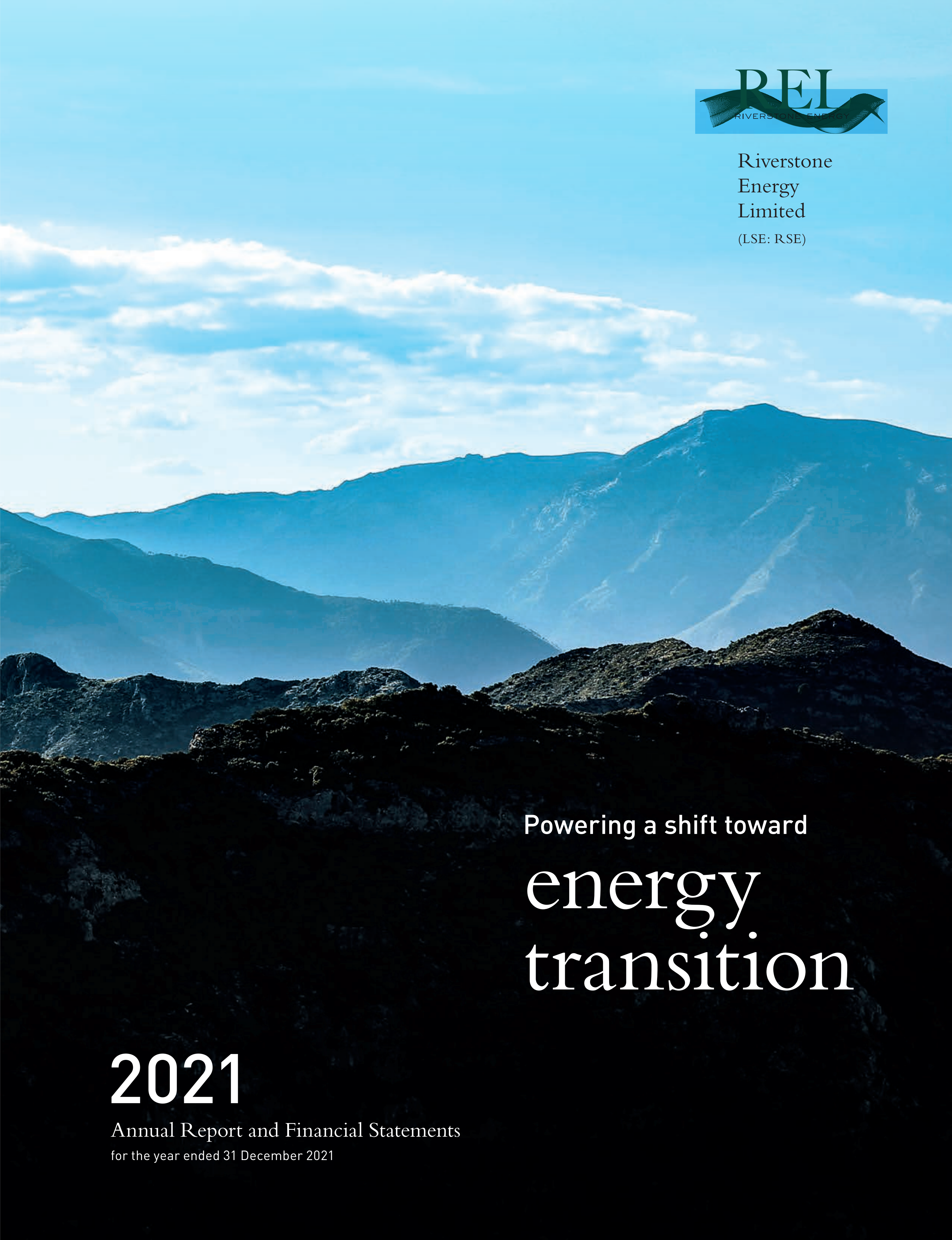


Riverstone Energy Limited

(LSE: RSE)

Powering a shift toward

energy transition

2021

Annual Report and Financial Statements

for the year ended 31 December 2021

CONTENTS

WHO WE ARE…

Riverstone Energy Limited

The Company's investment manager is RIGL Holdings, LP, which is majority-owned and controlled by affiliates of Riverstone.

Riverstone is an energy and power-focussed private investment firm founded in 2000 by David M. Leuschen and Pierre F. Lapeyre with approximately $43 billion of capital raised. Riverstone conducts buyout and growth capital investments in the E&P, midstream, oilfield services, power and renewable sectors of the energy industry. Since 2009, Riverstone has invested over $6 billion in renewable energy and decarbonisation, across 26 investments in technologies ranging from wind development to financial software facilitating renewable deployment. With offices in New York, London, Houston, Mexico City, Amsterdam and Menlo Park, the firm has committed to over 200 investments in North America, Latin America, Europe, Africa, Asia and Australia.

The registered office of the Company is PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

RIVERSTONE ENERGY LIMITED SEEKS TO ACHIEVE SUPERIOR RISK ADJUSTED RETURNS THROUGH INVESTING IN THE ENERGY SECTOR WITH A SPECIFIC FOCUS ON ENERGY TRANSITION AND DECARBONISATION OF THE GLOBAL ECONOMY.

The transition to a clean mix of energy sources will require unprecedented investment in new technologies and infrastructure. REL is poised to power that momentum by supporting its legacy positions and by executing on its modified investment programme. In 2021, REL invested $97 million in eight companies located at diverse junctions of the energy transition value chain.

FINANCIAL AND OPERATIONAL HIGHLIGHTS[1]

→ **Commitments during the year ended 31 December 2021**

Commitments increased by a total of $97 million ($97 million pursuant to decarbonisation strategy):

(i) $30 million in Samsung Ventures
(ii) $25 million in GoodLeap, LLC (formerly Loanpal, LLC)
(iii) $20 million in Solid Power, Inc.
(iv) $10 million in Hyzon Motors, Inc.
(v) $10 million in FreeWire Technologies, Inc.
(vi) $0.6 million in Decarbonization Plus Acquisition Corp. II/ Tritium DCFC Limited[2]
(vii) $0.6 million in Decarbonization Plus Acquisition Corp. III/ Solid Power Inc.[2]
(viii) $0.6 million in Decarbonization Plus Acquisition Corp. IV[2]

→ **Remaining potential unfunded commitments at 31 December 2021**

$13 million[3][4] ($7 million pursuant to decarbonisation strategy and $6 million pursuant to legacy conventional strategy):

(i) $7 million in Enviva Holdings, LP
(ii) $6 million in Onyx Power

→ **Investments during the year ended 31 December 2021**

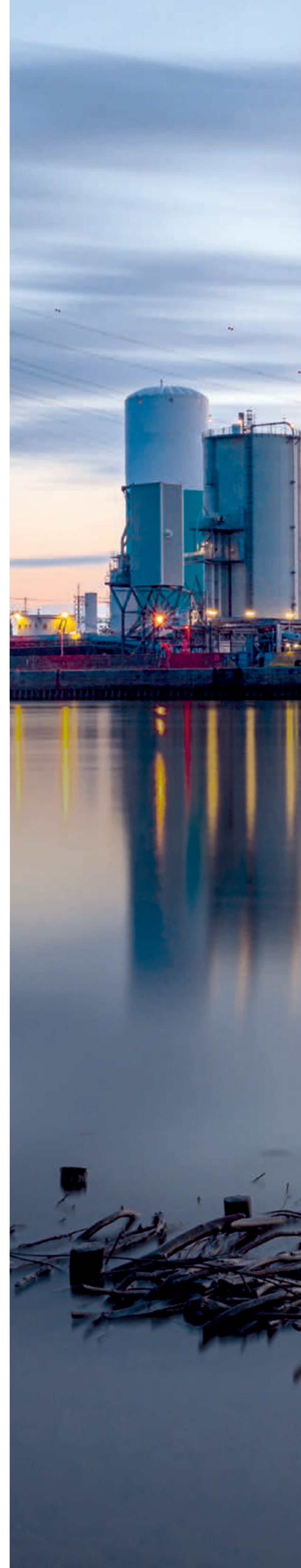
Invested a total of $108 million[3] ($97 million pursuant to decarbonisation strategy and $11 million pursuant to legacy conventional strategy):

(i) $30 million in Samsung Ventures
(ii) $25 million in GoodLeap, LLC (formerly Loanpal, LLC)
(iii) $20 million in Solid Power, Inc.
(iv) $10 million in FreeWire Technologies, Inc.
(v) $10 million in Hyzon Motors, Inc.
(vi) $7 million in Onyx Power
(vii) $4 million in ILX Holdings III, LLC
(viii) $0.6 million in Decarbonization Plus Acquisition Corp. II
(ix) $0.6 million in Decarbonization Plus Acquisition Corp. III
(x) $0.6 million in Decarbonization Plus Acquisition Corp. IV

→ **Realisations during the year ended 31 December 2021**

Realised a net total of $176 million[3] ($175 million pursuant to legacy conventional strategy and $1 million pursuant to decarbonisation strategy):

(i) $167 million in ILX Holdings III, LLC
(ii) $6 million in Castex Energy 2014, LLC
(iii) $2 million in Meritage Midstream Services III, L.P.
(iv) $3 million in aggregate from GoodLeap, LLC (formerly Loanpal, LLC), Rock Oil Holdings, LLC and Ridgebury H3 LLC
(v) ($2 million) in Sierra Oil & Gas Holdings, L.P.



POSITIONED TO GROW WITH A RAPIDLY RECOVERING WORLD. POST-PANDEMIC OPTIMISM IS POWERING MARKET MOMENTUM FOR ENERGY TRANSITION.

KEY FINANCIALS

	2021	2020
NAV as at 31 December	**$682 million / £506 million[5]**	$390 million / £286 million[5]
NAV per Share as at 31 December	**$12.41 / £9.19[5]**	$6.20 / £4.55[5]
Market capitalisation at 31 December	**$345 million / £255 million[5]**	$255 million / £187 million[5]
Cash and cash equivalents at 31 December	**$106 million[6] / £78 million[5]**	$99 million[6] / £73 million[5]
Marketable securities (unrestricted) at 31 December	**$195 million[7] / £144 million[5]**	$31 million[7] / £23 million[5]
Marketable securities (restricted) at 31 December	**$47 million[8] / £35 million[5]**	n/a
Share price at 31 December	**$6.28 / £4.65[5]**	$4.05 / £2.97[5]
Total comprehensive income/(loss) for the year ended 31 December	**$341.9 million**	$(318.9) million
Basic and diluted Earnings/(Loss) per Share for the year ended 31 December	**561.73 cents**	(442.25) cents
Number of Shares repurchased/average price per Share for the year ended 31 December[9]	**8,000,867 $6.28 / £4.60**	16,958,265 $3.68 / £2.90
Number of Shares outstanding at 31 December	**54,937,599**	62,938,466
Per cent. change in Share price for the year ended 31 December	**56.6 per cent.**	(28.3) per cent.

(1) Amounts shown reflect investment-related activity at the Partnership, not the Company.

(2) Represents investment in Founder Shares and Warrants consistent with Sponsor economics for DCRN and DCRC of $0.0025 cost per Founder Share and $1.50 cost per Founder Warrant, which is exercisable on a one-for-one basis, and for DCRD of $0.0022 cost per Founder Share and $1.00 cost per Founder Warrant, which is exercisable on a one-for-one basis.

(3) Amounts may vary due to rounding.

(4) Excludes the remaining unfunded commitments for Carrier II and Hammerhead of $36 million, in aggregate, which are not expected to be funded. The expected funding of the remaining unfunded commitments at 31 December 2021 are $nil in 2022, 2023 and 2024. The residual amounts are to be funded as needed in 2025 and later years.

(5) Based on exchange rate of 1.3503 $/£ at 31 December 2021 (1.3643 $/£ at 31 December 2020 and 1.606 $/£ at IPO).

(6) At 31 December 2021 and 2020, respectively, amounts are comprised of $7.3 million and $8.8 million held at the Company, $4.5 million and $90.3 million held at the Partnership and $94.0 million and $nil held at REL US Corp.

(7) Unrestricted marketable securities held by the Partnership consist of publicly-traded shares of Centennial, Pipestone, Enviva, Solid Power, Hyzon and Talos for which the aggregate fair value was $195 million at 31 December 2021, and $180 million as of 22 February 2022, exclusive of the sale of Pipestone for proceeds of $41.7 million. (31 December 2020: Centennial, Pipestone and Talos).

(8) Restricted marketable securities held by the Partnership consist of publicly-traded shares of Solid Power, DCRN/Tritium and DCRD for which the aggregate fair value was $47 million at 31 December 2021 and $42 million as of 22 February 2022. (31 December 2020: n/a).

(9) Inception to date total number of shares repurchased were 24,959,132 at an average price per share of £3.45 ($4.52).

Chairman's Statement

Richard Hayden
Chairman

WHILE IT HASN'T BEEN WITHOUT ITS CHALLENGES, THERE WAS MUCH TO BE OPTIMISTIC ABOUT IN 2021.

It is perhaps too early to call an end to the COVID-19 pandemic, but real progress on vaccination has been made and it is encouraging to see economies around the world return to growth. At the same time, we have seen a huge increase in national and international commitments to decarbonisation, not just of the energy sector but across construction, logistics, agriculture and heavy industry.

Further, the current situation between Russia and Ukraine continues to create uncertainty in the global energy markets. While international efforts to find a peaceful solution persist, any further escalations are likely to push energy prices higher.

After several years of restructuring and reorienting our investment portfolio, I believe that REL is now well placed to capitalise on these changes. While improving the cost efficiency of our commodity-linked portfolio we have picked up the pace of our investments into the businesses that are developing and installing the technologies and infrastructure that will help the world to meet its net zero commitments.

Committed to accelerating the transition in a pivotal year for climate

Without doubt, 2021 has been an important year for climate – one in which the world signed up to bigger and bolder emissions reduction targets in an effort to achieve net zero. In the run up to COP26 in Glasgow in November we saw a number of major commitments from governments around the world.

President Biden's Leaders' Summit on Climate in April brought together over 40 Heads of State to announce a series of new climate ambitions – notably China's decision to begin phasing out coal use over the 2026-2030 period. The US, Japan, UK and Australia all announced new mid-term CO_2 reduction targets and the IEA highlighted the need for radical action if the world is serious about tackling climate change in its new "Net Zero by 2050" scenario.

The focus for COP26 itself was on making enough progress in talks to keep open a credible path to limiting global rises in temperature to 1.5 degrees centigrade by the end of the century. Following the event, it is now estimated that 90 per cent. of the global economy is covered by a net zero target – with India among the most significant additions to the list. A commitment was also made to phase down the use of coal, reduce methane emissions, and tackle deforestation and land use.

The establishment of the Glasgow Financial Alliance for Net Zero also saw banks, asset managers and owners with $130 trillion under management commit to align themselves with net zero over time.

Focusing on decarbonisation

Momentum on climate grew rapidly in 2021 and the new global consensus on net zero acts as a powerful tailwind to REL's own investment strategy. Our Investment Manager has been working in the renewable energy sector for over 15 years. Back then, it was clear to Riverstone that the challenge posed by climate change meant the long-term future for the energy sector would be in renewables and, more recently, in the decarbonisation of other sectors. I am proud of the leading track record we have since built up in investing at an early stage in world-class businesses that play a meaningful role in tackling climate change. For instance, Enviva, a biomass industry pioneer which produces wood pellets as an alternative to coal and so helps reduce power producers' GHG emissions by up to 85 per cent., while GoodLeap (formerly Loanpal) is now the leading U.S. lender for residential solar installations.

In July 2020, we took the decision to reorientate our portfolio to further lean into the opportunities offered by the energy transition. We decided to focus on the need to decarbonise not just energy, but also other key sectors including industrials, transportation, commercial and residential property, and agriculture.

Our research shows that the process of decarbonisation will require approximately $6 trillion in annual investment worldwide by 2030. As a result, we have identified five key areas of focus for our future investment: grid flexibility and resilience; electrification of transport; agriculture; next generation liquid fuels such as hydrogen; and next horizon resource use plays, for instance in smart building and the digitisation of global supply chains. Taken together, we expect these five areas to require over $3 trillion in annual investment by 2030 – a tripling of current spending levels.

This represents an enormous opportunity for investors and the start of what we believe will be a multi-decade trend that will impact every part of the economy. Reflecting our ability to identify and execute on attractive opportunities in a competitive market, we now have eight active investments in decarbonisation, with seven added in 2021.

GoodLeap is a technology-enabled sustainable home improvement loan originator and the leading point-of-sale platform for sustainable home solutions in America. FreeWire is the leading provider of battery-integrated DC fast chargers, while Hyzon is the industry-leading global supplier of zero-emission hydrogen fuel cell powered commercial vehicles. Finally, through Samsung Ventures we acquired two battery breakthrough platforms, Solid Power and Ionic Materials.

Following these investments 35 per cent. of the current portfolio's gross unrealised value is now in decarbonisation investments, rising to 37 per cent. when we include the recent investments in T-REX Group, Tritium and the first closing of an electric motor company's latest financing round (see Post-Year End Updates section of the Investment Manager's Report for further details). This represents a demonstrable delivery in the year towards our stated strategy to move the Company's focus progressively through a transition stage towards decarbonisation assets.

Improved commodity price outlook

While uncertainty remains about the future trajectory of COVID-19 – and the emergence of Omicron in Q4 reminds us of the ongoing risk of new variants – enormous progress was made during the year on vaccination delivery. This has meant, in advanced economies at least, that economic growth has bounced back.

The return to growth has, in turn, led to a dramatic improvement in commodity prices. Over full year 2021, the WTI price averaged £50.50 ($68.18) per barrel, an increase of 41 per cent. versus the full year 2020 average of £28.75 ($39.19). At the same time natural gas prices rose sharply in a number of regions, but especially in Europe.

These improvements in commodity prices have contributed to an improved performance in our legacy commodity-linked portfolio over the course of the year. This is testament to the hard work undertaken by our teams to reduce costs, preserve liquidity and allocate capital to the strategies that will maximise value for our shareholders. While we remain cautious on the outlook for commodity prices our portfolio is now better positioned both to capitalise on a world of $80 per barrel oil and weather one of $40 per barrel allowing us to maximise value in the Company's transition to a decarbonisation asset base.

It is important, though, to recognise the strain these much higher prices – and in particular those we have seen for natural gas – can have on some of the poorest in our societies. It is a salutary reminder of what happens when too much focus is put on reducing supply without either providing alternative clean power production or improving energy efficiency to reduce demand. It is vital that the transition to a low carbon economy is a just and orderly one if we are to reach net zero while preserving peoples' standard of living.

Buyback programme increased to £90 million

We completed a £50 million share buyback programme in March 2021, during which a total of 17,214,197 ordinary shares were bought back at an average price of £2.90 per ordinary share.

The Board and Investment Manager continue to believe in the attractiveness of buybacks to return excess cash to Shareholders while the shares trade at steep discounts to NAV and intrinsic value. A further £20 million programme was announced in May 2021 which was extended by another £20 million in October 2021. As at 31 December 2021, a total of 7,744,935 ordinary shares have been bought back at an approximate cost of £36 million ($50 million) at an average price of £4.65 ($6.40) per ordinary share, leaving £4 million outstanding which we expect to complete in the first half of 2022.

Post year-end, on 8 February 2022, the Company announced that the Board and Investment Manager agreed to allocate an additional £46.0 million to the programme. As the Company currently has the authority to repurchase 1,799,944 shares pursuant to the authority granted at its 2021 annual general meeting, the Board is convening an EGM on 4 March 2022 to seek shareholder approval to renew the Company's authority to repurchase up to 14.99 per cent. of the shares outstanding as at the date of the meeting.

Chairman's Statement continued

Portfolio valuation

REL ended the period to 31 December 2021 with a NAV of $12.41 (£9.19) per share, a 100.2 per cent and 102.0 per cent increase in USD and GBP, respectively, compared to the 31 December 2020 NAV of $6.20 (£4.55) per share. REL ended the period with an aggregate gross cash balance of $105.8 million (£78.1 million) across the Company, Partnership and REL US Corp. Reflecting the continued improvement in the commodity price environment and the extension of the share buyback programme, shares traded up 56 per cent. during the full year 2021.

REL's largest investments by gross unrealised value either maintained or improved their marks quarter on quarter. GoodLeap and Enviva, two of REL's decarbonisation investments, were marked up from 2.50x to 2.75x, and from 1.70x to 2.45x Gross MOIC, respectively. Onyx improved substantially as well, moving from a 1.00x to 1.70x Gross MOIC valuation due, in part, to the company's strong fourth quarter financial performance driven by favourable conditions in European energy markets. Although flat quarter on quarter, REL's legacy oil and gas investments continued to benefit from supportive energy prices, robust demand, and improved operations.

The valuation of REL's investments is conducted quarterly by the Investment Manager and is subject to approval by the Independent Directors. Furthermore, the valuations are subject to an audit by Ernst and Young LLP in connection with the annual audit of the Company's Financial Statements. The Company's valuation policy is compliant with both IFRS and IPEV Valuation Guidelines and has been applied consistently from period to period since inception. As the Company's investments are generally not publicly quoted, valuations require meaningful judgement to establish a range of values. The ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant. Further information on the Company's valuation policy can be found in the Investment Manager's Report.

Investments and performance

For full year 2021, through the Partnership, REL received approximately $176 million in gross proceeds from its portfolio. This was principally due to the exit from ILX III in the third quarter which generated proceeds of $168 million net to REL, representing a 23 per cent. premium to the 31 December 2020 valuation, and the proceeds from the sale of the Talos shares received from the prior sale of the Castex 2014 investment.

Demonstrating good progress on our strategy to realign the portfolio to benefit from the opportunities created by the energy transition, REL invested a total of $108 million in the course of 2021. This was primarily focused on our growing portfolio of decarbonisation investments. Our investments included a $30 million acquisition of an interest in a Samsung Ventures' portfolio focused on battery technologies in August, with the majority of the value associated with Solid Power, Inc. In December, Solid Power was combined with Decarbonization Plus Acquisition Corporation III (DCRC), an REL-sponsored SPAC, and in so doing became the only pure-play solid-state battery company to trade on the public markets. In connection with the Solid Power / DCRC business combination, REL invested an additional $20 million through a PIPE transaction.

Elsewhere in 2021, REL made an $25 million investment in GoodLeap, with $10 million invested in Decarbonization Plus Acquisition Corporation (DCRB) in July. Our investment in DCRB occurred simultaneously with the closing of DCRB's merger with Hyzon Motors Inc. Hyzon is an industry-leading global supplier of hydrogen fuel cell powered commercial vehicles.

A further $10 million and $7 million was invested in FreeWire and Onyx, respectively. In addition, REL invested $0.6 million into Decarbonization Plus Acquisition Corporation IV (DCRD), a SPAC which seeks to capitalise further on the opportunities offered by decarbonisation across multiple sectors, including energy, agriculture, industrials, transport and commercial and residential property. This investment in DCRD, as well as the Company's investments in DCRN/Tritium and DCRC/Solid Power, represents Founder Shares and Warrants consistent with Sponsor economics of $0.0025 cost per Founder Share and $1.50 cost per Founder Warrant, which is exercisable on a one-for-one basis.

Investment Management Agreement

During the full year period to 31 December 2021, REL, through the Partnership, incurred Management Fees of $8.9 million (31 December 2020: $5.6 million). This increase was due to the improvement in the NAV over that period. Of the $8.9 million, $2.5 million remained outstanding at the period end. The annual Management Fee is equal to 1.5 per cent. per annum of the Company's Net Asset Value (including cash). The fee is payable quarterly in arrears and each payment is calculated using the quarterly Net Asset Value as at the relevant quarter end.

Following the revised terms of the Investment Management Agreement which were announced on 3 January 2020 (and effective from 30 June 2019), approximately $28.7 million in performance fees, based upon realised and unrealised gains of $143 million as at 31 December 2021, that would have been due under the prior agreement were not paid or accrued. This is because REL did not meet the appropriate Cost Benchmark at year end. In addition, the Investment Manager has agreed that REL may repurchase shares or pay dividends for an amount equal to 20 per cent. of the net gains on dispositions. Finally, under the revised agreement no further carried interest will be payable until the remaining realised and unrealised losses are made whole with future gains. REL has made considerable progress in making whole these losses, with realised and unrealised losses reduced from $565 million as at 31 December 2020 to $208 million as at 31 December 2021. The Board considered these changes to the IMA to be significantly value enhancing for Shareholders.

I am pleased with the real progress that REL has made in reorientating our portfolio further into decarbonisation opportunities and am excited about what the future holds.

In addition, there is now an 8 per cent. annual, cumulative hurdle for each investment. After three years, if REL has not met the Cost Benchmark for four consecutive quarters, any accrued but unpaid performance fees will expire.

As with the original IMA, any performance fees payable to the General Partner will be used for share purchases. At year end, affiliates of Riverstone own 6.6 per cent. of REL shares outstanding of which 4.8 per cent. are owned by the Riverstone Co-Founders.

In addition, the Board committed to review the Investment Manager's performance with the decarbonisation strategy and decide prior to 31 December 2022 whether or not it would be in the best interest of Shareholders to seek their approval for a wind-up of the Company. Based upon the significant improvement in the performance of REL, it is extremely unlikely that the Independent Directors will seek such approval before 31 December 2022 for a managed wind-down of the Company. However, a final decision is yet to be made by the Board.

Even though the IMA is perpetual, it is important to note, that the Board and any 10 per cent. Shareholder or group can call for an EGM to vote to on a wind-up of the Company at any time. However, such a vote to wind-up, if passed, would trigger an exit fee equal to twenty times the most recent quarterly Management Fee (see Note 9 for further details). At year end, such amount payable to the Investment Manager would have been approximately $49 million.

The IMA does not provide for the Company to terminate the agreement without cause, and poor investment performance, departure of key Riverstone executives, or change of control, do not constitute cause. The Company may terminate the IMA, if the IM is in material breach which has not been rectified. The IM would then be entitled to receive a payment equal to four times the most recent quarterly Management Fee. At year end, such amount payable to the Investment Manager would have been approximately $10 million.

Another change has been the active participation of the Board in approving new decarbonisation investments which are no longer part of the co-investment programme with Riverstone Private Funds V and VI, which are now fully invested. During 2021, the Board had four Board/Committee meetings and fifteen ad hoc meetings to review and consent to or decline investment opportunities. REL no longer invests alongside Riverstone's Fund V and Fund VI as originally contemplated by its investment policy but the Investment Manager has stated that it intends to use its best efforts to provide REL with investment opportunities whenever REL has capacity to do so. During 2021, the Investment Manager recommended nine investment opportunities, of which eight received consent from the Board. All of these were outside of the legacy Fund V and VI deal flow contractual right.

Board succession

Lastly, Peter Barker, Patrick Firth and I will be reaching our ninth year as Non-Executive Directors and will be retiring from the Board in advance of the Company's Annual General Meeting in 2023, but most likely sometime before then. The search for replacements has already started and we expect an orderly transition to be completed after the date when the Board could call a vote regarding a potential wind-down of the Company, of which the likelihood is remote as of the date of this report (see Board Tenure and Re-election section of the Corporate Governance Report for further details).

Conclusion

I am pleased with the real progress that REL has made in reorientating our portfolio further into decarbonisation opportunities and am excited about what the future holds. The Investment Manager's long experience in sourcing and executing value accretive investments in companies focused on renewable energy and wider decarbonisation positions REL well. We are now able to help the world meet its net zero commitments and take advantage of the opportunities offered by this dramatic shift in the global economy over the coming decades.

Richard Hayden

Richard Hayden
Chairman
23 February 2022

Environmental, Social and Governance Report

THE INVESTMENT POLICY OF THE COMPANY, WHICH WAS ORIGINALLY FOCUSSED ON THE TRADITIONAL OIL AND GAS SECTOR, HAS BEEN TRANSITIONED TOWARDS DECARBONISATION ASSETS SINCE 2020.

This shift is reflective of a larger awareness and implementation of Environmental, Social and Governance ("ESG") policies and is a clear statement of the Company's focus on this area. The Company's focus on ESG not only guides its new investments, but also extends to its legacy portfolio, which has made demonstrable progress in the pursuit of improvement of ESG policies and performance.

The Company itself, led by its independent Board, views ESG as a core element in the management of Riverstone Energy Limited. In order to put ESG into practice, the Board relies on its Investment Manager to design and implement an ESG policy which applies to their operations and those of the investee companies. This policy and examples of its application are highlighted below.

The Company utilises the services of Riverstone as the Investment Manager to take appropriate ESG principles into account in its investment decisions and in the ongoing management of the portfolio. In order to ensure the robustness of these principles, the Board engages with the Investment Manager on ESG matters and monitors compliance of REL's portfolio companies with Riverstone's ESG policy. Patrick Firth, a member of the REL Board and Audit Committee Chair, leads the ESG efforts for the Company. The Board receives periodic updates from the Investment Manager on the Investment Manager's ESG programme and on ESG matters related to the REL investment portfolio. The Board takes its fiduciary responsibility to Shareholders seriously and engages with Riverstone on corporate governance matters as evidenced by the changes to the Investment Management Agreement agreed in January 2020.

Riverstone published its annual ESG report in February 2022. The pages that follow summarise the key elements for investors which impact REL current and future investments. More detail is included in the full report, which is available on Riverstone's website: https://www.riverstonellc.com/en/responsible-investing/.

Statement from the Investment Manager

In so many ways, 2021 was a year in which the importance of ESG issues were underlined and on a scale we have never seen before. As we emerge from the second year of the COVID-19 pandemic, the focus on ESG has never been greater.

Riverstone's focus has been on further enhancing its ESG programme by delivering on the objectives we set ourselves in 2021 – both at firm level as well as across our investment portfolio – not only by managing material ESG risks but also by seeking to capitalise on a number of important ESG opportunities.

Continued decarbonisation focus

As one of the largest asset managers in the energy, power and infrastructure sectors, we are acutely aware of the existential threat posed by climate change and the need to rapidly decarbonise the global economy. This was underlined in last year's report by the Intergovernmental Panel on Climate Change (IPCC) which gave the starkest reminder to date of how fragile our life on this planet is. This was followed up by the United Nations Climate Change Conference (COP 26) which made certain achievements (notably around methane emissions and deforestation) but arguably did not deliver on other key issues.

To Riverstone, the science is very clear – action is required now if we are to stand a chance of limiting the global temperature rise to 1.5°C above pre-industrial levels by 2050.

In our businesses, this translates to us seeking to help our portfolio companies to reduce the emission of GHGs while simultaneously implementing ways in which more carbon can be sequestered from the atmosphere. This is not a straightforward exercise with some of our portfolio companies, however, we are encouraged by the steps a lot of them have taken to decarbonise, as well as their broader ESG efforts.

As you will have seen by the investments we have made over the last two years (including FreeWire, Hyzon, Solid Power and Tritium), our plan going forward is to invest only in those businesses that support decarbonisation and the transition to net zero. In terms of our current portfolio, a priority for us in 2022 will be gaining a more complete understanding of our portfolio's GHG emissions and taking active steps to help our portfolio companies reduce their emissions.

Programme enhancements

Outside of our ongoing decarbonisation investment programme, another key focus last year has been working with our existing portfolio companies to help them improve their approach to ESG risks and opportunities. As you will see from the Riverstone ESG report, we have seen an improvement by the majority of our portfolio against our ESG minimum expectations and plan to raise the bar on a number of these in 2022. Further, we have been pleased by the level of sophistication of a number of our portfolio companies' ESG programmes manifested by the increased number of them making their own voluntary ESG disclosures in 2021.

ESG industry collaboration

Since last year, Riverstone has made a deliberate effort to be more engaged in the fast-moving dialogue around ESG. As a firm, we are keen to participate in some of the groups and projects that many of our peers are involved in. We are a signatory of the UN-supported Principles of Responsible Investment (UNPRI) but feel we have more to give in terms of the dialogue around how ESG monitoring and disclosure will evolve. Last year we became a member of the PRI-supported Initiative Climat International (iCI) and the Institutional Limited Partners Association's (ILPA) Diversity In Action initiative. We have also joined the ILPA-led ESG Data Convergence Project in the hope that we can contribute to a consensus around a standardised set of ESG metrics and procedures to enable us and other asset managers to gather and disclose better, more informed ESG data.

Looking forward

We are encouraged by the improvements we have made to our ESG programme in 2021. However, we are not complacent and, particularly against the backdrop of the heightened focus on ESG (and in particular on climate change issues) by the SEC and other regulators, we recognise there is much more work required, in partnership with you, our investors, our management teams, regulators and other important stakeholders. We will continue to prioritise our commitment to being responsible investors and look forward to providing further updates on our ESG activities in the year to come.

As Riverstone continues to focus on increasing investment exposure to opportunities arising from energy transition and decarbonisation, the firm remains committed to continue growing our ESG programme and embedding it in our culture. In 2022 and beyond, the firm will look to build on the successes of the past year across five overarching themes.

Environmental, Social and Governance Report continued

In parallel we will continue to make progress across the elements of our ESG programme: Risk Management (formerly Due Diligence & Initial Investment), Portfolio Engagement, ESG at Riverstone, Climate Change, and ESG Reporting, and report progress in next year's ESG report.

However, in line with our focus, our objectives for 2022 and 2023 are centered on our response to climate change, namely to:

- Complete actions to align Riverstone's reporting with the recommendations of the TCFD
- Update and expand our scenario analysis to all portfolio companies and future investments using the latest climate projections (including using the results of the analysis to deepen our engagement and build climate resilience and support our portfolio companies in leveraging the opportunities presented by the energy transition)
- Continue to calculate Riverstone's GHG footprint and engage with our portfolio companies to set targets for annual reductions
- Engage a third party to help our portfolio companies complete a GHG footprint and engage with portfolio companies regarding individual reduction targets
- Build ESG capacity at all levels in Riverstone through training

Riverstone's Approach to ESG

As one of the most experienced private investment firms within the energy, power and infrastructure sectors, Riverstone recognises the ever-increasing importance of ESG and has made the proactive implementation of ESG initiatives one of its highest priorities. Riverstone takes its fiduciary responsibility to investors very seriously and believes that a strong commitment to addressing ESG factors is critical to the success of its funds, portfolio companies and firm. By devoting substantial internal and external resources towards ESG matters, Riverstone has developed clear processes that take account of leading industry standards. Riverstone believes this effort helps it to make sustainable, ethical and socially responsible decisions over the long run.

ESG objectives

Riverstone has established institutional ESG processes that support the high standards that it has set for itself. These procedures were developed to achieve several key objectives related to ESG, including:

- Providing Riverstone personnel and its portfolio companies with training and the resources to ensure that those portfolio companies can provide the necessary ESG support appropriately
- Identifying potential risks and mitigants before an investment is made
- Immediate assistance with the identification of any issues that may arise and tracking ongoing performance through portfolio monitoring
- Evaluating and tracking portfolio companies' execution of opportunities to improve current practices at its portfolio companies and firm

Riverstone's ESG policy

In support of meeting its ESG objectives, Riverstone has an ESG policy that sets out its approach to handling key ESG factors, including inter alia natural resource management, health and safety, community and stakeholder impact, climate change, GHG emissions and governance. This policy helps inform the ESG considerations that are relevant to the management of Riverstone's portfolio companies from initial due diligence all the way through to an exit, and the operation of Riverstone's own business. Since inception, Riverstone has continuously evolved its ESG policy in conjunction with third party ESG experts to strive towards best practices across the board. A copy of Riverstone's ESG policy is available online: https://www.riverstonellc.com/media/1189/Riverstone_ESG_Policy_Statement.pdf

ESG resources at Riverstone

Riverstone's ESG Committee comprises a cross-functional set of leaders and our external ESG advisor, ERM. The ESG Committee meets on a quarterly basis to continually develop our ESG strategy, support ESG initiatives across the firm and its portfolio companies, grow the capabilities of the investment teams on which REL relies, and analyse and benchmark ESG performance and trends using data from portfolio company operations.

