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Riverstone to float energy fund in London

By Guy Chazan and Anousha Sakoui

Riverstone Holdings, the energy-orientated private equity group where former [BP](#) chief executive Lord Browne is a partner, is to float a new energy vehicle in London.

Called Riverstone Energy, the new vehicle is aiming to raise at least £500m and will invest in entities across the oil and gas and renewable energy sectors, said people familiar with the matter.

The flotation is being prepared by [Goldman Sachs](#) and [JPMorgan](#), the people said.

The planned IPO is part of a trend of private equity groups using public markets to tap into fresh sources of capital.

Traditionally private equity funds have only raised money from large institutions and wealthy families, but they have recently started tapping retail investors. KKR last month filed registration documents to launch two mutual funds, both investing in various types of debt.

The move by Riverstone will test European investors' appetite for listed vehicles of private equity groups. Several of them floated in Amsterdam at the peak of the last buyout boom – such as by KKR, Carlyle and Apollo – but left their shareholders nursing big losses during the financial crisis.

Lord Browne has been a partner of Riverstone since leaving BP in 2007. In that role he co-heads the world's largest renewable energy fund, with \$3.5bn in equity. He is also chairman of Cuadrilla Resources, which is exploring for unconventional oil and gas in the UK. Riverstone owns 44 per cent of Cuadrilla, which it jointly controls with [AJ Lucas](#), the Australian engineering group.

He and other Riverstone executives will sit on the board of the new company, if it lists.

Cuadrilla is facing vehement opposition to its efforts to drill an exploration well near the Sussex village of Balcombe. Anger is being directed towards the contentious technique known as hydraulic fracturing or “fracking” in which large volumes of water, sand and chemicals are injected at high pressure into shale rock to release the oil and gas trapped inside. Cuadrilla was forced to suspend its fracking operations in Lancashire in 2011 after causing two small earth tremors.

Lord Browne also chairs the Tate Gallery trustees and serves on several advisory boards. He recently became an adviser to Mikhail Fridman, the Russian oligarch who was a partner to BP in its TNK-BP joint venture.

Founded in 2000, Riverstone has about \$25bn under management raised across seven investment funds. It has committed about \$23.7bn to 102 investments in North and South America, Europe, Africa and Asia. Last month, Riverstone agreed to pay Apache \$3.75bn for its oil and gas field assets in the shallow, mature section of the Gulf of Mexico.

Additional reporting by Arash Massoudi

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