

9 Months Results September 2017

9 November 2017



Priorities and Targets

Progress on key strategic initiatives

Initiatives Announced in May 2017	Status
1 Perform strategic review of business under direction of incoming Chairman	Progress update on strategic review announced 23 October 2017 - including progress on monetisation of Global Oil Liquids and North American Gas & Power businesses
2 Continue to review strategic alternatives	Strategic review continues to explore several alternatives with a view to maximising value for the benefit of the Group's stakeholders
3 Continue execution on cost reduction	Cost reduction measures being implemented with underlying SAO expenses declining in line with expectations
4 Continue focus on debt reduction and conservative liquidity management	Priority placed on generating cash flow for a further reduction in the Group's debt with critical focus on conservative liquidity management
5 Maintain existing strong customer and supplier relationships	Customer and supplier relationships maintained

Strategic review has been undertaken in the context of managing the Group's liquidity challenges while at the same time formulating a plan for a turnaround of the Group's remaining businesses

Financial Highlights

Three and nine months ended 30 September 2017

- Operating environment continues to be challenging for the Group as conservative liquidity management and trade finance constraints led to disruption costs and prevented taking advantage of profitable trading opportunities
- Global Oil Liquids and North American Gas & Power results reclassified as “discontinued operations”, with Hard Commodities⁽¹⁾, Freight and Liquefied Natural Gas (“LNG”) businesses presented as continuing operations
- Year-on-year decline in volumes from continuing operations due to roll-off of long-term iron ore contract and lower freight volumes. Quarter-to-quarter decline in volumes as constraints prevented opportunistic short term flows
- Realisation on portfolio of long-term physical contracts was positive during the third quarter of 2017, however realisation continues to be adversely impacted by the Group’s constrained liquidity and access to trade finance lines
- Underlying SAO expense run-rates lower year-on-year as progress made on headcount and cost reduction plan
- Challenging operating environment prevented the Group’s continuing operations from covering its fixed overhead costs and net finance costs

By the Numbers:

Hard Commodities, Freight and LNG businesses delivering on contracted flows

59

(9M 2017 volumes million tonnes)

Focus on resetting cost structure with cost reduction measures being implemented⁽²⁾

c.400
(headcount target)

Exceptional items including non-cash reserving of Level 2 and Level 3 net fair gains in Q2 2017

\$(1,681)
(9M 2017 US\$ millions)

(1) Energy Coal, Carbon Steel Materials and Metals

(2) Headcount expected to decline to c.400 following monetisation of Global Oil Liquids and North American Gas & Power businesses. Headcount levels were approximately 1,050 and 900 as at 31 December 2016 and 30 June 2017, respectively

Consolidated Income Statement Summary

Three and nine months ended 30 September 2017

(US\$ millions / Million tonnes)	Nine months ended		Three months ended	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
Tonnage⁽¹⁾	59.4	80.5	16.8	27.7
Revenue⁽¹⁾	4,854	5,883	1,409	1,676
Operating income/(loss) from supply chains, net⁽¹⁾	(175)	456	(7)	207
<i>Operating income margin (%)</i>	<i>n/a</i>	<i>7.75%</i>	<i>n/a</i>	<i>12.37%</i>
Loss on supply chain assets ⁽¹⁾	(25)	(38)	(3)	(11)
Share of profits/(losses) of joint ventures & associates ⁽¹⁾	(9)	(53)	11	(24)
Total operating income/(loss)⁽¹⁾	(209)	365	1	172
Other income net of other expenses ⁽¹⁾	3	4	1	(1)
Selling, administrative and operating expenses ⁽¹⁾	(215)	(290)	(63)	(105)
Profit/(loss) before interest & tax⁽¹⁾	(420)	79	(61)	66
Net finance costs ⁽¹⁾	(128)	(103)	(43)	(34)
Taxation ⁽¹⁾	12	(34)	10	(21)
Adjusted net profit/(loss) from continuing operations⁽¹⁾	(536)	(58)	(94)	11
Post-tax profit/(loss) from discontinued operations ⁽²⁾	(814)	77	(652)	(13)
Exceptional items, net of tax ⁽³⁾	(1,681)	(3)	(428)	(0)
Other items ⁽⁴⁾	(21)	(59)	3	(27)
Non-controlling interests	0	0	0	0
Net loss	(3,051)	(43)	(1,171)	(28)

(1) Adjusted for post-tax profit/(loss) from discontinued operations, exceptional items and other items. See notes 2, 3 and 4 below and refer to SGX announcement note 1(a)(i)(A) for additional disclosure.

(2) Includes post-tax profit/(loss) from discontinued Global Oil Liquids and North American Gas & Power businesses.