To facilitate engagement with portfolio companies on ESG matters, the Investment Manager has nominated one person on each investment team to serve as ESG deal lead responsible for liaising with portfolio companies on ESG matters and generally keeping ESG matters on the agenda. As ESG deal lead, nominated investment team members are accountable for their respective company's ESG management and performance. The quality of the engagement by each ESG deal lead is assessed as part of Riverstone's annual performance reviews which drive decisions around the individual's compensation and promotion at Riverstone.

ESG in Practice

The careful evaluation of ESG issues is a mandatory component for the underwriting of all REL investments. Furthermore, Riverstone investment professionals conduct a comprehensive evaluation of ESG considerations throughout the lifecycle of an investment. These steps are summarised below:

Risk identification

- Use Riverstone's deep industry expertise and its proprietary ESG toolkit to identify and manage material ESG risks and value creation opportunities in a consistent manner for each new potential investment

Due diligence

- Early engagement with the management team and advisors to understand the "ESG landscape" for a potential investment
- Engage third party experts to evaluate specific risks and areas of concern
- Thorough evaluation of key ESG risks for each potential investment and determination of whether appropriate mitigants can be implemented

Investment Committee

- Complete ESG risk assessment as part of the Investment Committee memo for potential investments, within the context of the investment's broader risk analysis
- Review third party ESG assessments and reference checks
- Determine whether a potential investment has any ESG risks that are "deal-breakers"
- Robust discussion at Investment Committee of the ESG risk evaluation scorecard
- Go/no go investment decision

Ongoing monitoring and portfolio management

- Health, safety, environmental (HSE) and other material ESG issues as part of Riverstone's participation on the board of portfolio companies
- Annual portfolio review through ESG questionnaires with portfolio company follow-up based on responses received
- All portfolio companies are subject to periodic assessment of foreign bribery risks and regular reporting and training required for those portfolio companies identified as facing higher levels of risk
- Portfolio companies ensure regular training and compliance reviews are undertaken including, where necessary, by third party legal teams

Exit

- Where appropriate, make relevant ESG disclosures and evaluate whether potential buyers' ESG standards comply with all applicable laws with regard to, for example, employees and decommissioning of assets and infrastructure

Environmental, Social and Governance Report continued

ESG: 2021 in Review

In our 2020 ESG report, we established a number of overarching ESG objectives for 2021. Our progress through 2021 against these objectives, and other ESG issues addressed during the year, are summarised below and presented in more detail throughout this report.

Due diligence and initial investment

- → Expanded the scope and coverage of our ESG toolkit to promote consistency in the way ESG opportunities are managed at Riverstone

Portfolio monitoring

- → Increased frequency of engagement with portfolio companies on ESG matters
- → Marked improvements in performance across portfolio companies against ESG Minimum Expectations (or 'ESG-MEs')
- → Reviewed and expanded our ESG-MEs and metrics for portfolio companies to launch in 2022

Climate change

- → Conducted a gap analysis to determine Riverstone's current position against the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations with the intent of setting actions to bring the firm towards alignment over the next two years
- → Supported our portfolio companies in increasing their level of Scope 1 and Scope 2 GHG emissions in line with our ESG-MEs
- → Formalised climate screening in our ESG toolkit and Investment Committee template so that it is consistently applied to all new investments
- → Joined the UN PRI-backed Initiative Climat International (iCI)

ESG reporting

- → Submission of voluntary reporting to PRI
- → Signed up to the ILPA's ESG Data Convergence Project

ESG at Riverstone

- → Became member of ILPA's Diversity in Action
- → Instituted internship programme with a Historically Black College and University (HBCU) in the U.S.
- → Calculated our firm's GHG footprint
- → Produced Energy Expansion webcasts for our website with insights and trends from experts in energy, power, infrastructure and decarbonisation

Climate Change

At Riverstone, we recognise climate change and the transition to a low carbon economy as our greatest risk and our largest opportunity. This reality is reflected in the way that the Investment Manager and REL conducts business.

In last year's Riverstone ESG report, we acknowledged the importance of the recommendations published by the TCFD in helping companies improve transparency on climate-related risks and opportunities, and over the course of 2021, we have been working on ways to adopt the framework.

Governance

Our ESG Committee comprises a cross-functional set of leaders and our external ESG advisor, ERM. The committee is responsible for our climate strategy, our greenhouse gas (GHG) footprinting effort, and more broadly our firm's response to climate change.

At the portfolio-level, each of our investment teams has a designated ESG lead to ensure that climate-related risks and opportunities are appropriately screened, assessed, and managed throughout the investment process. During pre-investment, this information is presented to the Investment Committee when making investment decisions. The ESG leads are supported by the ESG committee and ERM as required.

Strategy

We have continued to evolve our thinking around our climate strategy which includes integrating updates to market and regulatory drivers. Our climate strategy is centered on two broad pillars:

- → Continuing to invest in low carbon forms of energy through our decarbonisation platform
- → Working with our portfolio companies to decarbonise and build resilience to climate-related issues

Our investments in the energy sector and our work with our portfolio companies enable Riverstone to have a positive impact on the low carbon economy transition. Management of climate-related risk and opportunity is a core part of our approach to investing, and is reflected by our growing contributions to a fair and just transition in the energy sector, which continues to create new opportunities for Riverstone and REL.

Over the next two years, we will start implementing actions to align ourselves to the recommendations of the TCFD.

In 2021 we joined Initiative Climat International (iCI), which is led by a group of leading private equity firms and is supported by the PRI. The purpose of the iCI is to analyse, manage, and mitigate climate-related financial risk and GHG emissions in private equity portfolios in line with the recommendations of the TCFD.

Riverstone recognises the need to collaborate and build industry best practices, and is keen to make a meaningful contribution to iCI. The nature of our investments can bring a specific insight to the decarbonisation of the energy sector, from which we will build towards our ambition of becoming a leader in climate change mitigation.

Risk management

We continue to identify and assess climate-related risks in our portfolio and for potential future investments. We have updated our ESG toolkit so that this is more consistently applied in our investment process. This includes our climate change screening questionnaire and our Investment Committee templates requiring identification of climate-related risks and opportunities during our pre-investment process. These tools actively engage portfolio company management and help them focus on reducing GHG emissions and managing climate-related risks and opportunities.

For ownership, this includes an assessment that was conducted for a number of representative companies across sectors and geographies in which we operate. The assessment covered the risks arising from changes to the climate itself, as well as the risks and opportunities associated with the low carbon energy transition. The guidance has helped our investment teams to:

- Ensure our portfolio companies are positioned to undertake timely and appropriate mitigation and management of climate risk
- Support our portfolio companies in capturing transition-related opportunities where they exist

Metrics and targets

Our strategy also requires us to look at the climate impact of our own activities. For our firm this means calculating our GHG emissions and looking for ways to reduce or offset our carbon footprint. Similarly for our portfolio, one of our ESG-MEs requires portfolio companies to calculate their GHG baseline for Scope 1 (direct emissions) and Scope 2 (purchased energy), and annually report and monitor GHG emissions. The number of Riverstone portfolio companies that are meeting this ESG-ME fully has increased since last year from 39 per cent. to 64 per cent. However, we recognise there is room for improvement and it remains a key area of focus for us. Using the results of the 2021 survey, we will prioritise companies for engagement and offer additional support to our companies to establish a complete baseline for our portfolio with a view of setting credible GHG reduction targets.

Riverstone's decarbonisation roadmap

The risks and impacts of climate change have brought decarbonisation of the energy industry to the fore as essential to the low carbon economy. Tighter access to bank capital, new capital demands to fund decarbonisation, and emission reduction investments among other market changes are shifting conventional energy investment strategies and forcing some companies to reposition their entire business.

These transitions take time, and we are committed to evolving our global energy expertise to scale businesses and our activity in renewable energy into growing our decarbonisation platform. We expect this will quickly become our dominant investment platform.

Riverstone's decarbonisation platform

The Riverstone decarbonisation platform's focus is specifically on reducing the impact carbon has on the climate. This focus represents many new and attractive business models that are insulated from commodity prices. We are focused on the following five core areas and have executed successful investments in four of these to date:

- Grid flexibility and resilience – balancing the grid and battery storage
- Electrification of transportation – EV infrastructure, batteries, and supply chain
- Next generation green liquid fuels – hydrogen, RAE diesel, gasoline, and jet
- Efficiency of use – smart software/devices and digitisation
- Proven agriculture and resource plays

These core areas offer profitable scale solutions for climate impact, are investable today, enjoy strong policy and societal support, and meet the ESG criteria demanded by the institutional capital flows which are key to driving meaningful contribution from the private sector. We are focused on growth capital investments in proven companies and technologies with demonstrated commercial success to accelerate growth and value creation.

Environmental, Social and Governance Report continued

ESG in Practice within REL's Portfolio: FreeWire Technologies

FreeWire Technologies is a leading U.S.-based provider of fully-integrated electric vehicle (EV) charging stations and power solutions. FreeWire's combination of proprietary battery and power conversion technology enables ultrafast charging at all locations, freeing customers from the limitations of the traditional power grid. The company is well-positioned for further growth, helping customers reach decarbonisation goals and catalysing the global transition to sustainable electrification.

Upgrading the electric grid and individual site power infrastructure to rapidly meet charging demand is a costly and time-intensive process with each installation often requiring eight to 12 months for completion, slowing efforts to address environmental goals (Source: https://www.canarymedia.com/articles/ev-charging/ev-charger-installations-in-california-are-bogged-down-by-local-permitting). Upgrading electrical infrastructure to support multiple fast chargers would require significant permitting and coordination with the local utility. USA's aging, disaster-prone electric grids will come under increasing strain, potentially threatening to short-circuit the country's progress toward decarbonisation.

In 2021 alone, FreeWire contributed to emissions reductions with the launch of its latest product, Boost Charger, resulting in the following benefits:

- 9,910 charges delivered to EVs
- 281 MWh of energy provided
- 8,338 gallons of gas avoided
- 205,955 gas-free miles delivered

FreeWire's ultrafast charging technology solves grid constraints by packaging charging infrastructure, grid infrastructure, and energy storage in a fully-integrated solution. The company's Boost Charger plugs into existing low-voltage utility service and delivers high-power charging in areas that typically require extensive grid upgrades. This is especially important for expanding electrification in economically disadvantaged areas where EV adoption is slower and there are typically higher levels of pollutants.

The integrated system unlocks an entirely new category of distributed energy services that conventional charging solutions cannot provide, and is only partially addressed by standalone energy storage. Further, chargers paired with energy storage will optimise renewable energy sources and provide additional grid resiliency, allowing EVs to recharge and support critical facilities when power is out.

FreeWire has deployed battery-integrated chargers with Fortune 100 companies, commercial customers, fleets, retail locations, and gas stations. In addition to its partnership with bp pulse, FreeWire and ampm, a bp subsidiary and convenience store chain with over 1,000 locations, have already deployed multiple public charging stations in the U.S.

The ability to address barriers to mass EV adoption, reduce GHG emissions from transportation, and enable less strain on the electric grid with ready-to-deploy ultrafast charging and power solutions may very well be the missing link in the energy transition.

FreeWire is deploying next-generation charging infrastructure and power solutions more quickly, at a lower cost, and in more locations than competitors. The ability to address barriers to mass EV adoption, reduce GHG emissions from transportation, and enable less strain on the electric grid with ready-to-deploy ultrafast charging and power solutions may very well be the missing link in the energy transition.

Investment Manager's Report

POSITIONED FOR GROWTH

The post-pandemic recovery in 2021 was uneven, benefiting wealthy nations, with privileged access to vaccines. Despite disparities in access, the rate of post-recession economic recovery was one of the highest in nearly a century.[1]

As pent-up demand for consumer goods and travel roared to life, suppliers met spikes in demand for crude oil with gradual increases in supply. Consequently, WTI prices soared to over $80 during 2H 2021, ending the year at $76.83 per barrel representing a 59 per cent. year over year rise. Brent crude performed similarly, ending the year at $77.24 per barrel, increasing by 51 per cent. over the year. This recovery, while welcome, proved an unanticipated challenge for some regions as increased economic activity coincided with unusually cool temperatures and widespread fuel shortages. However, the current situation between Russia and Ukraine continues to create uncertainty in the global energy markets. While international efforts to find a peaceful solution persist, any further escalations are likely to push energy prices higher.

In Europe, long-term energy transition efforts have included shuttering coal-fired power plants in favour of increased reliance on cleaner-burning, imported natural gas, and renewables. The EU, a net importer of natural gas was left vulnerable to increased global demand, and Russian and OPEC-restricted supply. As a result, the EU's fuel storage sites fell to just 56 per cent. of full capacity, 15 percentage points below their ten-year average.[2] Between increasing demand, lower-than-forecasted turbine-generated power and higher costs of fuel, power prices in late 2021 hit 182 euros per megawatt-hour on average, an all-time high.[3]

While countries across Europe resorted to powering base loads with cheaper coal, investment into cleantech, green shift technologies and the broader energy transition reached new heights. Wind and solar developers added 40GW of renewable energy capacity to Europe's grid in 2021.[3] Consumers across the globe demonstrated their support for the transition with their pocketbooks, purchasing electric vehicles (EV), with increases in sales of 17 per cent. from Q3 to Q4 of 2021, and by 34 per cent. year on year.[3] Institutional investors, too, joined the bandwagon, as global sustainable debt issuances hit $1.6 trillion, more than doubling the value of issuances in 2020.[3]

REL has adjusted its investment strategy and is working on repositioning its portfolio to capture these trends. Prior to the resurgence in oil prices during the second half of 2021, REL has been managing its legacy commodity-linked portfolio companies to reduce costs, preserve liquidity and position its companies to operate in an oil price environment of around $45-60 per barrel. The current prices of crude and natural gas have exceeded forecasts and bode well for sustained performance from our companies despite ongoing headwinds facing the industry.

In July, REL took advantage of improving market conditions to exit its position in ILX III, a Gulf of Mexico producer. The exit provided REL with an additional $168 million in liquidity to both accelerate REL's new investment programme, transitioning the portfolio away from E&P investments and toward energy transition and decarbonisation of the global economy. We believe that these themes have become secular trends. The accelerating transition to cleaner energy supports our investment thesis and underlines our confidence in the investment opportunity and its associated returns.

Over the course of the year, REL deployed over $95 million in seven different decarbonisation investments, including GoodLeap (formerly Loanpal), FreeWire, Hyzon Motors, DCRN (Tritium), DCRC (Solid Power), Samsung Ventures, and DCRD. Our work over the last two years to reposition the portfolio allowed shareholders to benefit two-fold: an increase in consumer adoption of the energy transition and energy market volatility driven by the transition to a lower carbon future.

1 Source: World Bank

2 Source: Bloomberg

3 Source: Bloomberg New Energy Finance

Investment Manager's Report continued

Investment Strategy

Historically, the Investment Manager's objective was to achieve superior risk adjusted after tax returns by making privately negotiated investments in the E&P, midstream, services and power (including renewables) sectors, representing a significant component of the global economy. Long-term market drivers of economic expansion, population growth, deregulation, privatisation and continued commodity price volatility will continue to create opportunities for REL.

The Investment Manager continues to reposition REL's portfolio away from commodity price-sensitive oil and gas investments towards a focus on renewable and the decarbonisation thematic. This shift in the portfolio began in the summer of 2020 with the Company investing $18 million to recapitalise Enviva Holdings, and the Company's $25 million and $10 million commitments announced in January 2021 to GoodLeap, LLC and FreeWire Technologies, Inc., respectively. Further, in February 2021, REL announced a $10 million commitment to DCRB, via a private placement, and a $0.6 million commitment to DCRN, via an initial public offering. Similarly, in March 2021, REL announced a $0.5 million commitment to DCRC, via an initial public offering, followed in June 2021 by a further $20 million commitment, via a private placement. The Company believes that each of these commitments provides an opportunity to create shareholder value while supporting REL's long-term focus on ESG and energy transition investments. Going forward, REL expects to continue to increase its exposure in areas that support decarbonisation across the entire investment spectrum, from traditional power generation to technology-enabled solutions that facilitate increased renewables adoption and helps the global economy reach its climate change goals.

The Company's Board is supportive of the modified investment strategy and will continue to monitor the Investment Manager's success in repositioning the Company's portfolio through the modified investment strategy. At the EGM last year, the Board committed to review the Company's performance and, before 31 December 2022, decide whether or not it would be in the best interest of all shareholders to request an EGM to vote on a run-off of its portfolio.

Key Drivers of Investment Strategy:

- Capital constraints among companies with high levels of leverage and/or limited access to public markets;
- Industry distress and pressures to rationalise assets;
- Increases in ability to extract hydrocarbons from oil and gas-rich shale formations;
- Historical under-investment in energy infrastructure; and
- Rapid growth in electricity consumption and energy transition.

The Investment Manager, through its affiliates, has a strong track record of building businesses with management teams. The Company aims to capitalise on the opportunities presented by Riverstone's pipeline of investments, as well as through its modified investment strategy implemented in 2019. This can be seen through the Company's investments, through the Partnership, in Ridgebury H3 in 2019, Enviva in 2020 and DCRB, DCRN, DCRC & DCRD SPAC investments in 2021, as the Private Riverstone Funds did not participate.

The Investment Manager, having made over 200 investments globally in the energy sector since being founded in 2000, utilises its extensive industry expertise and relationships to thoroughly evaluate investment opportunities and uses its significant experience in conducting due diligence, valuing assets and all other aspects of deal execution, including financial and legal structuring, accounting and compensation design. The Investment Manager also draws upon its extensive network of relationships with industry-focussed professional advisory firms to assist with due diligence in other areas such as accounting, tax, legal, employee benefits, environmental, engineering and insurance.

WESTERN CANADA

Committed:
$397m (40%)

Invested:
$385m (41%)

PIPESTONE ENERGY CORP.

HAMMERHEAD RESOURCES

DECARBONISATION

Committed:
$122m (12%)

Invested:
$115m (12%)

enviva

goodleap

FREEWIRE

HYZON

DCRN+ DCRC+ DCRD+

TRITIUM

IONIC materials

Solid Power

PERMIAN & EAGLE FORD

Committed:
$401m (41%)

Invested:
$377m (40%)

CENTENNIAL

CARRIER ENERGY PARTNERS

INTERNATIONAL

Committed:
$66m (7%)

Invested:
$60m (7%)

ONYX POWER

Investment Manager's Report continued

Current Portfolio – Conventional

Investment (Public/Private)	Gross Committed Capital ($mm)	Invested Capital ($mm)	Gross Realised Capital ($mm)[1]	Gross Unrealised Value ($mm)[2]	Gross Realised Capital & Unrealised Value ($mm)	31 Dec 2021 Gross MOIC[2]	31 Dec 2020 Gross MOIC[2]
Centennial *(Public)*	268	268	172	91	263	0.98x	0.73x
Hammerhead Resources *(Private)*	307	295	23	93	116	0.39x	0.15x
Onyx *(Private)*	66	60	–	102	102	1.70x	1.00x
Carrier II *(Private)*	133	110	29	48	77	0.70x	0.40x
Pipestone Energy (formerly CNOR) *(Public)*	90	90	16	36	52	0.58x	0.25x
Total Current Portfolio – Conventional – Public[3]	**$358**	**$358**	**$188**	**$126**	**$314**	**0.88x**	**0.61x**
Total Current Portfolio – Conventional – Private[3]	**$507**	**$465**	**$52**	**$243**	**$295**	**0.63x**	**0.31x**

Current Portfolio – Decarbonisation

Investment (Public/Private)	Gross Committed Capital ($mm)	Invested Capital ($mm)	Gross Realised Capital ($mm)[1]	Gross Unrealised Value ($mm)[2]	Gross Realised Capital & Unrealised Value ($mm)	31 Dec 2021 Gross MOIC[2]	31 Dec 2020 Gross MOIC[2]
GoodLeap (formerly Loanpal) *(Private)*	25	25	1	67	68	2.75x	n/a
Solid Power *(Public)*	48	48	–	59	59	1.24x	n/a
Enviva *(Public)*	25	18	–	44	44	2.45x	1.60x
FreeWire *(Private)*	10	10	–	20	20	2.00x	n/a
Hyzon Motors *(Public)*	10	10	–	6	6	0.65x	n/a
DCRN[5] *(Public)*	1	1	–	4	4	6.46x	n/a
Ionic I & II (Samsung Ventures) *(Private)*	3	3	–	3	3	1.00x	n/a
DCRD[5] *(Public)*	1	1	–	1	1	1.00x	n/a
Total Current Portfolio – Decarbonisation – Public[3,5]	**$84**	**$77**	**$-**	**$115**	**$115**	**1.49x**	**1.60x**
Total Current Portfolio – Decarbonisation – Private[3]	**$38**	**$38**	**$1**	**$90**	**$91**	**2.42x**	**n/a**
Cash and Cash Equivalents[11]				**$106**			
Total Liquidity				**$347**			
Total Market Capitalisation				**$345**			

Realisations

Investment *(Initial Investment Date)*	Gross Committed Capital ($mm)	Invested Capital ($mm)	Gross Realised Capital ($mm)[1]	Gross Unrealised Value ($mm)[2]	Gross Realised Capital & Unrealised Value ($mm)	31 Dec 2021 Gross MOIC[2]	31 Dec 2020 Gross MOIC[2]
Rock Oil[6] *(12 Mar 2014)*	114	114	232	3	235	2.06x	2.04x
Three Rivers III *(7 Apr 2015)*	94	94	204	–	204	2.17x	2.17x
ILX III[7] *(8 Oct 2015)*	179	179	171	1	172	0.96x	0.80x
Meritage III[8] *(17 Apr 2015)*	40	40	86	–	86	2.16x	2.10x
RCO[9] *(2 Feb 2015)*	80	80	80	–	80	0.99x	0.99x
Sierra *(24 Sept 2014)*	18	18	38	–	38	2.06x	2.15x
Aleph Midstream *(9 Jul 2019)*	23	23	23	–	23	1.00x	1.00x
Ridgebury H3 *(19 Feb 2019)*	18	18	22	–	22	1.22x	1.22x
Castex 2014 *(3 Sep 2014)*	52	52	14	–	14	0.27x	0.20x
Total Realisations[3]	**$619**	**$619**	**$871**	**$4**	**$875**	**1.41x**	**1.36x**
Withdrawn Commitments and Impairments[10]	350	350	9	–	9	0.02x	0.02x
Total Investments[3] [11]	**1,955**	**1,906**	**1,121**	**578**	**1,699**	**0.89x**	**0.69x**
Total Investments & Cash and Cash Equivalents[3]				**$684**			

(1) Gross realised capital is total gross proceeds realised on invested capital. Of the $1,121 million of capital realised to date, $823 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. No further carried interest will be payable until the $208 million of realised and unrealised losses to date at 31 December 2021 are made whole with future gains, so the earned carried interest of $0.8 million at 31 December 2021 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 2021, $28.7 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.

(3) Amounts may vary due to rounding.

(4) Represents closing price per share in USD for publicly traded shares of Centennial Resource Development, Inc. (NASDAQ:CDEV – 31 December 2021: $5.98 price per share) for Centennial investment, as well as USD-equivalent closing price per share for Pipestone Energy Corp. (TSX-V:PIPE – 31 December 2021: $3.04 price per share) for Pipestone Energy (formerly CNOR) investment.

(5) SPAC Sponsor investment for Decarbonization Plus Acquisition Corporation II (NASDAQ:DCRN) and Decarbonization Plus Acquisition Corporation IV (NASDAQ:DCRD).

(6) The unrealised value of the Rock Oil investment consists of rights to mineral acres.

(7) The unrealised value of the ILX III investment consists of 43,333 shares of Talos Energy Inc stock (NYSE:TALO) in connection with its former investment in ILX III.

(8) Midstream investment.

(9) Credit investment.

(10) 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).

(11) This figure is comprised of $7.3 million held at the Company, $4.1 million held at the Partnership and $94.4 held at REL US Corp.

Investment Portfolio Summary

As of 31 December 2021, REL's portfolio comprised fourteen active investments including four E&P investments, nine decarbonisation investments and one power investment.

$60m

invested of its $66 million commitment to Onyx

$295m

invested of its $307 million commitment to Hammerhead

ONYX POWER

ONYX

As of 31 December 2021, REL, through the Partnership, has invested $60 million of its $66 million commitment to Onyx. Onyx is a European-based independent power producer that was created through the successful acquisition of 2,350MW of gross installed capacity (1,941MW of net installed capacity) of five coal- and biomass-fired power plants in Germany and the Netherlands from Engie SA. Two of the facilities in the current portfolio are among Europe's most recently constructed thermal plants, which benefit from high efficiencies, substantial environmental controls, low emissions profiles and the potential use of sustainable biomass.

As of 31 December 2021, REL's interest in Onyx, through the Partnership, was valued at 1.70x Gross MOIC(1) or $102 million (Realised: $- million, Unrealised: $102 million). The Gross MOIC(1) increased over the period.

HAMMERHEAD RESOURCES

HAMMERHEAD

As of 31 December 2021, REL, through the Partnership, has invested $295 million of its $307 million commitment to Hammerhead. Hammerhead is a private E&P company focused on liquids-rich unconventional resources in the Montney and Duvernay resource play in Western Canada. Since its establishment in 2010, Hammerhead 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 per cent. of this asset base, which comprises over 1,800 net drilling locations across approximately ~112,000 Montney net acres. Since Riverstone's initial investment, Hammerhead has increased production almost ten-fold and has significantly grown reserves to 309 mmboe. As of 31 December 2021, the company was currently producing approximately 29,500 boepd.

The company continues to focus on ramping development within cash flow in the near term and paying down debt. The company elected to increase development pace in 2H 2021 on the back of higher commodity prices, and the company will continue to ramp development in 2022. As of 31 December 2021, Hammerhead had hedged approximately 46 per cent. of forecasted 2022 oil production at a weighted average price of CAD$87/bbl.

As of 31 December 2021, REL's interest in Hammerhead, through the Partnership, was valued at 0.4x Gross MOIC(1) or $116 million (Realised: $23 million, Unrealised: $93 million). The Gross MOIC(1) was held flat to the prior quarter.

(1) 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 $208 million of realised and unrealised losses to date at 31 December 2021 are made whole with future gains, so the earned carried interest of $0.8 million at 31 December 2021 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 2021, $28.7 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

$268m

invested in full its commitment to Centennial

CENTENNIAL

CENTENNIAL (CDEV)

As of 31 December 2021, REL, through the Partnership, has invested in full its $268 million commitment to Centennial. Centennial, based in Denver, Colorado, is an E&P company focussed on the acquisition and development of oil and liquids-rich natural gas resources in the Permian Delaware Basin, West Texas. The company has rapidly aggregated an 75,500 net acre position in its targeted basin (adjusted for a pending ~6,200 net acre Southern Delaware divestiture).

In 2021, CDEV has been committed to running a two-rig operated drilling programme, with a focus on capital efficiency and operational improvements. Increased drilling efficiencies via longer laterals and larger well packages have contributed to a structural reduction in well costs. These improvements, as well as the strong commodity environment, have led to strong free cash flow generation. In 3Q 2021, Centennial generated record free cash flow of ~$77 million, its fifth consecutive quarter of positive free cash flow.

For FY 2021, Centennial has provided guidance of 60,500-61,850 barrels of oil equivalent per day of production, $300-$315 million of capital expenditures, and $200-$220 million of free cash flow. In addition, CDEV has made significant progress deleveraging, and is currently targeting Net Debt / LTM EBTIDAX of 1.5x by year end (down from 4.3x in Q1 2021).

To-date, Centennial has hedged approximately 10,972 barrels per day of forecasted oil production in 2022 at a weighted average price of $65.31, and 6,459 barrels of oil equivalent per day of forecasted gas production in 2022 at a weighted average price of $3.29.

REL, through the Partnership, owns approximately 15.2 million shares which are publicly traded (NASDAQ:CDEV) at a 60-day volume weighted average price of $6.70.

As of 31 December 2021, REL's interest in Centennial, through the Partnership, was valued at 0.98x Gross MOIC(1) or $263 million (Realised: $172 million, Unrealised: $91 million). The Gross MOIC(1), which reflects the mark-to-market value of REL's shareholding, increased over the period.

$25m

invested in full its commitment to GoodLeap

goodleap

GOODLEAP (FORMERLY LOANPAL)

As of 31 December 2021, REL, through the Partnership, has invested in full its $25 million commitment to GoodLeap. The company is a technology-enabled sustainable home improvement loan originator, providing a point-of-sale lending platform used by key residential contractors. GoodLeap does not take funding risk, the company presells its originated loans via forward purchase agreements to large asset managers. The company's attractive unit economics and asset-light business model allow for rapid growth and the ability to scale faster than its competitors, while generating free cash flow by capitalising on upfront net cash payments on the flow of loan originations and avoiding costly SG&A and capital expenditures incurred by other portions of the value chain.

In June 2021, Loanpal formally rebranded as GoodLeap, signifying the company's growth into a broader sustainable solutions marketplace. This followed GoodLeap's entrance into the broader market for sustainable home upgrades in early 2021.

As of 31 December 2021, REL's interest in GoodLeap, through the Partnership, was valued at 2.75x Gross MOIC(1) or $68 million (Realised: $1 million, Unrealised: $67 million). The Gross MOIC(1) increased over the period.

Investment Portfolio Summary (continued)

$110m

invested of its $133 million commitment to Carrier II

CARRIER
ENERGY PARTNERS

CARRIER II

As of 31 December 2021, REL, through the Partnership, has invested $110 million of its $133 million commitment to Carrier II. Carrier II is focussed on the acquisition and exploitation of upstream oil and gas assets by partnering with select operators that are developing both unconventional and conventional reservoirs in North America. Shortly after its establishment in May 2015, Carrier II entered into a joint venture agreement with a highly experienced operator group made up of Henry Resources, LLC and PT Petroleum, LLC, targeting 19,131 net acres for development in the southern Midland Basin (subsequently increased to 20,260 net acres). In addition, through three separate acquisitions, the company has acquired 3,892 net acres in Karnes County in the Eagle Ford basin, targeting the Sugarloaf Project and the Chisholm Project, both operated by Marathon Oil Corp.

During the fourth quarter of 2019, Carrier successfully completed the sale of its Southern Midland Basin assets and brought six additional Eagle Ford wells online, resulting in a total of 34 new wells in 2019. As of 31 December 2021, Carrier II was producing approximately 3,479 boepd and the company had hedged approximately 64 percent and 68 percent of forecasted 2022 oil and gas production, respectively, at a weighted average price of $57.59 per barrel and $2.88 per mmbtu.

Since inception, Carrier II has distributed $29 million through dividends to REL, through the Partnership, representing approximately 26 per cent. of REL's invested capital. As of 31 December 2021, REL's interest in Carrier II, through the Partnership, was valued at 0.70x Gross MOIC[(1)] or $77 million (Realised: $29 million, Unrealised: $48 million). The Gross MOIC[(1)] remained flat over the period.

$18m

invested of its $25 million commitment to Enviva

enviva

ENVIVA

As of 31 December 2021, REL, through the Partnership, has invested $18 million of its $25 million commitment to Enviva. Enviva, based in Bethesda, Maryland, is the world's largest supplier of wood pellets to major utilities and heat and power generators, principally in Europe and Japan. Through its subsidiaries, Enviva owns and operates nine plants with a combined wood pellet production capacity of approximately 6.2 million MTPY.

On 3 November 2021, Enviva announced its first direct contract with an industrial customer, a European counterparty that processes solid biomass into refined liquid fuels. On 31 December 2021, Enviva completed its conversion from a master limited partnership to a corporation following approval by Enviva unitholders on 17 December 2021.

As of 31 December 2021, REL's interest in Enviva, through the Partnership, was valued at 2.45x Gross MOIC[(1)] or $44 million (Realised: $- million, Unrealised: $44 million). The Gross MOIC[(1)] increased over the period.

$30m

invested in full its commitment to Samsung Ventures

$90m

invested in full its commitment to Pipestone (fka CNOR)

SAMSUNG VENTURES

On 17 August 2021, REL announced the purchase of an interest in one of Samsung Ventures' battery technology focused venture capital portfolios (the "Samsung Portfolio") for $30.0 million. The majority of the Samsung Portfolio consists of 1.66 million shares of Solid Power, Inc., which successfully completed its business combination with DCRC on December 8, 2021. Gross proceeds to Solid Power from the transaction amounted to $542.9 million from a fully committed $195 million PIPE and $347.9 million of cash held in trust net of redemptions; only 0.6 per cent. of shares held by public stockholders of DCRC were redeemed. Of the shares voted at the special meeting of DCRC's stockholders, over 99.9 per cent. voted to approve the business combination.

The remainder of the portfolio is held in shares of Ionic Materials (Ionic I & II), a material science company that manufactures transformative polymers for use in solid-state batteries, healthcare and 5G applications. Ionic Materials' solid polymer is believed to be the first of its kind to conduct ions at room temperature, a critical enabler of solid-state batteries.

REL's aggregate investment in the Samsung Portfolio is marked at 1.35x Gross MOIC[1] at 31 December 2021.

PIPESTONE

As of 31 December 2021, REL, through the Partnership, has invested in full its $90 million commitment to Pipestone (fka CNOR). Pipestone is a Calgary-based oil and gas company focussed on the Western Canadian Sedimentary Basin. CNOR had invested in a joint venture with Tourmaline Oil Corp. targeting the Peace River High area (126,000 net acres), which it sold in 3Q19 for C$175 million. Earlier in 2019, CNOR closed on a strategic combination with publicly-traded Blackbird Energy to consolidate its ~25,000 net acre Pipestone Montney position with that of Blackbird's offsetting ~73,000 acres. The pro forma company is named Pipestone Energy Corporation and trades under TSX: PIPE. During the third quarter of 2019, Pipestone completed the build-out of required infrastructure needed to expand its future operations and has since been working towards bringing incremental production online. During 2021, the company is expected to average production of approximately 25m boepd.

As of 31 December 2021, REL's interest in Pipestone, through the Partnership, was valued at 0.58x Gross MOIC[1] or $52 million (Realised: $16 million, Unrealised: $36 million). The Gross MOIC[1] increased over the period. As further detailed in the Post-Year End Updates section of the Investment Manager's Report, the Company fully realised its investment in Pipestone in February 2022.

