

NOBLE GROUP LIMITED
(Incorporated in Bermuda with limited liability)

**RESPONSE TO SGX QUERIES REGARDING
FINANCIAL RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2017**

Noble Group Limited (“the Group”) is responding to questions, set out below, received from the SGX:

- 1. We refer to note E4 (DIRECTORS' AND KEY MANAGEMENT PERSONNELS' REMUNERATION) to the Audited Full Year Financial Statements. The Exchange notes that there has been a significant increase in “Other Emoluments” and “Share Based Payment Expense” under Discontinued Operations, from US\$339,000 to US\$16,732,000 and US\$1,813,000 to US\$3,457,000 respectively.**

- (a) Please provide an explanation for the Discontinued Operations (i) Increase in Other Emoluments and (ii) Increase in Share Based Payment Expense.**

For discontinued operations, the Other Emoluments of US\$16,732,000 and share-based payments of US\$3,457,000 incurred in the financial year ended 31 December 2017 (“FY2017”) were related to termination arrangements made in respect of the former chief executive officer of Noble Americas Corp (“NAC”), Mr Jeff Frase (the “CEO”), who resigned on 13 November 2017.

The CEO had been responsible for building the Oil Liquids business of NAC and, when it became necessary to shrink the business due to lack of continuing bank support, a decision was taken to sell the business in as controlled a manner as possible, optimizing price, time and execution risk.

As part of their support and forbearance for NAC during the sale process, and in order to keep the business stable, the banks had required the Company to pay US\$20 million in retention payments to senior NAC staff. These payments were made in June 2017.

In addition to being the key driver growing the US oil business, the CEO played a leading role in identifying and approaching candidates to acquire the business and in leading presentations and site visits and maximising the considerations received on this complex and sizeable transaction.

With respect to the Share Based Payment Expense, the Company awards shares to its senior executives and they vest over a period. When the CEO left NAC, the shares he had been awarded but had not vested at the time of his departure, were retained by the CEO, in accordance with contractual arrangements, and will vest in the normal course of the applicable share plan.

(b) Please provide a breakdown of the key items under the “Other Emoluments”.

The “Other Emoluments” of US\$16,732,000 may be broken down as follows:

	\$'000
Salary in lieu of notice	500
Fixed Salary	890
Lump sum payment	3,800
Loan written off	3,819
Prior year bonus released from clawback (non cash)	7,650
Accrued vacation pay	38
Medical & life cover (non cash)	35
Total Other Emoluments per Annual Report	16,732

(c) Please provide the Remuneration and Options Committee’s assessment of the “Other Emoluments” and “Share Based Payment Expense” under Discontinued Operations and the bases for the assessment.

The Remuneration and Options Committee was consulted on the termination arrangement for the CEO, including the payments of the Other Emoluments and the incurring of the Share Based Payment Expense. The reason for the payment of Other Emoluments was because the CEO has been the guiding force behind the expansion and profitability of the Group’s global oil liquids platform in recent years and, under his leadership, the business has been successfully positioned for the disposal of NAC to Vitol. The reason for the Share Based Payment Expense was due to the accounting for unvested awards retained by the CEO upon his departure. Given the constraints on cash in NAC, the termination arrangements had focused on minimizing any further cash outlay for the business. Based on the final agreed termination arrangement, the cash outlay was \$4,338,000.

- (d) Please advise the considerations of (i) the Remuneration and Options Committee in its review and recommendation to the Board; and (ii) the Board in its endorsement of the significant increase in the Other Emoluments to the former Executive Director(s) of the Discontinued Operations taking into consideration, amongst others, the Group's financial performance for FY2017 and the proposed debt restructuring exercise as announced in January 2018.**

Please see response to (c) above.

NOBLE GROUP LIMITED
14 March 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.

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