(3) Includes exceptional items in the Group's operating income from supply chains from continuing operations along with other non-operational items such as impairment losses on supply chain assets from continuing operations.

(4) Includes the results of businesses which the Group has ceased or wound down their operations, however do not meet the criteria of discontinued operations under IFRS. Other items also includes costs associated with repositioning the Group's cost structure, including headcount reductions. These businesses include certain other energy and metals, minerals and ores product divisions in the Americas and Europe. There has not been any significant variance or notable items during the period related to these businesses.

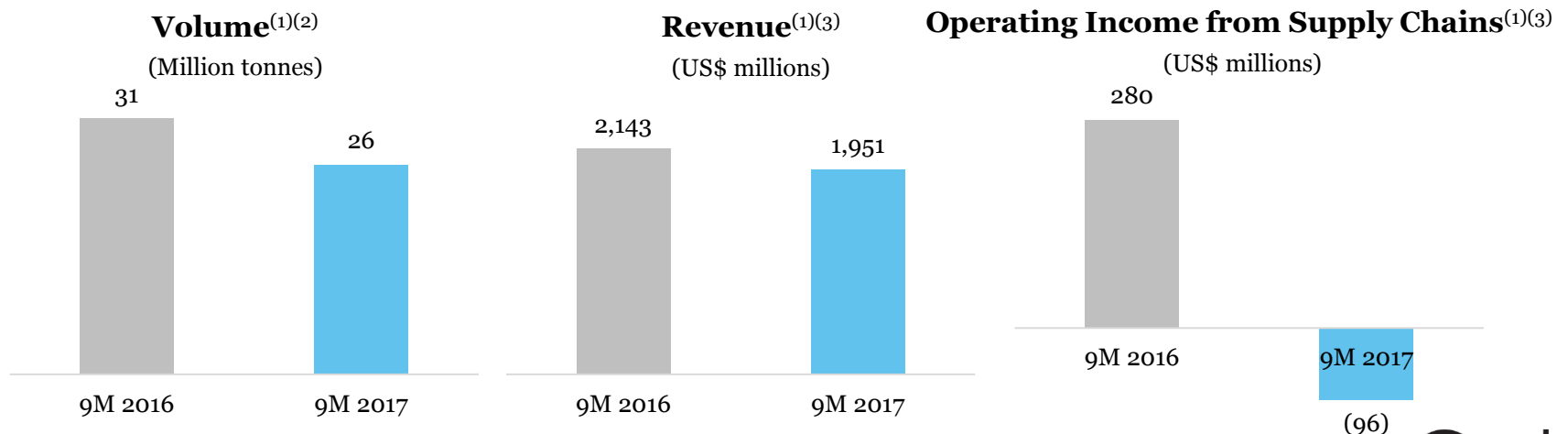
Segment Results

Energy

- **Energy Coal** continues to execute on contracted flows. However, constraints on Group liquidity and access to trade finance lines prevented the business from entering in to new short term flows to take advantage of rising prices. Offtake volumes lower year-on-year, due to these constraints, however decline in offtake volumes partially offset by increased marketed tonnage.

Operating income from supply chains recovered in third quarter of 2017, as first half 2017 impacted by non-cash mark-to-market losses related to unrealised observable physical positions as forward prices fell. Repositioning of coal hedging portfolio completed during second quarter of 2017

- **LNG** continues to execute on its existing contracted flows, but unable to add profitable new business flows given the Group liquidity constraints and access to trade finance lines



(1) Adjusted for exceptional items and other items

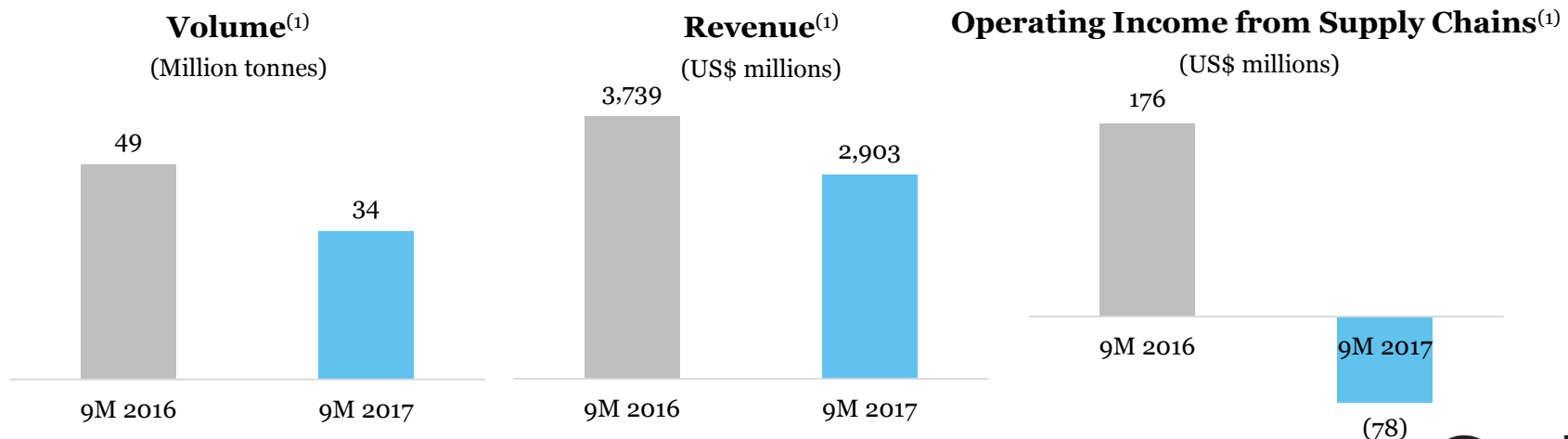
(2) Volumes exclude Energy Coal marketing volumes

