

NOBLE GROUP LIMITED*(Incorporated in Bermuda with limited liability)***PROPOSED DISPOSAL OF VESSELS****1. INTRODUCTION**

Noble Group Limited (“**NGL**” and together with its subsidiaries from time to time, the “**Noble Group**”) wishes to announce that NGL and its indirect wholly-owned subsidiaries had on 28 November 2017 (London time) entered into memoranda of agreement (“**MOAs**”) with OPT Value Acq 1 Limited, OPT Value Acq 2 Limited, OPT Value Acq 3 Limited and OPT Value Acq 4 Limited (collectively, the “**Buyers**”), in connection with the proposed sale by NGL of four Kamsarmax dry bulk carrier vessels (the “**Vessels**”) to the Buyers, in accordance with the terms and conditions of the MOAs (the “**Proposed Disposal**”).

2. DETAILS OF THE PROPOSED DISPOSAL

The salient terms of the Proposed Disposal are as follows:

- (i) the consideration for the Proposed Disposal shall be an aggregate of approximately US\$95 million (“**Consideration**”) payable on completion of the Proposed Disposal and will be satisfied in cash. The Consideration was arrived at after arm’s length negotiations between NGL and the Buyers, on a “willing buyer willing seller” basis, and taking into account, *inter alia*, the valuation of the Vessels (as further described in paragraph 3.2 below) and the Vessels’ specifications and age;
- (ii) as security for the fulfilment of the MOAs, the Buyers shall place a deposit of 10 per cent. of the Consideration with an escrow agent;
- (iii) the Proposed Disposal is subject to the following conditions:
 - (a) approval of the Proposed Disposal by shareholders of NGL; and
 - (b) approval by the board of directors of each of the Buyers and the parent company of the Buyers (which is an unrelated third party) for the acquisition of the Vessels by the Buyers.

If any of the foregoing conditions is not satisfied on or before 1 February 2018, the MOAs shall be null and void; and

- (iv) the cancelling date for the delivery of the Vessels to the Buyers is 31 May 2018 (unless extended by mutual agreement).

The completion of the Proposed Disposal is currently expected to take place between 10 March 2018 and 31 May 2018.

3. INFORMATION ON THE VESSELS

3.1 Details of the Vessels

The Vessels (namely, “Ocean Ambition”, “Ocean Forte”, “Ocean Integrity” and “Ocean Vision”) are registered under the flag of Hong Kong. They have an average age of three years and range from 81,499 dwt to 81,616 dwt in capacity. The Vessels are employed to service external customers as well as Noble Group’s internal freight requirements. They are included in Noble Group’s Metals, Minerals and Ores segment for reporting purposes.

3.2 Asset Value of the Vessels

As at 30 September 2017, based on the latest announced unaudited consolidated financial statements of Noble Group for the nine months ended 30 September 2017 (“**9M2017**”) (“**Noble Group 9M2017 Results**”), the book value of the Vessels was approximately US\$94 million and the net tangible asset value of the Vessels was approximately US\$94 million.

The excess of the Consideration over the book value of the Vessels as at 30 September 2017 (as set out above) is approximately US\$1 million.

Two valuations of the Vessels were commissioned by Noble Group. The first one (the “**Arrow Valuation**”) was conducted on 19 October 2017 by Arrow Valuations, which is affiliated to the broker appointed by Noble Group to procure purchasers for the Vessels and the second (the “**Clarkson Valuation**”) and together with the Arrow Valuation, the “**Valuations**”) was conducted on 24 October 2017 by Clarkson Valuations Limited, an independent valuer. Based on the Arrow Valuation and the Clarkson Valuation, the Vessels were valued at an aggregate of US\$94 million and US\$90.5 million respectively. Taking the average of the Valuations, the average aggregate valuation of the Vessels is US\$92.25 million.

The Arrow Valuation was arrived at based on certain assumptions, including assumptions that the Vessels are available for prompt charter-free delivery for cash on normal commercial terms, and are in good and seaworthy condition. The Clarkson Valuation was prepared based on recent transactions, negotiations and broker’s market knowledge. The Clarkson Valuation also assumes charter-free delivery on a willing buyer, willing seller basis and the Vessels to be in a good and seaworthy condition. The Arrow Valuation and the Clarkson Valuation relate to 19 October 2017 and 24 October 2017 respectively and the relevant Valuation is not a guide to the market value of the Vessels at any other time. Market values in the shipping industry are highly volatile.

