

Dear Shareholders

The Board of Directors of Noble Group Limited is pleased to present the unaudited consolidated financial results for the six months ended 30 Jun 2016 together with corresponding results of the previous year. These results are more fully analysed in our SGX results announcement and management's discussion and analysis posted on the SGX website today.

Excluding the impact of the losses that arose from businesses that discontinuing and exceptional non-cash losses, we set out below the following highlights:

- (a) Revenue for the six months totaled US\$ 23.1 billion, compared to that for 2015 of US\$ 32.6 billion;
- (b) Operating income from supply chains for the six months totaled US\$ 476.3 million, compared to that for 2015 US\$ 765.5 million; and
- (c) Net profit for the six months was US\$ 38.3 million, compared to that for 2015 of US\$ 331.4 million.

When I last wrote to you I cited the famous quote from Winston Churchill speaking to parliament at the start of the Second World War: "I have nothing to offer but blood, toil, tears and sweat."

With hindsight, and with the possible exception of the tears in the middle bit, this was a pretty accurate forecast of what the first half of 2016 had in store for Noble.

In a press interview at the start of the year, I made it quite clear that our vision for Noble was for us to return to being a smaller, nimbler, asset light company. We wanted to be in those businesses where our "brand" meant something to our suppliers and customers and where we could continue to build our franchises, exploiting the embedded advantages that we have built up over the years in certain businesses and geographies.

It was also envisaged that this strategic re-positioning would free up capital as we exited low or negative return businesses which were proving to be a luxury that shareholders should not be asked to fund indefinitely, especially in the current environment.

Finally, we also had to start to achieve this structural re-positioning against the background of the refinancing of some of our unsecured lines, while we were also putting in place a secured lending facility at the same time. To complicate matters further, these two transactions needed to be orchestrated simultaneously in different hemispheres.

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This, quite frankly is not something that I would recommend we attempt in future.

Anyway, that's all history and it was done. I want to thank all of our funding partners who participated and our people at Noble who worked so hard on completing these two initiatives.

In many ways the refinancing was pivotal in endorsing the view that prudence should be the overriding priority for the company, as we continued to transition.

Consequently, and in consultation with major shareholders, we decided to raise US\$ 500 million through a rights issue, a mechanism that ensures that as many existing shareholders as a possible can participate in future of the group. Writing now, after the issue has closed, I believe it's fair to say that the issue has been greeted warmly - at least as far as I can tell from my own experience, as I was pretty unsuccessful in my application to acquire 40 per cent more shares than the minimum I had undertaken to subscribe for!

Given the need to veer on the side of prudence, and with a view to increasing our liquidity even further, the board has also decided to initiate the formal sale process for our wholly owned US based power marketing business, Noble Americas Energy Solutions.

Interest in the sale has been strong and we are now entering the latter stages of the process, with completion expected in a couple or so months' time. As we receive the proceeds from these various initiatives, our growth businesses will be able to get onto the front foot once more, as liquidity constraints ease and we focus on looking to the external markets and developing our businesses.

At a personal level, and while for the second time in my Noble career I have announced that I will be stepping down from the role of Executive Chairman, I am determined to be involved in the process of renewal and will not quit until we have restored value.

Few of you will recall that it was almost twenty years ago, as we had just gone public before the Asian financial crisis that our share price fell by 90 per cent. At that time we pledged ourselves to restore the business's value.

We achieved it then, and we will achieve it this time. That this task will take longer than a few quarters is a fact of life, and not a reflection of our effort or determination.

If you want to judge value and progress by the 12 week yardstick I am not sure I know how. However, may I suggest you read what Buffett, and the heads of Vanguard, Capital Group, Blackrock and 10 others of similar standing, had to say recently on quarterly earnings and corporate governance in the letter entitled "Commonsense Corporate Governance Principles."

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The principles outlined in their letter were simple, and were based on their immense experience rather than academic theory. They stressed the need to have an immensely strong and diverse Board, which in our case is an ongoing process, which needs strong leadership and a real sense of independence. In addition to which, they stressed that a Board needs active interaction with senior management and should actively seek constructive engagement with shareholders.

This piece was, as its title said, merely common sense. But common sense is often overlooked in business and, if we have ever lost sight of “keep it simple stupid” in recent years, we are making sure it is center, back and front, 24 hours a day, in everything we do from here on.

Certainly, as we endeavour to improve and enhance all our corporate governance processes, the principles Buffett and the other business leaders outlined reflect in large part we at Noble, having developed our capabilities over time, operate today.

Regurgitating the sayings of a British prime minister who died over 50 years ago will not become a habit, but I started with one, so I will finish with one.

“Want of foresight, unwillingness to act when action would be simple and effective, lack of clear thinking, confusion of counsel until the emergency comes, until self-preservation strikes its jarring gong - these are the features which constitute the endless repetition of history.”

I believe we have made a good start and in the last few weeks have taken many of the steps to ensure that history will not, as Churchill observed, be “endlessly repeated”.

Nor necessarily are we finished yet. We are reinvigorated to take on the challenges that we have set ourselves and while we do dare, occasionally, to look up to the horizon, we are open as to the optimal path that we need to follow in order to continue our journey successfully.

It is with respect that we sincerely thank all our customers, banks and most importantly our colleagues, who have stood by us in very trying times.

Thank you all so very much.

Richard Samuel Elman
Chairman
11 August 2016