2023 makes the Company well positioned to both fund the capital needs of the portfolio, make new investments, and weather the difficult capital formation environment.

§ REL's portfolio will continue to benefit from foundational value in its legacy energy investments, widely recognized as requisite for a just and equitable energy transition, and anticipates uplift from the tech-driven business in which the Investment Manager has invested under the modified investment programme.

§ The energy transition and decarbonisation space continues to benefit from macroeconomic and regulatory tailwinds which offer advantageous risk-reward investment opportunities. While the Investment Manager continues to pursue energy transition and decarbonisation assets, it is primarily focussed on supporting existing portfolio companies to optimize operational efficiency, manage liquidity, and support capital formation in a persistently difficult fundraising environment for tech-heavy growth-stage companies.

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

“As the demand for energy and sustainable business models and practices continues to grow, REL sits well-positioned to benefit. We are pleased both with the consistent performance of the legacy commodity-linked portfolio and confident in the prospects of investments made under the modified investment programme. Whether supporting a just and equitable energy transition or decarbonisation writ large, both aspects of the portfolio stand to benefit from the already substantial and growing macroeconomic and regulatory tailwinds bolstering sector growth.”

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

“Economic volatility seeded in geopolitical uncertainty and systematic risk to the financial sector dominated market and, consequently, portfolio performance through the first six months of the year. We believe strongly that the current REL portfolio is balanced to take advantage of imminent uplift driven by undeniable and widespread support for decarbonisation and supported by a strong foundation in mission critical, reliable energy assets. We will continue to focus on portfolio management and deploy our capital in the most profitable manner for our shareholders, be it in new decarbonisation investments or share repurchases.”

- Ends -

Riverstone Energy Limited's 2023 Interim Report is available to view at: www.RiverstoneREL.com.

2Q23 Quarterly Portfolio Valuation

Previously, on 27 July 2023, REL announced its quarterly portfolio summary as of 30 June 2023, 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)	31 Mar 2023 Gross MOIC ⁵	30 Jun 2023 Gross MOIC ⁵
Permian Resources⁶ (Public)	268	268	223	110	333	1.22x	1.24x
Onyx (Private)	66	60	81	98	179	3.00x	3.00x
Hammerhead⁶ (Public)	308	296	24	111	135	0.48x	0.46x
Total Current Portfolio - Conventional – Public⁷	\$576	\$564	\$246	\$222	\$468	0.83x	0.83x
Total Current Portfolio -	\$66	\$60	\$81	\$98	\$179	3.00x	3.00x

Conventional – Private⁷							
Total Current Portfolio - Conventional – Public & Private⁷	\$642	\$624	\$328	\$320	\$647	1.04x	1.04x

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)	31 Mar 2023 Gross MOIC⁵	30 Jun 2023 Gross MOIC⁵
GoodLeap (formerly Loanpal) (Private)	25	25	2	36	38	1.80x	1.50x
FreeWire (Private)	10	10	-	20	20	2.00x	2.00x
Infinitum (Private)	18	18	-	18	18	1.30	1.05x
Solid Power⁶ (Public)	48	48	-	18	18	0.64x	0.39x
T-REX Group (Private)	18	18	-	18	18	1.00x	1.00x
Tritium DCFC⁶ (Public)	25	25	1	13	14	0.75x	0.56x
Our Next Energy (Private)	13	13	-	13	13	1.00x	1.00x
Enviva⁶ (Public)	22	22	0	8	9	1.04x	0.41x
Group14 (Private)	4	4	-	4	4	1.00x	1.00x
Ionic I & II (Samsung Ventures) (Private)	3	3	-	3	3	1.00x	1.00x