(1) 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 $208 million of realised and unrealised losses to date at 31 December 2021 are made whole with future gains, so the earned carried interest of $0.8 million at 31 December 2021 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 2021, $28.7 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

Investment Manager's Report continued

Investment Portfolio Summary (continued)

$10m

invested in full its commitment to FreeWire Technologies

$10m

invested in full its commitment to Hyzon Motors

FREEWIRE TECHNOLOGIES

As of 31 December 2021, REL, through the Partnership, has fully invested its $10 million commitment to FreeWire Technologies, Inc. FreeWire is the leading provider of battery-integrated DC fast chargers (DCFCs) and their associated software. Riverstone led the Company's $50 million Series C round in January 2021.

Their primary hardware product is the Boost Charger, a unitised, turnkey DCFC that offers charging speeds of up to 120kW with only a 20kW grid connection by using a 160kWh battery. These specifications support 15-24 fast charging sessions per day. The current software platform, AMP Connect, allows for charger management and integration with existing customer platforms with broader services in development.

As of 31 December 2021, REL's interest in FreeWire, through the Partnership, was valued at 2.00x Gross MOIC(1) or $20 million (Realised: $- million, Unrealised: $20 million).

HYZON

In connection with the closing of the previously announced merger between DCRB and Hyzon Motors Inc. (NASDAQ: HYZN), REL purchased $10 million of DCRB common stock in a private placement transaction at $10 per share in July 2021. Hyzon, headquartered in Rochester, New York, is the industry-leading global supplier of zero-emissions hydrogen fuel cell powered commercial vehicles.

Hyzon recorded first vehicle revenues during 3Q 2021 as anticipated, despite the challenging supply chain environment, and exceeded its forecast for 85 vehicles shipped before 31 December 2021 with 87 vehicles delivered in 2021.

As of 31 December 2021, REL's interest in Hyzon, through the Partnership, was valued at 0.65x Gross MOIC(1) or $6 million (Realised: $- million, Unrealised: $6 million). The Gross MOIC(1) increased over the period.

(1) 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 $208 million of realised and unrealised losses to date at 31 December 2021 are made whole with future gains, so the earned carried interest of $0.8 million at 31 December 2021 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 2021, $28.7 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

$0.6m

invested in full its commitment to DCRN/Tritium

$20.6m

invested in full its commitment to DCRC/Solid Power

DCRN+ TRITIUM

DCRN/TRITIUM

Again in February, REL invested $0.6 million in the Founder Shares and Warrants of Decarbonization Plus Acquisition Corp. II (NASDAQ: DCRN) at the time of its IPO. In May 2021, DCRN announced it would combine with Tritium, a Brisbane based pioneer in e-mobility and EV charging infrastructure. On 4 January 2022, Tritium announced record breaking Q4'21 and FY'21 financial performance results. The merger vote to approve the combination of Tritium and DCRN occurred and closed on 12 January 2022.

As of 31 December 2021, REL's interest in DCRN/Tritium, through the Partnership, was valued at 6.46x Gross MOIC(1) or $4 million (Realised: $- million, Unrealised: $4 million).

DCRC+ Solid Power

DCRC/SOLID POWER

As of 31 December 2021, REL, through the Partnership, has fully invested its $20.6 million commitment to DCRC/Solid Power. Riverstone sponsored DCRC's $350 million IPO on 23 March 2021. REL made a $0.6 million investment in DCRC at the time of the IPO, as the blank check company began to pursue merger candidates. On 15 June 2021, DCRC announced its business combination agreement with Solid Power, a Louisville, Colorado based producer of all solid-state batteries for electric vehicles, to which REL committed an additional $20 million to the $165 million PIPE that was raised.

Between DCRC's IPO and announcing the business combination with Solid Power, Solid Power closed on a $130 million Series B investment raise led by BMW Group, Ford Motor Company, and Volta Energy Technologies. In conjunction with the Series B raise, BMW and Ford expanded their existing joint development agreements with the Company to secure all solid-state batteries for future electric vehicles. Both Ford and BMW will receive full-scale 100 Ah cells for automotive qualification testing and vehicle integration beginning in 2022. Solid Power's all solid-state platform technology allows for the production of unique cell designs expected to meet performance requirements for each automotive partner.

The business combination between DCRC and Solid Power closed on 8 December 2022, with Solid Power beginning to trade on NASDAQ under the ticker "SLDP". Gross proceeds to Solid Power from the transaction amounted to $542.9 million from a fully committed $195 million PIPE and $347.9 million of cash held in trust net of redemptions; only 0.6 per cent. of shares held by public stockholders of DCRC were redeemed. Of the shares voted at the special meeting of DCRC's stockholders, over 99.9 per cent. voted to approve the business combination.

As of 31 December 2021, REL's interest in Solid Power, through the Partnership, consisted of the $0.6 million sponsor investment, which was valued at 7.4x Gross MOIC(1) or $4 million (Realised: $- million, Unrealised: $4 million), and the $20 million PIPE investment, which was valued at 0.87x Gross MOIC(1) or $17 million (Realised: $- million, Unrealised: $17 million).

Investment Manager's Report continued

Investment Portfolio Summary (continued)

$0.6m

invested in full its commitment to DCRD

DCRD

Also, in August 2021, REL announced an investment of $0.6 million in DCRD, a special purpose acquisition vehicle sponsored by an affiliate of REL's investment manager which raised over $316 million in its IPO.

As of 31 December 2021, REL's interest in DCRD, through the Partnership, was valued at 1.00x Gross MOIC[(1)] or $0.6 million (Realised: $- million, Unrealised: $0.6 million).

Realised Investments

$179m

invested of its $200 million commitment to ILX III

ILX III

ILX III, based in Houston, Texas, is a joint-venture with Ridgewood Energy Corporation and pursues a strategy of acquiring non-operated working interests in oil-focussed exploration projects in the Gulf of Mexico. To date, the company has participated in nine commercial discoveries, of which four are currently producing oil, and one is temporarily shut in.

In July 2021, REL sold its one-third ownership interest in ILX III to an institutional investment fund managed by Ridgewood Energy Corporation for net proceeds of $168 million. With this transaction, REL no longer owns any interest in ILX III, but will continue to own 43,333 shares of Talos Energy Inc stock (NYSE:TALO) in connection with its former investment in ILX III.

As of 31 December 2021, REL's interest in ILX III, through the Partnership, was valued at 0.96x Gross MOIC[(1)] or $171 million (100 per cent. realised).

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Valuation

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 is compliant with IFRS and IPEV Valuation Guidelines and has been applied consistently from period to period since inception. As the Company's investments are generally not publicly quoted, valuations require meaningful judgement to establish a range of values, and the ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant.

The Investment Manager 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. 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.

Uninvested Cash

As of 31 December 2021, REL had a cash balance of $7.3 million and the Partnership, including its wholly-owned subsidiaries, REL Cayman Holdings, LP, REL US Corp and REL US Centennial Holdings, LLC, had uninvested funds of over $98.5 million held as cash and money market fixed deposits, gross of the accrued Management Fee of $2.5 million. As in prior years, in accordance with the Partnership Agreement, if the Company requires additional funds for working capital, it is entitled to receive another distribution from the Partnership. The Partnership maintains deposit accounts with several leading international banks. In addition, the Partnership invests a portion of its cash deposits in short-term money market fixed deposits. REL's treasury policy seeks to protect the principal value of cash deposits utilising low risk investments with top-tier counterparts. Uninvested cash earned approximately 16 basis points during the year ended 31 December 2021.

On 9 March 2021, the Board was pleased to confirm that the Share Buyback Programme had successfully completed with a total of 17,214,197 ordinary shares having been bought back at an average price of approximately £2.90 per ordinary share. On 11 May 2021, the Company announced a buyback programme with the intention of returning £20 million to Shareholders via on market buybacks, subsequently, on 4 October 2021, the Company announced an increase in the buyback programme from £20 million to £40 million. Since the announcement, the Company has purchased 7,744,935 shares, in aggregate, for £36.0 million ($50.0 million) at an average share price of £4.65 ($6.40). After these share buybacks and the accrued Management Fee, REL's aggregate cash balance is $103.3 million.

As of 31 December 2021, REL, through the Partnership, had potential unfunded commitments of $49.1 million. In connection with the listing of REL on the London Stock Exchange, all proceeds of the offering were converted to U.S. dollars at an average rate of 1.606 at inception. All cash deposits referred to above are denominated in U.S. dollars. Additionally, REL's functional currency and Financial Statements are all presented in U.S. dollars. The Partnership's commitments are denominated in U.S. dollars, except Hammerhead and CNOR which are denominated in Canadian dollars.

Investment Manager's Report continued

Post-Year End Updates

Subsequent to year-end, REL, through the Partnership, funded four new investments in keeping with its modified investment programme, as well as realised its investment in Pipestone (see details below). Additionally, on 8 February 2022, the Company announced that the Board and Investment Manager agreed to allocate an additional £46.0 million to the share buyback programme. As the Company currently has the authority to repurchase 1,799,944 shares pursuant to the authority granted at its 2021 annual general meeting, the Board is convening an EGM on 4 March 2022 to seek shareholder approval to renew the Company's authority to repurchase up to 14.99 per cent. of the shares outstanding as at the date of the meeting.

Tritium

Tritium's merger vote with DCRN was held and closed on 12 January 2022, resulting in Tritium becoming a publicly traded company. DCRN, a blank-check company formed for the purpose of effecting a merger, capital stock exchange, or asset acquisition, stock purchase, reorganisation or similar business combination with a target whose principal effort is developing and advancing a platform that decarbonises the most carbon-intensive sectors. Due to large numbers of DCRN shareholder redemptions, an additional $15 million commitment to Tritium was funded on 11 February 2022.

T-REX Group

On 19 January 2022, REL funded a $17.5 million preferred equity investment in conjunction with the closing of T-REX Group's $40 million Series C funding round. T-REX Group, a SaaS provider supporting the asset-backed financing industry, brings together asset class expertise, critical data management capabilities, and a platform for deal structuring, cash flow modelling, scenario analysis, real-time performance tracking, and reporting. The company was founded to address the absence of modern technology to power complex asset finance and the emerging need for tools to accelerate investment into the energy transition. T-REX Group's platform gives institutions the modernised tools and validation they require to deploy capital, thereby facilitating increased investment allocations into sustainable, decarbonisation-related assets.

Electric motor company

On 1 February 2022, REL funded $17.0 million of a $17.5 million commitment in conjunction with the first closing of an electric motor company's latest financing round. The electric motor company engineers and manufactures innovative axial flux, permanent magnet electric motors for commercial, industrial and mobility applications. The company's electric motors meet the industry's highest efficiency standards (IE5) at less than half the size and weight of comparable motors, and facilitate decarbonisation by consuming less electricity and raw material than do existing models.

Pipestone

On 4 February 2022, REL sold its entire position in Pipestone Energy Corp. for CAD 4.55 per share or CAD 53.0 million ($41.7 million) in net proceeds. The 11.72 million block sale resulted in an aggregate Gross MOIC of 0.64x, inclusive of previously realised proceeds, which is slightly higher than its fourth-quarter 2021 mark of 0.58x.

Anuvia

On 18 February 2022, REL committed to invest up to $20 million in Anuvia Plant Nutrients' $70 million Series D Round. Anuvia manufactures a premium organic fertiliser that uses bio-waste as a manufacturing input, which sequesters carbon and improves soil health. The company's products displace emissions-intensive synthetic fertilisers, increase crop yields by 3-6 per cent., and provide growers with a 3-4x return on the incremental investment.

Outlook

The Investment Manager continues to work with its portfolio companies and management teams to navigate changing market conditions given the ongoing pandemic, shifting commodity market conditions, and the rapidly evolving energy transition. While we expect the next year to be unpredictable, we look forward to watching the portfolio perform. We believe our work over the last year, reducing exposure to commodity risk and increasing exposure to emergent green technologies, has positioned the portfolio to capitalise on the upside of energy market volatility and the technological and the global infrastructural sea change associated with the energy transition. We expect portfolio companies to continue to pay down debt and renegotiate covenants, to manage existing liquidity with discipline, and to increase strategic capital expenditure where appropriate. The Investment Manager will continue to execute on the modified investment programme, identifying new decarbonisation investments that present attractive risk-reward profiles supporting value creation for shareholders.

RIGL Holdings, LP
23 February 2022

Investment Policy

THE INVESTMENT MANAGER CONTINUES TO REPOSITION REL'S PORTFOLIO AWAY FROM COMMODITY PRICE-SENSITIVE OIL AND GAS INVESTMENTS TOWARDS A FOCUS ON RENEWABLE AND THE DECARBONISATION THEMATIC.

This shift in the portfolio began in the summer of 2020 with the Company investing $18 million to recapitalise Enviva Holdings, and the Company's $25 million and $10 million commitments announced in January 2021 to GoodLeap, LLC and FreeWire Technologies, Inc., respectively.

Further, in February 2021, REL announced a $10 million commitment to DCRB, via a private placement, and a $0.6 million commitment to DCRN, via an initial public offering. Similarly, in March 2021, REL announced a $0.5 million commitment to DCRC, via an initial public offering, followed in June 2021 by a further $20 million commitment, via a private placement. The Company believes that each of these investments provides an opportunity to create shareholder value while supporting REL's long-term focus on ESG and energy transition investments. Going forward, REL expects to continue to increase its exposure in areas that support decarbonisation across the entire investment spectrum, from traditional power generation to technology-enabled solutions that facilitate increased renewables adoption and helps the global economy reach its climate change goals.

The Company's independent directors are supportive of the continuation of the Investment Manager's modified investment strategy for the immediate future. The independent directors will continue to monitor the Investment Manager's success in repositioning the Company's existing investment policy through the modified investment strategy. At the EGM in 2020, the Board committed to review the Company's performance and, before 31 December 2022, decide whether or not it would be in the best interests of all Shareholders to request an EGM to vote on a run-off of its portfolio. Based on the significant improvement in the performance of REL, taking into account the trading price of the Ordinary Shares and portfolio performance from 30 September 2020 to the date of this report, the likelihood is remote that the Company's independent Directors would seek Shareholder approval before 31 December 2022 to amend the Company's investment policy to provide for the managed wind-down of the Company.

Since REL, through the Partnership, has the right to invest alongside the Private Riverstone Funds V and VI, as well as in investments consistent with its modified investment strategy, REL presents a unique opportunity for public market investors to gain exposure to Riverstone's investments in the attractive global energy transition sector. For decarbonisation investments outside this historical framework with the Private Riverstone Funds V and VI, the Investment Manager has advised the Board that Riverstone is fully committed to use its best efforts to have REL participate in its deal flow, whenever there is available capacity.

The Investment Manager intends to manage investments for the benefit of all of its investors. If any matter arises that the Investment Manager determines in its good faith judgement constitutes an actual conflict of interest, the Investment Manager may take such actions as may be necessary or appropriate, having regard to all relevant terms of the Investment Management Agreement, to manage the conflict (and upon taking such actions the Investment Manager will be considered to have discharged responsibility for managing such conflict). The Directors are required by the Registered Collective Investment Schemes Rules 2018 issued by the GFSC to take all reasonable steps to ensure that there is no breach of the conflicts of interest requirements of those rules.

Investment Policy continued

Asset Allocation

The Company acquires its interests in each Qualifying Investment at the same time (or as near as practicable thereto) as, and on substantially the same economic and financial terms as, the relevant Private Riverstone Funds.

The Company and the current Private Riverstone Funds, (Fund V and Fund VI) invest in each Qualifying Investment in which the Private Riverstone Funds participate in a ratio of one-third to REL to two-thirds to the Private Riverstone Funds. This investment ratio is subject to adjustment on a case-by-case basis (a) to take account of the liquid assets available to each of the Company and the Private Riverstone Funds for investment at the relevant time and any other investment limitations applicable to either of them or otherwise and (b) if both (i) a majority of the Company's independent Directors and (ii) the Investment Manager agree that the investment ratio should be adjusted for specific Qualifying Investments.

For each Private Riverstone Fund subsequent to Fund V and Fund VI which is of a similar size and has a similar investment policy to the Company, Riverstone will seek to ensure that, subject to the investment capacity of the Company at the time, the Company and the Private Riverstone Fund invest in Qualifying Investments in an investment ratio of one-third to REL to two-thirds to the Private Riverstone Fund or in such other ratio as the Company's independent Directors and the Investment Manager agree at or prior to the first closing of such Private Riverstone Fund.

Such investment ratio may be adjusted by agreement between the Company's independent Directors and the Investment Manager on subsequent closings of a Private Riverstone Fund having regard to the total capital commitments raised by that Private Riverstone Fund during its commitment period, the liquid assets available to the Company at that time and any other investment limitations applicable to either of them. For decarbonisation investments outside this historical framework with the Private Riverstone Funds V and VI, the Investment Manager has advised the Board that Riverstone is fully committed to use its best efforts to have REL participate in its deal flow, whenever there is available capacity.

The Investment Manager typically seeks to ensure that the Company and the Private Riverstone Funds dispose of their interests in Qualifying Investments at the same time, on substantially the same terms, and in the case of partial disposals, in the same ratio as the relevant Qualifying Investment was acquired, but this may not always be the case.

In addition, the Company may at any time make investments consistent with its investment policy independent from Private Riverstone Funds, which may include investments alongside Riverstone employee co-investment vehicles or other Riverstone managed or advised co-investment vehicles. In such cases, consent to the Investment Manager's recommendation is required by the Board.

The Company invests in public or private securities, may hold controlling or non-controlling positions in its investments and may make investments in the form of equity, equity-related instruments, indebtedness or derivatives (or a combination of any of them). The Company does not permit any investments to be the subject of stock lending or sale and repurchase of shares.

Diversification

Save for the Company's investment in Hammerhead, which may represent up to 35 per cent. of the Company's gross assets, including cash holdings, measured at the time the investment is made, no one investment made by the Company, through the Partnership, may (at the time of the relevant investment) represent more than 25 per cent. of the Company's gross assets, including cash holdings, measured at the time the investment is made. As at 31 December 2021, the Company's investment in Hammerhead represented approximately 14 per cent. of the Company's gross assets, including cash holdings. The Company utilises the Partnership and its subsidiary undertakings or other similar investment holding structures to make investments and this limitation does not apply to its ownership interest in any such subsidiary undertaking (nor, for the avoidance of doubt, to the Company's interest in the Partnership).

Gearing

The Company can, but is not required to, incur indebtedness for investment purposes, to the extent that such indebtedness is a precursor to an ultimate equity investment, working capital requirements and to fund own-share purchases or retentions up to a maximum of 30 per cent. of the last published NAV as at the time of the borrowing unless approved by the Company by an ordinary resolution. This limitation does not apply to portfolio level entities in respect of which the Company is invested but it does apply to all subsidiary undertakings utilised by the Company or the Partnership for the purposes of making investments. The consent of a majority of the Company's Directors, with consent of the Investment Manager, shall be required for the Company or the Partnership to enter into any credit or other borrowing facility.

The Company must at all times comply with its published investment policy. For so long as the Ordinary Shares are listed on the Official List, no material change may be made to the Company's investment policy other than with the prior approval of both the Company's Shareholders and a majority of the independent Directors of the Company, and otherwise in accordance with the Listing Rules.

The Company invests in the global energy and infrastructure industry across subsectors and is well-positioned to capitalise on opportunities arising from the shift towards energy transition and decarbonisation over the long-term.

Investment Restrictions

The Company is subject to the following investment restrictions:

- for so long as required by the Listing Rules, it will at all times seek to ensure that the Investment Manager invests and manages the Company's and the Partnership's assets in a way which is consistent with the Company's objective of spreading risk and in accordance with the Company's investment policy;
- for so long as required by the Listing Rules, it must not conduct a trading activity which is significant in the context of the Company and its Investment Undertakings;
- for so long as required by the Listing Rules, not more than 10 per cent. of the value of its total assets will be invested in other UK-listed closed-ended investment funds, except for those which themselves have published investment policies to invest not more than 15 per cent. of their total assets in other UK-listed closed-ended investment funds; in addition, the Company will not invest more than 15 per cent. of the value of its total assets in other UK-listed closed-ended investment funds; and
- any investment restrictions that may be imposed by Guernsey law (although no such restrictions currently exist).

Currency and interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and these transactions will not be undertaken for speculative purposes.

Board of Directors

AN EXPERIENCED BOARD

A Audit Committee Member

N Nomination Committee member

M Management Engagement Committee Member

Chairman

Richard Hayden (76)
Chairman and Non-executive Independent Director

Appointment: Appointed to the Board in May 2013 and appointed as Chairman in May 2016.

Experience: Mr Hayden serves as non-executive Chairman of TowerBrook Capital Partners Advisory Board and member of the Investment Committee. Prior to joining TowerBrook in 2009, Mr Hayden was Vice Chairman of GSC Group Inc and Global Head of the CLO and Mezzanine Debt business. Previously, Mr Hayden was with Goldman Sachs from 1969 to 1999. Mr Hayden held a variety of senior positions during his time at Goldman Sachs, including Deputy Chairman of Goldman Sachs International Ltd and Chairman of the Global Credit Committee. Mr Hayden has served on a number of corporate and advisory boards including CQS Capital Management, Haymarket Financial, Deutsche Borse and Abbey National Bank. Mr Hayden is currently on the Finance and Investment Committee of the Children's Investment Fund Foundation. Mr Hayden is a UK resident.

Committee Membership:

A N M

Patrick Firth (60)
Non-executive Senior Independent Director

Appointment: Appointed to the Board in May 2013 and appointed as Senior Independent Director in May 2016.

Experience: Mr Firth qualified as a Chartered Accountant with KPMG Guernsey in 1991 and is also a member of the Chartered Institute for Securities and Investment. He has worked in the fund industry in Guernsey since joining Rothschild Asset Management (CI) Limited in 1992 before moving to become Managing Director at Butterfield Fund Services (Guernsey) Limited (subsequently Butterfield Fulcrum Group (Guernsey) Limited), a company providing third party fund administration services, where he worked from April 2002 until June 2009. He is a non-executive Director of a number of investment funds and management companies, including India Capital Growth Fund Limited and NextEnergy Solar Fund Limited. Mr Firth is a UK resident.

Committee Membership:

A N M

Peter Barker (73)
Non-executive Independent Director

Appointment: Appointed to the Board in September 2013.

Experience: Mr Barker was California Chairman of JPMorgan Chase & Co., a global financial services firm, from September 2009 until his retirement on 31 January 2013, and a member of its Executive Committee in New York. Mr Barker was also an Advisory Director of Goldman, Sachs & Co. from December 1998 until his retirement in May 2002, and a Partner of Goldman, Sachs & Co. from 1982 to 1998, heading up Investment Banking on the West Coast, having joined Goldman, Sachs & Co. in 1971. Mr Barker is President of the Fletcher Jones Foundation and has held numerous directorships. He is currently on the board of Avery Dennison Corporation, the W. M. Keck Foundation, the Irvine Company, and the Automobile Club of Southern California. Mr Barker is also a Trustee of Claremont McKenna College, having formerly been its Chairman, and was previously Chair of the Los Angeles Area Council of the Boy Scouts of America. Mr Barker is a U.S. resident.

Committee Membership:

A N M

Jeremy Thompson (66)
Non-executive Independent Director

Appointment: Appointed to the Board in May 2016.

Experience: Mr Thompson has sector experience in Finance, Telecoms, Engineering and Oil & Gas. He acts as an independent non-executive director for both listed, including DP Aircraft 1 Limited, and PE funds. Prior to that, he has worked in private equity and was CEO of four autonomous global businesses within Cable & Wireless Plc (operating in both regulated and unregulated markets), and earlier held CEO roles within the Dowty Group. He currently serves as chairman of the States of Guernsey Renewable Energy Team and is a commissioner of the Alderney Gambling Control Commission. He is also an independent member of the Guernsey Tax Tribunal panel. He is a graduate of Brunel (B.Sc), Cranfield (MBA) and Bournemouth (M.Sc) Universities and was an invited member to the UK's senior defence course RCDS (Royal College of Defence Studies). He is a member of the IoD and holds the IoD's Certificate and Diploma in Company Direction, is an associate of the Chartered Institute of Arbitration and a chartered Company Secretary. Mr Thompson is a resident of Guernsey and has previously lived and worked in the UK, USA and Germany.

Committee Membership:

A N M

Claire Whittet (66)
Non-executive Independent Director

Appointment: Appointed to the Board in May 2015.

Experience: Mrs Whittet has over 40 years of experience in the financial services industry. After obtaining a MA (Hons) in Geography from the University of Edinburgh, she joined the Bank of Scotland for 19 years and undertook a wide variety of roles. She moved to Guernsey in 1996 and was Global Head of Private Client Credit for Bank of Bermuda before joining the Board of Rothschild & Co Bank International Limited in 2003, initially as Director of Lending and latterly as Managing Director and Co-Head until May 2016 when she became a non-executive Director. Mrs Whittet is an ACIB member of the Chartered Institute of Bankers in Scotland, a Chartered Banker, a member of the Chartered Insurance Institute and holds an IoD Diploma in Company Direction. She is an experienced non-executive Director of five other listed funds (BH Macro Limited, Eurocastle Investment Limited, International Public Partnerships Limited, Third Point Offshore Investors Limited and TwentyFour Select Monthly Income Fund Limited) and various PE funds. Mrs Whittet is a Guernsey resident.

Committee Membership:

A N M

Report of the Directors

THE DIRECTORS HEREBY SUBMIT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2021. THIS REPORT OF THE DIRECTORS SHOULD BE READ TOGETHER WITH THE CORPORATE GOVERNANCE REPORT ON PAGES 44 TO 53.

General Information

Riverstone Energy Limited is a company limited by shares, which was incorporated on 23 May 2013 in Guernsey with an unlimited life and registered with the Commission as a Registered Closed-ended Collective Investment Scheme pursuant to the POI Law. It has been listed on the London Stock Exchange since 29 October 2013. The registered office of the Company is PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

Principal Activities

The principal activity of the Company is to act as an investment entity through the Partnership and make privately negotiated equity investments in the energy sector.

The Company's investment objective is to generate long-term capital growth by investing in the global energy sector, with a particular focus on opportunities in the global exploration and production and midstream energy sub-sectors. The Company may also make investments in other energy sub-sectors (including transportation energy services and power and coal).

Business Review

A review of the Company's business and its likely future development is provided in the Chairman's Statement on pages 4 to 7 and in the Investment Manager's Report on pages 15 to 28.

Listing Requirements

Since being admitted on 29 October 2013 to the Official List of the UK Listing Authority, maintained by the FCA, the Company has complied with the applicable Listing Rules.

Results and Dividend

The results of the Company for the year are shown in the audited Statement of Comprehensive Income on page 65.

The Net Asset Value of the Company as at 31 December 2021 was $682 million (31 December 2020: $390 million).

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2021 (31 December 2020: $nil).

Share Capital

At incorporation on 23 May 2013, the Company issued one founder Ordinary Share of no par value. On 29 October 2013, the Company issued 71,032,057 Ordinary Shares of no par value at £10 per Ordinary Share in an initial public offering raising a total of $1,138 million.

KFI, one of the Cornerstone Investors in the Company, paid for and acquired 10 million Ordinary Shares in two equal tranches of £50 million. The first tranche was paid on Admission and the second tranche of 5 million Ordinary Shares was paid on 26 September 2014.

On 11 December 2015, the Company raised £67.6 million ($102.3 million)(1) through the issuance of 8,448,006 new Ordinary Shares at £8.00 per Ordinary Share.

On 15 October 2018, the Company announced a Tender Offer for £55.0 million in value of the Company's Ordinary Shares. The Company acquired 4,583,333 Ordinary Shares which were cancelled on 23 November 2018.

On 1 May 2020, the Company announced a buyback programme with the intention of returning £50 million to Shareholders via on market buybacks. Since the announcement, the Company has purchased 17,214,197 shares, in aggregate, for £50 million ($63 million) at an average share price of £2.90 ($3.67).

(1) Gross of share issuance costs of $3.6 million

On 9 March 2021, the Board was pleased to confirm that the Share Buyback Programme had successfully completed with a total of 17,214,197 ordinary shares having been bought back at an average price of approximately £2.90 ($3.67) per ordinary share. On 11 May 2021, the Company announced a buyback programme with the intention of returning £20 million to Shareholders via on market buybacks, which subsequently, on 4 October 2021, was increased to £40 million. Since the announcement, the Company has purchased 7,744,935 shares, in aggregate, for £36 million ($50 million) at an average share price of £4.65 ($6.40).

As at 31 December 2021, the share capital of the Company is 54,937,599 Ordinary Shares in aggregate.

Post year-end, on 8 February 2022, the Company announced that the Board and Investment Manager agreed to allocate an additional £46.0 million to the programme. As the Company currently has the authority to repurchase 1,799,944 shares pursuant to the authority granted at its 2021 annual general meeting, the Board is convening an EGM on 4 March 2022 to seek shareholder approval to renew the Company's authority to repurchase up to 14.99 per cent. of the shares outstanding as at the date of the meeting.

The Company has one class of Ordinary Shares. The issued nominal value of the Ordinary Shares represents 100 per cent. of the total issued nominal value of all share capital. Under the Company's Articles of Incorporation, on a show of hands, each Shareholder present in person or by proxy has the right to one vote at general meetings. On a poll, each Shareholder is entitled to one vote for every share held.

Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company. The Company has not declared or paid dividends from inception to 31 December 2021, and has no intention to do so.

The Ordinary Shares have no right to fixed income.

Shareholdings of the Directors

The Directors with beneficial interests in the shares of the Company as at 31 December 2021 and 2020 are detailed below:

Director	**Ordinary Shares held 31 December 2021**	**Per cent. Holding at 31 December 2021**	Ordinary Shares held 31 December 2020	Per cent. Holding at 31 December 2020
Richard Hayden[(1)]	**10,000**	**0.018**	10,000	0.016
Peter Barker[(1)(2)]	**5,000**	**0.009**	5,000	0.008
Patrick Firth[(3)]	**8,000**	**0.015**	8,000	0.013
Jeremy Thompson[(1)]	**3,751**	**0.007**	3,751	0.006
Claire Whittet[(1)(4)]	**2,250**	**0.004**	2,250	0.004

(1) Non-executive Independent Director.
(2) Ordinary Shares held jointly with spouse.
(3) Senior Independent Director.
(4) Ordinary Shares held indirectly with spouse.

In addition, the Company also provides the same information as at 23 February 2022, being the most current information available.

Director	Ordinary Shares held 23 February 2022	Per cent. Holding at 23 February 2022
Richard Hayden[(1)]	10,000	0.018
Peter Barker[(1)(2)]	5,000	0.009
Patrick Firth[(3)]	8,000	0.015
Jeremy Thompson[(1)]	3,751	0.007
Claire Whittet[(1)(4)]	2,250	0.004

(1) Non-executive Independent Director.
(2) Ordinary Shares held jointly with spouse.
(3) Senior Independent Director.
(4) Ordinary Shares held indirectly with spouse.

Directors' Authority to Buy Back Shares

At the AGM on 25 May 2021 in St Peter Port, Guernsey, the Company renewed the authority to make market purchases of up to a maximum of 14.99 per cent. of the issued share capital of the Company. Any buy back of the Company's Ordinary Shares will be made subject to Companies Law and within any guidelines established from time to time by the Board. The making and timing of any buy backs will be at the absolute discretion of the Board, with consent of the Investment Manager, and not at the option of the Shareholders. Purchases of the Company's Ordinary Shares will only be made through the market for cash at prices below the prevailing Net Asset Value of the Company's Ordinary Shares (as last calculated) where the Directors believe such purchases will enhance Shareholder value. Such purchases will also only be made in accordance with the Listing Rules.

In accordance with the Company's Articles of Incorporation and Companies Law, up to 10 per cent. of the Company's Ordinary Shares may be held as treasury shares.

Post year-end, on 8 February 2022, the Company announced that the Board and Investment Manager agreed to allocate an additional £46.0 million to the programme. As the Company currently has the authority to repurchase 1,799,944 shares pursuant to the authority granted at its 2021 annual general meeting, the Board is convening an EGM on 4 March 2022 to seek shareholder approval to renew the Company's authority to repurchase up to 14.99 per cent. of the shares outstanding as at the date of the meeting.

Directors' and Officers' Liability Insurance

The Company maintains insurance in respect of directors' and officers' liability in relation to their acts on behalf of the Company.

Report of the Directors continued

Substantial Shareholdings

As at 31 December 2021, the Company had been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules, of the following substantial voting rights as Shareholders of the Company.

Shareholder	Shareholding	Per cent. Holding	Nature of Holding
Quilter Investors	12,292,141	22.4%	Indirect
AKRC Investments LLC(1)	10,938,666	19.9%	Direct
MMF MLP, Ltd(1)(2)	8,430,490	15.3%	Indirect
Riverstone Related Holdings	3,615,170	6.6%	Direct
SIX Group Ltd.	2,579,247	4.7%	Indirect

In addition, the Company also provides the same information as at 22 February 2022, being the most current information available.

Shareholder	Shareholding	Per cent. Holding	Nature of Holding
Quilter Investors	12,292,141	22.4%	Indirect
MMF MLP, Ltd(1)(2)	8,430,490	15.3%	Indirect
AKRC Investments LLC(1)	6,308,990	11.5%	Direct
SIX Group Ltd.	4,255,721	7.8%	Indirect
Riverstone Related Holdings	3,615,170	6.6%	Direct

(1) Held by a Cornerstone Investor.

(2) Formerly known as Kendall Family Investments LLC.

The Directors confirm that there are no securities in issue that carry special rights with regards to the control of the Company.

Independent External Auditor

Ernst & Young LLP has been the Company's external auditor since incorporation. The Audit Committee reviews the appointment of the external auditor, its effectiveness and its relationship with the Company, which includes monitoring the use of the external auditor for non-audit services and the balance of audit and non-audit fees paid. Following a review of the independence and effectiveness of the external auditor, a resolution will be proposed at the 2022 Annual General Meeting to reappoint Ernst & Young LLP. Each Director believes that there is no relevant information of which the external auditor is unaware. Each has taken all steps necessary, as a Director, to be aware of any relevant audit information and to establish that Ernst & Young LLP is made aware of any pertinent information. This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of the Companies Law. Further information on the work of the external auditor is set out in the Report of the Audit Committee on pages 54 to 57.

Articles of Incorporation

The Company's Articles of Incorporation may only be amended by special resolution of the Shareholders. At the AGM on 22 May 2018, the Company adopted Amended and Restated Articles.

AIFMD

REL is regarded as an externally managed non-EEA AIF under the AIFM Directive. RIGL is the Investment Manager of the Company as its non-EEA AIFM. The AIFMD outlines the required information which has to be made available to investors in an AIF and directs that material changes to this information be disclosed in the Annual Report of the AIF. All information required to be disclosed under the AIFMD is either disclosed in this Annual Report or is detailed in the Appendix entitled AIFMD Disclosures on page 178 in REL's latest Prospectus which can be obtained through the Company's website www.RiverstoneREL.com. The AIFM has no remuneration within the current or prior year that falls within the scope of Article 22 of the Directive.

RIGL provides AIFMD compliant management services to REL. The AIFM acting on behalf of the AIF, has appointed Ocorian Depositary Company (UK) Limited to provide depositary services to the AIF. The appointment of the Depositary is intended to adhere to, and meet the conditions placed on the Depositary and the AIFM under Article 21 and other related articles of the AIFMD. The Depositary shall only provide depositary services to the AIF should it admit one or more German and/or Danish investors following marketing activity towards them. At that time, the Depositary shall observe and comply with the Danish and German regulations applying to the provision of depositary services to a non-EEA AIF marketed in Denmark or Germany, as the case may be, by a non-EEA AIFM.

