

## Riverstone Energy Limited Announces Quarterly Portfolio Valuations

London, UK (14 January 2015) - Riverstone Energy Limited ("REL") announces its quarterly portfolio summary as of 31 December 2014, inclusive of updated quarterly unaudited fair market valuations:

	Date Announced	Target Basin(s)	Subsector	Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Unrealized Value (\$mm) <sup>1</sup>	Gross MOIC <sup>1</sup>
<b>CIOC</b>	27 Mar 2014	Deep Basin (Canada)	Exploration & Production ("E&P")	\$60	\$54	\$80	1.5x
<b>Fieldwood</b>	13 Mar 2014	Gulf of Mexico Shelf (U.S.)	E&P	82	54	75	1.4x
<b>CNOR</b>	12 Aug 2014	Western Canada	E&P	90	70	70	1.0x
<b>Liberty II</b>	7 Nov 2013	Bakken (U.S.)	E&P	100	66	66	1.0x
<b>Castex 2005</b>	18 Dec 2014	Gulf Coast Region (U.S.)	E&P	50	48	48	1.0x
<b>Eagle II</b>	13 Dec 2013	Mid-Continent (U.S.)	E&P	50	37	37	1.0x
<b>Castex 2014</b>	4 Sep 2014	Gulf Coast Region (U.S.)	E&P	67	24	24	1.0x
<b>Rock Oil</b>	13 Mar 2014	Eagle Ford, Utica and Permian (U.S.)	E&P	83	20	20	1.0x
<b>Sierra</b>	18 Sep 2014	Mexico	E&P	75	2	2	1.0x
<b>Origo</b>	26 Aug 2014	North Sea (Norway, U.K.)	E&P	67	1	1	1.0x
<b>Total</b>				<b>\$724</b>	<b>\$376</b>	<b>\$423</b>	<b>1.1x</b>
<b>Percentage of total REL capital<sup>2</sup></b>				<b>59%</b>	<b>31%</b>		

REL will release an Annual Report for the 12 month period from 1 January 2014 to 31 December 2014 in due course. The Report will include the NAV of REL as well as updates on the portfolio.

<sup>1</sup> 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.

<sup>2</sup> 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).

## **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 10 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](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.

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## **Note:**

The Investment Manager is charged with the responsibility of valuing the assets held by REL and the Partnership. The Partnership has directed that securities and instruments be valued at their fair value. REL's valuation policy follows the IFRS accounting standards and IPEV Valuation Guidelines. Riverstone values each underlying investment in accordance with the Riverstone valuation policy, the IFRS accounting standards and IPEV Valuation Guidelines. 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 and the Fund V proportion will follow the Riverstone valuation policy. Valuations determined by Riverstone are disclosed quarterly to investors.

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 of subsequent financing rounds, if any, or if subsequent financing rounds are below original cost, the investment is valued at the "down round". 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 Riverstone investment committee as part of the valuation process. Ernst & Young LLP attends the valuation review meetings that are relevant to the Company as part of their statutory audit process.