Hyzon Motors⁶ <i>(Public)</i>	10	10	-	1	1	0.08x	0.10x
Anuvia Plant Nutrients <i>(Private)</i>	20	20	-	-	-	0.70x	0.00x
Total Current Portfolio - Decarbonisation – Public⁷	\$105	\$105	\$1	\$41	\$43	0.57x	0.41x
Total Current Portfolio - Decarbonisation – Private⁷	\$109	\$109	\$2	\$111	\$113	1.27x	1.03x
Total Current Portfolio - Decarbonisation – Public & Private⁷	\$214	\$214	\$3	\$152	\$156	0.92x	0.73x
Total Current Portfolio – Conventional & Decarbonisation – Public & Private⁷	\$856	\$837	\$331	\$472	\$803	1.01x	0.96x
Cash and Cash Equivalents				\$133			
<i>Total Liquidity (Cash and Cash Equivalents & Public Portfolio)</i>				<i>\$396</i>			
<i>Total Market Capitalisation</i>				<i>\$334</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 2023 Gross MOIC ⁵	30 Jun 2023 Gross MOIC ⁵
Rock Oil ⁸ (12 Mar 2014)	114	114	233	3	236	2.06x	2.06x
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 III ⁹ (17 Apr 2015)	40	40	88	-	88	2.20x	2.20x
RCO ¹⁰ (2 Feb 2015)	80	80	80	-	80	0.99x	0.99x
Carrier II (22 May 2015)	110	110	67	-	67	0.60x	0.61x
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 Realisations ⁷	\$819	\$819	\$1,000	\$3	\$1,002	1.22x	1.22x
<i>Withdrawn Commitments and Impairments</i> ¹¹	350	350	9	-	9	0.02x	0.02x
Total Investments ⁷	\$2,024	\$2,006	\$1,339	\$475	\$1,813	0.91x	0.90x

Total Investments & Cash and Cash Equivalents	\$607	
Draft Unaudited Net Asset Value	\$605	
Total Shares Repurchased to-date	33,096,218	at average price per share of £4.12 (\$5.28)
Current Shares Outstanding	46,800,513	

About Riverstone Energy Limited:

REL is a closed-ended investment company which invests in the energy industry that has since 2020 been exclusively focussed on pursuing and has committed \$193 million to a global strategy across decarbonization 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 15 active investments spanning decarbonisation, oil and gas, renewable energy and power in the Continental U.S., Western Canada, Europe and Australia.

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 30 June 2023 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 30 June 2023, \$29.6 million in Performance Allocation that would have been due under the prior agreement were not accrued, and thereby would have reduced the NAV on a pro forma basis to \$574 million or \$12.27 per share

² GBP:USD FX rate of 1.2614 as of 30 June 2023

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 30 June 2023 are \$nil and \$nil for the remainder of 2023 & 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 \$1,339 million of capital realised to date, \$1,016 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 \$192.6 million of realised and unrealised losses to date at 30 June 2023 are made whole with future gains, so the earned carried interest of \$0.8 million at 30 June 2023 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 30 June 2023, \$29.6 million in Performance Allocation fees that would have been due under the prior agreement were not accrued. 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 Permian Resources Corporation (formerly Centennial Resource Development, Inc.) (NASDAQ:PR – 30-06-2023: \$10.96 per share / 31-03-2023: \$10.50 price per share); Enviva, Inc. (NYSE:EVA – 30-06-2023: \$10.85 per share / 31-03-2023: \$28.88 price per share); Solid Power, Inc. (NASDAQ:SLDP – 30-06-2023: \$2.54 per share / 31-03-2023: \$3.01 price per share); Hyzon Motors, Inc. (NASDAQ:HYZN – 30-06-2023: \$0.96 per share / 31-03-2023: \$0.82 price per share); Tritium DCFC Limited (NASDAQ:DCFC – 30-06-2023: \$1.09 price per share / 31-03-2023 \$1.28 price per share); and Hammerhead Energy, Inc. (NASDAQ: HHRS – 30-06-2023: \$7.25 per share / 31-03-2023: \$7.75 per share.)

⁷ Amounts vary due to rounding

⁸ The unrealized value of Rock Oil investment consists of rights to mineral acres

⁹ Midstream investment

¹⁰ Credit investment

¹¹ 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)