UCITS Eligibility

The Investment Manager is a relying adviser of Riverstone Investment Group LLC. Riverstone Investment Group LLC is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act. As such, the Investment Manager is subject to Riverstone Investment Group LLC's supervision and control, the advisory activities of the Investment Manager are subject to the U.S. Investment Advisers Act and the rules thereunder and the Investment Manager is subject to examination by the SEC. Accordingly the Company has been advised that its Ordinary Shares should be "transferable securities" and, therefore, should be eligible for investment by authorised funds in accordance with the UCITS Directive or NURS on the basis that:

→ the Company is a closed end investment company;

→ the Ordinary Shares are admitted to trading on the Main Market of the London Stock Exchange; and

→ the Ordinary Shares have equal voting rights.

However, the manager of the relevant UCITS or NURS should satisfy itself that the Ordinary Shares are eligible for investment by the relevant UCITS or NURS.

AEOI Rules

Under AEOI Rules the Company continues to comply with both FATCA and CRS requirements to the extent applicable to the Company.

General Partner's Performance Allocation and Management Fees

The General Partner's Performance Allocation is equal to 20 per cent. of all applicable realised pre-tax profits, in accordance with the revised terms announced on 3 January 2020, but effective 30 June 2019 (see Note 9 for further detail). In particular, taxes on realised gains from ECI investments, as shown in the Investment Manager's Report, in excess of existing net operating losses, can be substantial at rates up to 27.5 per cent. The Company is not an umbrella collective investment undertaking and therefore has no gross liability. In the normal course of business, REL may form wholly-owned subsidiaries, to be treated as C Corporations for U.S. tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. ECI. The C Corporations file U.S. corporate tax returns with the U.S. IRS and pay U.S. corporate taxes on its taxable income.

The General Partner's Performance Allocation is calculated under the aforementioned revised terms of the Partnership Agreement announced on 3 January 2020, but effective 30 June 2019, and as described in the Prospectuses.

The accrued Performance Allocation is calculated on a quarterly basis, which is taken into account when calculating the fair value of the Company's investment in the Partnership, as described in Note 10. The fair value of the Company's investment in the Partnership is after the calculation of Management Fees, as described in Note 9.

The financial effect of the General Partner's Performance Allocation, Management Fees and any taxes on ECI investments is shown in Note 6. The Investment Management Agreement continues into perpetuity post the seventh year anniversary as the Discontinuation Resolution was not passed in 2020, subject to the termination for cause provisions described in Note 9.

However, either the Board or a 10 per cent. Shareholder or group can request an EGM to vote on a wind-up of the Company at any time. If passed, such actions would trigger an exit fee equal to 20 times the most recent quarterly management fee.

Going Concern

The Audit Committee has reviewed the appropriateness of the Company's Financial Statements being prepared in accordance with Guernsey law and IFRS and presented on a going concern basis, which it has recommended to the Board. As further disclosed in the Corporate Governance Report, the Company is a member of the AIC and complies with the AIC Code. The Financial Statements have been prepared on a going concern basis for the reasons set out below and as the Directors, with the recommendation from the Audit Committee, have a reasonable expectation that the Company has adequate resources to continue in operational existence up until 31 March 2023. In reaching this conclusion, the Directors, with the recommendation from the Audit Committee, have considered the risks that could impact the Company's liquidity over the period from the date of approval of the Financial Statements up until 31 March 2023, as well as taken into account the following five key considerations, which are discussed further below.

1. Available liquid resources and potential proceeds from investment realisations versus current and expected liabilities of the Company over the period from the date of approval of the Financial Statements up until 31 March 2023;
2. Available liquid resources and potential proceeds from investment realisations versus total potential unfunded commitments of the Partnership;
3. Recent NAV & Share Price Performance of the Company;
4. Discount to NAV of the Company; and
5. Ongoing Impact of COVID-19.

1. *Available liquid resources and potential proceeds from investment realisations versus current and expected liabilities of the Company over the period from the date of approval of the Financial Statements up until 31 March 2023*

The Company retained $11.5 million of cash in the IPO and Placing and Open Offer for the initial three years post-listing and has requested and received seven distributions for working capital needs in aggregate of $24.3 million from the Partnership cumulatively through 31 December 2021. During 2021, the Company requested and received distribution requests in aggregate of £40 million ($55.8 million) for the share buyback programme, of which $7.3 million remains at 31 December 2021 (31 December 2020: $8.8 million). This cash balance is sufficient to cover the Company's existing liabilities at 31 December 2021 of $0.7 million and the remaining portion of the aforementioned share buyback programme approved by the Board of $5.4 million, but will need an additional distribution of $3.1 million from the Partnership for the Company's forecasted annual expenses of approximately $4.3 million. Additionally, REL will need additional distributions of approximately $62 million from the Partnership to fulfil the incremental share buyback programme amount of £46 million, which was announced by the Company on 8 February 2022 and for which the buyback authority is subject to shareholder approval at the EGM on 4 March 2022. As in prior years, in accordance with the Partnership Agreement, if the Company requires additional funds for working capital, it is entitled to receive another distribution from the Partnership. In order to do so, the Company would submit a distribution request approved by the Board to the Partnership, which would then be required to arrange for the payment of the requested amount. Since REL's inception, the Company has requested and received seven distributions from the Partnership for working capital needs. As detailed further in section 2 below, REL, through the Partnership, had available liquid resources of $98.5 million in excess of potential unfunded commitments of $49.1 million at 31 December 2021, but currently, as of the date of this report, REL, through the Partnership, has total potential unfunded investment commitments of up to $69.6 million, which does not exceed its available liquid resources of $88.5 million. However, based on the Investment Manager's cash flow forecast for the next three years to 31 December 2024, the expectation is that, if needed, the Partnership will only fund the remaining investment commitments to Anuvia, Enviva, Onyx and the first closing of an electric motor company's latest financing round, which aggregate up to $33.7 million as of the date of this report.

Report of the Directors continued

2. *Available liquid resources and potential proceeds from investment realisations versus total potential unfunded commitments of the Partnership*

As at 31 December 2021, REL and the Partnership, including its wholly-owned subsidiaries, REL Cayman Holdings, LP, REL US Corp and REL US Centennial Holdings, LLC, had $105.8 million of uninvested funds held as cash (31 December 2020: $99.1 million). This amount is comprised of $98.5 million held at the Partnership and $7.3 million held at REL. In 2022, the Company, through the Partnership, invested $49.5 million held at the Partnership in T-REX Group ($17.5 million), the first closing of an electric motor company's latest financing round ($17.0 million) and Tritium ($15.0 million), paid the Q4 2021 Management Fee ($2.5 million) and realised $42.1 million in proceeds from the sale of Pipestone Energy ($41.7 million) and GoodLeap dividends ($0.4 million), bringing the uninvested funds at the Partnership level down to $88.5 million as at the date of this report. In accordance with the revised terms for REL's GP Performance Allocation announced in January 2020, REL did not meet the portfolio level cost benchmark at 31 December 2021; therefore, any unrealised performance allocation has been deferred. If these changes had not been accepted, then the accrued GP Performance Allocation would have been $28.7 million as of 31 December 2021. No performance fees will be payable until the $208 million realised and unrealised losses to date at 31 December 2021 are offset with future gains. If these realised and unrealised losses have not been offset, any such accrued fees will no longer be payable after three years from each respective accrual date.

The Company's total potential unfunded investment commitments of $49.1 million as at 31 December 2021 (31 December 2020: $83.2 million), through the Partnership, did not exceed its available liquid resources as at 31 December 2021. In 2022, REL, through the Partnership, fully funded its commitments to new investments in T-REX Group ($17.5 million) and Tritium ($15.0 million), as well as funded $17.0 million of the Company's new $17.5 million commitment to the first closing of an electric motor company's latest financing round and committed up to $20.0 million to Anuvia, bringing total potential unfunded commitments up to $69.6 million. This amount does not exceed the Partnership's available liquid resources of $88.5 million as of the date of this report, which includes $42.1 million of proceeds from the sale of Pipestone Energy ($41.7 million) and GoodLeap dividends received in 2022 ($0.4 million). It is not expected that all potential unfunded investment commitments will be drawn due to a variety of factors, such as the ability for the commitment to be reduced and/or cancelled by the Investment Manager with consideration from the Board, the present market conditions do not warrant presently further capital expenditure as the returns would not be incrementally positive, a portfolio company being sold earlier than anticipated or a targeted investment opportunity changing or disappearing.

Based on the Investment Manager's cash flow forecast for the next three years to 31 December 2024, the expectation is that, if needed, the Partnership will only fund the remaining commitments to Anuvia, Enviva, Onyx and the first closing of an electric motor company's latest financing round, which aggregate up to $33.7 million as of the date of this report. However, if the Board decides to fund any of the Partnership's unfunded commitments to the other active investments, the Partnership can execute a reactionary measure to provide liquidity as discussed further below.

As at 31 December 2021, the Company, through the Partnership, has realised nine investments for $872 million of gross proceeds on invested capital of $619 million, respectively in aggregate, resulting in an average Gross MOIC of approximately 1.4x. The initial commitments to these nine investments were in excess of $934 million, so approximately 66 per cent. had been funded before realisation. In addition, the board of each underlying portfolio company, more often than not are controlled by Riverstone, which has discretion over whether or not that capital is ultimately invested. Moreover, REL's arrangements with Riverstone allow the Company's potential unfunded commitments to be reduced and/or cancelled by the Investment Manager with consideration from the Board, although this has yet to happen. Moreover, any proposed investments outside of those made with Fund V and VI can be unilaterally declined by the Board.

Finally, as a reactionary measure, the Partnership's investments in the publicly-traded shares of the portfolio companies could always be sold, or used as collateral to secure asset-backed financing, to fund the Partnership's shortfall of liquid resources and potential proceeds from investment realisations versus potential unfunded commitments. The Partnership holds marketable securities consisting of publicly-traded shares of Centennial, Enviva, Pipestone (sold in February 2022), Solid Power, Hyzon Motors and Talos, for which the aggregate fair value was $195 million at 31 December 2021 and $180 million as of 22 February 2022, exclusive of the sale of Pipestone for proceeds of $41.7 million

3. *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.

As at 31 December 2021, REL had a NAV per Share of $12.41 (£9.19), an increase in USD and GBP of 106 & 116 per cent., respectively, compared to $5.74 (£4.46) as at 30 September 2020, which is the most recent quarter end prior to the aforementioned announcement and being used as a proxy for comparative purposes. The year end closing trading price of the Ordinary Shares was $6.28 (£4.65), an increase of 61 & 54 per cent., respectively, compared to $3.90 (£3.03) as at 30 September 2020. Subsequently, from year-end through 22 February 2022, the Company's NAV per Share and closing trading price of the Ordinary Shares have remained relatively unchanged at $12.81 (£9.43) and $7.56 (£5.56), respectively.

Based on this significant improvement in the performance of REL, as of the date of this report, it is deemed to be extremely unlikely that the Company's independent Directors will 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 chance of this happening may therefore be assessed as remote, but the Board will continue to monitor the Company's performance through the aforementioned twenty four month period until 30 September 2022.

4. *Discount to NAV of the Company*

Since its inception, the Company's trading discount to NAV percentage has remained consistent with a population of comparable publicly-traded PE funds as their life to date average trading discount percentages are 23.8 per cent. and 21.4 per cent., respectively. However, from December 2015 to January 2016 and November 2018 to December 2018, as well as from December 2019 to November 2020, declines in the price of oil adversely impacted the market sentiment for energy companies, which resulted in the Company's trading discount percentage increasing at a faster rate than the population of comparable publicly-traded PE funds, as it is solely invested in the global energy industry across all sectors. In order to return uninvested capital to Shareholders and attempt to reduce REL's trading discount percentage, on 11 May 2021, the Company announced a buyback programme with the intention of returning £20 million to shareholders via market buybacks, which was subsequently increased to £40 million. Since the announcement, the Company has purchased 7,744,935 shares, in aggregate, for £36 million ($50 million) at an average share price of £4.65 ($6.40), which has attributed to the narrowing of the Company's trading discount from 55.0 per cent. at 31 March 2021 to 49.4 per cent. at 31 December 2021 (or from 61.8 per cent. to 58.4 per cent., respectively, on a cash-adjusted basis). From year-end through 22 February 2022, reflecting $41.7 million of proceeds from the sale of Pipestone Energy and a $20.8 million increase in the fair value of the Company's unrestricted marketable securities, the Company's pro forma trading discount has decreased and was 41.0 per cent. as of 22 February 2022 (or 43.9 per cent. on a cash-adjusted basis).

The Board, with consultation of the Investment Manager, regularly monitors the Company's trading discount percentage and, when possible, executes corporate actions aimed at managing it, such as the aforementioned share buyback programme and Tender Offer share repurchase in November 2018, which attributed to a 1.5 per cent. increase in the Company's NAV, and partially offset the increase of the trading discount percentage.

5. *Ongoing Impact of COVID-19*

The Board and Investment Manager have been in continuous dialogue regarding the ongoing impact of COVID-19 and appropriate disclosures within the Company's Financial Statements, given that it's a continuously evolving situation. In 2020, the Company's Management Engagement Committee requested and received updates from REL's key service providers, including the Investment Manager, regarding their initial response to COVID-19, including an update on their respective business continuity plans.

At the outset of COVID-19, the Investment Manager activated its business continuity plan and its regular working pattern changed to remote working. Whilst staff had assumed their day-to-day responsibilities remotely, weekly virtual calls across teams took place. In mid-2021, a significant proportion of the staff began transitioning back to the in-person work environment, but did revert back to remote working for periods of time due to spikes in cases caused by the Delta and Omicron variants. The Investment Manager has maintained dialogue with its portfolio companies to make sure that they have the appropriate plans and resources in place to prioritise the health and safety of their employees, as well as to assess supply chain disruptions and ensure the normal operations of our businesses.

Directors' Assessment of Going Concern

Based on the reasons outlined above, on balance, the Directors are satisfied, as of the date of this report, that it is appropriate to adopt the going concern basis in preparing the Financial Statements.

Viability Statement

The Directors, with recommendation from the Audit Committee, have assessed the prospects of the Company over a longer period than required by the going concern provision. With recommendation from the Audit Committee, the Board chose to conduct a review for a period of three years to 31 December 2024 as it was determined to be an appropriate timeframe based on the historical investment cycle of the Company's investments, through the Partnership, and its financial planning processes. On a rolling basis the Directors evaluate the outcome of the investments and the Company's financial position as a whole. While an unprecedented and long-term decline in global oil and gas consumption could threaten the Company's performance, it would not necessarily threaten its viability, not least as a result of the Company's progressive shift to decarbonisation asset investments.

Report of the Directors continued

In support of this statement, the Audit Committee recommended to the Directors to take into account all of the principal risks and their mitigation as identified in the Principal Risk and Uncertainties section of the Corporate Governance Report, the nature of the Company's business; including the cash reserves and money market deposits at the Partnership, the potential of its portfolio of investments to generate future income and capital proceeds, and the ability of the Directors to minimise the level of cash outflows, if necessary. The most relevant potential impacts of the identified Principal Risks and Uncertainties on viability were determined to be:

- An investment's capital requirements may exceed the Company's ability to provide capital; and
- The Company may not have sufficient capital available to participate in all investment opportunities presented.

Each quarter, the Directors, through the Audit Committee, review threats to the Company's viability utilising the risk matrix and update as required due to recent developments and/or changes in the global market. The Board relies on periodic reports provided by the Investment Manager and Administrator regarding risks faced by the Company. When required, experts are utilised to gather relevant and necessary information, regarding tax, legal, and other factors.

The Investment Manager considers the future cash requirements of the Company before funding portfolio companies. Furthermore, the Board receives regular updates from the Investment Manager on the Company's cash position, which allows the Board to maintain their fiduciary responsibility to the Shareholders and, if required, limit funding for existing commitments.

The Board, with recommendation from the Audit Committee, considered the Company's viability over the three year period, based on a working capital model prepared by the Investment Manager. Given the significant improvement in the performance of the Company, taking into account the trading price of the Ordinary Shares and portfolio performance from 30 September 2020 to the date of this report, it is deemed to be extremely unlikely that the Company's independent directors will seek Shareholder approval before 31 December 2022 to amend the Company's investment policy to provide for the managed wind-down of the Company and therefore the chance of this happening may therefore be assessed as remote. The working capital model forecasts key cash flow drivers such as capital deployment rate, investment returns, Management Fees and operating expenses. In connection with the preparation of the working capital model, capital raises, realisations, and, dividend payments and/or share repurchases were assumed to not occur during the three year period, unless already predetermined. In addition, the Board reviews credit market availability, but no such financing has been assumed.

If all factors apart from capital deployment rate remain constant, accelerating the capital deployment rate (which is the most critical aspect of the Company's operations) by approximately 67 per cent., from 36 months to 12 months, in a worst case scenario, would result in the Company being directed by the Board, and the Investment Manager recommending, to preserve working capital and postpone future investments after 6 months, rather than 36 months; unless a financing, capital raise or realisation of marketable securities was completed. In both scenarios, the Company is forecasted to preserve its ability to maintain sufficient working capital for the three year period.

The Investment Manager believes that the investment outlook for the Company remains attractive, in particular in light of its modified investment programme for the Company (adopted in 2019) which seeks to give the Company greater autonomy from the private funds managed by affiliates of the Investment Manager and to diversify the Company's investments. The Investment Manager continues to reposition the Company's focus away from oil and gas investments in the exploration and production sector and to increase its focus on renewable, decarbonisation and selective infrastructure investments, in each case with strong ESG processes in place. This includes the Company's $97 million aggregate commitments announced and funded in 2021 to GoodLeap (formerly Loanpal), FreeWire, Hyzon Motors, Solid Power, Samsung Ventures, and the DCRN, DCRC & DCRD SPAC investments, as well as up to $70 million in aggregate commitments during 2022 to Anuvia (up to $20.0 million), T-REX Group ($17.5 million), the first closing of an electric motor company's latest financing round ($17.5 million) and Tritium ($15.0 million).

The Company's fully independent Board is supportive of the continuation of the Investment Manager's modified investment strategy for the immediate future and will continue to monitor the Investment Manager's success in repositioning the Company's existing investment policy through the modified investment strategy. At the EGM in 2020, the Board committed to review the Company's performance and, before 31 December 2022, decide whether or not it would be in the best interests of all Shareholders to request an EGM to vote on a run-off of its portfolio. As mentioned above, based on the significant improvement in the performance of REL, taking into account the trading price of the Ordinary Shares and portfolio performance from 30 September 2020 to the date of this report, it is deemed to be extremely unlikely that the Company's independent Directors will seek Shareholder approval before 31 December 2022 to amend the Company's investment policy to provide for the managed wind-down of the Company and therefore the chance of this happening may therefore be assessed as remote.

Based on the aforementioned procedures and the existing internal controls of the Company and Investment Manager, the Board, with recommendation from the Audit Committee, has concluded there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of the assessment.

Directors' Responsibilities

Although the Company is domiciled in Guernsey, in accordance with the guidance set out in the AIC Code, the Directors describe in this Annual Report how the matters set out in Section 172 of the UK Companies Act 2006 have been considered in their board discussions and decision-making. Section 172 of the Companies Act requires that the directors of a company act in the way that they consider, in good faith, is most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decision in the long term and the interests of all the Company's stakeholders.

The Board seeks to encourage engagement between the Company's Shareholders and the Chairman of the Board, the Chairs of the Audit and Management Engagement Committees and the Senior Independent Director, which has been facilitated throughout the year. Up to date quarterly reporting also provides the Board with accurate, timely information on shareholder sentiment and direct feedback from service providers, impacted by the Company's operations, and is canvassed at least annually by the Chair of the Management Engagement Committee. It is against this backdrop that key decisions which are either material to the Company or are significant to any of the Company's key stakeholders, as described on pages 50 and 51, are taken. The below key decisions were made or approved by the Directors during the year, with the overall aim of promoting the success of the Company, having regard to the long term, while considering the impact on its members, stakeholders and the wider society as outlined in the ESG section on pages 8 to 14.

Engagement with Shareholders

The Company reports to Shareholders in a number of formal ways, including its Annual Report, Interim Report and regulatory news releases, all of which are approved by the Board. In addition, the Company's website contains comprehensive information for Shareholders. Due to potential travel restrictions as a result of COVID-19, the Directors are keeping the 2022 AGM location and date under review and will make announcements as information becomes available. Further details will be included in the AGM Notice and Form of Proxy, which will be published on the Company's website in advance of the AGM.

On 11 May 2020, the Company announced a buyback programme with the intention of returning £20 million to Shareholders via on market buybacks, which subsequently, on 4 October 2021, was increased to £40 million. Since the announcement, the Company has purchased 7,744,935 shares, in aggregate, for £36 million ($50 million) at an average share price of £4.65 ($6.40).

Post year-end, on 8 February 2022, the Company announced that the Board and Investment Manager agreed to allocate an additional £46.0 million to the programme. As the Company currently has the authority to repurchase 1,799,944 shares pursuant to the authority granted at its 2021 annual general meeting, the Board is convening an EGM on 4 March 2022 to seek shareholder approval to renew the Company's authority to repurchase up to 14.99 per cent. of the shares outstanding as at the date of the meeting.

Financial Risk Management Objectives

Financial Risk Management Objectives are disclosed in Note 10 on pages 84 to 88.

Principal Risk and Uncertainties

Principal Risk and Uncertainties are discussed in the Corporate Governance Report on pages 44 to 53.

Post-Year End Updates

Post-year end updates are disclosed in Note 15 on page 91.

Annual General Meetings

The AGM of the Company will be held at 15:30 pm BST on 24 May 2022 at the offices of Ocorian Administration (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands. Details of the resolutions to be proposed at the AGM, together with explanations, will appear in the notices of meetings to be distributed to Shareholders listed on the register as at 31 December 2021 together with this Annual Report. As a matter of good practice, all resolutions will be conducted on a poll and the results will be announced to the market as soon as possible after the meeting.

Due to potential travel restrictions as a result of COVID-19, the Directors are keeping the 2022 AGM location and date under review and will make announcements as information becomes available. Further details will be included in the AGM Notice and Form of Proxy, which will be published on the Company's website in advance of the AGM.

Members of the Board, including the Chairman and the Chairperson of each Committee, intend to be in attendance at the AGM if COVID-19 restrictions allow, and will be available to answer Shareholder questions. Additionally, Shareholders can submit questions in advance to IR@RiverstoneREL.com addressed for the attention of the Board.

By order of the Board

Richard Hayden

Richard Hayden
Chairman
23 February 2022

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

The Companies Law requires the Directors to prepare Financial Statements for each financial year. Under the Companies Law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the Financial Statements comply with Companies Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.RiverstoneREL.com). The work carried out by the external auditor does not involve considerations of these matters and, accordingly, the external auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Report under the Disclosure Guidance and Transparency Rules

Each of the Directors whose names are on pages 32 to 33 confirms to the best of their knowledge and belief that:

- the Financial Statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties faced; and
- the Annual Report and Financial Statements include information required by the UK Financial Conduct Authority so that the Company complies with the provisions of the Listing Rules, Disclosure Guidance and Transparency Rules of the UK Listing Authority. With regard to corporate governance, the Company is required to disclose how it has applied the principles, and complied with the provisions of the corporate governance code applicable to the Company.

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. As part of the preparation of the Annual Report and Financial Statements, the Directors have received reports and information from the Company's Administrator and Investment Manager. The Directors have considered, reviewed and commented upon the Annual Report and Financial Statements throughout the drafting process in order to satisfy itself in respect of the content. Having taken advice from the Investment Manager, the Directors consider the Annual Report and Financial Statements, taken as a whole, as fair, balanced and understandable and that it provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Richard Hayden

Richard Hayden
Chairman
23 February 2022

Patrick Firth
Director
23 February 2022

Corporate Governance Report

AS A UK LISTED COMPANY, RIVERSTONE ENERGY LIMITED'S GOVERNANCE POLICIES AND PROCEDURES ARE BASED ON THE PRINCIPLES OF THE UK CODE AS REQUIRED UNDER THE LISTING RULES. THE UK CODE IS AVAILABLE ON THE FINANCIAL REPORTING COUNCIL'S WEBSITE, WWW.FRC.ORG.UK.

The Company is subject to the GFSC Code, which applies to all companies registered as collective investment schemes in Guernsey. The GFSC has also confirmed that companies that report against the UK Code or AIC Code are deemed to meet the GFSC Code.

Although not required as the Company is no longer within the FTSE 350, the Board monitors developments in corporate governance to ensure the Board remains aligned with best practice especially with respect to the increased desired focus on greater gender and ethnic diversity on the boards of FTSE 350 companies. The Board recognises and supports the Hampton Alexander Review and the Parker Review, and acknowledges the importance of having a variety of backgrounds and experiences represented in the boardroom for the effective functioning of the Board. It is the ongoing aspiration of the Board to have a well-diversified representation. The Board also values diversity of business skills and experience because Directors with diverse skills sets, capabilities and experience gained from different geographical backgrounds enhance the Board by bringing a wide range of perspectives to the Company. The Board's view has been and, continues to be, that all appointments to the Board should be merit based, assessed against objective selection criteria. To avoid precluding any deserving candidate from consideration, executive search consultants will be asked to provide candidates from a diverse range of backgrounds and that these lists are gender neutral. With Peter Barker, Patrick Firth and Richard Hayden retiring from the Board in advance of the Company's annual general meeting in 2023, but most likely sometime before then, this will be at the forefront of the Board's transition planning. The search for replacements has already started and we expect an orderly transition to be completed after the date when the Board could call a vote regarding a potential wind-down of the Company, of which the likelihood is remote as of the date of this report (see Board Tenure and Re-election section of the Corporate Governance Report for further details).

The AIC Code addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company. The Board considers that reporting against the principles and recommendations of the AIC Code provides better information to Shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

As explained in the UK Code, the Board considers that the above provisions are not currently relevant to the position of the Company, being an externally managed investment company, which delegates most day-to-day functions to third parties.

The Company does not have a chief executive or any executive directors. The Company has not established a separate remuneration committee as the Company has no executive officers and the Board is satisfied that any relevant issues that arise can be properly considered by the Board.

The Company has no employees or internal operations and has therefore not reported further in respect of these provisions. The need for an internal audit function is discussed in the Audit Committee report.

The Board

The Company is led and controlled by a Board of Directors, which is collectively responsible for the long-term sustainable success of the Company. It does so by creating and preserving value, and has as its foremost principle acting in the interests of Shareholders as a whole and the Company's stakeholders.

The Company believes that the composition of the Board is a fundamental driver of its success as the Board must provide strong and effective leadership of the Company. The current Board was selected, as their biographies illustrate, to bring a breadth of knowledge, skills and business experience to the Company. The non-executive Directors provide independent challenge and review, bringing wide experience, specific expertise and a fresh objective perspective.

The Board consists of five Non-executive Directors (31 December 2020: five), all of whom, including the Chairman, are independent of the Company's Investment Manager; Mr Hayden, Mr Firth, Mr Barker, Mrs Whittet and Mr Thompson (31 December 2020: five). All Directors served throughout the year.

The Chairman of the Board is independent and is appointed in accordance with the Company's Articles of Incorporation. Mr Hayden is considered to be independent because he:

- has no current or historical employment with the Investment Manager;
- has no current directorships or partnerships in any other investment funds managed by the Investment Manager; and
- is not an executive of a self-managed company or an ex-employee who has left the executive team of a self-managed company within the last five years.

The Board is fully satisfied that Patrick Firth demonstrates complete independence and robustness of character and judgement in his capacity as Senior Independent Director. The Board is of the view that no individual or group of individuals dominates decision making.

New Directors receive an induction from the Investment Manager and all Directors receive other relevant training as necessary.

At each subsequent Annual General Meeting of the Company, each of the Directors at the date of the notice convening the Annual General Meeting shall retire from office and may offer themselves for election or re-election by the Shareholders.

The Board meets at least four times a year for regular, scheduled meetings and should the nature of the activity of the Company require it, additional meetings may be held, some at short notice. At each meeting the Board follows a formal agenda that covers the business to be discussed. The primary focus at Board meetings is a review of investment performance and associated matters such as asset allocation, share price discount/premium management, investor relations, peer group information, gearing, industry issues and principal risks and uncertainties in particular those identified at the end of this report.

Pre COVID-19, between meetings the Board visits the Investment Manager at least annually, and there is regular contact with the Administrator. The Board requires to be supplied in a timely manner with information by the Investment Manager, the Company Secretary and other advisers in a form and of a sufficient quality to enable it to discharge its duties.

The Company has adopted a share dealing code for the Board and will seek to ensure compliance by the Board and relevant personnel of the Investment Manager and other third party service providers with the terms of the share dealing code.

Board Tenure and Re-election

No member of the Board has served for longer than nine years as the Company was incorporated on 23 May 2013. As such, no issue has arisen to be considered by the Board with respect to long tenure. In accordance with the AIC Code, when and if any director shall have been in office (or on re-election would at the end of that term of office) for more than nine years, the Company will consider further whether there is a risk that such a director might reasonably be deemed to have lost independence through such long service. The Board considers its composition and succession planning on an ongoing basis. All Directors stand for annual re-election at the AGM.

A Director who retires at an Annual General Meeting may, if willing to continue to act, be elected or re-elected at that meeting. If, at a general meeting at which a Director retires, the Company neither re-elects that Director nor appoints another person to the Board in the place of that Director, the retiring Director shall, if willing to act, be deemed to have been re-elected unless at the general meeting it is resolved not to fill the vacancy or unless a resolution for the re-election of the Director is put to the meeting and not passed.

Directors are appointed under letters of appointment, copies of which are available at the registered office of the Company. The Board considers its composition and succession planning on an ongoing basis.

As announced by the Company in October 2020, the Board has committed to monitor the Investment Manager's success in implementing the Company's modified investment strategy over the twenty four months to November 2022. In the absence of a significant improvement in the performance of the Company, the Board has committed 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 prior to its liquidation (a "Wind-down Vote").

Each of Richard Hayden, Patrick Firth and Peter Barker were appointed to the Board during 2013 and, accordingly, will have served on the Board for more than nine years at the time of any Wind-down Vote. The Board is considering appropriate succession measures in respect of each of Mr Hayden, Mr Firth and Mr Barker, although the precise timing of any changes to the composition of the Board and the identity of any replacement directors will depend on whether a Wind-down Vote is passed by the Shareholders. If a Wind-down Vote is not proposed, or is not passed, each of Mr Hayden, Mr Firth and Mr Barker intends to step down from the Board in conjunction with the appointment of their respective successors in advance of the Company's annual general meeting in 2023. If, however, the Directors decide to call an EGM and a Wind-down Vote is approved by the Shareholders, one or more of Mr Hayden, Mr Firth and Mr Barker may stand for re-election at the Company's 2023 annual general meeting with a view to remaining on the Board while the run-off of the Company's assets is managed pending its liquidation.

Directors' Remuneration

The level of remuneration of the Non-executive Directors reflects the time commitment and responsibilities of their roles. The remuneration of the Non-executive Directors does not include any share options or other performance related elements and there are no plans to seek any Shareholder waivers to deviate from this.

The Chairman is entitled to annual remuneration of £132,000 (31 December 2020: £132,000). The Chairman of the Audit Committee is entitled to annual remuneration of £82,500 (31 December 2020: £82,500) and the Chairman of the Management Engagement Committee is entitled to annual remuneration of £71,500 (31 December 2020: £71,500). The other independent Directors are entitled to annual remuneration of £66,000 (31 December 2020: £66,000).

Corporate Governance Report continued

During the year ended 31 December 2021 and 31 December 2020, the Directors' remuneration was as follows:

Director	2021 ($'000)	2020 ($'000)
Peter Barker[(1)]	91	85
Patrick Firth[(1)(2)]	114	106
Richard Hayden[(1)(3)]	182	170
Jeremy Thompson[(1)]	91	85
Claire Whittet[(1)(4)]	98	92

(1) Non-executive Independent Director
(2) Senior Independent Director and Chairman of the Audit Committee
(3) Chairman of the Company
(4) Chairman of the Management Engagement Committee

The above fees due to the Directors are for the year ended 31 December 2021 and 31 December 2020, and none were outstanding at 31 December 2021 (31 December 2020: $nil).

Duties and Responsibilities

The Board is responsible to Shareholders for the overall management of the Company. The duties and powers reserved for the Board include decisions relating to the determination of investment policy and approval of investments in certain instances, strategy, capital raising, statutory obligations and public disclosure, financial reporting and entering into any material contracts by the Company.

The Board retains direct responsibility for certain matters, including (but not limited to):

- approving the Company's long term objective and any decisions of a strategic nature including any change in investment objective, policy and restrictions, including those which may need to be submitted to Shareholders for approval;
- reviewing the performance of the Company in light of the Company's strategy objectives and budgets ensuring that any necessary corrective action is taken;
- the appointment, overall supervision and removal of key service providers and any material amendments to the agreements or contractual arrangements with any key delegates or service providers;
- approving any transactions with "related parties" for the purposes of the Company's voluntary compliance with the applicable sections of the UK Listing Rules;
- the review of the Company's valuation policy;
- the review of the Company's corporate governance arrangements; and
- approving any actual or potential conflicts of interest.

The Directors have access to the advice and services of the Administrator, who is responsible to the Board for ensuring that Board procedures are followed and that it complies with Companies Law and applicable rules and regulations of the GFSC and the LSE. Where necessary, in carrying out their duties, the Directors may seek independent professional advice and services at the expense of the Company. The Company maintains directors' and officers' liability insurance in respect of legal action against its Directors on an ongoing basis.

The Board's responsibilities for the Annual Report are set out in the Directors' Responsibility Statement. The Board is also responsible for issuing appropriate half-yearly financial reports, quarterly portfolio valuations and other price-sensitive public reports.

Directors' attendance at Board and Committee Meetings:

One of the key criteria the Company uses when selecting Non-executive Directors is their confirmation prior to their appointment that they will be able to allocate sufficient time to the Company to discharge their responsibilities in a timely and effective manner.

The Board formally met four times during the year. The Board has held a number of ad hoc meetings, and the sub committees of the Board have met frequently, during the course of 2021. The Chairman meets privately with the Non-executive Directors before each scheduled Board meeting. Directors are encouraged when they are unable to attend a meeting to give the Chairman their views and comments on matters to be discussed, in advance. In addition to their meeting commitments, the Non-executive Directors also liaise with the Investment Manager whenever required and there is regular contact outside the Board meeting schedule. In addition to the Board members, members of the Investment Manager attend relevant sections of the Board meetings by invitation.

Attendance is further set out below:

Director	Board Meetings (max 4)	Audit Committee Meetings (max 5)	Nomination Committee Meetings (max 1)	Management Engagement Committee Meetings (max 1)	Tenure as at 31 December 2021
Peter Barker[(1)]	4	5	1	1	8 years, 4 months
Patrick Firth[(1)(2)]	4	5	1	1	8 years, 8 months
Richard Hayden[(1)]	4	5	1	1	8 years, 8 months
Claire Whittet[(1)]	4	4	1	1	6 years, 8 months
Jeremy Thompson[(1)]	4	5	1	1	5 years, 8 months

(1) Non-executive Independent Director
(2) Non-executive Senior Independent Director

A quorum is comprised of any two or more members of the Board from time to time, to perform administrative and other routine functions on behalf of the Board, subject to such limitations as the Board may expressly impose on this committee from time to time.

