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Riverstone Energy Limited Announces 4Q19 Quarterly Portfolio Valuations

London, UK (30 January 2020) - Riverstone Energy Limited ("REL") announces its quarterly portfolio summary as of 31 December 2019, inclusive of updated quarterly unaudited fair market valuations:

Current Portfolio

Investment (Initial Investment Date)	Target Basin	Gross Committed Capital (\$mm)	Invested Capital (\$mm)	Gross Realised Capital (\$mm) ¹	Gross Unrealised Value (\$mm)	Gross Realised Capital & Unrealised Value (\$mm)	30 Sep 2019 Gross MOIC ²	31 Dec 2019 Gross MOIC ²
Centennial (6 Jul 2016)	Permian (U.S.)	\$268	\$268	\$172	\$70	\$242	0.9x	0.9x
ILX III (8 Oct 2015)	Deepwater GoM (U.S.)	200	155	5	181	186	1.2x	1.2x
Hammerhead Resources (27 Mar 2014)	Deep Basin (Canada)	307	295	23	81	104	0.4x	0.4x
RCO³ (2 Feb 2015)	North America	80	80	79	2	81	1.0x	1.0x
Carrier II (22 May 2015)	Permian & Eagle Ford (U.S.)	133	110	29	48	77	0.7x	0.7x
Liberty II (30 Jan 2014)	Bakken, PRB (U.S.)	142	142	-	57	57	0.5x	0.4x
Fieldwood (17 Mar 2014)	GoM Shelf (U.S.)	89	88	8	39	47	0.6x	0.5x
Onyx (30 Nov 2019)	Europe	66	31	-	31	31	n/a	1.0x
CNOR (29 Aug 2014)	Western Canada	90	90	16	15	31	0.3x	0.3x
Aleph (9 Jul 2019)	Vaca Muerta (Argentina)	100	23	-	23	23	1.0x	1.0x
Ridgebury (19 Feb 2019)	Global	22	18	2	20	22	1.2x	1.2x
Castex 2014 (3 Sept 2014)	Gulf Coast Region (U.S.)	67	52	-	19	19	0.3x	0.4x
Total Current Portfolio⁴		\$1,564	\$1,352	\$332	\$587	\$919	0.7x	0.7x

Realisations

Investment (Initial Investment Date)	Target Basin	Gross		Gross Realised Capital (\$mm) ¹	Gross Unrealised Value (\$mm)	Gross Realised Capital & Unrealised Value (\$mm)	30 Sep 2019 Gross MOIC ²	31 Dec 2019 Gross MOIC ²
		Committed Capital (\$mm)	Invested Capital (\$mm)					
Rock Oil⁵ (12 Mar 2014)	Permian (U.S.)	114	114	231	6	237	2.1x	2.1x
Three Rivers III (7 Apr 2015)	Permian (U.S.)	94	94	204	-	204	2.2x	2.2x
Meritage III⁶ (17 Apr 2015)	Western Canada	40	40	83	-	83	2.1x	2.1x
Sierra (24 Sept 2014)	Mexico	18	18	39	-	39	2.1x	2.1x
Total Realisations⁴		\$267	\$267	\$558	\$6	\$565	2.1x	2.1x
Withdrawn Commitments and Impairments ⁷		121	121	1	-	1	0.0x	0.0x
Total Investments⁴		\$1,952	\$1,739	\$892	\$593	\$1,485	0.9x	0.9x
Cash and Cash Equivalents					\$183			
Total Investments & Cash and Cash Equivalents⁴					\$776			

Quarterly Performance Commentary

During the fourth quarter, the West Texas Intermediate (“WTI”) spot prices and S&P Oil & Gas Exploration & Production Index increased by approximately 14 per cent. and 10 per cent., respectively, largely due to geopolitical instability related to tensions between the U.S. and Iran. However, energy valuations especially within E&P, continued to face macro headwinds as the forward curve as well as capital markets and M&A activity remained at muted levels. Further detail on REL’s five largest positions, which account for 74 per cent. of the portfolio’s gross unrealised value, is set forth below:

ILX III

The Gross MOIC for ILX III remained unchanged during the fourth quarter and was marked at a 1.2x. To date, the company has participated in nine commercial discoveries, of which four are currently producing oil, and expects to bring an additional 3 assets online during 2020.