3.3 Net Profit of the Vessels

The net profit (before income tax, minority interests and extraordinary items) attributable to the

Vessels, based on the Noble Group 9M2017 Results, is approximately US\$1 million.

3.4 Gain on Proposed Disposal

The gain on the Proposed Disposal would amount to approximately US\$1 million based on the carrying value of the Vessels as at 30 September 2017 (as set out above).

4. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

4.1 Rationale

In May 2017, Noble Group announced the commencement of a strategic review under the direction of the new Chairman Mr. Paul Jeremy Brough. As part of the review, Noble Group mandated Moelis & Company and Morgan Stanley to assist with reviewing various strategic alternatives.

As stated in NGL's update on the strategic review announced on 26 July 2017 ("Noble Group Announces Update on Strategic Review, Profit Guidance and Update on Ongoing Discussions with Lenders") and further update announced on 23 October 2017 ("Noble Group Announces Progress Update on Strategic Review, Profit Guidance and Update on Ongoing Discussions with Lenders"), the strategic review had explored several alternatives, including the sale of an interest in Noble Group or its subsidiaries or disposals of parts of its business, with a view to maximising value for the benefit of Noble Group's stakeholders and to best position Noble Group for the challenges and opportunities facing the commodities trading industry.

The Board of Directors of NGL has also given priority to a further reduction in Noble Group's indebtedness as part of the strategic review.

To date, the strategic review has been undertaken in the context of managing Noble Group's liquidity challenges while at the same time formulating a plan for a turnaround of Noble Group's remaining businesses.

The proposed disposal of the Vessels forms part of the Group's debt reduction included as part of the strategic review. The Vessels are currently operated as part of Noble Group's Freight¹ business; however, the proposed disposal will not significantly impact the operations of Noble Group's Freight business.

The Freight business services external customers, as well as Noble Group's internal freight requirements, with ocean transport in the dry bulk segment. Additionally, the Freight business provides both external and internal customers with long term freight solutions and freight market guidance.

4.2 Use of Proceeds

¹ Results from the Freight business are included in Noble Group's Metals, Minerals and Ores segment for reporting purposes.

The Vessels are currently mortgaged to financial institutions and part of the proceeds from the Proposed Disposal will be used by Noble Group to pay down the amounts owned under such facilities.

The net proceeds arising from the Proposed Disposal ("**Net Proceeds**") (after taking into account the repayment of the relevant facilities and deducting the estimated transaction costs relating to the Proposed Disposal) will amount to approximately US\$30 million. The transaction costs include a commission of one per cent. of the Consideration payable to the broker appointed by Noble Group to procure purchasers for the Vessels.

It is expected that the Net Proceeds will be made available to reduce Noble Group's indebtedness.

5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1 Assumptions

The pro forma financial effects of the Proposed Disposal on the net tangible assets ("**NTA**") per share, the book value per share and the earnings per share of Noble Group and the share capital of NGL as set out below are prepared purely for illustration only and do not reflect the actual future financial situation of Noble Group after the Proposed Disposal. The pro forma financial effects have been prepared based on:

- (i) the latest announced audited consolidated financial statements of Noble Group for the financial year ended 31 December 2016 ("**FY2016**"), such financial year being the most recently completed financial year; and
- (ii) the Noble Group 9M2017 Results and after taking into account the completion of NGL's 10-to-1 share consolidation in May 2017.

5.2 NTA – FY2016

Purely for illustrative purposes only and assuming that the Proposed Disposal had been completed on 31 December 2016, being the end of FY2016, the effect on the NTA per share of Noble Group as at 31 December 2016 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (US\$'000)	3,776,313	3,766,773
NTA per share (US\$)	0.29	0.29

5.3 NTA – 9M2017

Purely for illustrative purposes only and assuming that the Proposed Disposal had been

completed on 30 September 2017, being the end of 9M2017, the effect on the NTA per share of Noble Group as at 30 September 2017 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (US\$'000)	999,234	1,000,104
NTA per share (US\$)	0.76	0.76

5.4 **Book Value – FY2016**

Purely for illustrative purposes only and assuming that the Proposed Disposal had been completed on 31 December 2016, being the end of FY2016, the effect on the book value per share of Noble Group as at 31 December 2016 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Book value (US\$'000)	3,979,564	3,970,024
Book value per share (US\$)	0.30	0.30