Travel restrictions imposed as a result of the global COVID-19 pandemic resulted in Board members who are not ordinarily resident in Guernsey being unable to travel and attend certain Board and committee meetings in person during 2021. In those cases, the relevant Board members attended those meetings by telephone or video link (and are shown as being in attendance at the relevant meeting in the table above), although only the Directors who were physically present in Guernsey were treated as being present at the meeting for the quorum and voting provisions applicable to Board and committee meetings contained in the Company's Articles.

Conflicts of interest

A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The Board requires Directors to declare all appointments and other situations that could result in a possible conflict of interest and has adopted appropriate procedures to manage and, if appropriate, approve any such conflicts. The Board is satisfied that there is no compromise to the independence of those Directors who have appointments on the boards of, or relationships with, companies outside the Company.

Committees of the Board

The Board believes that it and its committees have an appropriate composition and blend of skills, experience, independence and diversity of backgrounds to discharge their duties and responsibilities effectively. The Board keeps its membership, and that of its committees, under review to ensure that an acceptable balance is maintained, and that the collective skills and experience of its members continue to be refreshed. It is satisfied that all Directors have sufficient time to devote to their roles and that undue reliance is not placed on any individual.

Each committee of the Board has written terms of reference, approved by the Board, summarising its objectives, remit and powers, which are available on the Company's website (www.RiverstoneREL.com) and reviewed on an annual basis. All committee members are provided with appropriate induction on joining their respective committees, as well as on-going access to training. Minutes of all meetings of the committees (save for the private sessions of committee members at the end of meetings) are made available to all Directors and feedback from each of the committees is provided to the Board by the respective committee Chairmen at the next Board meeting. The Chairman of each committee attends the AGM to answer any questions on their committee's activities. Due to potential COVID-19 travel restrictions, the Directors are keeping the 2022 AGM location and date under review and will make announcements as information becomes available. Further details will be included in the AGM Notice and Form of Proxy, which will be published on the Company's website in advance of the AGM.

The Board and its committees are supplied with regular, comprehensive and timely information in a form and of a quality that enables them to discharge their duties effectively. All Directors are able to make further enquiries of management whenever necessary and have access to the services of the Company Secretary.

Audit Committee

The Audit Committee is chaired by Mr Firth and comprises Mr Barker, Mr Hayden, Mr Thompson and Mrs Whittet. The Chairman of the Audit Committee, the Investment Manager and the external auditor, Ernst & Young LLP, have held discussions regarding the audit approach and identified risks. The external auditors attend Audit Committee meetings and a private meeting is routinely held with the external auditors to afford them the opportunity of discussions without the presence of management. The Audit Committee activities are contained in the Report of the Audit Committee on pages 54 to 57.

Nomination Committee

The Nomination Committee is chaired by Mr Hayden and comprises Mr Barker, Mr Firth, Mr Thompson and Mrs Whittet.

The Nomination Committee meets at least once a year pursuant to its terms of reference and met on 23 February 2021. The Nomination Committee is convened for the purpose of considering the appointment of additional Directors as and when considered appropriate. The Nomination Committee recognises the continuing importance of planning for the future and ensuring that succession plans are in place. In considering appointments to the Board, the Nomination Committee takes into account the ongoing requirements of the Company and evaluates the balance of skills, experience, independence, and knowledge of each candidate. Appointments are therefore made on personal merit and against objective criteria with the aim of bringing new skills and different perspectives to the Board whilst taking into account the existing balance of knowledge, experience and diversity.

In the case of candidates for Non-executive Directorships, care is taken to ascertain that they have sufficient time to fulfil their Board and, where relevant, committee responsibilities. The Board believes that the terms of reference of the Nomination Committee ensure that it operates in a rigorous and transparent manner. The Board believes that, as a whole, it comprises an appropriate balance of skills, experience and knowledge. The Board also believes that diversity of experience and approach, including gender diversity, amongst Board members is of great importance and it is the Company's policy to give careful consideration to issues of Board balance and diversity when making new appointments. The Board remains focussed on the guidelines outlined by the Hampton-Alexander Review and The Parker Review.

The Nomination Committee has reviewed the composition, structure and diversity of the Board, succession planning, the independence of the Directors and whether each of the Directors has sufficient time available to discharge their duties effectively. The Nomination Committee and the Board confirm that they believe that the Board has an appropriate mix of skills and backgrounds and was selected with that in mind, that all Directors should be considered as Independent in accordance with the provisions of the AIC Code and that all Directors have the time available to discharge their duties effectively.

Corporate Governance Report continued

Notwithstanding that Claire Whittet is on the Boards of six companies listed on the London Stock Exchange or Euronext, the Committee noted that she is a full-time non-executive director and that all of the six companies are listed investment companies where the level of complexity and time commitment required is lower than larger trading companies. Further, they noted that Mrs Whittet has attended all Board and main committee meetings during the year, except for one Audit Committee meeting, and that she has always shown the time commitment to discharge fully and effectively her duties as a Director.

Patrick Firth is a director and Chairman of the Audit Committee of four companies listed on the London Stock Exchange. He is also a full-time non-executive director and all of the four companies are listed investment companies. Further, they noted that Mr Firth has attended all Board and main committee meetings during the year and that he has always demonstrated the time commitment to discharge fully and effectively his duties as a Director.

Accordingly, the Board recommends that Shareholders vote in favour of the re-election of all Directors at the forthcoming AGM, as noted in the Board Tenure and Re-election section of the Corporate Governance Report.

Management Engagement Committee

The Management Engagement Committee is chaired by Mrs Whittet and comprises Mr Barker, Mr Hayden, Mr Firth and Mr Thompson. The Management Engagement Committee meets at least once a year pursuant to its terms of reference.

The Management Engagement Committee provides a formal mechanism for the review of the performance of the Investment Manager and the Company's other advisors and service providers. It carries out this review through consideration of a number of objective and subjective criteria and through a review of the terms and conditions of the advisors' appointments with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Shareholders. During 2021, all service providers confirmed on two occasions that their Business Continuity Plans were performing well under COVID-19 restrictions and the Board noted that there was no disruption to the quality of service received.

Board Performance and Evaluation

In accordance with Provision 26 of the AIC Code which requires a formal and rigorous annual evaluation of its performance, the Board formally reviews its performance annually through an internal process. Internal evaluation of the Board, the Audit Committee, the Nomination Committee, the Management Engagement Committee and individual Directors has taken the form of self-appraisal questionnaires and discussions to determine effectiveness and performance in various areas as well as the Directors' continued independence.

The Board believes that annual evaluations are helpful and provide a valuable opportunity for continuous improvement.

All Directors participated in the evaluation, and the findings were collectively considered by the Board. No significant areas of weaknesses were highlighted during the evaluation and the Board concluded that it had operated effectively throughout 2021. The Board is confident in its ability to continue effectively to lead the Company and oversee its affairs.

The Board believes that the current mix of skills, experience, knowledge and age of the Directors is appropriate to the requirements of the Company.

The Board commissions an independent evaluation of its performance every three years. The next independent evaluation is due in 2022.

New Directors receive an induction on joining the Board and regularly meet with the senior management employed by the Investment Manager both formally and informally to ensure that the Board remains regularly updated on all issues. All members of the Board are members of professional bodies and serve on other Boards, which ensures they are kept abreast of the latest technical developments in their areas of expertise.

The Board arranges for presentations from the Investment Manager, the Company's brokers and other advisors on matters relevant to the Company's business. The Board assesses the training needs of Directors on an annual basis.

Internal Control and Financial Reporting

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or loss. However, the Board's objective is to ensure that Riverstone Energy Limited has appropriate systems in place for the identification and management of risks. The Directors carry out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The key procedures which have been established to provide internal control are that:

- the Board has delegated the day-to-day operations of the Company to the Administrator and Investment Manager; however, it retains accountability for all functions it delegates;
- the Board clearly defines the duties and responsibilities of the Company's agents and advisors and appointments are made by the Board after due and careful consideration. The Board monitors the ongoing performance of such agents and advisors and will continue to do so through the Management Engagement Committee;
- the Board monitors the actions of the Investment Manager at regular Board meetings and is given frequent updates on developments arising from the operations and strategic direction of the underlying investee companies;
- the Administrator provides administration and company secretarial services to the Company.

The Administrator maintains a system of internal control on which they report to the Board; and

- the Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator and Investment Manager, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control, which safeguards Shareholders' investment and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external reporting purposes. The Administrator and Investment Manager both operate risk controlled frameworks on a continual ongoing basis within a regulated environment. The Administrator has undertaken an ISAE 3402: Assurance Reports on Controls at a Service Organisation audit and formally reports to the Board quarterly through a compliance report. The Investment Manager formally reports to the Board quarterly including updates within Riverstone and also engages with the Board on an ad-hoc basis as required. No weaknesses or failings within the Administrator or Investment Manager have been identified.

The systems of control referred to above are designed to ensure effectiveness and efficient operation, internal control and compliance with laws and regulations. In establishing the systems of internal control, regard is paid to the materiality of relevant risks, the likelihood of costs being incurred and costs of control. It follows therefore that the systems of internal control can only provide reasonable but not absolute assurance against the risk of material misstatement or loss. This process has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements. It is reviewed by the Board and is in accordance with the FRC's internal control publication: Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Investment Management Agreement

The Investment Manager is the sole investment manager of the Company and the Partnership. Pursuant to the Investment Management Agreement, the Investment Manager has responsibility for and discretion over investing and managing the Company's and the Partnership's direct and indirect assets, subject to and in accordance with the Company's investment policy. The Investment Manager is entitled to delegate all or part of its functions under the Investment Management Agreement to one or more of its affiliates.

The Company has delegated the provision of all services to external service providers whose work is overseen by the Management Engagement Committee at its regular scheduled meetings. Each year, a detailed review of performance pursuant to their terms of engagement is undertaken by the Management Engagement Committee. In particular, during 2019, the Management Engagement Committee and the Investment Manager discussed fees, termination provisions, capital structure management, the performance of the Company, and the basis of the Company's and the Investment Manager's relationship and alignment of interests at length, including the benefits to the Company of Riverstone's extensive participation in the management of all of the Company's investments and the significant equity commitment of Riverstone to the Company as one of its major Shareholders.

In accordance with Listing Rule 15.6.2(2)R and having formally appraised the performance and resources of the Investment Manager, in the opinion of the Directors the continuing appointment of the Investment Manager on the terms agreed is in the interests of the Shareholders as a whole.

On 3 January 2020, the Company announced amendments to Performance Allocation arrangements under the Investment Management Agreement that are effective from 30 June 2019. The amended terms on which the Company is required to pay a Performance Allocation in respect of its investment are as follows:

- Portfolio level cost benchmark: A Performance Allocation will only be distributed in respect of a realised investment if, at the time of the realisation of the relevant investment, the aggregate of the fair market value of all of the Company's then unrealised investments and the proceeds of all of its realised investments since inception exceeds the aggregate acquisition price of all of the Company's unrealised and realised investments. If this portfolio level cost benchmark is not met at the time of realisation of the relevant investment, distribution of the Performance Allocation is subject to deferment as described further below. As of 31 December 2021, the portfolio level cost benchmark was in deficit of $208 million.
- 8 per cent. hurdle rate: A Performance Allocation will only be accrued for payment upon the realisation of an investment if the proceeds from that investment exceed an amount equal to its acquisition cost plus an 8 per cent. annual cumulative hurdle rate calculated from the date of investment to the date of realisation. If the hurdle is met, the Performance Allocation will be 20 per cent. of all Net Profits in respect of each such investment. As of 31 December 2021, the Ridgebury H3, Onyx, Enviva, GoodLeap, FreeWire, DCRN/Tritium, DCRC/Solid Power and Samsung Ventures investments exceeded the hurdle rate and the total portfolio's Gross IRR is approximately -3.7 per cent.
- Full realisation: A Performance Allocation will only be calculated and accrued on the full realisation of the entire interest in an investment, unless a partial realisation results in the full return of all capital invested in such investment. Otherwise, no Performance Allocation will be payable on partial disposals and the ability for the Investment Manager to elect to receive a Performance Allocation on an investment that has been held by the Company for at least seven years (but not sold) has been removed.
- Deferral: If the portfolio level cost benchmark is not met at the time of full realisation of the relevant investment, it will be retested on a quarterly basis for the following three years. If, at any time during those three years, the benchmark is satisfied for four continuous quarters, the relevant Performance Allocation will then become distributable without interest. Any accrued but undistributed Performance Allocation that has been deferred due to the portfolio level cost benchmark test will expire after 36 months.

The Investment Manager will continue to be required to apply each Performance Allocation (net of taxes) to acquire ordinary shares of the Company.

During the year, in compliance with the laws of the Cayman Islands, the Company and its existing Investment Manager, Riverstone International Limited, a Cayman Islands exempted company, assigned its investment advisory rights and obligations under the Company's Investment Management Agreement to RIL's immediate parent entity, RIGL Holdings, LP, a Cayman Islands exempted limited partnership.

Corporate Governance Report continued

Furthermore, on 9 December 2020, the Company's Investment Management Agreement has been amended to remove the Investment Manager's ability to nominate directors of the Company and to replace it with the ability to request that its representatives attend Board meetings as observers instead, except in circumstances where matters specifically regarding the Investment Manager and its affiliates are being considered.

Distribution of Investment Proceeds

In addition, the Company and the Investment Manager have agreed that, going forward, 20 per cent. of the Net Profits attributable to each fully realised investment, net of taxes, withholdings or reserves for taxes will, at the discretion of the Company, be available for distribution to the Company's Shareholders, whether by dividend or share repurchases.

Our Culture

The Board has determined that the Company's culture is built around that of the Investment Manager, with a focus on long lasting relationships with a diverse investor base; sustainable investment excellence; and a world class team demonstrating extensive industry knowledge. The Board monitors the Company's culture on an annual basis through continued engagement with Shareholders and management.

Relations with Shareholders

The Board welcomes Shareholders' views and places great importance on communication with its Shareholders. Due to potential COVID-19 travel restrictions, the Directors are keeping the 2022 AGM location and date under review and will make announcements as information becomes available. Further details will be included in the AGM Notice and Form of Proxy, which will be published on the Company's website in advance of the AGM. In addition, Mr Firth, as the Senior Independent Director, is also available to Shareholders if they have concerns which contact through the normal channels has failed to resolve or for which such contact would be inappropriate. Mrs Whittet, Management Engagement Committee Chair, is available to discuss matters regarding service providers of REL. The Chairman, Senior Independent Director and other Directors are also available to meet with Shareholders at other times, if required. At the request of several Shareholders, the Chairman, Senior Independent Director and other Directors arranged meetings and addressed direct correspondence raised at the quarterly Board meetings during the year.

The Company reports formally to Shareholders in a number of ways; regulatory news releases through the London Stock Exchange's Regulatory News Service, announcements are issued in response to events or routine reporting obligations. Also, an Interim Report will be published each year outlining performance to 30 June and the Annual Report will be published each year for the year ended 31 December, both of which will be made available on the Company's website. In addition, the Company's website contains comprehensive information, including company notifications, share information, financial reports, investment objectives and policy, investor contacts and information on the Board and corporate governance. Shareholders and other interested parties can subscribe to email news updates by registering online on the website.

2022 KEY SHAREHOLDER ENGAGEMENTS

→ **January**
Quarterly Portfolio Valuations

→ **February**
Full Year Results

→ **April**
Notice of Annual General Meeting

Quarterly Portfolio Valuations

→ **May**
Annual General Meeting

→ **July**
Quarterly Portfolio Valuations

→ **August**
Half Year Results

→ **October**
Quarterly Portfolio Valuations

The Investment Manager has regular contact with Shareholders, including the Cornerstone Investors, and any views that they may have are communicated to the Board and vice versa. No sensitive information is provided to the Cornerstone Investors that is not provided to the Shareholders as a whole and at the same time. The Board is also kept fully informed of all relevant market commentary on the Company by the Investment Manager and the Corporate Brokers. The Directors and Investment Manager receive informal feedback from analysts and investors, which is presented to the Board by the Company's Broker. The Company Secretary also receives informal feedback via queries submitted through the Company's website and these are addressed by the Board, the Investment Manager or the Company Secretary, where applicable.

Over the year, the Investment Manager's investor relations team and senior management held several roadshows and meetings with investors and equity research analysts.

Financial results, events, corporate reports, webcasts and fact books are all stored in the Investor Relations section of our website: www.riverstonerel.com/investors/

Engagement with Stakeholders

The wider stakeholders of the Company comprise its service providers, investee companies and suppliers and the Board recognises and values these stakeholders.

The Company's relationship with its service providers, including the Investment Manager, is of particular importance. Service providers have been selected and engaged based on due diligence and references including consideration of their internal controls and expertise. The Company has a Management Engagement Committee, who will review the performance of each service provider annually and provide feedback as appropriate, to maintain good working relationships.

Responsible investing principles have been applied to each of the investments made, which ensures that appropriate due diligence has been conducted and that the terms of the investments are clearly set out and agreed with investee companies in advance.

The Board recognises that relationships with suppliers are enhanced by prompt payment and the Company's Administrator, in conjunction with the Investment Manager, ensures all payments are processed within the contractual terms agreed with the individual suppliers.

Relations with Other Stakeholders

The Investment Manager conducts presentations with analysts and investors to coincide with the announcement of the Company's full and half year results, providing an opportunity for discussions and queries on the Company's activities, performance and key metrics. In addition to these semi-annual presentations, the Investment Manager meets regularly with analysts and investors to provide further updates with how the Company and the investment portfolio are performing.

The Directors and Investment Manager receive informal feedback from analysts and investors, which is presented to the Board by the Company's Brokers. The Company Secretary also receives informal feedback via queries submitted through the Company's website and these are addressed by the Board, the Investment Manager or the Company Secretary, where applicable.

The Directors recognise that the long term success of the Company is linked to the success of the communities in which the Group, and its investee companies, operate.

Whistleblowing

The Board has considered arrangements by which staff of the Investment Manager or Administrator may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters. It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their organisation.

Principal Risks and Uncertainties

The Company's assets consist of investments, through the Partnership, within the global energy industry, with a particular focus on opportunities in the global exploration and production and midstream energy sub-sectors. Its principal risks are therefore related to market conditions in the energy and energy transition sectors in general, but also the particular circumstances of the businesses in which it is invested through the Partnership. The Investment Manager to the Partnership seeks to mitigate these risks through active asset management initiatives and carrying out due diligence work on potential targets before entering into any investments.

Each Director is fully aware of the risks inherent in the Company's business and understands the importance of identifying, evaluating and monitoring these risks. The Board has adopted procedures and controls that enable it to carry out a robust assessment of the risks facing the Company, manage these risks within acceptable limits and to meet all of its legal and regulatory obligations. The Board is committed to upholding and maintaining our zero tolerance towards the criminal facilitation of tax evasion.

The Board thoroughly considers the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis and these risks are reported and discussed at Board meetings. It ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are upheld. The Board and Investment Manager have been in continuous dialogue regarding the impact of COVID-19 and appropriate disclosures within the Company's 2021 Annual Report and Financial Statements, including necessary updates to the key areas of risk faced by the Company as certain risks have been elevated in terms of importance for the immediate near-term. With regards to the continuing impact of COVID-19, the inherent risk of the global energy sector has been included below, as well as the corresponding measures taken by the Board, through the Management Engagement Committee, and the Investment Manager to mitigate the impact of this risk.

For each material risk, the likelihood and consequence are identified, management controls and frequency of monitoring are confirmed, and results reported and discussed at the quarterly Board meetings.

The Company's principal risk factors are fully discussed in the Prospectuses, available on the Company's website (www.RiverstoneREL.com) and should be reviewed by Shareholders.

Corporate Governance Report continued

The key areas of risk faced by the Company are summarised below:

1. The Company initially intended to only invest in the global energy sector, with a particular focus on oil and gas exploration and production, and midstream investments, which exposed it to concentration risk. Under the modified investment strategy, the Company has pivoted to focus on energy transition and decarbonisation, and the investment portfolio has therefore been diversified.
2. The Ordinary Shares have traded at a Discount to NAV per Share for reasons including but not limited to: market conditions, liquidity concerns and actual or expected Company performance. As such, there is no guarantee that attempts to mitigate such discount will be successful or that the use of discount control mechanisms will be possible, advisable or adopted by the Company. There is a risk that through successive buybacks to try and manage the market discount to NAV, the Company may become too small to be able to make new investments or follow-on investments.
3. Investments in the exploration and production and midstream sectors of the global energy sector involve a degree of inherent risk.
   - → The countries in which the Company invests may be exposed to domestic policy changes and geopolitical risks.
   - → The change in the price of oil could adversely affect the investment valuations through the public market trading and transaction comparables, the discounted cash flow rates, and potentially limit exit opportunities.
   - → A change in interest rates could adversely affect efficient access to debt as a source of capital for both portfolio investments and potential buyers of portfolio investments.
   - → The regulatory and tax environment of the Company's target investments is potentially subject to change, which may adversely affect the value or liquidity of investments held by the Company or its ability to obtain leverage.
   - → The Company will be exposed to increased risk by investing in build-up and early-stage investments that have little or no operating history and are comparably more vulnerable to financial failure than more established companies. The investor should be aware there can be no assurance that losses generated by these types of entities will be offset by gains (if any) realised on the Company's other investments.
   - → An investment's requirements for additional capital may require the Company to invest more capital than it had originally planned or result in the dilution of the Company's investment or a decrease in the value of that investment.
   - → The Company is now investing in decarbonisation assets which are within an emerging industry. Some of the technologies are unproven, leading to some level of risk.
   - → Current regulations require SIFIs, specifically large banks, to hold sufficient capital as a buffer against trading losses, or CAR / CRAR. Since commodities are more volatile / risky in the current market, it could strip large banks of commodity trading operations to alleviate the capital required to maintain their CAR / CRAR. This could in turn impact the commodity prices and therefore the value of REL's portfolio companies.
   - → Some of REL's portfolio companies operate in hazardous industries, which are highly regulated by safety and health laws. Failure to provide a safe working environment may result in harm to employees and local communities. Governments may force closure of facilities or refuse future drilling right applications.
   - → The ongoing coronavirus pandemic has led to reductions in the near-term demand for energy especially within oil and gas, and long-term impacts remain unknown. However, the pivot towards energy transition assets should help to alleviate this risk.
   - → Allegations of human rights abuse within the supply chain of the production of solar panels in the Xinjiang region in China could result in operational challenges and reputational damage.

   The Company invests broadly across various energy subsectors and going forward those with de-carbonisation strategies. The Company will make investments that are compliant with the Investment Manager's ESG policy.
4. It will be costly for the Company to terminate its Investment Management Agreement as it has to make significant payments, including if a Discontinuation Resolution were to be proposed and passed by Shareholders or if the Company was otherwise wound up. The Investment Management Agreement does not provide for the Company to terminate the agreement on notice without specific cause, and poor investment performance, the departure of key Riverstone executives or a change of control of Riverstone do not constitute cause for these purposes.
5. Affiliates of the Investment Manager and the Company's Cornerstone Investors would be entitled to vote on any Discontinuation Resolution that may be proposed. As the Investment Manager and its affiliates (and, indirectly, the Cornerstone Investors) receive fees from the Company, they will most probably be incentivised to vote against such resolution. Riverstone and the Company's Cornerstone Investors, in aggregate, own ~35 per cent. of outstanding Ordinary Shares, with the largest investor owning ~20 per cent. as at 31 December 2021.

6. Differences in the investment time horizons and fee provisions between the Company and the private funds managed by Riverstone may create conflicts regarding the allocation of investment opportunities and holding periods between the Company and those funds, in particular as a result of step-downs in fees payable by a private fund part way through its duration. The investments made via Special Purpose Acquisition Companies ("SPACs") may attract a degree of liquidity risk of the SPAC vehicle itself. In addition, companies in the oil and gas sector are suffering from Capital Starvation and may have difficulties in securing finance in the future. For this reason, investment disposals by sale within the industry can be increasingly more difficult.
7. Climate change and the transition to a lower carbon economy could possibly reduce demand for the Company's existing investments and limit future growth opportunities. General sentiment may affect investor appetite and hence lead to a depression of the share price. The Company may be subject to the risk of Perceived Green Washing. There is a risk that the change to ESG investment focus is wrongly perceived by the market as being without genuine foundation having been adopted late in the lifetime of the fund. Furthermore, there may be a perceived over reliance on the Investment Manager's ESG credentials. Riverstone has adopted well publicised and market-leading credentials for ESG investing having become a signatory to the UN Principles for Responsible Investment. These are explained at length in the Annual Report and the Riverstone website. There is a risk that these are not tested and examined at the level of the Board.

The Company (as with all companies) continues to be exposed to external cyber-security threats. The Company recognises the increased incidence of cyber-security threats and has recently reviewed its policies, procedures and defences to mitigate associated risks, as well as those of the Investment Manager, Administrator and key service providers; engaging market-leading specialists where appropriate. We continually develop our IT infrastructure, and monitor those of the Investment Manager, Administrator and key service providers, to ensure the Company is resilient to existing and emerging threats.

The above key risks are mitigated and managed by the Board through continual review, policy setting and updating of the Company's risk matrix at each Audit Committee Meeting to ensure that procedures are in place with the intention of minimising the impact of the above mentioned risks. The Board relies on periodic reports provided by the Investment Manager and Administrator regarding risks that the Company faces. When required, experts will be employed to gather information, including tax advisors, legal advisors, and environmental advisors. As it is not possible to eliminate risks completely, the purpose of the Company's risk management policies and procedures is not to eliminate risks, but to reduce them and to ensure that the Company is adequately prepared to respond to such risks and to minimise any impact if the risk develops.

Over the Company's viability period of the next three years, the Investment Manager continues to seek monetisation of the Company's existing E&P investments and reinvest in new investments that span the entire energy value chain, with a specific focus on investments that support energy transition and decarbonisation. The green washing risk and perceived over reliance of the ESG credentials of the Investment Manager is mitigated by the experience, background and ESG credentials of the Board, the adoption of specific Environmental, Social and Corporate Governance criteria, independently of the Investment Manager, with which to assess and review investee companies and monitor them on an ongoing basis at each quarterly Board meetings, and consideration to exclude certain activities as being out of scope. The ESG credentials of the Company will be further enhanced by the publication on the AIC website of the ESG principles adopted by the Company, detailed explanation of ESG principles broken down and applied to the fund's new investments, as reported in this Annual Report. The Board is undertaking a strong analysis of the ESG principles adopted by the Company as part of the deal due diligence and ongoing monitoring of investments.

The Company's Management Engagement Committee continues to receive updates from REL's key service providers, including the Investment Manager, regarding their ongoing response to COVID-19, including an update on their respective business continuity plans. The Investment Manager activated its business continuity plan and its regular working pattern has changed to remote working, though all staff are continuing to assume their day-to-day responsibilities remotely. There has been regular communication with its employees, as well as its investors. In addition, the Investment Manager's partners are hosting regular calls on potential investment opportunities in this new environment (caused by COVID and OPEC+ news), so that Riverstone can best position the portfolio for the future. The Investment Manager has contacted its portfolio companies to make sure that they have the appropriate plans and resources in place to prioritise the health and safety of their employees, as well as to assess supply chain disruptions and ensure the normal operations of our businesses.

The Company's financial instrument risks are discussed in Note 10 to the Financial Statements.

By order of the Board

Richard Hayden

Richard Hayden
Chairman
23 February 2022

Report of the Audit Committee

THE AUDIT COMMITTEE, CHAIRED BY MR FIRTH, OPERATES WITHIN CLEARLY DEFINED TERMS OF REFERENCE, WHICH ARE AVAILABLE FROM THE COMPANY'S WEBSITE WWW.RIVERSTONEREL.COM, AND INCLUDE ALL MATTERS INDICATED BY DISCLOSURE GUIDANCE AND TRANSPARENCY RULE 7.1, THE AIC CODE AND THE UK CODE.

Its other members are Mr Barker, Mr Hayden, Mr Thompson and Mrs Whittet. Members of the Audit Committee must be independent of the Company's external auditor and Investment Manager. The Audit Committee will meet no less than three times in a year, and at such other times as the Audit Committee Chairman shall require, and will meet the external auditor at least once a year.

The Committee members have considerable financial and business experience and the Board has determined that the membership, as a whole, has sufficient recent and relevant sector and financial experience to discharge its responsibilities and that at least one member has competence in accounting or auditing having a background as a chartered accountant.

Responsibilities

The main duties of the Audit Committee are:

- to monitor the integrity of the Company's Financial Statements and regulatory announcements relating to its financial performance and review significant financial reporting judgements;
- to report to the Board on the appropriateness of the Company's accounting policies and practices;
- to review the valuations of the Company's investments prepared by the Investment Manager, and provide a recommendation to the Board on the valuation of the Company's investments;
- to oversee the relationship with the external auditors, including agreeing their remuneration and terms of engagement, monitoring their independence, objectivity and effectiveness, ensuring that policy surrounding their engagement to provide non-audit services is appropriately applied, and making recommendations to the Board on their appointment, reappointment or removal, for it to put to the Shareholders in general meeting;
- to monitor and consider annually whether there is a need for the Company to have its own internal audit function;
- to keep under review the effectiveness of the Company's internal controls, including financial controls and risk management systems;
- to review and consider the UK Code, the AIC Code, the GFSC Code, the AIC Guidance on Audit Committees and the Stewardship Code; and
- to report to the Board on how it has discharged its responsibilities.

The Audit Committee is aware that the Annual Report is not subject to formal statutory audit, including the Chairman's Statement and the Investment Manager's Report. Financial information in these sections is reviewed by the Audit Committee.

The Audit Committee is required to report its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

The external auditor is invited to attend the Audit Committee meetings at which the Annual Report and Interim Financial Report are considered and at which they have the opportunity to meet with the Committee without representatives of the Investment Manager or Administrator being present at least once per year.

Financial Reporting

The primary role of the Audit Committee in relation to financial reporting is to review with the Administrator, Investment Manager and the external auditor and report to the Board on the appropriateness of the Annual Report and Financial Statements and Interim Financial Report, concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- material areas in which significant judgements have been applied or there has been discussion with the external auditor including going concern and viability statement;

- whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy; and
- any correspondence from regulators in relation to our financial reporting.

To aid its review, the Audit Committee considers reports from the Administrator and Investment Manager and also reports from the external auditor on the outcomes of their half-year review and annual audit. The Audit Committee supports Ernst and Young LLP in displaying the necessary professional scepticism their role requires.

Meetings

During the year ended 31 December 2021, the Audit Committee met formally five times and maintained ongoing liaison and discussion between the external auditor and the Chairman of the Audit Committee with regards to the audit approach and the identified risks. Additional ad hoc meetings or informal discussions have been convened at other times during the year as the Committee determined appropriate. The Audit Committee has met on one occasion since the year-end through to the date of this report on 22 February 2022. The matters discussed at those meetings include:

- review of the terms of reference of the audit committee for approval by the Board;
- review of the accounting policies and format of the Financial Statements;
- review and approval of the audit plan of the external auditor;
- discussion and approval of the fee for the external audit;
- detailed review of the valuations of the Company's investment portfolio and recommendation for approval by the Board;
- detailed review of the Annual Report and Financial Statements, Interim Financial Report and quarterly portfolio valuations, and recommendation for approval by the Board;
- assessment of the independence of the external auditor;
- assessment of the effectiveness of the external audit process as described below;
- review of the Company's key risks and internal controls;
- consideration of going concern applicability;
- focus on ESG; and
- application of any IFRS changes.

Significant Areas of Judgement Considered by the Audit Committee

The Audit Committee has determined that a key risk of misstatement of the Company's Financial Statements relates to the valuation of the investment in the Partnership at fair value through profit or loss, in the context of the judgements necessary to evaluate market values of the underlying investments held through the Partnership.

The Directors have considered whether any discount or premium should be applied to the net asset value of the Partnership, which is based on the fair value of its underlying investments. In view of the Company's investment in the Partnership and the nature of the Partnership's assets, no adjustment to the net asset value of the Partnership has been made, as this is deemed equivalent to fair value.

The Audit Committee reviews, considers and, if thought appropriate, recommends for the purposes of the Company's Financial Statements, valuations prepared by the Investment Manager in respect of the investments of the Partnership. As outlined in Note 6 to the Financial Statements, the total carrying value of the investment in the Partnership at fair value through profit or loss at 31 December 2021 was $674 million (31 December 2020: $384 million). Market quotations are not available for this financial asset such that the value of the Company's investment is based on the value of the Company's limited partner capital account with the Partnership, which itself is based on the value of the Partnership's investments as determined by the Investment Manager, along with the cash and fixed deposits held. The valuation for each individual investment held by the Partnership is determined by reference to common industry valuation techniques, including comparable public market valuation, comparable merger and acquisition transaction valuation, and discounted cash flow valuation, as detailed in the Investment Manager's Report and Note 5 to the Financial Statements.

The valuation process and methodology was discussed with the Investment Manager and with the external auditor at the Audit Committee meetings held on 26 October 2021 and 23 February 2022. The Investment Manager has carried out a valuation quarterly and provided a detailed valuation report to the Company at each quarter.

The Audit Committee reviewed the Investment Manager's Report.

The external auditor explained the results of their audit work on valuations. There were no adjustments proposed that were material in the context of the Annual Report and Financial Statements as a whole.

Report of the Audit Committee continued

The Audit Committee considers, and if thought appropriate, recommends that the Board adopts the going concern basis for preparing the Company's Financial Statements. As outlined in Note 3 to the Financial Statements, the Audit Committee has considered the risks that could impact the Company's liquidity over the next period from the date of approval of the Financial Statements up until March 2023, as well as taken into account the below four key considerations.

1. Available liquid resources and potential proceeds from investment realisations versus current and expected liabilities of the Company over the period from the date of approval of the Financial Statements up until 31 March 2023;
2. Available liquid resources and potential proceeds from investment realisations versus total potential unfunded commitments of the Partnership;
3. Recent NAV & Share Price Performance of the Company;
4. Discount to NAV of the Company; and
5. Ongoing Impact of COVID-19.

The Audit Committee, based on the reasons set out in Note 3 to the Financial Statements, are satisfied, as of today's date, that it is appropriate to adopt the going concern basis in preparing these Financial Statements and has recommended this approach is adopted by the Board.

The Audit Committee considers, and if thought appropriate, recommends that the Board considers the Company's viability over a period of three years to 31 December 2024. The Audit Committee has determined that the period of three years was deemed to be an appropriate timeframe and that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over this period of assessment, as further outlined in the Report of the Directors on pages 39 and 40. Accordingly, the Audit Committee has recommended the three period of assessment for the Company's longer term viability is adopted by the Board.

