

FITCH: NOBLE ABLE TO MANAGE INCREASED COLLATERAL REQUIREMENTS

Fitch Ratings-Hong Kong-07 January 2016: Fitch Ratings says that Noble Group Limited's (Noble, BBB-/Stable) increased collateral requirements following a series of credit events in 2015 is manageable given its improved liquidity following asset sales.

A trading company like Noble could face increased collateral and/or security requirements from counterparties if the latter view that its credit profile has weakened. This could result in weakening of the company's liquidity position as the company will have to use more letters of credit (LCs) as forms of payment. In addition, some derivative contracts might require the posting of additional margins in the event of a credit rating downgrade. Lastly, the company's cost of finance from its bank lines could rise, or its available bank facilities may even shrink.

According to Noble's management, it estimated in 2015 that the additional margin requirements from a credit rating downgrade would be in the range of USD100m-200m. Management has informed Fitch that the company has not breached this range, even with the recent downgrade of its ratings to sub-investment grade by one of the credit rating agencies.

Fitch believes that the additional collateral requirements can be adequately covered by the company following its disposal of Noble Agri Limited (as noted in "Fitch: Disposal of Noble Agri May Provide Relief to Noble's Liquidity" dated 23 December 2015). Fitch will continue to monitor the potential impact on Noble of the factors mentioned above, and any significant increase in collateral needs or funding costs could result in negative rating action.

Contact:

Laura Zhai
Director
+852 2263 9974
Fitch (Hong Kong) Limited
19/F Man Yee Building
68 Des Voeux Road
Central, Hong Kong

Su Aik Lim
Senior Director
+852 2263 9914

Media Relations: Wai-Lun Wan, Hong Kong, Tel: +852 2263 9935, Email:
wailun.wan@fitchratings.com.

Additional information is available on www.fitchratings.com

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND

METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.