5.5 **Book Value – 9M2017**

Purely for illustrative purposes only and assuming that the Proposed Disposal had been completed on 30 September 2017, being the end of 9M2017, the effect on the book value per share of Noble Group as at 30 September 2017 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Book value (US\$'000)	1,045,212	1,046,082
Book value per share (US\$)	0.80	0.80

5.6 **Loss – FY2016**

Purely for illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 January 2016, being the beginning of FY2016, the effect on the loss per share of Noble Group for FY2016 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
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Earnings attributable to the Shareholders (US\$'000)	8,653	9,523
Less: Capital securities dividend (US\$'000)	(24,000)	(24,000)
Adjusted loss attributable to the Shareholders (US\$'000)	(15,347)	(14,477)
Weighted average number of shares ('000)	10,831,359	10,831,359
Loss per share (US cents)	(0.14)	(0.13)

5.7 Loss – 9M2017

Purely for illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 January 2017, being the beginning of 9M2017, the effect on the loss per share of Noble Group for 9M2017 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to the Shareholders (US\$'000)	(3,051,086)	(3,050,216)
Less: Capital securities dividend (US\$'000)	(18,194)	(18,194)
Adjusted loss attributable to the Shareholders (US\$'000)	(3,069,280)	(3,068,410)
Weighted average number of shares ('000)	1,306,543	1,306,543
Loss per share (US cents)	(234.92)	(234.85)

5.8 Share Capital

The Proposed Disposal will not have any impact on the issued share capital of NGL.

6. CHAPTER 10 OF THE LISTING MANUAL

6.1 Rule 1006 Relative Figures for the Proposed Disposal

The relative figures for the Proposed Disposal computed on the relevant bases set out in Rule 1006 of the Listing Manual of the SGX-ST ("**Listing Manual**") are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the Vessels as compared with Noble Group's net asset value ²	9
(b)	Net profit attributable to the Vessels compared with Noble Group's net loss ³	Not meaningful
(c)	The consideration ⁴ received compared with the market capitalisation ⁵ of NGL	63

6.2 Rule 1014

Rule 1014 of the Listing Manual states, *inter alia*, that where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%, the transaction is classified as a "major transaction" and must be made conditional upon approval by Shareholders in general meeting. As the relative figures for the Proposed Disposal computed on the relevant bases set out in Rule 1006 of the Listing Manual exceed 20%, the Proposed Disposal is classified as a "major transaction" for the purposes of Chapter 10 of the Listing Manual which requires Shareholders' approval.

NGL intends to convene a special general meeting ("**SGM**") to seek approval of the Shareholders for the Proposed Disposal. A circular to Shareholders containing further information relating to the Proposed Disposal, together with a notice of SGM, will be despatched to Shareholders in due course.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their interests in the shares of NGL (if any), none of the Directors or controlling shareholders of NGL has any interest, direct or indirect, in the Proposed Disposal.

² The net asset value attributable to the Vessels of approximately US\$94 million is the carrying value of the Vessels based on the Noble Group 9M2017 Results. Noble Group's net asset value of approximately US\$1,045 million is based on the Noble Group 9M2017 Results.

³ Net profit/loss is defined as profit/loss before income tax, minority interest and extraordinary items. The net profit of NGL attributable to the Vessels based on the Noble Group 9M2017 Results is approximately US\$1 million. Noble Group's net loss based on the Noble Group 9M2017 Results is approximately US\$3,197 million.

⁴ Based on the Consideration of US\$95 million.

⁵ The market capitalisation of NGL of approximately US\$151 million is based on a total number of 1,327,483,781 shares of NGL in issue (excluding treasury shares) as at 28 November 2017 (Singapore time), at the volume-weighted average price of S\$0.1528 per share transacted on 28 November 2017 (Singapore time), being the market day preceding the date of the MOAs, and an exchange rate of US\$1.00 to S\$1.3455

8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of NGL in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between NGL and any such person in connection with the Proposed Disposal.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of NGL at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and at the offices of Allen & Gledhill LLP, 30th Floor, One Marina Boulevard, Singapore 018989 for a period of three months commencing from the date of this Announcement:

- (i) the MOAs; and
- (ii) the reports in respect of the Valuations.

Noble Group Limited
29 November 2017

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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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