(3) 2016 segment results included Noble Americas Energy Solutions

Segment Results

Metals, Minerals & Ores

- **Metals** was impacted by the constraints on Group liquidity and access to trade finance lines with a fall in volumes. Solid performance from aluminium business as Jamalco's performance has benefitted from the cost reduction initiatives implemented in 2016, although scheduled maintenance impacted performance in third quarter of 2017
- **Carbon Steel Materials** saw continued strong special ores performance, including manganese and chrome, as the business focusses on niche high margin volumes. Metallurgical coal and coke continued executing on customer flows, however performance impacted by constraints on Group liquidity and access to trade finance lines. Volumes lower year-on-year due to the roll-off of a significant iron ore contract at the end of 2016
- **Freight** took advantage of the market strength in the first quarter of 2017 to lengthen the tenor of charters and lock in profits, though current challenging operating environment has impacted the business' ability to take advantage of continued improvement in market fundamentals

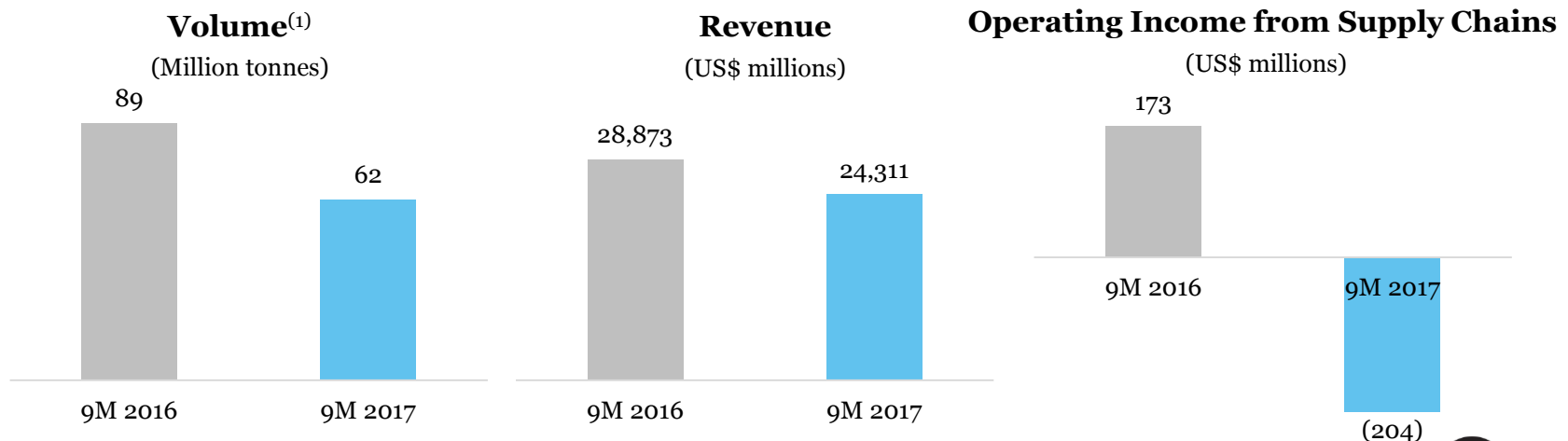


(1) Adjusted for exceptional items and other items

Segment Results

Discontinued Operations – Global Oil Liquids & North American Gas & Power

- Significant progress made on monetisation of Global Oil Liquids and North American Gas & Power
- Following conclusion of monetisation plan, the NAC BBF⁽¹⁾ and NCFL BBF⁽¹⁾ are expected to be retired. Milestones have been agreed to reduce utilisation under these facilities
- Trading results adversely impacted by capital constraints as the businesses focused on reducing trading positions and utilisation under the NAC BBF and NCFL BBF from Q2 2017 onwards. Constraints are reflected in lower year-on-year volumes and profitability
- Discontinued operations net loss of US\$(814) million for the nine months ended 30 September 2017, inclusive of a US\$(485) million non-cash loss on the sale of North American Gas & Power and impairment loss on the Global Oil Liquids business associated with the proposed sale of NAC



