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NOBLE GROUP LIMITED

(Incorporated in Bermuda with limited liability)

PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE

1. INTRODUCTION

1.1 The directors (“**Directors**”) of Noble Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wish to announce the following:

- (a) a proposed renounceable underwritten rights issue (the “**Rights Issue**”) of 6,535,409,562 new ordinary shares of HK\$0.25 each in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.11 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every one (1) existing ordinary share of HK\$0.25 each in the capital of the Company (“**Shares**”) held by shareholders of the Company (“**Shareholders**”) as at the time and date to be determined by the Directors for the purposes of determining the entitlements of Entitled Shareholders (as defined below) under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded; and
- (b) the Company has submitted a listing application to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST.

1.2 The Company has appointed The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (“**HSBC**”), Morgan Stanley Asia (Singapore) Pte. (“**MS**”), DBS Bank Ltd., Société Générale, Singapore Branch and ING Bank N.V., Singapore Branch as the joint underwriters (the “**Joint Underwriters**”) for the Rights Issue, pursuant to the terms of an underwriting agreement (the “**Underwriting Agreement**”) entered into between the Company and the Joint Underwriters on 3 June 2016.

- 1.3 The Rights Issue is subject to, *inter alia*, (i) the receipt of in-principle approval from the SGX-ST for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST; (ii) the approval of Shareholders at a special general meeting of the Company (the “**SGM**”) to be convened, and (iii) the lodgment of the offer information statement to be issued by the Company in connection with the Rights Issue (the “**Offer Information Statement**”) with the Monetary Authority of Singapore (the “**MAS**”).

2. RIGHTS ISSUE

2.1 Purpose of the Rights Issue

- 2.1.1 **Rationale.** The Rights Issue has been proposed to form part of the Company’s ongoing and prudent balance sheet management and further enhance the financial flexibility of the Group.
- 2.1.2 **Use of Proceeds.** The gross proceeds from the Rights Issue are approximately S\$718.9 million. The estimated net proceeds from the Rights Issue after taking into account the estimated expenses of approximately S\$22.8 million for the Rights Issue are expected to be approximately S\$696.1 million.

The net proceeds will be used for debt repayment, working capital and general corporate purposes. The Company anticipates that approximately 20% of the net proceeds will be used for repayment of part of the Group’s syndicated loan facilities which are the Group’s 2013 term loan which matures in May 2017, the Group’s May 2015 revolving credit facility which matures in May 2018 and the Group’s May 2016 revolving credit facility (the proceeds of which were used to refinance existing borrowings) which matures in May 2017. The remaining 80% of the net proceeds will be used for working capital and general corporate purposes. As at the date of this Announcement, the Company has not identified specific instances in which the net proceeds would be used for such working capital and general corporate purposes. However, it is currently envisaged that the net proceeds may potentially be in the Group’s core oil liquids, coal and gas and power businesses, including in relation to inventory financing, margin posting requirements and extending trade credit to counterparties.

While these potential uses cited above are not exhaustive and the Company may apply the net proceeds towards other working capital or general corporate purposes, it may be noted that the Company has also undertaken to the SGX-ST to disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report.

Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group. The Company will make periodic announcements on the utilisation of such proceeds from the Rights Issue as the funds from the Rights Issue are materially disbursed and provide a status report on the use of the proceeds in the Company’s annual report.

2.2 Rights Issue

- 2.2.1 **Terms.** The Company is proposing to offer the Rights Issue on a renounceable basis to Entitled Shareholders on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

The Issue Price of S\$0.11 for each Rights Share represents (a) a discount of approximately 63.3% to the closing price of S\$0.30 per Share on the SGX-ST on 2 June 2016, being the last SGX-ST market day before the date of this Announcement; and (b) a discount of approximately 46.3% to the theoretical ex-rights price of S\$0.21 (being the theoretical market price of each Share assuming the completion of the Rights Issue, and which is calculated based on the closing price of S\$0.30 per Share on the SGX-ST on 2 June 2016, being the last SGX-ST market day before the date of this Announcement, and the total number of Shares following the completion of the Rights Issue).

- 2.2.2 **Size.** Based on the number of issued Shares as at the date of this Announcement, 6,535,409,562 Rights Shares will be issued. As at the date of this Announcement, the Company has outstanding options to acquire Shares granted under the Noble Group Share Option Scheme 2004 which are exercisable prior to the Books Closure Date. As such options are out-of-the-money as at the date of this Announcement, it is assumed that none of such options will be exercised on or before the Books Closure Date and the Company has not, as at the date of this Announcement, received any notice of exercise for any of such options. As at the date of this Announcement, the Company has granted share awards under the Noble Restricted Share Plan 2014 which may vest prior to the Books Closure Date. Any such vesting of share awards under the Noble Group Restricted Share Plan 2014 will be satisfied by existing Shares that are held on trust by an appointed trustee on behalf of selected employees of the Company, and will not give rise to any increase to the total number of Rights Shares to be issued.

