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**NOBLE GROUP LIMITED**  
(Incorporated in Bermuda with limited liability)

**NOBLE GROUP ANNOUNCES PROGRESS UPDATE ON PROPOSED FINANCIAL  
RESTRUCTURING AND GUIDANCE ON RESULTS FOR THE THREE MONTHS  
AND FULL YEAR ENDED 31 DECEMBER 2017**

The Board of Directors (the “Board”) of Noble Group Limited (the “Group”) wishes to provide a progress update on the proposed financial restructuring and provide an update on the Group’s operating performance and guidance on its results for the three months (“4Q 2017”) and full year ended 31 December 2017.

**Financial Restructuring**

As previously announced<sup>1</sup>, the Group has reached an agreement in principle with an ad hoc group of the Group’s senior creditors (the “Ad Hoc Group”) for a restructuring of the Group’s existing debts<sup>2</sup>.

Restructuring discussions with stakeholders continue to be productive as the Group moves towards launching the Restructuring Support Agreement (“RSA”) for the holders of the Existing Senior Debt Instruments. The RSA forms the basis for the completion of a restructuring of the Group’s debts.

The Ad Hoc Group currently represents holders of approximately 36% in aggregate of the Group’s Existing Senior Debt Instruments. In addition, the Ad Hoc Group’s advisors are in contact with creditors who hold in aggregate an additional approximately 15% of the Group’s Existing Senior Debt Instruments and have indicated their broad support for a restructuring of the Group’s liabilities in line with the transactions contemplated by the Term Sheet, subject to agreeing final documentation and completing internal approval processes.

The Group is pleased to announce, as part of the proposed restructuring, it has reached an agreement in principle with the Ad Hoc Group and ING (as fronting bank) for the provision of a 3-year committed US\$700 million Trade Finance Facility.

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<sup>1</sup> Refer to the Group’s announcement “Noble Group Announces Update on Strategic Review and In Principle Agreement for Financial Restructuring” and the term sheet setting out the material terms of the proposed restructuring released on 29 January 2018. Capitalised terms in this announcement follow the materials announced on 29 January 2018.

<sup>2</sup> The agreement in principle concerns the Group’s US\$379 million outstanding senior notes due 2018, US\$1,177 million outstanding senior notes due 2020, US\$750 million outstanding senior notes due 2022 and US\$1,143 million outstanding loans under the revolving credit facility (together with the senior notes, the “Existing Senior Debt Instruments”). The agreement in principle also includes a proposed treatment for the US\$400 million of Existing Perpetual Capital Securities.

The facility is to be made available upon the restructuring effective date to support the Group's commodities trading businesses subject to agreeing a fronting structure and fronting economics acceptable to the Fronting Banks. The Group also confirms that, in the meantime, its interim trade finance facility remains in place.

Given the status of restructuring discussions with the Ad Hoc Group in reaching agreement on the RSA, and the trade finance facilities presently provided by the Group's banks, the Board is, on balance and on the basis of legal advice, satisfied that the Group can continue as a going concern, until such time as the restructuring is completed.

The Group will make further announcements in relation to the progress and implementation of the proposed restructuring in due course.

### **Operating Update and Profit Guidance**

The Board wishes to provide guidance on the Group's expected loss for the three months and full year ended 31 December 2017.

Operating conditions continued to be challenging in 4Q 2017 as the Group continued to manage the business within existing constraints in trade finance and liquidity availability. Focus during the quarter was placed on concluding the asset disposal programme and moving forward with the debt restructuring proposal, as announced on 29 January 2018.

The expected 4Q 2017 loss comprises the following:

- An adjusted net loss from the continuing Hard Commodities<sup>3</sup>, Freight and LNG operations in the range of US\$(50) to US\$(100) million;
- A net loss from the discontinued Global Oil Liquids and North American Gas & Power operations in the range of US\$(225) to US\$(275) million; and
- Exceptional items – including significant non-cash net losses on the Group's mark to market ("MTM") derivatives portfolio – from the application of additional valuation adjustments and provisions resulting in a loss in the range of US\$(1,450) to US\$(1,550) million.

As a result, the Group expects to report a total net loss in the range of US\$(1,725) to US\$(1,925) million in 4Q 2017 and a total net loss for the year ended 31 December 2017 in the range of US\$(4,775) to US\$(4,975) million.

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<sup>3</sup> Energy Coal, Carbon Steel Materials and Metals businesses.

The expected net loss in 4Q 2017 results in a negative net asset position for the Group in the range of US\$(650) to US\$(850) million at 31 December 2017. However, the Board believes that the proposed restructuring, once implemented, should restore shareholders' equity and create a sustainable capital structure which will allow the Group to rebuild its business in Asia where it continues to enjoy a market leading position.