During the fourth quarter, ILX III announced the sale of its working interest in 18 exploration prospects to Talos Energy (“Talos”; NYSE: TALO) in 4Q 2019 and finalised the sale of its remaining 20 per cent. working

interest in Mt. Ouray to Murphy Oil Corporation. These transactions did not have a material impact on the valuation of ILX III.

Hammerhead

The Gross MOIC for Hammerhead remained unchanged during the fourth quarter and was marked at a 0.4x. While capital markets and macro conditions continue to remain challenging for Canadian oil producers, Hammerhead continues to focus on the development of its core Upper/Middle Montney acreage. During 2019, the company significantly improved drilling and completion cost efficiencies as it executed on pad development. Hammerhead is currently producing 29,000 boepd, in line with its 2019 targeted production levels.

During the year, Hammerhead tabled discussions regarding a midstream financing transaction. However, the Company's borrowing base did not change during 2019, and the Company signed a farm-out agreement on a portion of its acreage to accelerate development without impacting near-term liquidity.

Centennial

The Gross MOIC for Centennial remained unchanged during the fourth quarter and was marked at a 0.9x, reflecting the ending share price for the period. Even though the share price continues to trade at low levels, the company continues to operationally outperform with capital efficiency being a top focus to maintain a strong balance sheet and financial flexibility in the current commodity price environment. Operational efficiencies have resulted in Centennial accomplishing its drilling program with 5.5 rigs compared to the budgeted 6 rigs. The company is targeting crude oil production growth of 22 per cent. based on FY 2019 guidance, with the ability to ramp down rig pace to generate additional free-cash-flow if macro-environment conditions decline.

Liberty II

The Gross MOIC for Liberty II was reduced from 0.5x to 0.4x during the fourth quarter due to difficult capital markets conditions and higher discount rates applied to its NAV valuation methodology. The company has adjusted its development plan to improve production efficiencies while proving the quality of its East Nesson position. Liberty II continues to evaluate external financing options in order to grow production volumes and cash flows. In the interim, the company will commence a four-well drilling contract using existing sources of capital.

Carrier II

The Gross MOIC for Carrier II remained unchanged during the fourth quarter and was marked at a 0.7x. During the quarter, the company successfully completed the sale of its Southern Midland Basin assets and had six additional Eagle Ford wells brought online, resulting in a total of 34 new wells in 2019. Carrier II continues to generate free cash flow from its Eagle Ford assets, which were producing approximately 6,180 boepd at the end of 2019. The company has distributed \$29 million, representing approximately 26 per cent. of REL's invested capital.

Other Investments

During the fourth quarter, the Gross MOIC for Fieldwood was reduced from 0.6x to 0.5x due to existing shelf production underperformance, an increase in capital expenditures due to a shift in focus towards higher impact

deepwater prospects, and increased regulatory scrutiny. This reduction was partially offset by the increase in valuation for Castex 2014 from a Gross MOIC of 0.3x to 0.4x. In early December, Talos announced the acquisition of Castex 2014 in exchange for cash proceeds and shares of Talos stock. Since the announcement of the transaction through to 30 December 2019, Talos' share price increased by approximately 17 per cent., resulting in an increase in Castex 2014's valuation.

Onyx Power

On 30 November 2019, REL invested an initial \$31 million of its \$66 million commitment to Onyx Power. The capital was used to fund the acquisition of 2,350MW of gross installed capacity (1,941MW of net installed capacity) across five coal- and biomass-fired power plants in Germany and the Netherlands from Engie SA. Two of the facilities in the acquired portfolio are among Europe's most recently constructed thermal plants, which benefit from high efficiencies, substantial environmental controls, very low emissions profiles and the potential use of sustainable biomass.

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 12 active investments spanning oil and gas, midstream, and energy services in the Continental U.S., Western Canada, Gulf of Mexico, Latin America, Europe and credit.

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.

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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 31 December 2019 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 Audit Committee reviews the valuations of the Company's investments held through the Partnership, and makes a recommendation to the Board for formal consideration and acceptance.

¹ Gross realised capital is total gross proceeds realised on invested capital. Of the \$892 million of capital realised to date, \$600 million is the return of the cost basis, and the remainder is profit.

² 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. 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.

³ Credit investment.

⁴ Amounts may vary due to rounding.

⁵ The unrealised value of the Rock Oil investment consists of rights to mineral acres.

⁶ Midstream investment.

⁷ Withdrawn commitments consist of Origo (\$9 million) and CanEra III (\$1 million), and impairments consist of Eagle II (\$62 million) and Castex 2005 (\$48 million).