- 2.2.3 **Eligibility of Shareholders to Participate in the Rights Issue.** The Company proposes to provisionally allot Rights Shares to all Shareholders who are eligible to participate in the Rights Issue ("**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders (each as defined below).

Entitled Shareholders will be entitled to participate in the Rights Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective addresses, as maintained in the records of The Central Depository (Pte) Limited ("**CDP**") or the Company, as the case may be.

- 2.2.4 **Entitled Depositors.** Shareholders whose Shares are registered in the name of CDP and whose Securities Accounts with CDP are credited with Shares as at the Books Closure Date ("**Depositors**") will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their Securities Accounts with CDP as at the Books Closure Date. To be "**Entitled Depositors**", Shareholders must not be Depositors (a) whose registered addresses with CDP are in or who are otherwise known to the Company to be resident in, or (b) who are holding Shares on behalf of a beneficial owner(s) of Shares ("**Beneficial Owner(s)**") who is/are known to the Company to be resident in a specified territory (each, a "**Specified**

Territory) as at the Books Closure Date, excluding in each case certain Shareholders, and Shareholders holding Shares on behalf of a Beneficial Owner(s), in certain Specified Territories who fulfil the relevant requirements to enable them to participate in the Rights Issue to the satisfaction of the Company, provided that if a Shareholder whose registered address with CDP is not in a Specified Territory holds Shares on behalf of a Beneficial Owner(s) who is/are known to the Company to be resident in a Specified Territory, that Shareholder shall only be considered a Non-Entitled Shareholder (as defined below) in respect of the Shares held on behalf of such Beneficial Owner(s) and not in respect of other Shares held by it either for its own account or on behalf of Beneficial Owner(s) not resident in a Specified Territory.

2.2.5 **Entitled Scripholders.** Duly completed and (where necessary) stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to the Books Closure Date by the Company's share transfer agent, B.A.C.S. Private Limited (the "**Share Transfer Agent**") at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, will be registered to determine the provisional entitlements of the transferee (a "**Scripholder**", which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Rights Issue. To be "**Entitled Scripholders**", Shareholders must not be Scripholders (a) whose registered addresses with the Company are in or who are otherwise known to the Company to be resident in, or (b) who are holding Shares on behalf of a Beneficial Owner(s) who is/are known to the Company to be resident in a Specified Territory as at the Books Closure Date, excluding in each case certain Shareholders, and Shareholders holding Shares on behalf of a Beneficial Owner(s), in certain Specified Territories who fulfil the relevant requirements to enable them to participate in the Rights Issue to the satisfaction of the Company, provided that if a Shareholder or transferee whose registered address is not in a Specified Territory holds Shares on behalf of a Beneficial Owner(s) who is/are known to the Company to be resident in a Specified Territory, that Shareholder or transferee shall only be considered a Non-Entitled Shareholder (as defined below) in respect of the Shares held on behalf of such Beneficial Owner(s) and not in respect of the other Shares held by it either for its own account or on behalf of Beneficial Owner(s) not resident in a Specified Territory.

2.2.6 **Non-Entitled Shareholders.** For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore the Rights Shares will **NOT** be offered to Shareholders who are not Entitled Scripholders or Entitled Depositors ("**Non-Entitled Shareholders**"). The Offer Information Statement to be used for the Rights Issue and accompanying documents will not be despatched to Non-Entitled Shareholders. Accordingly, Non-Entitled Shareholders will not be entitled to participate in the Rights Issue and no provisional allotment of the Rights Shares will be made to Non-Entitled Shareholders and no purported acceptance thereof or application therefore by Non-Entitled Shareholders will be valid. Entitlements to Rights Shares which would otherwise accrue to Non-Entitled Shareholders will, if practicable, be sold "nil-paid" on the SGX-ST after dealings in the provisional allotments of Rights Shares commence.

Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses thereof, will be pooled and thereafter distributed to Non-Entitled Shareholders in proportion to their respective shareholdings as at the Books Closure Date

and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Non-Entitled Shareholder or persons acting to the account or benefit of any such persons is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Non-Entitled Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Joint Underwriters, the Share Transfer Agent or CDP and their respective officers in connection therewith. Where such provisional allotments of Rights Shares are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Non-Entitled Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Joint Underwriters, the Share Transfer Agent or CDP and their respective officers in respect of such sales or the proceeds thereof, of the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

- 2.2.7 Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe any legal requirements applicable thereto at their own expense and without liability to the Company, the Joint Underwriters or any other person involved in the Rights Issue. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any registration or other regulatory or legal requirements in such territories.
- 2.2.8 **Provisional Allotments.** Entitled Shareholders will be at liberty to accept, decline or renounce their provisional allotments of the Rights Shares and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Entitled Depositors will also be able to trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST their provisional allotments of Rights Shares. Fractional entitlements to the Rights Shares will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy excess applications for Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to Shareholders for rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.
- 2.2.9 **Offer Information Statement.** The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Joint Underwriters, may deem appropriate. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be lodged with the MAS and despatched by the Company to Entitled Shareholders in due course after the approval of Shareholders at the SGM has been obtained.
- 2.2.10 **Ranking.** The Rights Shares are payable in full upon acceptance and/or application and will,

upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.

2.2.11 **Irrevocable Undertakings.** In support of the Rights Issue, Richard Samuel Elman and Best Investment Corporation (the “**Undertaking Shareholders**”) have each given an irrevocable undertaking (collectively, the “**Irrevocable Undertakings**”) to the Company to, *inter alia*, in accordance with the terms and conditions of the Rights Issue and not later than the closing date for the Rights Issue to:

- (a) in the case of Richard Samuel Elman, procure the subscription and payment for an aggregate of 625,900,000 Rights Shares (the “**RSE Undertaken Rights Shares**”) which Noble Holdings Limited (“**NHL**”) is entitled to subscribe for under the Rights Issue, representing 9.58% of the maximum number of Rights Shares; and
- (b) in the case of Best Investment Corporation, subscribe and pay for 630,559,454 Rights Shares, representing 9.65% of the maximum number of Rights Shares,

(collectively, the “**Undertaken Rights Shares**”).

The Undertaken Rights Shares constitute approximately 19.63% of the maximum number of Rights Shares. As at the date of the Irrevocable Undertakings:

- (i) Richard Samuel Elman has deemed interests in an aggregate of 1,456,327,737 Shares (held directly and indirectly by NHL and Temple Trading Asia Limited (“**TTAL**”), representing in aggregate approximately 22.28% of the total number of issued Shares (excluding treasury shares); and
- (ii) Best Investment Corporation has direct interests in an aggregate of 630,559,454 Shares, representing in aggregate approximately 9.65% of the total number of issued Shares (excluding treasury shares).

With respect to the other shares that NHL and TTAL would be entitled to subscribe for under the Rights Issue, NHL and TTAL intend to sell sufficient Shares and/or nil-paid Rights in order to subscribe for their remaining Rights Shares to which they will be entitled to reduce their dilution to the extent practicable. Such sales may take place before or after the Books Closure Date. Where any Shares are sold before the Books Closure Date, such sales will not reduce NHL’s and TTAL’s shareholdings below the number of Shares required to take up the RSE Undertaken Rights Shares.

Further, the Undertaking Shareholders have also irrevocably undertaken to the Company to:

- (1) in the case of Richard Samuel Elman, procure NHL and TTAL to vote in favour of the resolution to approve the Rights Issue at the SGM; and
- (2) in the case of Best Investment Corporation, to vote in favour of the resolution to approve the Rights Issue at the SGM.

- 2.2.12 **Underwritten Rights Issue.** The Rights Shares other than the Undertaken Rights Shares (the “**Underwritten Rights Shares**”) have been underwritten by the Joint Underwriters at the Issue Price on the terms and subject to the conditions of the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Company will pay (i) the Joint Underwriters an underwriting fee of 3.0% (plus any applicable goods and services tax) of the product of the Issue Price and the Underwritten Rights Shares; and (ii) MS and HSBC an incentive fee of 0.75% (plus any applicable goods and services tax) of the product of the Issue Price and the Underwritten Rights Shares, the fee to be shared equally between MS and HSBC.

- 2.2.13 **Odd Lots.** Shareholders should note that they are able to trade odd lots of Shares in board lots of one (1) Share on the Unit Share Market of the SGX-ST.

2.3 **Approvals**

- 2.3.1 **SGX-ST Approval.** The Rights Issue is subject to the in-principle approval of the SGX-ST for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST. An application has been made by the Company to obtain the SGX-ST’s approval for the listing of and quotation for the Rights Shares. An appropriate announcement will be made when such in-principle approval is obtained.

- 2.3.2 **Shareholders’ Approval.** The Rights Issue is subject to the approval of Shareholders at the SGM to be convened for the Rights Issue. A circular to Shareholders containing further details on the Rights Issue and the notice of SGM will be despatched to Shareholders in due course.

