

29 October 2014

Riverstone Energy Limited – Interim Management Statement

Guernsey (29 October 2014) - Riverstone Energy Limited ("REL") is issuing this Interim Management Statement ("IMS") in accordance with FCA Disclosure and Transparency Rule 4.3. This statement relates to the period from 1 July 2014 to 30 September 2014 (the "period").

Highlights

- Key Financials (unaudited)
 - NAV as at 30 September 2014 \$1,150 million
 - NAV per share as at 30 September 2014 \$16.19
 - Profit/(loss) during period \$13.4 million
 - Basic profit/(loss) per share during period 18.85 cents
 - Market capitalisation at 30 September 2014 \$1,035 million (£638 million)¹
 - Share price at 30 September 2014 \$14.57 / £8.98¹
- Total committed capital during the period of \$299 million
 - \$90 million to Canadian Non-Operated Resources LP (CNOR)
 - \$75 million to Sierra Oil and Gas
 - \$67 million to Castex Energy
 - \$67 million to Origo Exploration
- Total invested capital during the period of \$32 million
 - \$21 million in Castex Energy
 - \$8 million in Eagle Energy Exploration LLC
 - \$1 million in Rock Oil Holdings LLC
 - \$1 million in Origo Exploration
 - \$1 million in Sierra Oil and Gas
- Total committed capital to date is \$674 million or 55 per cent. of total capital raised²
- Total invested capital to date is \$199 million or 16 per cent. of total capital raised²

Sir Robert Wilson, Chairman of REL, commented:

"The Directors and I are pleased with our performance in the third quarter of the year, as demonstrated by new commitments totalling \$299 million to CNOR, Sierra, Castex and Origo and by the uplift in NAV resulting from the valuation changes for Fieldwood and CIOC. The investment pace remains robust and REL has now committed over half of the capital raised in the IPO."

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

"The REL portfolio continues to develop very well and provide investors with a broad level of exposure to a range of E&P opportunities. In each of the four commitments made this quarter – CNOR, Sierra, Castex and Origo - we are investing alongside proven management teams focusing on exploration and production. All nine REL investments are still in their initial stages, but we are very excited about their prospects in the near term."

¹ Assumed exchange rate of 1.622 USD/GBP.

² Based on total capital raised of \$1,221 million, including KFI's second tranche of £50 million (at exchange rate of 1.621 USD/GBP).

Portfolio Summary

Riverstone International Limited (the “Investment Manager”) has assessed numerous potential exploration & production and midstream investments since REL’s admission. Thus far, nine exploration & production investments have been made. Below is a brief update of each of the investments.

Fieldwood Energy LLC (“Fieldwood”)

As of 30 September 2014, REL, through Riverstone Energy Investment Partnership, L.P. (the "Partnership"), has invested \$54 million of its \$82 million commitment to Fieldwood. Riverstone formed Fieldwood in partnership with CEO Matt McCarroll and his team in December 2012 with a commitment from Riverstone Global Energy and Power Fund V. Fieldwood has made three material acquisitions (Apache, SandRidge and Black Elk) and now has leasehold comprising more than 650 blocks in the GOM. Year to date, Fieldwood has drilled 12 successful wells out of 17 total wells (71% success rate) and executed 30 recompletion projects. In addition, Fieldwood has plugged 185 wells, decommissioned 60 platforms and 73 pipelines. Fieldwood plans to drill six to eight new wells during 4Q2014.

Liberty Resources II LLC (“Liberty II”)

As of 30 September 2014, REL, through the Partnership, has invested \$66 million of its \$100 million commitment to Liberty II. On 12 March 2014, Liberty II acquired approximately 53,000 net acres and approximately 4,000 Boepd net in the Williston Basin in North Dakota. During the quarter, Liberty II closed a transaction with Emerald Oil, Inc. in which Liberty II agreed to sell approximately 31,500 non-core acres in North Dakota’s McKenzie County to Emerald in exchange for approximately 4,175 net acres in North Dakota’s Williams County and \$78 million in cash. Liberty II continues to target acquisitions in the Bakken Shale and Three Forks formations as it progresses with the development of the acquired properties.