(1) Noble Americas Corp. secured borrowing base revolving credit facility ("NAC BBF") and Noble Clean Fuels Limited secured borrowing base revolving credit facility ("NCFL BBF")

Debt & Liquidity

Focus on debt reduction and managing liquidity

- Net debt decreased by US\$112 million during the third quarter of 2017 primarily due to working capital reductions in the Global Oil Liquids business
- Realisation on the Group's portfolio of long-term physical contracts was positive during the third quarter of 2017, however realisation continues to be adversely impacted by the Group's constrained liquidity and access to trade finance lines
- Net debt increased by US\$833 million during the nine months to 30 September 2017 primarily driven by negative cash flow from underlying activities due to the challenging operating environment and the reinvestment in Harbour Energy

Debt & Liquidity Update	Status
NAC BBF and NCFL BBF expected to be retired following monetisation of Global Oil Liquids and North American Gas & Power businesses – milestones agreed to reduce utilisation	▪ NAC BBF extended to 15 January 2018 to facilitate proposed sale of NAC ▪ \$nil loans drawn on NCFL BBF at 30 September 2017
Waiver extended in relation to the Group's senior unsecured revolving credit facility due May 2018	▪ Waiver extended from 20 October 2017 to 20 December 2017
Constraints placed on access to trade finance lines continue to negatively impact trading performance	▪ Discussions ongoing with the Group's banks to stabilise support for working capital and trade finance requirements

Strategic Review Update



Strategic Review Update – 23 October 2017

Prioritise debt reduction with a view to maximise benefit for all stakeholders

- Strategic review commenced May 2017 under the direction of the incoming Chairman, Mr. Paul Brough
- Priority given to a further reduction in the Group's indebtedness
- **The Group's debt repayment capability is comprised of:**
 - 1. Cash flows from the Hard Commodities, Freight and LNG businesses**
 - 2. Net proceeds from monetisation of the Global Oil Liquids and North American Gas & Power businesses⁽¹⁾**
 - 3. Proceeds from the Asset Disposal Programme**

Decisions from Strategic Review⁽²⁾

A

Sale of Global Oil Liquids

Sale & purchase agreement signed with Vitol Holding US Inc. for NAC, subject to approvals. Wind-down of certain remaining oil liquids working capital in NCFL in progress

B

Sale of North American Gas & Power

Sale to Mercuria Energy Americas Inc. closed in Q3 2017

C

Asset Disposal Programme

US\$800 million to US\$1 billion from certain assets located outside North America

D

Cost Reduction

Reduce headcount to c.400 to reflect Group's reduced complexity and footprint and impact of Global Oil Liquids and North American Gas & Power sale

E

Non-cash Valuation Adjustments

Reserve entire Level 3 net fair value gains balance with additional reserves and adjustments to Level 2

(1) Following conclusion of monetisation plan, the NAC BBF and NCFL BBF are expected to be retired. Net proceeds following retirement of the NAC BBF and NCFL BBF will be available to reduce the Group's remaining debt

(2) The Group will make further announcements as progress continues to be made on executing against these actions. Refer to 23 October 2017 announcement for further information

Strategic Review Update – 23 October 2017

Reinforced focus on Hard Commodities, Freight and LNG businesses

- Strong competitive advantage from being the leading industrial and energy products supply chain manager in Asia Pacific – as global energy consumption is projected to see the largest growth in the region
- Continue developing strong domestic presence in Asian markets – such as China, Indonesia, emerging Southeast Asia and other markets – while also maintaining global footprint of strategic relationships
- Continue development of services to end users – for example, in Energy Coal, providing risk management and procurement services to Independent Power Producers in Japan, India and other countries
- Continue to explore several alternatives, including recapitalising the Hard Commodities, Freight and LNG businesses, to fund working capital to maintain and grow volumes in the future

Company Overview		Business Portfolio		
Established: 1987	 noble group	Hard Commodities <i>Energy Coal, Carbon Steel Materials and Metals</i>	Freight	LNG
Head office: Hong Kong				
Asia's leading industrial and energy products supply chain manager, facilitating the marketing, processing, financing and transportation of essential raw materials		Global Oil Liquids	North American Gas & Power	
Businesses sold or to be sold				