- 2.3.3 **Lodgment with MAS.** The Rights Issue is subject to the lodgment of the Offer Information Statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights Issue, with the MAS.

2.4 **General**

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Joint Underwriters, may deem appropriate. Subject to paragraphs 2.3.1 and 2.3.2 above, an Offer Information Statement containing further details on the Rights Issue will be lodged with the MAS and despatched to Entitled Shareholders in due course.

2.5 **Adjustments to Share Options and Share Awards**

The Company’s Remuneration and Options Committee may, at its sole discretion, determine whether any adjustments would be required with respect to the options to acquire Shares granted under the Noble Group Share Option Scheme 2004 and the Noble Group Share Option Scheme 2014 and the awards of Shares granted under the Noble Group Restricted Share Plan 2014 to take into account the Rights Issue so that the participants under the Noble Group Share Option Scheme 2004, the Noble Group Share Option Scheme 2014 and the Noble Group Restricted Share Plan 2014 thereof will not be adversely affected thereby. Details of such adjustments (if any) will be communicated separately to such participants.

3 FINANCIAL EFFECTS

For illustration purposes only and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2015 and the unaudited consolidated financial statements for the three months ended 31 March 2016, the financial effects of the Rights Issue on the Group are set out in the Appendix to this Announcement.

The analysis in the Appendix has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Rights Issue.

Noble Group Limited
3 June 2016

APPENDIX

ILLUSTRATION OF FINANCIAL EFFECTS OF RIGHTS ISSUE

1. **Share Capital**

As at the date of this Announcement, there are no options or warrants or other convertible securities in existence under which the Company has an obligation to issue additional Shares, save for the share options and share awards referred to in paragraph 2.5 of this Announcement.

The effects of the Rights Issue on the issued share capital of the Company as at the date of this Announcement are as follows:

	No. of Shares⁽¹⁾	HK\$'000
Issued share capital as at the date of this Announcement	6,535,409,562	1,633,852
Add: Rights Shares to be issued	6,535,409,562	1,633,852
Issued share capital after the Rights Issue	13,070,819,124	3,267,704

Note:

(1) Excluding 204,057,000 treasury shares.

2. **Net Tangible Assets (“NTA”)**

Assuming that the Rights Issue was completed on 31 December 2015 and 31 March 2016, the effects of the Rights Issue on the NTA of the Group as at 31 December 2015 and 31 March 2016 are as follows:

	As at 31 December 2015	As at 31 March 2016
NTA before the Rights Issue (US\$'000)	2,887,844 ⁽¹⁾	2,999,486
Net proceeds from the Rights Issue (US\$'000) ⁽²⁾	505,510	505,510

Before the Rights Issue

Number of Shares in issue ⁽³⁾	6,535,409,562	6,535,409,562
NTA per Share (US\$) ⁽⁴⁾	0.45	0.47

After the Rights Issue

Number of Shares in issue	13,070,819,124	13,070,819,124
NTA per Share (US\$) ^{(2) (4)}	0.26	0.27

Notes:

- (1) NTA as at 31 December 2015 is extracted from the Group's unaudited financial statements for 3M2016. The Group has adopted "IAS 16 and IAS 41 Amendments – Amendments to IAS 16 and IAS 41 – Bearer Plants" for the first time for the Group's unaudited financial statements for 3M2016. The effect of the adoption of these IFRSs on the financial statements of the Group was a restatement of retained profits of US\$21,873,000. NTA as at 31 December 2015 was restated accordingly.
- (2) Assuming the net proceeds from the Rights Issue, after deducting estimated expenses associated with the Rights Issue, is US\$505.5 million (after rounding).
- (3) Excluding 204,057,000 treasury shares.
- (4) After rounding.

3. Earnings Per Share ("EPS")

Assuming that the Rights Issue was completed on 1 January 2015 and 1 January 2016, the effects of the Rights Issue on the EPS of the Group for the financial year ended 31 December 2015 ("FY2015") and the three months ended 31 March 2016 ("3M2016") are as follows:

	FY2015	3M2016
Profit/(Loss) for the year (US\$'000) ⁽¹⁾	(1,672,010)	40,480
Earnings/(Loss) per Share before the Rights Issue (US\$) ⁽²⁾	(0.2558)	0.0062
Earnings/(Loss) per Share after the Rights Issue (US\$) ⁽³⁾	(0.1279)	0.0031

Notes:

- (1) After rounding.
- (2) Based on 6,535,409,562 Shares, excluding 204,057,000 treasury shares.
- (3) Based on 13,070,819,124 Shares. Does not take into account the effects of the use of proceeds from the Rights Issue on the earnings of the Group.