Risk Management

The Board is accountable for carrying out a robust assessment of the principal risks facing the Company, including those threatening its business model, future performance, solvency and liquidity. On behalf of the Board, the Audit Committee reviews the effectiveness of the Company's risk management processes. The Company's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Audit Committee. The work of the Audit Committee was driven primarily by the Company's assessment of its principal risks and uncertainties as set out in the Corporate Governance Report. The Audit Committee receives reports from the Investment Manager and Administrator on the Company's risk evaluation process and reviews changes to significant risks identified.

Internal Audit

The Audit Committee shall consider at least once a year whether or not there is a need for an internal audit function. Currently, the Audit Committee does not consider there to be a need for an internal audit function, given that there are no employees in the Company and all outsourced functions are with parties who have their own internal controls and procedures.

External Audit

Ernst & Young LLP has been the Company's external auditor since the Company's incorporation. This is the ninth year of audit.

The external auditor is required to rotate the audit partner every five years. The current Ernst & Young LLP lead audit partner, David Moore, started his tenure in 2018 and his current rotation will end with the audit of the 2022 Annual Report and Financial Statements. There are no contractual obligations restricting the choice of external auditor and the Company will put the audit services contract out to tender at least every ten years. Under Companies Law, the reappointment of the external auditor is subject to Shareholder approval at the Annual General Meeting.

The Audit Committee assessed the qualifications, expertise and resources, and independence of the external auditor as well as the effectiveness of the audit process. This review covered all aspects of the audit service provided by Ernst & Young LLP, including obtaining a report on the audit firm's own internal quality control procedures and consideration of the audit firm's annual transparency reports in line with the UK Code. The Audit Committee also approved the external audit terms of engagement and remuneration. During 2021, the Committee held private meetings with the external auditor. The Audit Committee Chairman also maintained regular contact with the audit partner throughout the year. These meetings provide an opportunity for open dialogue with the external auditor without management being present. Matters discussed included the auditor's assessment of significant financial risks and the performance of management in addressing these risks, the auditor's opinion of management's role in fulfilling obligations for the maintenance of internal controls, the transparency and responsiveness of interactions with management, confirmation that no restrictions have been placed on them by management, maintaining the independence of the audit, and how they have exercised professional challenge. The Audit Committee will continue to monitor the performance of the external auditor on an annual basis and will consider their independence and objectivity, taking account of appropriate guidelines. In addition, the Committee Chairman will continue to maintain regular contact with the lead audit partner outside the formal Committee meeting schedule, not only to discuss formal agenda items for upcoming meetings, but also to review any other significant matters. Members of the Audit Committee also sat in on the valuation meetings between the Investment Manager and external auditor.

The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the external auditor, with particular regard to the level of non-audit fees. The Audit Committee is also monitoring developments, in this regard, with respect to the Crown Dependencies' Audit Rules and Guidance. Notwithstanding such services the Audit Committee considers Ernst & Young LLP to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit.

To further safeguard the objectivity and independence of the external auditor from becoming compromised, the Audit Committee has a formal policy governing the engagement of the external auditor to provide non-audit services. This precludes Ernst & Young LLP from providing certain services such as valuation work or the provision of accounting services and also sets a presumption that Ernst & Young LLP should only be engaged for non-audit services where Ernst & Young LLP are best placed to provide the non-audit service for example, the interim review. Note 13 details services provided by Ernst & Young LLP. In addition to processes put in place to ensure segregation of audit and non-audit roles, Ernst & Young LLP is required, as part of the assurance process in relation to the audit, to confirm to the Committee that it has both the appropriate independence and the objectivity to allow it to continue to serve the members of the Company. This confirmation is received every six months and no matters of concern were identified by the Committee.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee considers:

- discussions with or reports from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the external auditor.

To assess the effectiveness of the external auditor, the committee reviews:

- the external auditor's fulfilment of the agreed audit plan and variations from it;
- discussions or reports highlighting the major issues that arose during the course of the audit; and
- feedback from other service providers evaluating the performance of the audit team.

In respect of the year ended 31 December 2019, the audit of the Company was subject to review by the FRC's Audit Quality Review team as part of its routine programme of audit firm quality inspections. The Audit Committee considered the review team's findings noting that there were no key findings reported. The Audit Committee Chairman discussed the review with the audit engagement partner in November 2020.

The Audit Committee is satisfied with Ernst & Young LLP's effectiveness and independence as external auditor having considered the degree of diligence and professional scepticism demonstrated by them. Having carried out the review described above and having satisfied itself that the external auditor remains independent and effective, the Audit Committee has recommended to the Board that Ernst & Young LLP be reappointed as external auditor for the year ending 31 December 2022.

The Audit Committee has provided the Board with its recommendation to the Shareholders on the re-appointment of Ernst & Young LLP as external auditor for the year ending 31 December 2022. Accordingly, a resolution proposing the reappointment of Ernst & Young LLP as our external auditor will be put to Shareholders at the Annual General Meeting.

On behalf of the Audit Committee

Patrick Firth
Chairman of the Audit Committee
23 February 2022

Independent Auditor's Report to the Members of Riverstone Energy Limited

Opinion

We have audited the Financial Statements of Riverstone Energy Limited for the year ended 31 December 2021 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union ('IFRS').

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the Financial Statements section" of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- The audit engagement partner directed and supervised the audit procedures on going concern, including internal consultations where deemed necessary;
- We assessed the determination made by the Board of Directors of the Company and the Investment Manager that the Company is a going concern, including sensitivity disclosures and their assessment of any ongoing COVID-19 impacts up until 31 March 2023, and hence the appropriateness of the financial statements to be prepared on a going concern basis;
- We obtained the cash flow forecasts and sensitivities prepared by the Investment Manager and tested the arithmetical accuracy of the models;
- We challenged the appropriateness of the Investment Manager's forecasts by assessing historical forecasting accuracy, challenging their consideration of downside sensitivity analysis and applying further sensitivities to understand the impact on liquidity of the Company;
- We assessed whether available funds compared to commitments made to underlying investments, taking account of the existing arrangements with the Riverstone Energy Investment Partnership, L.P. ("the underlying Partnership") and continued share buy-backs, cast significant doubt over the going concern status of the Company;
- We considered the movement in the NAV and share price since the notification to Shareholders that the Board may seek Shareholder approval before 31 December 2022 to amend the Company's investment policy to provide for the managed run-off of the Company's portfolio;
- We obtained the Board's assessment of the probability that they would request such an approval and the associated disclosures in the Annual Report and audited Financial Statements; and
- We assessed the disclosures in the Annual Report and Financial Statements relating to going concern to ensure they were fair, balanced and understandable and in compliance with IAS1.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern from the date the Financial Statements are authorised for issue up until 31 March 2023.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' Statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	→ Misstatement or manipulation of the valuation of the Company's investment in Riverstone Energy Investment Partnership, L.P. ("the Underlying Partnership")
Materiality	→ Overall materiality of $13.2 million which represents 2 per cent. of equity.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the Financial Statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

All audit work was performed directly by the audit engagement team. The audit was led from Guernsey, and the audit team included individuals from the Guernsey and New York offices of Ernst & Young and operated as an integrated audit team. In addition, we engaged our Valuation, Modelling and Economics ("VME") industry valuation specialists from the Houston and London offices, who assisted us in auditing the valuation of unquoted investments. The scope of their work was consistent with the prior year.

Climate change

The Company has explained climate-related risks in the 'Climate Change' section of their Environmental, Social and Governance ("ESG") Report on pages 8 to 14. These have been summarised from the Investment Manager's Annual ESG report issued in February 2022, and form part of the "Other information", rather than the audited Financial Statements. Our procedures on these disclosures therefore consisted solely of considering whether these disclosures are materially inconsistent with the Company's Financial Statements, or our knowledge obtained in the course of the audit, or otherwise appear to be materially misstated.

Our audit effort was focused on the significant assumptions used in estimating the valuation of the Company's investment in the underlying Partnership. Details of our procedures and findings are included in our key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Misstatement or manipulation of the valuation of the Company's investment in the underlying Partnership ($674 million; 2020 $384 million) The fair value of the Company's investment in the underlying Partnership is based on the Net Asset Value of the underlying Partnership which, in turn, is based on the fair values of its net assets including the underlying investments held by the underlying Partnership through the investment structures. A number of the underlying investments are level three investments as defined in the IFRS hierarchy. Valuing such investments requires significant judgement and estimation as explained in Note 3 to the Financial Statements and in the Audit Committee Report on pages 54 to 57. It also requires significant industry expertise. The values of unquoted investments may be misstated due to the application of inappropriate methodologies, inputs to the valuation, discount/premiums applied at the underlying Partnership level and/or inappropriate judgmental factors.	Our audit procedures consisted of: → Updating and confirming our understanding of the Company's processes and methodologies, including the use of industry specific measures, and policies for valuing investments held by the underlying Partnership; → Obtaining and inspecting the valuation papers and supporting data to assess whether the data used is appropriate and relevant, and discussing these with the Investment Manager to evaluate whether the fair value of the Company's investment in the underlying Partnership approximates to the net asset value of the underlying Partnership, challenging the assumptions made by the Investment Manager and Board of Directors of the Company; → Attending fair value discussions in relation to 30 September and 31 December 2021 valuations. These included the Investment Manager, EY Guernsey and EY New York audit teams, EY Houston VME and EY London VME teams; → Obtaining management's calculations and supporting documents with regards to the discounts applied to the SPAC sponsor investments and assessing the reasonableness of the discounts applied. Our procedures included, on a sample basis, independently sourcing the model and inputs to re-calculate the discounts, and testing the arithmetical accuracy of the Company's calculations;	We reported to the Audit Committee that, overall, the valuation of the Company's investment in the underlying Partnership was materially correct, in accordance with IFRS and within our estimated valuation range.

Independent Auditor's Report to the Members of Riverstone Energy Limited continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
There is also a risk that proper adjustments are not made in the fair value calculations for the effects that tax and General Partner performance allocation will have on realised and unrealised gains of underlying investments.	→ Vouching valuation inputs that do not require specialist knowledge to independent sources and testing the arithmetical accuracy of the Company's calculations; → For a sample of investments, engaging EY Houston and EY London VME teams as valuation specialists to: a) use their knowledge of the market to corroborate the Investment Manager's mark, and their related judgements and valuation inputs including discount rates, forward oil price, production values and recent relevant transaction data; and b) assist us to determine whether the methodologies used to value investments were in accordance with methods, particularly those specific to the industry, usually used by market participants. → Updating our previous discussions with the Investment Manager with respect to the qualitative factors and other information used to value investments; → Performing roll forward procedures to capture fair value changes between 30 September and 31 December 2021, with specific focus on changes in macro factors such as oil prices, geopolitical events and Company specific events; → Assessing levels of taxation and performance fee/incentive accruals in investment valuations; → Reporting to the Audit Committee on the calibration of investment valuations against EY's ranges and comment on those ranges against other market participants. In addition, we commented on any specific movements of valuation marks in those ranges' vs prior periods; and → Identifying the key unobservable inputs to valuations and reviewing and assessing the reasonableness of the sensitivity workings and disclosures, comparing the Investment Adviser's position with EY's range of acceptable inputs.	

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be $13.2 million (2020: $7.5 million), which is approximately 2 per cent. (2020: 2 per cent.) of equity. We believe that equity provides us with Company's primary performance measures for internal and external reporting.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75 per cent. (2020: 75 per cent.) of our materiality, namely $9.9 million (2020: $5.6 million). We have set performance materiality at this percentage to ensure that the total uncorrected and undetected audit differences in the Financial Statements did not exceed our materiality level.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $0.7 million (2020: $0.4 million), which is set at 5 per cent. of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 57 and 92 to 100, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company; or
- the Financial Statements are not in agreement with the Company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 37 to 40;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 39 to 40;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on pages 37 to 40;
- Directors' statement on fair, balanced and understandable set out on page 43;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 51 to 53;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 48 to 49; and
- The section describing the work of the audit committee set out on pages 54 to 57.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 42, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Independent Auditor's Report to the Members of Riverstone Energy Limited continued

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, are detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and Management.

→ We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are:

- Financial Conduct Authority ("FCA") Listing Rules
- Disclosure Guidance and Transparency Rules ("DTR") of the FCA
- The 2018 UK Corporate Governance Code
- The 2019 AIC Code of Corporate Governance
- The Companies (Guernsey) Law, 2008, as amended
- The Protection of Investors (Bailiwick of Guernsey) Law, 2020 (including Registered Collective Investment Schemes (RCIS) Rules 2021)

→ We understood how the Company is complying with those frameworks by:

- Discussing the processes and procedures used by the Directors, the Investment Manager, the Company Secretary and Administrator to ensure compliance with the relevant frameworks;
- Reviewing internal reports that evidenced quarterly compliance testing; and
- Inspecting any correspondence with regulators.

→ We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by undertaking the audit procedures set out in Key Audit Matter section above and reading the Financial Statements to check that the disclosures are consistent with the relevant regulatory requirement; and.

→ Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:

- Through discussion, gaining an understanding of how those charged with governance, the Investment Manager, the Company Secretary and Administrator identify instances of non-compliance by the Company with relevant laws and regulations;
- Inspecting the relevant policies, processes and procedures to further our understanding;
- Holding discussions with the Company's nominated Compliance Officer;
- Reviewing internal compliance reporting, Board and Audit Committee minutes;
- Inspecting correspondence with regulators; and
- Obtaining relevant written representations from the Board of Directors.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

→ Following the recommendation from the audit committee, we were appointed by the Company to audit the financial statements for the year ending 31 December 2013 and subsequent financial periods. We signed an engagement letter on 28 January 2014.

The period of total uninterrupted engagement including previous renewals and reappointments is nine years, covering the years ending 31 December 2013 to 31 December 2021.

→ The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Robert John Moore, ACA
For and on behalf of Ernst & Young LLP
Guernsey

23 February 2022

Notes:

(1) The maintenance and integrity of the Company's website is the sole responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

(2) Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Report of Independent Auditors to the Directors of Riverstone Energy Limited

Opinion

We have audited the Financial Statements of Riverstone Energy Limited (the "Company"), which comprise the Statement of Financial Position as of 31 December 2021 and 2020, and the related Statements of Comprehensive Income, the Statements of Changes in Equity, the Statements of Cash Flows for the years then ended, and the related notes (collectively referred to as the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company at 31 December 2021 and 2020, and the results of its operations, changes in equity, and its cash flows for the years then ended, in conformity with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRS and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Financial Statements that are free of material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the Financial Statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Financial Statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Financial Statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report set out on pages 1 to 57 and 92 to 100, but does not include the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Financial Statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst & Young LLP

Ernst & Young LLP
Guernsey, Channel Islands

23 February 2022

Statement of Financial Position

As at 31 December 2021

	Notes	31 December 2021 $'000	31 December 2020 $'000
Assets			
Non-current assets			
Investment at fair value through profit or loss	*6*	**674,439**	383,589
Total non-current assets		**674,439**	383,589
Current assets			
Trade and other receivables		**970**	1,137
Cash and cash equivalents	*7*	**7,296**	8,807
Total current assets		**8,266**	9,944
Total assets		**682,705**	393,533
Current liabilities			
Trade and other payables		**664**	3,190
Total current liabilities		**664**	3,190
Total liabilities		**664**	3,190
Net assets		**682,041**	390,343
Equity			
Share capital	*8*	**1,133,854**	1,184,100
Retained deficit		**(451,813)**	(793,757)
Total equity		**682,041**	390,343
Number of Shares in issue at year end	*8*	**54,937,599**	62,938,466
Net Asset Value per Share ($)	*12*	**12.41**	6.20

The Financial Statements of the Company on pages 64 to 91 were approved and authorised for issue by the Board of Directors on 23 February 2022 and signed on its behalf by:

Richard Hayden

Richard Hayden
Chairman

Patrick Firth
Director

The accompanying notes on pages 68 to 91 form an integral part of the Company's Financial Statements.

Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	1 January 2021 to 31 December 2021 $'000	1 January 2020 to 31 December 2020 $'000
Investment profit/(loss)			
Change in fair value of investment at fair value through profit or loss	6	**346,677**	(315,879)
Expenses			
Directors' fees and expenses	9	**(648)**	(684)
Legal and professional fees		**(426)**	(66)
Other operating expenses	13	**(3,270)**	(2,396)
Total expenses		**(4,344)**	(3,146)
Operating profit/(loss) for the financial year		**342,333**	(319,025)
Finance (expense)/income			
Foreign exchange (loss)/gain		**(389)**	135
Total finance (expense)/income		**(389)**	135
Profit/(loss) for the year		**341,944**	(318,890)
Total comprehensive income/(loss) for the year		**341,944**	(318,890)
Basic Earnings/(Loss) per Share (cents)	12	**561.73**	(442.25)
Diluted Earnings/(Loss) per Share (cents)	12	**561.73**	(442.25)

All activities derive from continuing operations.

The accompanying notes on pages 68 to 91 form an integral part of the Company's Financial Statements.

Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital $'000	Retained deficit $'000	Total Equity $'000
As at 1 January 2021	**1,184,100**	**(793,757)**	**390,343**
Profit for the financial year	**–**	**341,944**	**341,944**
Total comprehensive income for the year	**–**	**341,944**	**341,944**
Buyback and cancellation of shares	**(50,246)**	**–**	**(50,246)**
As at 31 December 2021	**1,133,854**	**(451,813)**	**682,041**

	Share capital $'000	Retained deficit $'000	Total Equity $'000
As at 1 January 2020	1,246,559	(474,867)	771,692
Loss for the financial year	–	(318,890)	(318,890)
Total comprehensive loss for the year	–	(318,890)	(318,890)
Buyback and cancellation of shares	(62,459)	–	(62,459)
As at 31 December 2020	1,184,100	(793,757)	390,343

The accompanying notes on pages 68 to 91 form an integral part of the Company's Financial Statements.

Statement of Cash Flows

For the year ended 31 December 2021

	Notes	1 January 2021 to 31 December 2021 $'000	1 January 2020 to 31 December 2020 $'000
Cash flow used in operating activities			
Operating profit/(loss) for the financial year		**342,333**	(319,025)
Adjustments for:			
Change in fair value of investment at fair value through profit or loss	*6*	**(346,677)**	315,879
Movement in trade and other receivables		**167**	(544)
Movement in trade and other payables		**(2,526)**	(1,208)
Net cash used in operating activities		**(6,703)**	(4,898)
Cash flow generated from investing activities			
Distribution from the Partnership		**55,827**	73,254
Net cash generated from investing activities		**55,827**	73,254
Cash flow used in financing activities			
Buyback of shares	*8*	**(50,246)**	(59,895)
Net cash used in financing activities		**(50,246)**	(59,895)
Net movement in cash and cash equivalents during the year		**(1,122)**	8,461
Cash and cash equivalents at the beginning of the year		**8,807**	211
Effect of foreign exchange rate changes		**(389)**	135
Cash and cash equivalents at the end of the year		**7,296**	8,807

The accompanying notes on pages 68 to 91 form an integral part of the Company's Financial Statements.

Notes to the Financial Statements

For the year ended 31 December 2021

1. GENERAL INFORMATION

Riverstone Energy Limited is a company limited by shares, which was incorporated on 23 May 2013 in Guernsey with an unlimited life and registered with the GFSC as a Registered Closed-ended Collective Investment Scheme pursuant to the POI Law. The Company's Ordinary Shares were admitted to the UK Listing Authority's Official List and to trading on the London Stock Exchange as part of its IPO which completed on 29 October 2013. The registered office of the Company is PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

The Company makes its investments through the Partnership, a Cayman Islands registered exempted limited partnership, in which the Company is the sole limited partner. The principal place of business of the Partnership is the Cayman Islands. Both the Company and the Partnership are subject to the Investment Management Agreement with the Investment Manager, a partnership registered in the Cayman Islands.

The Partnership has the right to invest alongside the Private Riverstone Funds in all Qualifying Investments in which the Private Riverstone Funds participate. These funds are managed and advised by affiliates of the Investment Manager. Further detail of these investments is provided in the Investment Manager's Report.

2. ACCOUNTING POLICIES

Basis of preparation

The Financial Statements for the year ended 31 December 2021 have been prepared in accordance with IFRS and with the Companies (Guernsey) Law, 2008, (as amended) (the "Companies Law").

In the preparation of these Financial Statements, the Company followed the same accounting policies and methods of computation as compared with those applied in the previous year with the addition of the below accounting policy adopted within these Financial Statements.

Valuation of SPAC Sponsor Investments

For the SPAC Sponsor investments, the Investment Manager values the Founder Shares based on the closing price of the publicly traded common shares, subject to applicable discounts for lack of identified target, risk of unsuccessful closing of the business combination and applicable lock-up periods post-closing. The Founder Warrants are valued based on a valuation from a third party, independent valuation specialist.

Foreign currencies

The functional currency of the Company is U.S. Dollars reflecting the primary economic environment in which the Company operates, that being the exploration and production and midstream energy sectors, where most transactions are expected to take place in U.S. Dollars.

The Company has chosen U.S. Dollars as its presentation currency for financial reporting purposes.

Transactions during the year, including purchases and sales of investments, income and expenses are translated into U.S. Dollars at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than U.S. Dollars are retranslated at the functional currency rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a currency other than U.S. Dollars are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a currency other than U.S. Dollars are translated using the exchange rates at the date when the fair value was determined. Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss in the Statement of Comprehensive Income as part of the "Change in fair value of investments at fair value through profit or loss". Exchange differences on other financial instruments are included in profit or loss in the Statement of Comprehensive Income as "Foreign exchange gain/(loss)".

Financial instruments

In accordance with IFRS 9, financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

At initial recognition, financial assets are classified based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company initially measures a financial asset at its fair value.

2. ACCOUNTING POLICIES (continued)

a) Investment at fair value through profit or loss

i. Classification

Financial assets classified at FVTPL are those that do not meet the contractual cash flow test and are managed with their performance evaluated on a fair value basis in accordance with the Company's investment strategy. The Company includes in this category its only investment, being the Partnership.

ii. Measurement

Investments made by the Company in the Partnership are measured initially and subsequently at fair value, with changes in fair value taken to the Statement of Comprehensive Income.

iii. Fair value estimation

A summary of the more relevant aspects of IPEV valuations is set out below:

Marketable (Listed) Securities – where an active market exists for the security, the value is stated at the bid price on the last trading day in the period. Marketability discounts are not generally applied unless there is some contractual, governmental or other legally enforceable restriction preventing realisation at the reporting date, such as the Founder shares acquired through the SPAC Sponsor investments (see further below in Unlisted Investments section and Note 5).

Unlisted Investments – are carried at such fair value as the Investment Manager considers appropriate, and as approved or adjusted by the Board, taking into account the performance of each investee company and the exercise of ratchets, options or other incentive schemes. Methodologies used in arriving at the fair value include prices of recent investment, earnings multiples, net assets, discounted cash flows analysis and industry valuation benchmarks. Valuations may be derived by reference to observable valuation measures for comparable companies or transactions (examples include discount rates, forward oil prices, production multiples, volatility of comparable public traded prices, and multiplying a key performance metric of the investee company such as estimated, unobservable EBITDA by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted for differences between the investment and the referenced comparable. For the SPAC Sponsor investments, the Investment Manager applies discounts to the closing price of the publicly traded shares for lack of identified target, risk of unsuccessful closing of the business combination and applicable lock-up periods post-closing.

The Company has determined that the fair value of its investment in the Partnership is $674 million (31 December 2020: $384 million) and is calculated in accordance with applicable IFRS accounting standards and IPEV Valuation Guidelines. No adjustment to the net asset value of the Partnership has been made, as this is deemed equivalent to fair value.

b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are held to meet short term cash commitments and comprise other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

c) Trade and other receivables

Trade receivables are classified as financial assets at amortised cost. They are measured at amortised cost less impairment assessed using the simplified approach of the expected credit loss model based on experience of previous losses and expectations of future losses.

A financial asset is derecognised (in whole or in part) either:

→ when the Company has transferred substantially all the risks and rewards of ownership; or

→ when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or

→ when the contractual right to receive cash flow has expired.

Financial liabilities

Trade and other payables

Trade payables are classified as financial liabilities at amortised cost.

Notes to the Financial Statements continued

For the year ended 31 December 2021

2. ACCOUNTING POLICIES (continued)

Equity

The Company's Ordinary Shares are classified as equity and upon issuance, the fair value of the consideration received is included in equity, net of share issue costs (excluding share issue costs of the IPO). All formation and initial expenses of the Company, including the share issue costs of its IPO, have been borne by the Investment Manager.

Repurchase of Ordinary Shares for cancellation

The cost of repurchasing Ordinary Shares, including any related stamp duty and transaction costs, is charged to 'Share Capital' and dealt with in the Condensed Statement of Changes in Equity. Share repurchase and cancellation transactions are accounted for on a trade date basis.

Finance income

Interest income is recognised on a time apportioned basis.

Expenses

Expenses include legal, accounting, auditing and other operating expenses. They are recognised on an accruals basis in the Statement of Comprehensive Income in the period in which they are incurred.

Amended standards and interpretations

New and amended standards and interpretations applied in these Financial Statements

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2021 that had a significant effect on the Company's Financial Statements. Furthermore, none of the amendments to standards that are effective from that date had a significant effect on these Financial Statements.

New and amended standards and interpretations not applied in these Financial Statements (issued but not yet effective)

Other accounting standards and interpretations have been published and will be mandatory for the Company's accounting periods beginning on or after 1 January 2022 or later periods. The impact of these standards is not expected to be material to the reported results and financial position of the Company.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

Assessment as an Investment Entity

The Company meets the definition of an investment entity on the basis of the following criteria:

1. the Company obtains funds from multiple investors for the purpose of providing those investors with investment management services;
2. the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
3. the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

To determine that the Company meets the definition of an investment entity, further consideration is given to the characteristics of an investment entity that are demonstrated by the Company.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Assessment of control over the Partnership

The Company makes its investments through the Partnership in which it is the sole limited partner.

The Board has assessed whether the Company has all the elements of control as prescribed by IFRS 10 in relation to the Company's investment in the Partnership and has concluded that although the Company is the sole limited partner, it does not control the Partnership but instead has significant influence and therefore accounts for the Partnership as an investment in associate at fair value in accordance with IAS 28.

Assessment of the Partnership as a structured entity

The Company considers the Partnership to be a structured entity under IFRS 12. Transfer of funds by the Partnership to the Company is determined by the General Partner (see Note 9). The risks associated with the Company's investment in the Partnership are disclosed in Note 10. The summarised financial information for the Company's investment in the Partnership is disclosed in Note 6.

Going concern

The Financial Statements have been prepared on a going concern basis for the reasons set out below and as the Directors, with recommendation from the Audit Committee, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, which is defined as the period from the date of approval of the Financial Statements up until 31 March 2023. In reaching this conclusion, the Directors, with recommendation from the Audit Committee, have considered the risks that could impact the Company's liquidity over the period from the date of approval of the Financial Statements up until 31 March 2023, as well as taken into account the following five key considerations, which are discussed further below.

1. Available liquid resources and potential proceeds from investment realisations versus current and expected liabilities of the Company over the period from the date of approval of the Financial Statements up until 31 March 2023;
2. Available liquid resources and potential proceeds from investment realisations versus total potential unfunded commitments of the Partnership;
3. Recent NAV & Share Price Performance of the Company;
4. Discount to NAV of the Company; and
5. Ongoing Impact of COVID-19.

1. Available liquid resources and potential proceeds from investment realisations versus current and expected liabilities of the Company over the period from the date of approval of the Financial Statements up until 31 March 2023

The Company retained $11.5 million of cash in the IPO and Placing and Open Offer for the initial three years post-listing, and has requested and received seven distributions for working capital needs in aggregate of $24.3 million from the Partnership cumulatively through 31 December 2021. During 2021, the Company requested and received distribution requests in aggregate of £40 million ($55.8 million) for the share buyback programme, of which $7.3 million remains at 31 December 2021 (31 December 2020: $8.8 million). This cash balance is sufficient to cover the Company's existing liabilities at 31 December 2021 of $0.7 million and the remaining portion of the aforementioned share buyback programme approved by the Board of $5.4 million, but will need an additional distribution of $3.1 million from the Partnership for the Company's forecasted annual expenses of approximately $4.3 million. Additionally, REL will need additional distributions of approximately $62 million from the Partnership to fulfil the incremental share buyback programme amount of £46 million, which was announced by the Company on 8 February 2022 and for which the buyback authority is subject to shareholder approval at the EGM on 4 March 2022. As in prior years, in accordance with the Partnership Agreement, if the Company requires additional funds for working capital, it is entitled to receive another distribution from the Partnership. In order to do so, the Company would submit a distribution request approved by the Board to the Partnership, which would then be required to arrange for the payment of the requested amount. Since REL's inception, the Company has requested and received seven distributions from the Partnership for working capital needs. As detailed further in section 2 below, REL, through the Partnership, had available liquid resources of $98.5 million in excess of potential unfunded investment commitments of $49.1 million at 31 December 2021, but currently, as of the date of this report, REL, through the Partnership, has total potential unfunded commitments of up to $69.6 million, which does not exceed its available liquid resources of $88.5 million. However, based on the Investment Manager's cash flow forecast for the next three years to 31 December 2024, the expectation is that, if needed, the Partnership will only fund the remaining investment commitments to Anuvia, Enviva, Onyx and the first closing of an electric motor company's latest financing round, which aggregate up to $33.7 million as of the date of this report.

Notes to the Financial Statements continued

For the year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

2. Available liquid resources and potential proceeds from investment realisations versus total potential unfunded commitments of the Partnership

As at 31 December 2021, REL and the Partnership, including its wholly-owned subsidiaries, REL Cayman Holdings, LP, REL US Corp and REL US Centennial Holdings, LLC, had $105.8 million of uninvested funds held as cash (31 December 2020: $99.1 million). This amount is comprised of $98.5 million held at the Partnership and $7.3 million held at REL. In 2022, the Company, through the Partnership, invested $49.5 million held at the Partnership in T-REX Group ($17.5 million), the first closing of an electric motor company's latest financing round ($17.0 million) and Tritium ($15.0 million), paid the Q4 2021 Management Fee ($2.5 million) and realised $42.1 million in proceeds from the sale of Pipestone Energy ($41.7 million) and GoodLeap dividends ($0.4 million), bringing the uninvested funds at the Partnership level down to $88.5 million as at the date of this report. In accordance with the revised terms for REL's GP Performance Allocation announced in January 2020, REL did not meet the portfolio level cost benchmark at 31 December 2021; therefore, any unrealised performance allocation has been deferred. If these changes had not been accepted, then the accrued GP Performance Allocation would have been $28.7 million as of 31 December 2021. No performance fees will be payable until the $208 million realised and unrealised losses to date at 31 December 2021 are offset with future gains. If these realised and unrealised losses have not been offset, any such accrued fees will no longer be payable after three years from each respective accrual date.

The Company's total potential unfunded investment commitments of $49.1 million as at 31 December 2021 (31 December 2020: $83.2 million), through the Partnership, did not exceed its available liquid resources as at 31 December 2021. In 2022, REL, through the Partnership, fully funded its commitments to new investments in T-REX Group ($17.5 million) and Tritium ($15.0 million), as well as funded $17.0 million of the Company's new $17.5 million commitment to the first closing of an electric motor company's latest financing round and committed up to $20.0 million to Anuvia, bringing total potential unfunded investment commitments up to $69.6 million. This amount does not exceed the Partnership's available liquid resources of $88.5 million as of the date of this report, which includes $42.1 million of proceeds from the sale of Pipestone Energy ($41.7 million) and GoodLeap dividends received in 2022 ($0.4 million). It is not expected that all potential unfunded investment commitments will be drawn due to a variety of factors, such as the ability for the commitment to be reduced and/or cancelled by the Investment Manager with consideration from the Board, the present market conditions do not warrant presently further capital expenditure as the returns would not be incrementally positive, a portfolio company being sold earlier than anticipated or a targeted investment opportunity changing or disappearing. Based on the Investment Manager's cash flow forecast for the next three years to 31 December 2024, the expectation is that, if needed, the Partnership will only fund the remaining commitments to Anuvia, Enviva, Onyx and the first closing of an electric motor company's latest financing round, which aggregate up to $33.7 million as of the date of this report. However, if the Board decides to fund any of the Partnership's unfunded commitments to the other active investments, the Partnership can execute a reactionary measure to provide liquidity as discussed further below.

As at 31 December 2021, the Company, through the Partnership, has realised nine investments for $872 million of gross proceeds on invested capital of $619 million, respectively in aggregate, resulting in an average Gross MOIC of approximately 1.4x. The initial commitments to these nine investments were in excess of $934 million, so approximately 66 per cent. had been funded before realisation. In addition, the board of each underlying portfolio company, more often than not are controlled by Riverstone, which has discretion over whether or not that capital is ultimately invested. Moreover, REL's arrangements with Riverstone allow the Company's potential unfunded commitments to be reduced and/or cancelled by the Investment Manager with consideration from the Board, although this has yet to happen. Moreover, any proposed investments outside of those made with Fund V and VI can be unilaterally declined by the Board.

Finally, as a reactionary measure, the Partnership's investments in the publicly-traded shares of the portfolio companies could always be sold, or used as collateral to secure asset-backed financing, to fund the Partnership's shortfall of liquid resources and potential proceeds from investment realisations versus potential unfunded commitments. The Partnership holds marketable securities consisting of publicly-traded shares of Centennial, Enviva, Pipestone (sold in February 2022), Solid Power, Hyzon Motors and Talos, for which the aggregate fair value was $195 million at 31 December 2021 and $180 million as of 22 February 2022, exclusive of the sale of Pipestone for proceeds of $41.7 million.

3. 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

As at 31 December 2021, REL had a NAV per Share of $12.41 (£9.19), an increase in USD and GBP of 106 & 116 per cent., respectively, compared to $5.74 (£4.46) as at 30 September 2020, which is the most recent quarter end prior to the aforementioned announcement and being used as a proxy for comparative purposes. The year end closing trading price of the Ordinary Shares was $6.28 (£4.65), an increase of 61 & 54 per cent., respectively, compared to $3.90 (£3.03) as at 30 September 2020. Subsequently, from year-end through 22 February 2022, the Company's NAV per Share and closing trading price of the Ordinary Shares have remained relatively unchanged at $12.81 (£9.43) and $7.56 (£5.56), respectively.

Based on this significant improvement in the performance of REL, as of the date of this report, it is deemed to be extremely unlikely that the Company's independent Directors will 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 chance of this happening may therefore be assessed as remote, but the Board will continue to monitor the Company's performance through the aforementioned twenty four month period until 30 September 2022.

4. Discount to NAV of the Company

Since its inception, the Company's trading discount to NAV percentage has remained consistent with a population of comparable publicly-traded PE funds as their life to date average trading discount percentages are 23.8 per cent. and 21.4 per cent., respectively. However, from December 2015 to January 2016 and November 2018 to December 2018, as well as from December 2019 to November 2020, declines in the price of oil adversely impacted the market sentiment for energy companies, which resulted in the Company's trading discount percentage increasing at a faster rate than the population of comparable publicly-traded PE funds, as it is solely invested in the global energy industry across all sectors. In order to return uninvested capital to Shareholders and attempt to reduce REL's trading discount percentage, on 11 May 2021, the Company announced a buyback programme with the intention of returning £20 million to shareholders via market buybacks, which was subsequently increased to £40 million. Since the announcement, the Company has purchased 7,744,935 shares, in aggregate, for £36 million ($50 million) at an average share price of £4.65 ($6.40), which has attributed to the narrowing of the Company's trading discount from 55.0 per cent. at 31 March 2021 to 49.4 per cent. at 31 December 2021 (or from 61.8 per cent. to 58.4 per cent., respectively, on a cash-adjusted basis). From year-end through 22 February 2022, reflecting $41.7 million of proceeds from the sale of Pipestone Energy and a $20.8 million increase in the fair value of the Company's remaining unrestricted marketable securities, the Company's pro forma trading discount has remained relatively unchanged and was 41.0 per cent. as of 22 February 2022 (or 43.9 per cent. on a cash-adjusted basis).