A summary of the primary drivers of the expected 4Q 2017 loss are as follows:

- **Adjusted net loss from the continuing Hard Commodities, Freight and LNG operations:** the Group expects to report adjusted operating income from supply chains from continuing operations of approximately US\$25 million, adjusted for exceptional items. The Group expects an adjusted net loss from continuing operations, after selling, administrative and operating ("SAO") expenses, net finance costs and tax, in the range of US\$(50) to US\$(100) million, adjusted for exceptional items.

Notwithstanding the challenges facing the Group, primarily related to the availability of trade finance and constrained liquidity, the Hard Commodities businesses have proved to be resilient, as evidenced by physical volumes broadly keeping in line with prior levels as the Group continues to focus on maintaining strong relationships with its suppliers, customers and other counterparties. This underlines the Board's decision to monetise its working capital intensive Global Oil Liquids and North American Gas & Power businesses and to re-focus on the Group's Asian Hard Commodities, Freight and LNG businesses.

Realisation on the Group's portfolio of long-term physical contracts was positive during 4Q 2017, with contributions from each of the Energy Coal, Carbon Steel Materials and Metals businesses. Overall, cash realisation on the Group's portfolio of long-term physical contracts was positive for the last nine months of 2017, as it has been for the prior 3 years as previously disclosed, following the coal market dislocation, and related losses, which arose in 1Q 2017.

Underlying SAO expenses continued to decline in 4Q 2017, in line with expectations, as the positive impact from the Group's headcount reductions started to flow through the income statement. This trend is expected to continue with projected steady state annual SAO expenses of approximately US\$100 million targeted to be achieved on a run rate basis by 3Q 2018. Lower SAO expenses, along with the significant decrease in finance costs, post-restructuring, will rebalance the Group's cost base. Overall, the Group projects post-restructuring steady state annual EBITDA of US\$175-200 million<sup>4</sup>;

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<sup>4</sup> EBITDA calculated on a cash basis, excluding unrealised mark to market adjustments, non-cash gains/(losses), depreciation & amortisation and share-based compensation. Post-restructuring steady state EBITDA excludes cash flows associated proposed Asset Co Assets. Refer to the Group's presentation "Update on Strategic Review and In Principle Agreement for Financial Restructuring" released on 29 January 2018.

- **Net loss from the discontinued Global Oil Liquids and North American Gas & Power operations:** the Group expects to report a net loss from discontinued operations in the range of US\$(225) to US\$(275) million. The loss relates to the final operating expenses and other adjustments associated with the sale of Noble Americas Corp (“NAC”) and the wind-down of certain remaining Global Oil Liquids working capital balances in Noble Clean Fuels Limited.

The sale of NAC was successfully concluded in January 2018, and the asset disposal programme generated approximately US\$525 million in net proceeds<sup>5</sup>; and

- **Exceptional items:** the Group expects to report exceptional items – including significant non-cash MTM losses due to reserves and adjustments – resulting in a loss in the range of US\$(1,450) to US\$(1,550) million.

The exceptional items include non-cash losses in the range of US\$(900) to US\$(1,000) million in respect of the MTM derivatives portfolio. These amounts relate to increases in the discount rate used in the Group’s MTM derivatives portfolio valuations, including the impact of recent credit rating downgrades, along with additional reserves to reflect increased risks since the initial recognition of the MTM derivative portfolio – in particular risks relating to the Group’s operating environment, trading terms and current access to funding.

In addition, the exceptional items include non-cash impairment losses in respect of trade receivables, prepayments and other receivables and certain non-current assets along with a provision for costs related to the proposed financial restructuring and ongoing operational restructuring activities including headcount reductions.

Mr. Paul Brough, Chairman, “The Group commenced the final phase of its restructuring with the announcement, on 29 January 2018, of an agreement in principle with the Ad Hoc Group for a restructuring of the Group’s debts. I am pleased with the progress made on the proposed restructuring, since the announcement date, as discussions with our stakeholders continue to be productive and the Group has reached an agreement in principle for the provision of the critical US\$700 million Trade Finance Facility. Following a challenging 2017, we are looking forward to the final phase of our restructuring, and the creation of a new Noble as a focused and appropriately financed Group set to capitalise on the high-growth Asian Commodities sector.”

The profit guidance and ranges provided in this announcement are estimates and may change as the Group finalises its year-end procedures. The Group’s consolidated financial statements for the year ended 31 December 2017 will be released on 28 February 2018 and the Group will provide a further update at that time.

Noble Group Limited  
19 February 2018

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<sup>5</sup> Refer to the Group’s announcement “Noble Group Announces Completion of Noble Americas Corp Disposal and Retirement of Borrowing Base Facilities” released on 15 January 2018.

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### **About Noble Group**

Noble Group (SGX: CGP) manages a portfolio of global supply chains covering a range of industrial and energy products. Noble facilitates the marketing, processing, financing and transportation of essential raw materials. Sourcing bulk commodities from low cost regions such as South America, South Africa, Australia and Indonesia, the Group supplies high growth demand markets, particularly in Asia and the Middle East. For more information please visit [www.thisisnoble.com](http://www.thisisnoble.com).

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