Canadian International Oil Corporation (“CIOC”)

As of 30 September 2014, REL, through the Partnership, has invested \$39 million of its \$60 million commitment to CIOC. CIOC is a private exploration & production company focused on liquids-rich unconventional resources in Western Canada. Since its establishment in 2010, CIOC has aggregated one of the largest and most advantaged land positions in the emerging Montney and Duvernay formations of Western Canada’s Deep Basin. The company controls and operates 100% of this asset base, which comprises approximately 400,000 acres, currently produces approximately 3,000 boepd from 14 wells, and includes one of the highest performing liquids wells across the Montney trend. Of note during the quarter, CIOC brought online two Montney wells in Gold Creek and Karr with 24-hour test rates of over 3,500 boepd and 2,300 boepd, respectively. CIOC is currently in the process of further delineating its resource base through a combination of development wells and step-out pilot drilling.

Castex Energy 2014, LLC (“Castex”)

On 4 September 2014, REL, through the Partnership, committed \$67 million to Castex and has invested a total of \$21 million as of 30 September 2014. Castex is a newly-formed, Houston-based oil and gas company focused on exploration and will co-invest with Castex Energy 2005, L.P. ("Castex 2005") to test and develop Castex's current and future drilling prospect inventory in the U.S. Gulf Coast Region. Castex is managed by Castex Energy, Inc., which has a 27 year operating history in exploration and development in South Louisiana and the Gulf of Mexico Shelf. Castex’s strategy triangulates amplitude analysis from the Company’s extensive 3D seismic library and management’s nearly three decades of experience with the hydrocarbon bearing sands and trap characteristics of faults and salt domes in its focus area.

Eagle Energy Exploration LLC (“Eagle II”)

As of 30 September 2014, REL, through the Partnership, has invested \$13 million of its \$50 million commitment to Eagle II. Eagle II’s primary strategy is to accumulate acreage for delineation and development in the Mid-Continent region of the United States. To date, the company has acquired approximately 7,000 acres in the South Central Oklahoma Oil Province (“SCOOP”). During the quarter, Eagle II announced the acquisition of Mississippi Lime assets in Oklahoma from Fairway Resources Partners II, LLC for \$195 million. The properties to be acquired comprise approximately 20,000 net acres in Alfalfa, Grant and Woods counties with current production from the Mississippi Lime. The transaction closed in 4Q2014.

Rock Oil Holdings LLC (“Rock Oil”)

As of 30 September 2014, REL, through the Partnership, has invested \$3 million of its \$83 million commitment to Rock Oil. Rock Oil is a newly formed, Denver and Houston-based oil and gas company focused on the acquisition and development of assets in top-tier North American plays. The company is led by Chairman and CEO Kyle R. Miller, who has a proven track record of creating value, most recently at the previous iteration of Rock Oil, which was exited in separate sales to Sanchez Energy and Sabine Oil & Gas. Rock Oil is currently evaluating potential investment opportunities in the Eagle Ford, Permian and Utica.

Origo Exploration AS (“Origo”)

On 26 August 2014, REL, through the Partnership, committed \$67 million to Origo and has invested a total of \$1 million as of 30 September 2014. Origo is a newly formed, Norway-based oil and gas company focused on exploration on the Norwegian and U.K. continental shelves. The company is led by a team who previously founded and sold two successful North Sea focused exploration companies: Revus Energy, founded in 2003 and acquired by Wintershall in 2008; and Agora Oil & Gas, founded in 2009 and acquired by Cairn Energy in 2012. Origo will target participating in the drilling of three to five exploration wells per year in the North Sea through farm-ins and licensing rounds.

Sierra Oil and Gas (“Sierra”)

On 18 September 2014, REL, through the Partnership, committed \$75 million to Sierra and has invested a total of \$1 million as of 30 September 2014. Sierra is an independent Mexican energy company established to pursue select upstream and midstream opportunities in Mexico. Led by a team of experienced energy executives from the region, Sierra’s core business plan is to access and develop low-to-medium risk oil and gas opportunities as the Mexican energy industry undergoes a historic period of reform and liberalization. Sierra plans to establish itself as a preferred domestic partner for oil and gas activity in Mexico through differentiated access to international technical and commercial best practices, deep expertise in subsurface and operations in Mexico, and financial strength from leading international energy investors.