The Board, with consultation of the Investment Manager, regularly monitors the Company's trading discount percentage and, when possible, executes corporate actions aimed at managing it, such as the aforementioned share buyback programme and Tender Offer share repurchase in November 2018, which attributed to a 1.5 per cent. increase in the Company's NAV, and partially offset the increase of the trading discount percentage.

5. Ongoing Impact of COVID-19

The Board and Investment Manager have been in continuous dialogue regarding the ongoing impact of COVID-19 and appropriate disclosures within the Company's Financial Statements, given that it's a continuously evolving situation. In 2020, the Company's Management Engagement Committee requested and received updates from REL's key service providers, including the Investment Manager, regarding their initial response to COVID-19, including an update on their respective business continuity plans.

At the outset of COVID-19, the Investment Manager activated its business continuity plan and its regular working pattern changed to remote working. Whilst staff had assumed their day-to-day responsibilities remotely, weekly virtual calls across teams took place. In mid-2021, a significant proportion of the staff began transitioning back to the in-person work environment, but did revert back to remote working for periods of time due to spikes in cases caused by the Delta and Omicron variants. The Investment Manager has maintained dialogue with its portfolio companies to make sure that they have the appropriate plans and resources in place to prioritise the health and safety of their employees, as well as to assess supply chain disruptions and ensure the normal operations of our businesses.

Directors' Assessment of Going Concern

Based on the reasons outlined above, on balance, the Directors are satisfied, as of the date of this report, that it is appropriate to adopt the going concern basis in preparing the Financial Statements.

Notes to the Financial Statements continued

For the year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions

The area involving a high degree of judgement or complexity and where assumptions and estimates are significant to the Financial Statements has been identified as the risk of misstatement of the valuation of the investment in the Partnership (see Note 5). Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The Board's determination that no discount or premium should be applied to the net asset value of the Partnership involves a degree of judgement due to the nature of the Partnership's investments and other assets and liabilities (see Note 2: Financial assets a) iii.) and the valuation techniques and procedures adopted by the Partnership.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

4. TAXATION

The Company has made an election to, and currently expects to conduct its activities so as to be treated as a partnership for U.S. federal income tax purposes. Therefore, the Company expects that it generally will not be liable for U.S. federal income taxes. In the normal course of business, REL may form wholly owned subsidiaries, to be treated as C Corporations for U.S. tax purposes. The C Corporations serve to protect REL's public investors from incurring U.S. ECI. The C Corporations file U.S. corporate tax returns with the U.S. IRS and pay U.S. corporate taxes on its income. Each of the Company's Shareholders who are liable for U.S. taxes will take into account their respective share of the Company's items of income, gain, loss and deduction in computing its U.S. federal income tax liability as if such Shareholder had earned such income directly, even if no cash distributions are made to the Shareholder.

The Company is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 2008 and is charged an annual exemption fee of £1,200.

The Cayman Islands at present impose no taxes on profit, income, capital gains or appreciations in value of the Partnership. There are also currently no taxes imposed in the Cayman Islands by withholding or otherwise on the Company as a limited partner of the Partnership on profit, income, capital gains or appreciations in respect of its partnership interest nor any taxes on the Company as a limited partner of the Partnership in the nature of estate duty, inheritance or capital transfer tax.

Local taxes may apply at the jurisdictional level on profits arising in operating entity investments. Further taxes may apply on distributions from such operating entity investments. The company is structured, and has structured its investments, to eliminate the incurrence of ECI by REL's investors. Based upon the current commitments and investments held through REL US Corp., the future U.S. tax liability on profits is expected to be in the range of 21 to 27.5 per cent. (31 December 2020: 21 to 27.5 per cent.).

5. FAIR VALUE

IFRS 13 'Fair Value Measurement' requires disclosure of fair value measurement by level. The level in the fair value hierarchy within which the financial assets or financial liabilities are categorised is determined on the basis of the lowest level input that is significant to the fair value measurement, adjusted if necessary.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's only financial instrument carried at fair value is its investment in the Partnership which has been classified within Level 3 as it is derived using unobservable inputs. Amounts classified under Level 3 for the year ended 31 December 2021 were $674 million (31 December 2020: $384 million).

The fair value of all other financial instruments approximates to their carrying value.

5. FAIR VALUE (continued)

Transfers during the period

There have been no transfers between levels during the year ended 31 December 2021 (31 December 2020: nil). Any transfers between the levels will be accounted for on the last day of each financial period. Due to the nature of the investment in the Partnership, it is always expected to be classified under Level 3.

Valuation methodology and process

The Directors base the fair value of the investment in the Partnership on the value of its limited partnership capital account received from the General Partner, which is determined on the basis of the fair value of its assets and liabilities, adjusted if necessary, to reflect liquidity, future commitments, and other specific factors of the Partnership and Investment Manager. This is based on the components within the Partnership, principally the value of the Partnership's investments in addition to cash and short-term money market fixed deposits. Any fluctuation in the value of the Partnership's investments in addition to cash and short-term money market fixed deposits held will directly impact on the value of the Company's investment in the Partnership.

The Partnership's investments are valued using the techniques described in the Company's valuation policy. The Investment Manager's assessment of fair value of investments held by the Partnership, through Investment Undertakings, is determined in accordance with IPEV Valuation Guidelines. When valuing the Partnership's investments, the Investment Manager reviews information provided by the underlying investee companies and other business partners and applies IPEV methodologies, to estimate a fair value as at the date of the Statement of Financial Position, subject to Board approval. It is the opinion of the Directors, that the IPEV valuation methodology used in deriving a fair value is generally not different from the fair value requirements of IFRS 13. In the event that there is a difference, the requirements of IFRS 13 override the IPEV requirements.

The Investment Manager values the investments on a quarterly basis using common industry valuation techniques, including comparable public market valuation, comparable merger and acquisition transaction valuation and discounted cash flow valuation. For early stage private investments, Riverstone's investment due diligence process includes assumptions about short-term financial results in determining the appropriate purchase price for the investment. For the SPAC Sponsor investments, the Investment Manager applies discounts to the closing price of the publicly traded shares for lack of identified target, risk of unsuccessful closing of the business combination and applicable lock-up periods post-closing. The techniques used in determining the fair value of the Company's investments through the Partnership are selected on an investment by investment basis so as to maximise the use of market based observable inputs.

REL's valuation policy is compliant with both IFRS and IPEV Valuation Guidelines and is applied consistently from period to period. As the Company's investments are generally not publicly quoted, valuations require meaningful judgement to establish a range of values, and the ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant.

For the year ended 31 December 2021, the valuations of the Company's investments, through the Partnership, are detailed in the Investment Manager's Report.

Notes to the Financial Statements continued

For the year ended 31 December 2021

5. FAIR VALUE (continued)

Quantitative information about Level 3 fair value measurements as at 31 December 2021

Industry: Energy

Fair value of Level 3 Investments (in thousands)	Valuation technique(s)	Unobservable input(s)	Range Low[1]	Range High[1]	Weighted Average[1]	Sensitivity of the input to fair value of Level 3 investments[2]	Fair value of Level 3 Investments affected by unobservable input[3] (in thousands)
$330,548	Public comparables	2022 EV / EBITDA Multiple	1.0x	24.5x	7.5x	25 per cent. weighted average change in the input would result in 4 per cent. change in the total fair value of Level 3 investments	310,548
		2021E EV/Revenue Multiple[4]	24.2x	27.9x	25.1x	10% weighted average change in the input would result in 1% change in the total fair value of Level 3 investments	87,402
		EV / 2021E Production Multiple ($/Boepd)	$33,200	$41,100	$35,900	25 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	141,493
		EV / 2022E Production Multiple ($/Boepd)[4]	$28,200	$41,100	$32,600	10 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	141,493
		1P Reserve multiple ($/Boe)	$6	$10	$8	25 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	48,172
		2P Reserve multiple ($/Boe)	$4	$5	$4	25 per cent. weighted average change in the input would result in 3 per cent. change in the total fair value of Level 3 investments	93,321
	Transaction comparables	Asset Value ($m/kW)	$56	$182	$57	50 per cent. weighted average change in the input would result in 2 per cent. change in the total fair value of Level 3 investments	101,653
	Discounted cash flow	Oil Price Curve ($/bbl)[5]	$61	$67	$63	35 per cent. weighted average change in the input would result in 10 per cent. change in the total fair value of Level 3 investments	141,493
		Gas Price Curve ($/mcfe)[5]	$3	$4	$3	35 per cent. weighted average change in the input would result in 11 per cent. change in the total fair value of Level 3 investments	141,493
		Discount Rate	30%	10%	30%	+/-50 per cent. weighted average change in the input would result in -/+1 per cent. change in the total fair value of Level 3 investments	101,653
$52,478	Other[6]						
$383,026	**Total**						

5. FAIR VALUE (continued)

Quantitative information about Level 3 fair value measurements as at 31 December 2020

Industry: Energy

Fair value of Level 3 Investments (in thousands)	Valuation technique(s)	Unobservable input(s)	Range Low[1]	Range High[1]	Weighted Average[1]	Sensitivity of the input to fair value of Level 3 investments[2]	Fair value of Level 3 Investments affected by unobservable input[3] (in thousands)
$254,017	Public comparables	2020 EV / EBITDA Multiple	4.0x	6.0x	4.3x	10 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	22,124
		2021 EV / EBITDA Multiple[7]	3.8x	3.9x	3.9x	10 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	37,423
		2022 EV / EBITDA Multiple[7]	3.5x	6.5x	5.0x	30 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	52,740
		EV / 2020E Production Multiple ($/Boepd)	$16,500	$29,200	$21,700	10 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	37,423
		EV / 2021E Production Multiple ($/Boepd)[7]	$16,500	$29,200	$21,700	10 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	37,423
		1P Reserve multiple ($/Boe)	$4	$8	$6	30 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	15,299
		2P Reserve multiple ($/Boe)	$2	$4	$2	10 per cent. weighted average change in the input would result in 2 per cent. change in the total fair value of Level 3 investments	22,124
	Transaction comparables	Acreage Multiple ($/Boepd per Acre)	$2,900	$4,000	$3,000	10 per cent. weighted average change in the input would result in 2 per cent. change in the total fair value of Level 3 investments	22,124
		2P / 2C Reserve multiple ($/Boe)	$5	$10	$7	30 per cent. weighted average change in the input would result in 9 per cent. change in the total fair value of Level 3 investments	135,040
		Asset Value ($m/kW)[7]	$56	$182	$119	50 per cent. weighted average change in the input would result in 2 per cent. change in the total fair value of Level 3 investments	52,740
	Discounted cash flow	Oil Price Curve ($/bbl)[5]	$38	$43	$43	20 per cent. weighted average change in the input would result in 12 per cent. change in the total fair value of Level 3 investments	172,462
		Gas Price Curve ($/mcfe)[5]	$2	$2	$2	15 per cent. weighted average change in the input would result in 2 per cent. change in the total fair value of Level 3 investments	172,462
		Discount Rate[7]	30%	10%	20%	50 per cent. weighted average change in the input would result in 2 per cent. change in the total fair value of Level 3 investments	52,740
		GP Distribution Yield Per cent.[7]	7%	5%	6%	20 per cent. weighted average change in the input would result in 1 per cent. change in the total fair value of Level 3 investments	28,815
$8,552	Other						
$262,569	**Total**						

(1) Calculated based on fair values of the Partnership's Level 3 investments.
(2) Based on its professional experience and recent market conditions, the Investment Manager has provided the Board with these weighted average change in the inputs with a forecasted time period of 6 to 12 months.
(3) The Partnership's Level 3 investments are valued using one or more of the techniques which utilise one or more of the unobservable inputs, so the amounts in the "Fair value of Level 3 investments" column will not aggregate to the total fair value of the Partnership's Level 3 investments.
(4) As at 31 December 2021, the sensitivity of this unobservable input to the total fair value of Level 3 investments was determined to be significant by applying the same methodology that determined it to be significant as at 31 December 2020.
(5) Discounted cash flow technique involves the use of a discount factor of 10 per cent..
(6) Includes $47 million of restricted marketable securities held by the Partnership consisting of publicly-traded shares of Solid Power, DCRN/Tritium and DCRD, subject to discounts to the closing price of the publicly traded shares during the period leading up to the announcement and closing of the business combination, as well as applicable lock-up periods post-closing.
(7) As at 31 December 2020, the sensitivity of this unobservable input to the total fair value of Level 3 investments was determined to be significant by applying the same methodology that determined it not to be significant as at 31 December 2019.

Notes to the Financial Statements continued

For the year ended 31 December 2021

5. FAIR VALUE (continued)

The Board reviews and considers the fair value of each of the Partnership's investments arrived at by the Investment Manager before incorporating such values into the fair value of the Partnership. The variety of valuation bases adopted, quality of management information provided by the underlying investee companies and the lack of liquid markets for the investments mean that there are inherent difficulties in determining the fair value of these investments and such difficulties cannot be eliminated. Therefore, the amounts realised on the sale of investments may differ from the fair values reflected in these Financial Statements and the differences may be significant.

The Board approves the valuations performed by the Investment Manager and monitors the range of reasonably possible changes in significant observable inputs on a regular basis with consultation from the Investment Manager. Using its extensive industry experience, the Investment Manager provides the Board with its determination of the reasonably possible changes in significant unobservable inputs in normal market conditions as of the year end. For the SPAC Sponsor investments, a reasonable change in the discounts applied (as set out above) to the closing price of the publicly traded shares have been deemed not to be material.

The Directors have considered whether a discount or premium should be applied to the net asset value of the Partnership. In view of the investment in the Partnership and the nature of the Partnership's assets, no adjustment to the net asset value of the Partnership has been deemed to be necessary (see Note 3).

6. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

The movement in fair value is derived from the fair value movements in the underlying investments held by the Partnership, net of income and expenses of the Partnership and its related Investment Undertakings, including any Performance Allocation and applicable taxes. The table below reconciles the Company's level 3 assets during the year.

	31 December 2021 $'000	31 December 2020 $'000
Cost		
Brought forward	**1,149,917**	1,223,171
Distribution from the Partnership	**(55,827)**	(73,254)
Carried forward	**1,094,090**	1,149,917
Fair value movement through profit or loss		
Brought forward	**(766,328)**	(450,449)
Fair value movement during the year – see Summary Income Statement below	**346,677**	(315,879)
Carried forward	**(419,651)**	(766,328)
Fair value at year end	**674,439**	383,589

Summary financial information for the Partnership

Summary Balance Sheet	**31 December 2021 $'000**	31 December 2020 $'000
Investments at fair value (net)	**672,314**	288,237
Cash and cash equivalents	**4,127**	13,666
Money market fixed deposits	**–**	76,675
Management Fee payable – see Note 9	**(2,463)**	(1,181)
Other net assets/(liabilities)	**461**	6,192
Fair value of REL's investment in the Partnership	**674,439**	383,589

6. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Reconciliation of Partnership's investments at fair value	31 December 2021 $'000	31 December 2020 $'000
Investments at fair value – Level 1 (gross)	194,937	25,668
Investments at fair value – Level 3 (gross) – see Note 5	383,026	262,569
Investments at fair value (gross)	577,963	288,237
Cash and cash equivalents	94,351	–
Partnership's investments at fair value (net)	672,314	288,237

Summary Income Statement	1 January 2021 to 31 December 2021 $'000	1 January 2020 to 31 December 2020 $'000
Unrealised and realised gain/(loss) on Partnership's investments (net)	356,805	(310,312)
Interest and other income	(76)	2,152
Management Fee expense – see Note 9	(8,874)	(5,594)
Other operating expenses	(1,178)	(2,125)
Portion of the operating gain/(loss) for the year attributable to REL's investment in the Partnership	346,677	(315,879)

Reconciliation of unrealised and realised loss on Partnership's investments	1 January 2021 to 31 December 2021 $'000	1 January 2020 to 31 December 2020 $'000
Unrealised profit/(loss) on Partnership's investments (gross)	619,723	(311,459)
Realised (loss)/gain on Partnership's investments (gross)	(260,371)	457
General Partner's performance allocation – see Note 9	–	(91)
Release of provision for taxation	(2,547)	781
Unrealised and realised gain/(loss) on Partnership's investments (net)	356,805	(310,312)

7. CASH AND CASH EQUIVALENTS

These comprise cash and short-term bank deposits available on demand. The carrying amounts of these assets approximate to their fair value.

Notes to the Financial Statements continued

For the year ended 31 December 2021

8. SHARE CAPITAL

	31 December 2021 $'000	31 December 2020 $'000
Authorised:		
Ordinary Shares of no par value	**Unlimited**	Unlimited

	Total No.	Total No.
Issued and fully paid:		
Unlimited Shares of no par value		
Shares as at inception	–	–
Issued on 23 May 2013	1	1
Issued on 29 October 2013	71,032,057	71,032,057
Issued on 10 October 2014	5,000,000	5,000,000
Issued on 11 December 2015	8,448,006	8,448,006
Cancelled on 23 November 2018	(4,583,333)	(4,583,333)
Cancelled during year ended 31 December 2020	(16,958,265)	(16,958,265)
Cancelled during year ended 31 December 2021	(8,000,867)	–
Shares as at year end	**54,937,599**	62,938,466

Share capital	$'000	$'000
Share capital brought forward	1,184,100	1,246,559
Movements for the period:		
Cancellation of shares	(50,246)	(62,459)
Share capital as at year end	**1,133,854**	1,184,100

The Company has one class of Ordinary Shares. The issued nominal value of the Ordinary Shares represents 100 per cent. of the total issued nominal value of all share capital. Under the Company's Articles of Incorporation, on a show of hands, each Shareholder present in person or by proxy has the right to one vote at general meetings. On a poll, each Shareholder is entitled to one vote for every Share held.

Shareholders are entitled to all dividends paid by the Company and, on a winding up, providing the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company. The Ordinary Shares have no right to fixed income.

On 15 October 2018, the Company announced a Tender Offer for £55.0 million in the value of the Company's Ordinary Shares. The Company acquired 4,583,333 Ordinary Shares which were cancelled on 23 November 2018.

On 1 May 2020, the Company announced a share buyback programme for £50.0 million in the value of the Company's Ordinary Shares. During the year 2020, the Company acquired 16,958,265 Ordinary Shares which were subsequently cancelled.

On 11 May 2021, the Company announced a share buyback programme for £20.0 million in the value of the Company's Ordinary Shares, which subsequently, on 4 October 2021, was increased to £40 million. During the year, the Company acquired 8,000,867 Ordinary Shares which were subsequently cancelled.

Following the cancellation of Ordinary Shares from the Tender Offer and share buyback programme, the share capital of the Company is 54,937,599 Ordinary Shares in aggregate.

9. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

Directors

The Company has five Non-executive Directors (31 December 2020: five). The Chairman is entitled to annual remuneration of £132,000 (31 December 2020: £132,000). The Chairman of the Audit Committee is entitled to annual remuneration of £82,500 (31 December 2020: £82,500) and the Chairman of the Management Engagement Committee is entitled to annual remuneration of £71,500 (31 December 2020: £71,500). The other independent Directors are entitled to annual remuneration of £66,000 (31 December 2020: £66,000).

Directors' fees and expenses for the year ended 31 December 2021 amounted to $647,815 (31 December 2020: $684,182), which resulted in a reduction to the 31 December 2021 quarter-end Management Fee as further discussed below. $nil of Directors' expenses were outstanding at year-end (31 December 2020: $nil).

Messrs Barker and Hayden have direct or indirect economic interests in Other Riverstone Funds as investors.

Partnership

In accordance with section 4.1(a) of the Partnership Agreement, the Company received distributions in aggregate of $55.8 million (31 December 2020: $73.3 million) from the Partnership through the year to 31 December 2021. In accordance with section 4.1(a) of the Partnership Agreement, in the event of the Company requiring additional funds for working capital, it is entitled to receive another distribution from the Partnership.

Investment Manager

The Investment Manager, an affiliate of Riverstone, provides advice to the Company and the Partnership on the origination and completion of new investments, on the management of the portfolio and on realisations, as well as on funding requirements, subject to Board approval. For the provision of services under the Investment Management Agreement, the Investment Manager is paid in cash out of the assets of the Partnership an annual Management Fee equal to 1.5 per cent. per annum of the Company's Net Asset Value (including cash). The fee is payable quarterly in arrears and each payment is calculated using the quarterly Net Asset Value as at the relevant quarter end.

The Investment Manager has agreed to deduct from its annual Management Fee all fees, travel costs and related expenses of the Directors exceeding the following annual limits:

Portion of NAV	Limit (as a percentage of the then last published NAV)
Up to and including £500 million	0.084 per cent.
From £500 million to and including £600 million	0.084 per cent. at £500 million and thereafter adjusted downwards proportionately to NAV to 0.07 per cent. at £600 million
From £600 million to and including £700 million	0.07 per cent. at £600 million and thereafter adjusted downwards proportionately to NAV to 0.06 per cent. at £700 million
Above £700 million	0.06 per cent.

The above limits are subject to adjustment by agreement between the Investment Manager and the Company acting by its independent Directors. Based on the last published NAV as of 31 December 2021, the maximum amount of annual fees, travel and related expenses of the Directors is $553,425 (31 December 2020: $401,721). During the year ended 31 December 2021, fees and expenses of the Directors amounted to $647,815 (31 December 2020: $684,182), resulting in a reduction of $94,390 to the 31 December 2021 quarter-end Management Fee (31 December 2020: reduction of $282,461 of the quarter-end Management Fee).

9. RELATED PARTY TRANSACTIONS (continued)

During the year ended 31 December 2021, the Partnership incurred Management Fees of $8,874,492 (31 December 2020: $5,593,907) of which $2,463,262 remained outstanding as at the year-end (31 December 2020: $1,181,324). In addition, the Company and Partnership, in aggregate, reimbursed the Investment Manager $1,555,093 in respect of amounts paid on their behalf for the year (31 December 2020: $1,244,542), of which $1,273,507 related to legal and professional fees of the Company and Partnership, and $27,834 related to travel and other operating expenses of the Investment Manager (31 December 2020: $32,951), and a debit balance with the Investment Manager of $253,752 related to expenses incurred by portfolio companies.

The circumstances in which the Company and the Investment Manager may terminate the Investment Management Agreement are as follows:

Event	Notice period	Consequences of termination
By the Company if the Investment Manager is in material breach which has not been rectified	12 months	The General Partner is entitled to receive a payment equal to four times the quarterly Management Fee payable to the Investment Manager on the basis of the Company's most recent Net Asset Value and an amount equal to the Performance Allocation due on the Company's investments on the basis, at the Company's option, of the latest quarterly valuation or the actual realisation value for each investment.
By the Investment Manager if the Company is in material breach which has not been rectified	12 months	The General Partner is entitled to receive a payment equal to twenty times the quarterly Management Fee payable to the Investment Manager on the basis of the Company's most recent Net Asset Value and an amount equal to the Performance Allocation due on the Company's investments on the basis, at the General Partner's option, of the latest quarterly valuation or the actual realisation value for each investment.
By the Company if the Investment Manager becomes insolvent or resolves to wind up or if the Investment Manager commits an act of fraud or wilful default in relation to the Company which results in material harm to the Company	Immediate	No payment to be made to the Investment Manager or the General Partner.

The Investment Management Agreement cannot be terminated by either the Company or the Investment Manager without cause.

Following the seventh anniversary of the Company's London listing on 29 October 2020, a discontinuation resolution was proposed and not passed, therefore the Investment Manager Agreement will continue in perpetuity subject to the termination for cause provisions described above. However, either the Board or Shareholders holding in aggregate 10 per cent. of the Company's voting securities can call an EGM at any time to vote on the liquidation of the Company (75 per cent. of the votes cast in favour required) or run-off of its portfolio (50 per cent. of the votes cast in favour required). 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. Under both these scenarios, the General Partner would still be entitled to twenty times the most recent quarterly Management Fee payable to the Investment Manager.

9. RELATED PARTY TRANSACTIONS (continued)

General Partner

The General Partner makes all management decisions, other than investment management decisions, in relation to the Partnership and controls all other actions by the Partnership and is entitled to receive a Performance Allocation, calculated and payable at the underlying investment holding subsidiary level, equal to 20 per cent. of the gross realised profits (if any) in respect of a disposal, in whole or in part, of any underlying asset of the Company.

The General Partner is entitled to receive its Performance Allocation in cash, all of which, after tax, Riverstone, through its affiliate RELCP, reinvests in Ordinary Shares of the Company on the terms summarised in Part I and Part VIII of the IPO Prospectus.

During the year ended 31 December 2021, the Partnership paid Performance Allocation of $nil (31 December 2020: $91,340) of which $nil remained outstanding as at the year end (31 December 2020: $nil).

On 3 January 2020, the Company announced amendments to Performance Allocation arrangements under the Investment Management Agreement that were effective from 30 June 2019. The amended terms on which the Company is required to pay a Performance Allocation in respect of its investment are as follows:

- Portfolio level cost benchmark: A Performance Allocation will only be distributed in respect of a realised investment if, at the time of the realisation of the relevant investment, the aggregate of the fair market value of all of the Company's then unrealised investments and the proceeds of all of its realised investments since inception exceeds the aggregate acquisition price of all of the Company's unrealised and realised investments. If this portfolio level cost benchmark is not met at the time of realisation of the relevant investment, distribution of the Performance Allocation is subject to deferment as described further below. As of 31 December 2021, the portfolio level cost benchmark was in deficit of $208 million.
- 8 per cent. hurdle rate: A Performance Allocation will only be accrued for payment upon the realisation of an investment if the proceeds from that investment exceed an amount equal to its acquisition cost plus an 8 per cent. annual cumulative hurdle rate calculated from the date of investment to the date of realisation. If the hurdle is met, the Performance Allocation will be 20 per cent. of all Net Profits in respect of each such investment. As of 31 December 2021, the Ridgebury H3, Onyx, Enviva, GoodLeap, FreeWire, DCRN/Tritium, DCRC/Solid Power and Samsung Ventures investments exceeded the hurdle rate and the total portfolio's Gross IRR was approximately -4 per cent.
- Full realisation: A Performance Allocation will only be calculated and accrued on the full realisation of the entire interest in an investment, unless a partial realisation results in the full return of all capital invested in such investment. Otherwise, no Performance Allocation will be payable on partial disposals and the ability for the Investment Manager to elect to receive a Performance Allocation on an investment that has been held by the Company for at least seven years (but not sold) has been removed.
- Deferral: If the portfolio level cost benchmark is not met at the time of full realisation of the relevant investment, it will be retested on a quarterly basis for the following three years. If, at any time during those three years, the benchmark is satisfied for four continuous quarters, the relevant Performance Allocation will then become distributable without interest. Any accrued but undistributed Performance Allocation that has been deferred due to the portfolio level cost benchmark test will expire after 36 months.

The Investment Manager will continue to be required to apply each Performance Allocation (net of taxes) to acquire ordinary shares of the Company.

Distribution of Investment Proceeds

In addition, the Company and the Investment Manager have agreed that, going forward, 20 per cent. of the Net Profits attributable to each fully realised investment, net of taxes, withholdings or reserves for taxes will, at the discretion of the Company, be available for distribution to the Company's Shareholders, whether by dividend or share repurchases.

Cornerstone Investors

Each of the Cornerstone Investors has acquired an indirect economic interest in each of the General Partner and the Investment Manager depending on the size of their commitment and the total issue size, up to an aggregate maximum indirect economic interest of 20 per cent. in each, for nominal consideration. These interests entitle the Cornerstone Investors to participate in the economic returns generated by the General Partner, including from the Performance Allocation, and the Investment Manager, which receives the Management Fee.

Notes to the Financial Statements continued

For the year ended 31 December 2021

10. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Company's investing activities, through its investment in the Partnership, intentionally expose it to various types of risks that are associated with the underlying investee companies of the Partnership, including the ongoing volatility in the oil and gas market and COVID-19. The Company makes the investment in order to generate returns in accordance with its investment policy and objectives.

The most important types of financial risks to which the Company is exposed are market risk (including price, interest rate and foreign currency risk), liquidity risk and credit risk. The Board of Directors has overall responsibility for the determination of the Company's risk management and sets policy to manage that risk at an acceptable level to achieve those objectives. The policy and process for measuring and mitigating each of the main risks are described below.

The Investment Manager and the Administrator provide advice to the Company which allows it to monitor and manage financial risks relating to its operations through internal risk reports which analyse exposures by degree and magnitude of risks. The Investment Manager and the Administrator report to the Board on a quarterly basis.

Categories of financial instruments

	31 December 2021 $'000	31 December 2020 $'000
Financial assets		
Investment at fair value through profit or loss:		
Investment in the Partnership	**674,439**	383,589
Other financial assets:		
Cash and cash equivalents	**7,296**	8,807
Trade and other receivables	**970**	1,137
Financial liabilities		
Financial liabilities:		
Trade and other payables	**(664)**	(3,190)

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the capital return to Shareholders. The capital structure of the Company consists of issued share capital and retained earnings, as stated in the Statement of Financial Position.

In order to maintain or adjust the capital structure, the Company may buy back shares or issue new shares. During the year, the Company bought and cancelled 8,000,867 Ordinary Shares. There are no external capital requirements imposed on the Company.

The Company's investment policy is set out in the Investment Policy section of the Annual Report.

10. FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk includes price risk, foreign currency risk and interest rate risk.

(a) Price risk

The underlying investments held by the Partnership present a potential risk of loss of capital to the Partnership and hence to the Company. The Company invests through the Partnership. Price risk arises from uncertainty about future prices of underlying financial investments held by the Partnership, which at year-end was $577,963,016 (31 December 2020: $288,237,082). Please refer to Note 5 on pages 74 to 78 for quantitative information about the fair value measurements of the Partnership's Level 3 investments.

The Partnership is exposed to a variety of risks which may have an impact on the carrying value of the Company's investment in the Partnership. The Partnership's risk factors are set out in (a)(i) to (a)(iii) below.

(i) Not actively traded

The Partnership's investments are not generally traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The underlying investments of the Partnership vary as to industry sub-sector, geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to uncertainty.

Although the investments are in the same industry, this risk is managed through careful selection of investments within the specified limits of the investment policy. The investments are monitored on a regular basis by the Investment Manager.

(ii) Concentration

The Company, through the Partnership, invests in the global energy sector, with a particular focus on businesses that engage in oil and gas exploration and production and midstream investments in that sector. This means that the Company is exposed to the concentration risk of only making investments in the global energy sector, which concentration risk may further relate to sub-sector, geography, and the relative size of an investment or other factors. Whilst the Company is subject to the investment and diversification restrictions in its investment policy, within those limits, material concentrations of investments have arisen.

The Board and the Investment Manager monitor the concentration of the investment in the Partnership on a quarterly basis to ensure compliance with the investment policy.

(iii) Liquidity

The Company's underlying investments through the Partnership are dynamic in nature. The Partnership will maintain flexibility in funding by keeping sufficient liquidity in cash and cash equivalents which may be invested on a temporary basis in line with the cash management policy as agreed by the Board from time to time.

As at 31 December 2021, $98.5[(1)] million or 14.6 per cent. (31 December 2020: $90.3[(1)] million or 23.6 per cent.) of the Partnership's financial assets, including those held by its wholly-owned subsidiaries, REL US Corp and REL US Centennial Holdings, LLC, were cash balances held on deposit with several, A or higher rated, banks.

(1) These figures are comprised of $4.1 million (2020: $90.3 million) held at the Partnership and $94.4 (2020: $nil) held at REL US Corp.

Notes to the Financial Statements continued

For the year ended 31 December 2021

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Foreign currency risk

The Company has exposure to foreign currency risk due to the payment of some expenses in Pounds Sterling. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the U.S. Dollar.

The Directors do not consider that the foreign currency exchange risk at the balance sheet date is material and therefore sensitivity analysis for the foreign currency risk has not been provided.

The following tables set out, in U.S. Dollars, the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities:

As at 31 December 2021	$ $'000	£ $'000	Total $'000
Assets			
Non-current assets			
Investment in the Partnership(1)	674,439	–	674,439
Total non-current assets	674,439	–	674,439
Current assets			
Trade and other receivables	938	32	970
Cash and cash equivalents	1,524	5,772	7,296
Total current assets	2,462	5,804	8,266
Current liabilities			
Trade and other payables	117	547	664
Total current liabilities	117	547	664
Total net assets	676,784	5,257	682,041

As at 31 December 2020	$ $'000	£ $'000	Total $'000
Assets			
Non-current assets			
Investment in the Partnership(1)	383,589	–	383,589
Total non-current assets	383,589	–	383,589
Current assets			
Trade and other receivables	1,136	1	1,137
Cash and cash equivalents	4,983	3,824	8,807
Total current assets	6,119	3,825	9,944
Current liabilities			
Trade and other payables	150	3,040	3,190
Total current liabilities	150	3,040	3,190
Total net assets	389,558	785	390,343

(1) Includes the fair value of two investments held through the Partnership, Hammerhead and CNOR, denominated in CAD and therefore subject to foreign currency risk. These two investments had an aggregate fair value of $128.9 million as at 31 December 2021 (31 December 2020: $67.5 million).

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Interest Rate Risk

The Company's exposure to interest rate risk relates to the Company's cash and cash equivalents held through the Partnership. The Company is subject to risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. As at the date of the Statement of Financial Position, the majority of the Company's cash and cash equivalents were held on interest bearing fixed deposit accounts at the Partnership. Any exposure to interest rate risk at the underlying investment level is captured within price risk.

The Company has no other interest-bearing assets or liabilities as at the reporting date. As a consequence, the Company is only exposed to minimal variable market interest rate risk. Management does not expect any residual interest rate risk to be material, and therefore sensitivity analysis has not been provided.

	31 December 2021 $'000	31 December 2020 $'000
Non-interest bearing		
Cash and cash equivalents	**7,296**	8,807

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors.

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price.

The Company adopts a prudent approach to liquidity management and through the preparation of budgets and cash flow forecasts maintains sufficient cash reserves to meet its obligations. During the year, the Company received distributions in aggregate of £40 million ($55.8 million) from the Partnership (2020: $73.3 million) to fund the 2021 share buyback programme announced on 11 May 2021. As in prior years, in accordance with the Partnership Agreement, if the Company requires additional funds for working capital, it is entitled to receive further distributions from the Partnership. In order to do so, the Company would submit a distribution request approved by the Board to the Partnership, which would then be required to arrange for the payment of the requested amount. Since REL's inception, the Company has requested and received seven distributions from the Partnership for working capital needs. As at 31 December 2021, REL, through the Partnership, had available liquid resources of $98.5 million in excess of potential unfunded commitments of $49.1 million, but currently, as of the date of this report, REL, through the Partnership, has total potential unfunded commitments of up to $69.6 million. This amount does not exceed its available liquid resources of $88.5 million as of the date of this report, which includes $42.1 million of proceeds from the sale of Pipestone Energy ($41.7 million) and GoodLeap dividends received in 2022 ($0.4 million). However, based on the Investment Manager's cash flow forecast for the next three years, the expectation is that, if needed, the Partnership will only fund the remaining commitments to Anuvia, Enviva, Onyx and the first closing of an electric motor company's latest financing round, which aggregate up to $33.7 million as of the date of this report. In order to enable the Partnership to satisfy an additional distribution request from the Company, as a reactionary measure, the Partnership's investments in the publicly-traded shares of portfolio companies could always be sold, or used as collateral to secure asset-backed financing, to fund the Partnership's shortfall of liquid resources and potential proceeds from investment realisations versus potential unfunded commitments. The Partnership holds marketable securities consisting of publicly-traded shares of Centennial, Enviva, Pipestone, Solid Power, Hyzon Motors and Talos, for which the aggregate fair value was $195 million at 31 December 2021 and $180 million as of 22 February 2022, exclusive of the sale of Pipestone for proceeds of $41.7 million.

The Company's financial assets (excluding equity investments) and liabilities have an expected maturity of less than 12 months from 31 December 2021 (2020: less than 12 months from 31 December 2020). Based on the assessment outlined above, the Board has concluded that, as of the date of this report, the Company and Partnership have sufficient available liquid resources to meet current liabilities as they fall due over the next 13 months to 31 March 2023.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Any exposure to credit risk at the underlying investment level is captured within price risk.

Financial assets mainly consist of cash and cash equivalents, trade and other receivables, and investments at fair value through profit or loss. The Company's risk on liquid funds, including those held by the Partnership(1), is reduced because it can only deposit monies with institutions with a minimum credit rating of "single A". The Company mitigates its credit risk exposure on its investment at fair value through profit or loss by the exercise of due diligence on the counterparties of the Partnership, its General Partner and the Investment Manager.

10. FINANCIAL RISK MANAGEMENT (continued)

The table below shows the material cash balances and the credit rating for the counterparties used at the year-end date:

Counterparty	Location	Rating	31 December 2021 $'000	31 December 2020 $'000
Barclays Bank Plc	Guernsey	A	**7,296**	8,807

(1) The Partnership hold its cash and cash equivalents at Barclays Bank Plc (Rating: A), Citibank (Rating: A) and JPMorgan Bank Luxembourg S.A. (Rating A+).

The Company's maximum exposure to loss of capital from credit risk at the year-end is shown below:

31 December 2021	Carrying Value and Maximum exposure $'000
Other financial assets (including cash and cash equivalents but excluding prepayments)	**7,296**

31 December 2020	Carrying Value and Maximum exposure $'000
Other financial assets (including cash and cash equivalents but excluding prepayments)	8,807

Gearing

As at the date of these Financial Statements the Company itself has no gearing. The Company may have indirect gearing through the operations of the underlying investee companies.

11. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as a whole. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the Total Return of the Company's Net Asset Value and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the Financial Statements.

For management purposes, the Company is organised into one main operating segment, which invests in one limited partnership.

All of the Company's income is derived from within Guernsey and the Cayman Islands.

All of the Company's non-current assets are located in the Cayman Islands.

Due to the Company's nature, it has no customers.

12. EARNINGS/(LOSS) PER SHARE AND NET ASSET VALUE PER SHARE

Earnings/(Loss) per Share

	31 December 2021 Basic / Diluted	31 December 2020 Basic / Diluted
Profit/(loss) for the year ($'000)	**341,944**	(318,890)
Weighted average numbers of Shares in issue	**60,873,614**	72,106,969
EPS (cents)	**561.73**	(442.25)

The Earnings per Share is based on the profit or loss of the Company for the year and on the weighted average number of Shares the Company had in issue for the year ended 31 December 2021.

The weighted average number of Shares during the year is 60,873,614.

There are no dilutive Shares in issue as at 31 December 2021.

Net Asset Value per Share

	31 December 2021 Basic / Diluted	31 December 2020 Basic / Diluted
NAV ($'000)	**682,041**	390,343
Number of Shares in issue	**54,937,599**	62,938,466
Net Asset Value per Share ($)	**12.41**	6.20
Net Asset Value per Share (£)	**9.19**	4.55
Discount to NAV (per cent.)	**49.40**	34.68

The Net Asset Value per Share is arrived at by dividing the net assets as at the date of the Statement of Financial Position by the number of Ordinary Shares in issue at that date. The Discount to NAV is arrived at by calculating the percentage discount of the Company's Net Asset Value per Share to the Company's closing Share price as at the date of the Statement of Financial Position.

13. AUDITOR'S REMUNERATION

Other operating expenses include all fees payable to the auditor, which can be analysed as follows:

	2021 $'000	2020 $'000
Ernst & Young LLP Audit fees	**603**	538

	2021 $'000	2020 $'000
Ernst & Young LLP (United Kingdom) Interim Review fees	**190**	157
Ernst & Young Business Services S.à r.l Non-Assurance services	**–**	2
Ernst & Young Non-Audit fees	**190**	159

Notes to the Financial Statements continued

For the year ended 31 December 2021

14. IFRS TO US GAAP RECONCILIATION

The Company's Financial Statements are prepared in accordance with IFRS, which in certain respects differ from US GAAP. These differences are not material and therefore no reconciliation between IFRS and US GAAP has been presented. For reference, please see below for a summary of the key judgments and estimates taken into account with regards to the Company as of 31 December 2021, as well as the Shareholders' financial highlights required under US GAAP.

Assessment as an Investment Entity

As stated in Note 3, REL meets the definition of an investment entity under IFRS 10. Per US GAAP (Financial Services – Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements or "ASC 946"), REL meets the definition of an investment company, and as required by ASC 946, REL measures its investment in the Partnership at FVTPL, which in turn measures its investment in the underlying investments at FVTPL.

REL's Investment in the Partnership

As stated in Note 3, although the Company is the sole limited partner, it does not control the Partnership (as that is attributable to the General Partner), but instead has significant influence. Therefore, REL accounts for the Partnership as an investment in associate in accordance with IAS 28 – Investment in Associates and Joint Ventures, and, since REL meets the definition of an investment company in accordance with IFRS 10, it measures its investment in the Partnership at FVTPL. Taking into consideration all applicable US GAAP requirements (ASC 946 and ASC 323), REL is permitted to not consolidate its investment in the Partnership and account for it at FVTPL as required by ASC 946 and ASC 323, which is similar to the IFRS 10 requirements.

Fair Value Measurements

The fair value of the underlying investments held by the Partnership are determined based on valuation techniques and inputs that are observable and unobservable in the market which market participants have access to and will use to determine the exit price or selling price of the investments. The change in valuation of REL's investments held by the Partnership is then reflected in the fair value of REL's investment in the Partnership.

Shareholders' Financial Highlights

	Year Ended 31 December 2021	Year Ended 31 December 2020
Expense ratio[1]	**2.7%**	2.3%
Performance Allocation ratio[1]	**0.0%**	0.0%
Total Expense and Performance Allocation ratio	**2.7%**	2.3%
Net investment loss ratio[2]	**(2.8)%**	(1.8)%
Internal rate of return[3], beginning of year	**(13.0)%**	(7.4)%
Internal rate of return[3], end of year	**(5.4)%**	(13.0)%
Net contributed capital to total capital commitments[4]	**100.0%**	100.0%

1. The expense ratio is calculated using total expenses of the Company and the Partnership allocated to the Shareholders divided by the Shareholders' average capital balance for the year presented. For the years ended 31 December 2021 and 2020, the Performance Allocation realised by the General Partner of the Partnership was $nil and $0.1 million, respectively, and the Performance Allocation accrued by the General Partner of the Partnership was approximately $nil and $nil, respectively.
2. The net investment loss ratio is the Shareholders' investment income of the Company and Partnership reduced by total expenses of the Company and the Partnership divided by the Shareholders' average capital balance for the year presented. However, net investment loss does not include any realised or unrealised gains/losses generated from the sale or recapitalisation of an investment of the Partnership. Thus, net investment loss includes dividend and interest income of the Company and the Partnership less the total expenses of the Company and the Partnership incurred during the year presented.
3. The internal rate of return since the commencement of operations ("IRR") is computed based on the dates of the Shareholders' capital contributions to the Company, distributions from the Company to the Shareholders, and the fair value of the Shareholders' NAV as of 31 December 2021. The IRR of the Shareholders is net of all fees and Performance Allocation to the General Partner of the Partnership. The computation of the IRR for an individual Shareholder may vary from the IRR presented above due to the timing of capital transactions.
4. Net contributed capital is based on the Shareholders' gross capital contributions.

15. POST-YEAR END UPDATES

Subsequent to year-end, REL, through the Partnership, funded four new investments in keeping with its modified investment programme, as well as realised its investment in Pipestone (see details below). Additionally, on 8 February 2022, the Company announced that the Board and Investment Manager agreed to allocate an additional £46.0 million to the share buyback programme. As the Company currently has the authority to repurchase 1,799,944 shares pursuant to the authority granted at its 2021 annual general meeting, the Board is convening an EGM on 4 March 2022 to seek shareholder approval to renew the Company's authority to repurchase up to 14.99 per cent. of the shares outstanding as at the date of the meeting.

Tritium

Tritium's merger vote with DCRN was held and closed on 12 January 2022, resulting in Tritium becoming a publicly traded company. DCRN, a blank-check company formed for the purpose of effecting a merger, capital stock exchange, or asset acquisition, stock purchase, reorganisation or similar business combination with a target whose principal effort is developing and advancing a platform that decarbonises the most carbon-intensive sectors. Due to large numbers of DCRN shareholder redemptions, an additional $15 million commitment to Tritium was funded on 11 February 2022.

T-REX Group

On 19 January 2022, REL funded a $17.5 million preferred equity investment in conjunction with the closing of T-REX's $40 million Series C funding round. T-REX, a SaaS provider supporting the asset-backed financing industry, brings together asset class expertise, critical data management capabilities, and a platform for deal structuring, cash flow modelling, scenario analysis, real-time performance tracking, and reporting. The company was founded to address the absence of modern technology to power complex asset finance and the emerging need for tools to accelerate investment into the energy transition. T-REX's platform gives institutions the modernised tools and validation they require to deploy capital, thereby facilitating increased investment allocations into sustainable, decarbonisation-related assets.

Electric motor company

On 1 February 2022, REL funded $17.0 million of a $17.5 million commitment in conjunction with the first closing of an electric motor company's latest financing round. The electric motor company engineers and manufactures innovative axial flux, permanent magnet electric motors for commercial, industrial and mobility applications. The company's electric motors meet the industry's highest efficiency standards (IE5) at less than half the size and weight of comparable motors, and facilitate decarbonisation by consuming less electricity and raw material than do existing models.

Pipestone

On 4 February 2022, REL sold its entire position in Pipestone Energy Corp. for CAD 4.55 per share or CAD 53.0 million ($41.7 million) in net proceeds. The 11.72 million block sale resulted in an aggregate Gross MOIC of 0.64x, inclusive of previously realised proceeds, which is slightly higher than its fourth-quarter 2021 mark of 0.58x.

Anuvia

On 18 February 2022, REL committed to invest up to $20 million in Anuvia Plant Nutrients' $70 million Series D Round. Anuvia manufactures a premium organic fertiliser that uses bio-waste as a manufacturing input, which sequesters carbon and improves soil health. The company's products displace emissions-intensive synthetic fertilisers, increase crop yields by 3-6 per cent., and provide growers with a 3-4x return on the incremental investment.

Alternative performance measures ("APMs")

This Annual Report and Accounts contain APMs, which are financial measures not defined in IFRS. These include certain financial and operational highlights and key financials on pages 92 and 93, as well as in the performance section of the Chairman's Statement on pages 4 to 7. The definition of each of these APMs is shown below.

The Company assesses its performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. The APMs that the Company uses may not be directly comparable with those used by other companies. These APMs are used to present a clearer picture of how the Company has performed over the year and are all financial measures of historical performance.

The table below defines our APMs.

APM	Definition	Purpose	Calculation and (where relevant) reconciliation to IFRS
NAV per Ordinary Share	The Company's NAV divided by the number of Ordinary Shares.	A measure of the value of one ordinary share.	The net assets as shown on the statement of financial position ($682 million as at 31 December 2021 and $390 million as at 31 December 2020) divided by the number of Ordinary Shares in issue as at the calculation date (54,937,599 as at 31 December 2021 and 62,938,466 as at 31 December 2020).
Ordinary NAV total return	The increase/(decrease) in the NAV per ordinary share.	A measure of the overall financial performance of the Company.	The difference in the NAV per Ordinary Share at the beginning and end of the year from the statement of financial position ($12.41) for the year ended 31 December 2021 & $6.20 for the year ended 31 December 2020) as a percentage of the opening NAV per Ordinary Share as shown in the Statement of Financial Position (being $6.20 per ordinary share as at 31 December 2020 & $9.66 as at 31 December 2019).
Premium/(discount) to NAV	The amount by which the ordinary share price is higher/lower than the NAV per Ordinary Share, expressed as a percentage of the NAV per ordinary share.	A measure of the performance of the Company's share price relative to the NAV per Ordinary Share.	The difference between the Company's share price and NAV per Ordinary Share as a relative percentage of the NAV per Ordinary Share (49.4 per cent. as at 31 December 2021 and 34.7 per cent. as at 31 December 2020).
Annual total costs' impact on return per year	The impact on return each year that total costs, including GP Performance Allocation, have on the investment return.	A measure to show how total costs, including GP Performance Allocation, affect the return from the Company.	Annual total costs of the Company and Partnership as a per cent. of average NAV of the Company: Total annual costs for the year ended 31 December 2021: $14,367,376 (31 December 2020: $10,917,596). Average NAV of the Company for the year ended 31 December 2021: $603,786,244 (31 December 2020: $467,768,254). Annual total costs' impact of return per year: 2.4 per cent. as of 31 December 2021 (2.3 per cent. as of 31 December 2020).
Reconciliation of Partnership's investments	The annual investment value of the Partnership, including capital deployed into the Company's assets, cash received from the Company's investment portfolio and the net unrealised change in value.	A reconciliation of the Partnership's investments on an annual basis.	For the year ended 31 December 2021: $288 million – Brought Forward 109 million – Capital Invested 436 million – Cash Proceeds 617 million – Change in Unrealised Gain/(Loss) $578 million – Carried Forward For the year ended 31 December 2020: $593 million – Brought Forward 59 million – Capital Invested (53) million – Cash Proceeds (311) million – Change in Unrealised Gain/(Loss) $288 million – Carried Forward

APM	Definition	Purpose	Calculation and (where relevant) reconciliation to IFRS
Expense Ratio	The impact on return each year that total costs, excluding GP Performance Allocation, have on the investment return.	A measure to show how costs, excluding GP Performance Allocation, affect the return from the Company.	As shown in Note 14, the expense ratio is calculated using total expenses of the Company and the Partnership allocated to the Shareholders divided by the Shareholders' average capital balance for the year presented (2.7 per cent. for the year ended 31 December 2021 & 2.3 per cent. for the year ended 31 December 2020).
Performance Allocation Ratio	The impact on return each year that GP Performance Allocation has on the investment return.	A measure to show how GP Performance Allocation affects the return from the Company.	As shown in Note 14, for the years ended 31 December 2021 and 2020, the Performance Allocation realised by the General Partner of the Partnership was $nil and $0.1 million, respectively, and the Performance Allocation accrued by the General Partner of the Partnership was approximately $nil and $nil, respectively.
Net Investment Loss Ratio	The impact on return each year that total costs, net of interest income, have on the investment return.	A measure to show how total costs, net of interest income, affect the return from the Company.	As shown in Note 14, the net investment loss ratio is the Shareholders' investment income of the Company and Partnership reduced by total expenses of the Company and the Partnership divided by the Shareholders' average capital balance for the year presented. However, net investment loss does not include any realised or unrealised gains/losses generated from the sale or recapitalisation of an investment of the Partnership. Thus, net investment loss includes dividend and interest income of the Company and the Partnership less the total expenses of the Company and the Partnership incurred during the year presented. (2.8 per cent. for the year ended 31 December 2021 & 1.8 per cent. for the year ended 31 December 2020).
Internal Rate of Return	The cumulative return on Shareholders' investment.	A measure to show the return from the Company.	As shown in Note 14, the internal rate of return since the commencement of operations ("IRR") is computed based on the dates of the Shareholders' capital contributions to the Company, distributions from the Company to the Shareholders, and the fair value of the Shareholders' NAV as of 31 December 2021. The IRR of the Shareholders is net of all fees and Performance Allocation to the General Partner of the Partnership. (5.4) per cent. as of 31 December 2021 (13.0) per cent. as of 31 December 2020 (7.4) per cent. as of 31 December 2019
Net Contributed Capital to Total Capital Commitments	The Shareholders' gross capital contributions in relation to total capital commitments.	A measure to show the remaining unfunded portion of the Shareholders' total capital commitments.	As shown in Note 14, net contributed capital is based on the Shareholders' gross capital contributions. (100 per cent. as of 31 December 2021 and 2020).

Glossary of Capitalised Defined Terms

"**1P reserve**" means proven reserves;

"**2P reserve**" means proven and probable reserves;

"**Administrator**" means Ocorian Administration (Guernsey) Limited (formerly Estera International Fund Managers (Guernsey) Limited);

"**Admission**" means admission, on 29 October 2013, to the Official List and/or admission to trading on the London Stock Exchange, as the context may require, of the Ordinary Shares becoming effective in accordance with the Listing Rules and/or the LSE Admission Standards as the context may require;

"**AEOI Rules**" means Automatic Exchange of Information;

"**AIC**" means the Association of Investment Companies;

"**AIC Code**" means the AIC Code of Corporate Governance;

"**AIF**" means Alternative Investment Funds;

"**AIFM**" means AIF Manager;

"**AIFMD**" means EU Alternative Investment Fund Managers Directive (No. 2011/61EU);

"**Aleph Midstream**" means Aleph Midstream S.A;

"**Annual General Meeting**" or "**AGM**" means the general meeting of the Company;

"**Annual Report and Financial Statements**" means the annual publication of the Company provided to the Shareholders to describe their operations and financial conditions, together with their Financial Statements;

"**Anuvia**" means Anuvia Plant Nutrients;

"**Articles of Incorporation**" or "**Articles**" means the articles of incorporation of the Company, as amended from time to time;

"**Audit Committee**" means a formal committee of the Board with defined terms of reference;

"**bbl**" means barrel of crude oil;

"**Board**" or "**Directors**" means the directors of the Company;

"**boepd**" means barrels of equivalent oil per day;

"**bopd**" means barrels of oil per day;

"**bw/d**" means barrels of water per day;

"**CAD**" or "**C$**" means Canadian dollar;

"**CanEra III**" means CanEra Inc.;

"**CAR**" means Capital Adequacy Ratio;

"**Carrier II**" means Carrier Energy Partners II LLC;

"**Castex 2005**" means Castex Energy 2005 LLC;

"**Castex 2014**" means Castex Energy 2014 LLC;

"**Centennial**" means Centennial Resource Development, Inc.;

"**CNOR**" means Canadian Non-Operated Resources LP;

"**Companies Law**" means the Companies (Guernsey) Law, 2008, (as amended);

"**Company**" or "**REL**" means Riverstone Energy Limited;

"**Company Secretary**" means Ocorian Administration (Guernsey) Limited (formerly Estera International Fund Managers (Guernsey) Limited);

"**Cornerstone Investors**" means those investors who have acquired Ordinary Shares and acquired a minority economic interest in the General Partner and in the Investment Manager, being AKRC Investments LLC, Casita, L.P., KFI and McNair;

"**Corporate Brokers**" means JP Morgan Cazenove and Numis Securities Limited;

"**C Corporations**" means a C Corporation, under U.S. federal income tax law, being a corporation that is taxed separately from its owners;

"**CRAR**" means Capital to Risk (Weighted) Assets Ratio;

"**CRS**" means Common Reporting Standard;

"**DCRB**" means Decarbonization Plus Acquisition Corporation;

"**DCRC**" means Decarbonization Plus Acquisition Corporation III;

"**DCRD**" means Decarbonization Plus Acquisition Corporation IV;

"**DCRN**" means Decarbonization Plus Acquisition Corporation II;

"**DEA**" means Deutsche Erdoel AG, an international independent exploration and production company headquartered in Germany;

"**Depositary**" means Ocorian Depositary Company (UK) Limited (formerly Estera Depositary Company (UK) Limited);

"**Disclosure Guidance and Transparency Rules**" or "**DTRs**" mean the disclosure guidance published by the FCA and the transparency rules made by the FCA under section 73A of FSMA;

"**Discontinuation Resolution**" means a special resolution that was proposed and not passed by the Company's Shareholders to discontinue the Company within six weeks of the seventh anniversary of the Company's first Admission if the trading price has not met the Target Price, and the Invested Capital Target Return has not been met;

"**Discount to NAV**" means the situation where the Ordinary shares of the Company are trading at a price lower than the Company's Net Asset Value;

"**E&P**" means exploration and production;

"**Eagle II**" means Eagle Energy Exploration, LLC;

"**Earnings per Share**" or "**EPS**" means the Earnings per Ordinary Share and is expressed in U.S. dollars;

"**EBITDA**" means earnings before interest, taxes, depreciation and amortisation;

"**ECI**" means effectively connected income, which refers to all income from sources within the United States connected with the conduct of a trade or business;

"**ECL**" means expected credit loss;

"**EEA**" means European Economic Area;

"**EGM**" means an Extraordinary General Meeting of the Company;

"**EIA**" means the U.S. Energy Information Administration;

"**Enviva**" means Enviva Holdings, LP;

"**EU**" means the European Union;

"**EV**" means enterprise value;

"**FATCA**" means Foreign Account Tax Compliance Act;

"**FCA**" means the UK Financial Conduct Authority (or its successor bodies);

"**Fieldwood**" means Fieldwood Energy LLC;

"**Financial Statements**" means the audited financial statements of the Company, including the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and associated notes;

"**FRC**" means Financial Reporting Council;

"**FreeWire**" means FreeWire Technologies, Inc.;

"**Fund V**" means Riverstone Global Energy & Power Fund V, L.P.;

"**Fund VI**" means Riverstone Global Energy & Power Fund VI, L.P.;

"**FVTPL**" means Fair Value through the profit or loss;

"**General Partner**" means REL IP General Partner LP (acting through its general partner, REL IP General Partner Limited), the general partner of the Partnership and a member of the Riverstone group;

"**GFSC**" or "**Commission**" means the Guernsey Financial Services Commission;

"**GFSC Code**" means the GFSC Finance Sector Code of Corporate Governance;

"**GHG**" means greenhouse gases;

"**GoodLeap**" means GoodLeap, LLC;

"**GoM**" means the Gulf of Mexico;

"**Gross IRR**" means an aggregate, annual, compound, gross internal rate of return on investments. Gross IRR does not reflect expenses to be borne by the relevant investment vehicle or its investors including, without limitation, carried interest, management fees, taxes and organisational, partnership or transaction expenses;

"**Gross MOIC**" means gross multiple of invested capital;

Glossary of Capitalised Defined Terms continued

"**Hammerhead**" means Hammerhead Resources Inc.;

"**Hunt**" means Hunt REL Holdings LLC together with various members of Ray L. Hunt's family and their related entities;

"**Hyzon**" means Hyzon Motors, Inc.;

"**IAS**" means international accounting standards as issued by the Board of the International Accounting Standards Committee;

"**IFRS**" means the International Financial Reporting Standards as adopted by the European Union, being the principles-based accounting standards, interpretations and the framework by that name issued by the International Accounting Standards Board;

"**IEA**" means International Energy Agency;

"**ILX III**" means ILX Holdings III LLC;

"**IMO**" means the International Maritime Organization (IMO), an agency of the United Nations which has been formed to promote maritime safety;

"**Interim Financial Report**" means the Company's half yearly report and unaudited interim condensed financial statements for the period ended 30 June;

"**Investment Manager**" means RIL (effective through 17 August 2020) and RIGL (effective after 17 August 2020) which are both majority-owned and controlled by Riverstone;

"**Investment Management Agreement**" or "**IMA**" means the investment management agreement dated 24 September 2013 between RIL, the Company and the Partnership (acting through its General Partner) under which RIL is appointed as the Investment Manager of both the Company and the Partnership (effective 17 August 2020), the 2nd Amended & Restated investment management agreement effective after 17 August 2020 between RIGL, the Company and the Partnership (acting through its General Partner) under which RIGL is appointed as the Investment Manager of both the Company and the Partnership and the 3rd Amended & Restatement investment management agreement effective 9 December 2020 between RIGL, the Company and the Partnership (acting through its General Partner);

"**Invested Capital Target Return**" means, as defined in the Articles, the Gross IRR of 8 per cent. on the portion of the proceeds of the Issue (as such term is defined in the Company's Prospectus) that have been invested or committed to an investment ("Invested Capital") in respect of the period from the dates of investment or commitment of that Invested Capital (being the dates from which a Management Fee has been paid in respect of that Invested Capital) to the seventh anniversary of the first Admission, calculated by reference to the prevailing U.S. dollar valuations (as of the seventh anniversary of the first Admission (or earlier disposal)) of the investment acquired with that Invested Capital and sales proceeds of investments that have been disposed of prior to such seventh anniversary and taking account of any distributions made on those investments prior to the seventh anniversary of the first Admission;

"**Investment Undertaking**" means the Partnership, any intermediate holding or investing entities that the Company or the Partnership may establish from time to time for the purposes of efficient portfolio management and to assist with tax planning generally and any subsidiary undertaking of the Company or the Partnership from time to time;

"**IPEV Valuation Guidelines**" means the International Private Equity and Venture Capital Valuation Guidelines;

"**IPO**" means the initial public offering of shares by a private company to the public;

"**IRS**" means the Internal Revenue Service, the revenue service of the U.S. federal government;

"**ISA**" means International Standards on Auditing (UK);

"**ISAE 3402**" means International Standard on Assurance Engagements 3402, "Assurance Reports on Controls at a Service Organisation";

"**ISIN**" means an International Securities Identification Number;

"**KFI**" means Moore Capital Management, formerly known as Kendall Family Investments, LLC, a cornerstone investor in the Company;

"**Liberty II**" means Liberty Resources II LLC;

"**Listing Rules**" means the listing rules made by the UK Listing Authority under section 73A Financial Services and Markets Act 2000;

"**Loanpal**" means Loanpal, LLC;

"**London Stock Exchange**" or "**LSE**" means London Stock Exchange plc;

"**LSE Admission Standards**" means the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Official List;

"**M&A**" means mergers and acquisitions;

"**Management Engagement Committee**" means a formal committee of the Board with defined terms of reference;

"**Management Fee**" means the management fee to which the Investment Manager is entitled;

"**mcfe**" means thousand cubic feet equivalent (natural gas);

"**McNair**" means RCM Financial Services, L.P. for the purposes of acquiring Ordinary Shares and Palmetto for the purposes of acquiring a minority economic interest in the General Partner and the Investment Manager;

"**Meritage III**" means Meritage Midstream Services III, L.P.;

"**mmboe**" means million barrels of oil equivalent;

"**mmcfepd**" means million cubic feet equivalent (natural gas) per day;

"**NASDAQ**" means National Association of Securities Dealers Automated Quotations Stock Market;

"**NAV per Share**" means the Net Asset Value per Ordinary Share;

"**Net Asset Value**" or "**NAV**" means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policy and expressed in U.S. dollars;

"**Net IRR**" means an aggregate, annual, compound, gross internal rate of return on investments, net of taxes and carried interest on gross profit;

"**Net MOIC**" means gross multiple of invested capital net of taxes and carried interest on gross profit;

"**Net Profits**" means the proceeds received from each realised investment (after the expenses related to its disposal) minus the acquisition price of that realised investment;

"**Nomination Committee**" means a formal committee of the Board with defined terms of reference;

"**NURS**" means non-UCITS retail schemes;

"**NYSE**" means The New York Stock Exchange;

"**Official List**" is the list maintained by the Financial Conduct Authority (acting in its capacity as the UK Listing Authority) in accordance with Section 74(1) of the Financial Services and Markets Act 2000;

"**Onyx Power**" means Onyx Strategic Investment Management I BV;

"**OPEC**" means Organisation of the Petroleum Exporting Countries;

"**Ordinary Shares**" means redeemable ordinary shares of no par value in the capital of the Company issued and designated as "Ordinary Shares" and having the rights, restrictions and entitlements set out in the Articles;

"**Origo**" means Origo Exploration Holding AS;

"**Other Riverstone Funds**" means other Riverstone-sponsored, controlled or managed entities, including Fund V/VI, which are or may in the future be managed or advised by the Investment Manager or one or more of its affiliates, excluding the Partnership;

"**Partnership**" or "**RELIP**" means Riverstone Energy Investment Partnership, L.P., the Investment Undertaking in which the Company is the sole limited partner;

"**Partnership Agreement**" means the partnership agreement in respect of the Partnership between inter alios the Company as the sole limited partner and the General Partner as the sole general partner dated 23 September 2013;

"**Performance Allocation**" means the Performance Allocation to which the General Partner is entitled;

"**PIPE**" means private investment in public entity;

"**Placing and Open Offer**" means the issuance of 8,448,006 new Ordinary Shares at £8.00 per Ordinary Share on 11 December 2015;

"**POI Law**" means the Protection of Investors (Bailiwick of Guernsey) Law, 2020;

"**Private Riverstone Funds**" means Fund V and all other private multi-investor, multi-investment funds that are launched after Admission and are managed or advised by the Investment Manager (or one or more of its affiliates) and excludes Riverstone employee co-investment vehicles and any Riverstone managed or advised private co-investment vehicles that invest alongside either Fund V or any multi-investor multi-investment funds that the Investment Manager (or one or more of its affiliates) launches after Admission;

"**Prospectuses**" means the prospectus published on 24 September 2013 by the Company in connection with the IPO of Ordinary Shares and further prospectus published on 23 November 2015;

"**PRT**" means Riverstone Performance Review Team;

"**PSA**" means a public service announcement;

"**Qualifying Investments**" means all investments in which Private Riverstone Funds participate which are consistent with the Company's investment objective where the aggregate equity investment in each such investment (including equity committed for future investment) available to the relevant Private Riverstone Fund and the Company (and other co-investees, if any, procured by the Investment Manager or its affiliates) is $100 million or greater, but excluding any investments made by Private Riverstone Funds where both (a) a majority of the Company's independent directors and (b) the Investment Manager have agreed that the Company should not participate;

"**RCO**" means Riverstone Credit Opportunities, L.P.;

Glossary of Capitalised Defined Terms continued

"**RELCP**" means Riverstone Energy Limited Capital Partners, LP (acting by its general partner Riverstone Holdings II (Cayman) Ltd.) a Cayman exempted limited partnership controlled by affiliates of Riverstone;

"**Ridgebury H3**" means Ridgebury H3, LLC;

"**RIGL**" means RIGL Holdings, LP;

"**RIL**" means Riverstone International Limited;

"**Riverstone**" means Riverstone Holdings LLC and its affiliated entities (other than the Investment Manager and the General Partner), as the context may require;

"**Rock Oil**" means Rock Oil Holdings, LLC;

"**S&P Index**" means the Standard & Poor's 500 Index;

"**S&P Oil & Gas E&P Index**" means the Standard & Poor's Oil & Gas Exploration & Production Select Industry Index;

"**SCOOP**" means South Central Oklahoma Oil Province;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Sierra**" means Sierra Oil and Gas Holdings, L.P.;

"**SIFI**" means Systemically Important Financial Institutions;

"**Shareholder**" means the holder of one or more Ordinary Shares;

"**Solid Power**" means Solid Power, Inc.;

"**SPAC**" means special purpose acquisition company;

"**SPPI**" means solely payments of principal and interest;

"**Standing Committee**" means a formal committee of the Board with defined terms of reference;

"**Stewardship Code**" means the UK Stewardship Code;

"**Target Price**" means, as defined in the Articles, £15.00, subject to (a) downward adjustment in respect of the amount of all dividends and other distributions, stock splits and equity issuances below the prevailing NAV per Ordinary Share made following the first Admission and (b) upward adjustment to take account of any share consolidations made following the first Admission;

"**Tender Offer**" means up to £55,000,000 in value of Ordinary Shares made by the Company in 2018;

"**Three Rivers III**" means Three Rivers Natural Resources Holdings III LLC;

"**Total Return of the Company's Net Asset Value**" means the capital appreciation of the Company's Net Asset Value plus the income received from the Company in the form of dividends;

"**T-REX Group**" means T-REX Group, Inc.;

"**TRIF**" means Total Recordable Incident Frequency;

"**Tritium**" means Tritium DCFC Limited;

"**TSX**" means Toronto Stock Exchange;

"**UCITS**" means undertakings for collective investment in transferable securities;

"**United States Bankruptcy Code**" means the source of bankruptcy law in the United States Code;

"**United States Code**" means the consolidation and codification by subject matter of the general and permanent laws of the United States;

"**UNPRI**" means UN-supported Principles of Responsible Investment;

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland;

"**UK Code**" means The UK Corporate Governance Code 2018, issued by the FRC;

"**UK Listing Authority**" or "**UKLA**" means the Financial Conduct Authority;

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**US GAAP**" means the accounting principles generally accepted in the United States;

"**WTI**" means West Texas Intermediate which is a grade of crude oil used as a benchmark in oil pricing;

"**£**" or "**Pounds Sterling**" or "**Sterling**" means British pound sterling and "pence" means British pence; and

"**$**" means United States dollars and "**cents**" means United States cents.

Directors and General Information

Directors
Richard Hayden (Chairman)
Peter Barker
Patrick Firth
Jeremy Thompson
Claire Whittet

Audit Committee
Patrick Firth (Chairman)
Peter Barker
Richard Hayden
Jeremy Thompson
Claire Whittet

Management Engagement Committee
Claire Whittet (Chair)
Peter Barker
Patrick Firth
Richard Hayden
Jeremy Thompson

Nomination Committee
Richard Hayden (Chairman)
Peter Barker
Patrick Firth
Jeremy Thompson
Claire Whittet

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Investment Manager's Performance Review Team
Bartow Jones
Pierre Lapeyre
David Leuschen
Baran Tekkora

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Ticker: RSE

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Swiss Supplement

Additional information for investors in Switzerland

This Swiss Supplement is supplemental to, forms part of and should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 for RIVERSTONE ENERGY LIMITED (the "Fund").

Effective from 20 July 2015, the Fund had appointed Société Générale as Swiss Representative and Paying Agent. The current Prospectus, the Memorandum and Articles of Association and the annual report of the Fund can be obtained free of charge from the representative in Switzerland, Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, CH-8021 Zurich. The paying agent of the Fund in Switzerland is Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, CH-8021 Zurich. The Company may offer Shares only to qualified investors in Switzerland. In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the Swiss Representative.

Cautionary Statement

The Chairman's Statement, the Investment Manager's Report and the Report of the Directors have been prepared solely to provide additional information for Shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Chairman's Statement, the Investment Manager's Report and the Report of the Directors may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Adviser, concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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