Canadian Non-Operated Resources (“CNOR”)

On 12 August 2014, REL, through the Partnership, committed \$90 million to CNOR and has invested a total of \$0.5 million as of 30 September 2014. CNOR is a newly-formed, Calgary-based oil and gas company. The Company is led by industry veteran Richard Grafton, who has an outstanding track record in the Canadian oil and gas sector as director of multiple successful exploration and production companies. During the quarter, CNOR entered into a multi-year joint venture arrangement with Bellatrix Exploration Ltd. in which it has committed a total of \$250 million in capital (of which approximately \$40 million is from REL) towards future accelerated development of a portion of Bellatrix's extensive undeveloped land holdings in Western Canada. The capital is expected to be invested primarily from 2016 through 2018.

Valuation of the Portfolio

Previously on 7 October 2014, REL announced its quarterly portfolio summary as of 30 September 2014, inclusive of updated quarterly unaudited fair market valuations:

	Date Announced	Target Basin(s)	Subsector (Drilling Technique)	Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Unrealized Value (\$mm)³	Gross MOIC³
Fieldwood	13 Mar 2014	Gulf of Mexico Shelf (U.S.)	Exploration & Production (“E&P”) (Conventional)	\$82	\$54	\$81	1.5x
Liberty II	7 Nov 2013	Bakken (U.S.)	E&P (Unconventional)	100	66	66	1.0x
CIOC	27 Mar 2014	Deep Basin (Canada)	E&P (Unconventional)	60	39	46	1.2x
Castex	4 Sep 2014	Gulf Coast Region (U.S.)	E&P (Conventional)	67	21	21	1.0x
Eagle II	13 Dec 2013	Mid-Continent (U.S.)	E&P (Conventional / Unconventional)	50	13	13	1.0x
Rock Oil	13 Mar 2014	Eagle Ford, Utica and Permian (U.S.)	E&P (Unconventional)	83	3	3	1.0x
Origo	26 Aug 2014	North Sea (Norway, U.K.)	E&P (Conventional)	67	1	1	1.0x
Sierra	18 Sep 2014	Mexico	E&P (Conventional / Unconventional)	75	1	1	1.0x
CNOR	12 Aug 2014	Western Canada	E&P (Unconventional)	90	0.5	0.5	1.0x
Total				\$674	\$199	\$233	1.2x
Percentage of total REL capital⁴				55%	16%		

Outlook and Pipeline

The investment pipeline for REL remains robust, with several actionable exploration & production and midstream investments in various stages of review and negotiation. Like the nine investments completed to date, the opportunities in the pipeline are led by world-class management teams who are well known to Riverstone and have extensive track records in their specific areas of operation.

Ends

³ Gross MOIC is Multiple of Invested Capital. Gross Unrealized Value and Gross MOIC are before transaction costs, taxes, carried interest, management fees and other expenses. Given these costs and expenses are in aggregate expected to be considerable, Total Net Value and Net MOIC will be materially less than Gross Unrealized Value and Gross MOIC. Local taxes 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.

⁴ Based on total capital raised of \$1,221 million, including KFI's second tranche of £50 million (at exchange rate of 1.621 USD/GBP).

Media Contacts

For Riverstone Energy Limited:

Alfredo Marti
+44-20-3206-6300
John Cosgrove
+1-212-993-0076

Brunswick:

Andrew Mitchell
Robin Wrench
+44-207-404-5959

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. The company is uniquely positioned to benefit from the large number of investment opportunities being driven by the North American energy revolution and the continued growth in global energy demand. REL aims to capitalize 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. To date, REL has invested in nine energy companies spanning conventional and unconventional oil and gas activities in the Gulf of Mexico, Continental U.S., Western Canada, the U.K. North Sea, the Norwegian Sea, and Mexico.

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.

Note:

This IMS aims to give an update of material events and transactions that have taken place during the period from 1 July 2014 to 30 September 2014 and their impact on the financial position of the Company. This update reflects REL's and the Board's current views. They are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, inter alia, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of REL.

This IMS contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and REL's actions to differ materially from those expected or implied in the forward-looking statements.

This IMS has been prepared solely to provide additional information to shareholders as a body to meet the relevant requirements of the FCA's Disclosure and Transparency Rules and this IMS should not be relied on by any other party or for any other purpose.