noble group

For Immediate Release

Message from the CEO

Dear Stakeholders,

We recognize that the last two weeks have not only been challenging for us but also challenging for all of you. Iceberg's attacks are not only attacks on Noble but also an attack on every single one of our stakeholders who have put their faith in us over the months, years, and in some cases decades. I'm sure these allegations have caused stress for you and your organizations and for that I would like to express my sincere regret.

We unfortunately live in a world where knowing that you run your business professionally is not good enough. You need to be able to prove it. The only way to prove it is with consistent and industry leading transparency. Noble has come a long way over the last few years in terms of that transparency, but more is required. Most of our competitors are private and release very little public information, but our experience over the last two weeks is a strong message, that as a public company, we need to accelerate down our current path of increased transparency.

The entire management team came into 2015 believing that we are in an opportunity rich environment and that your company is very well positioned to capture those opportunities. Nothing that has happened over the last two weeks changes that. While it is essential that we are proactive in addressing any valid concerns raised by our stakeholders, it is even more important that we stay focused on capturing those opportunities and on delivering results. In the end, we will be judged by the results we deliver, and the only way to silence our critics is through delivering consistent and industry leading results.

In conclusion, I would like to thank all our stakeholders for the support we have received over the last few weeks.

Regards

Yusuf Alireza
CEO

Iceberg 1 & 2 Rebuttal Summary

1. Iceberg Claim: Yancoal is not an associate, it has been incorrectly valued and Noble has not taken into consideration impairment. FALSE

THE TRUTH - Treatment: Noble treats Yancoal as an associate because we exercise significant influence: William Randall (President of Noble Group) is a member of Yancoal's Board of Directors; the Group has substantial long-term off take agreements with Yancoal; we provide Yancoal with essential technical information; and we maintain regular dialogue on potential partnership activities. The treatment of Yancoal as an associate was valid and remains valid, and is consistent with accounting standards and market practice (i.e. Rio Tinto Group and their treatment of their Mineracao Rio de Norte S.A. Associate).

THE TRUTH – Carrying value: Iceberg overstates the carrying value of the Yancoal Associate by $92MM. The Associate was not being carried at $614MM but rather at $522MM (carrying value before impairment). Although considered during Q3, a full impairment review was undertaken as intended at the end of Q4 and, as a result, a decision was made at the close of Q4 2014 to impair the Yancoal Associate by $200MM.

Please note that Noble's investment in Yancoal is not a financial instrument. Rather, it is an investment in an Associate and as such, we value the associate as a whole enterprise not as a number of individual shares. The quoted market price of Yancoal shares is not representative of the value of the associate: Yancoal shares are not regularly traded in the market (only 8% of shares are free-float, and only AUD $15k approximately per day trades).

2. Iceberg Claim: The proceeds on the sale of Noble Agri will be much lower than the provisional payment. FALSE

THE TRUTH: As announced, the actual final price was $1.463Bn, which included a small adjustment requiring Noble to pay COFCO $37MM (approximately 2%).

3. Iceberg Claim: Noble would have a difficult time selling the palm oil business as the licence of one of its subsidiaries had been revoked by the local government. FALSE

THE TRUTH: This claim is incorrect, and was subsequently corrected by Iceberg Research in a statement made on 17 February 2015, "PT Pusaka Agro Lestari's plantation business licence and a right of cultivation are in order."

4. Iceberg Claim: Noble Agri Performance for the nine months ended 30 September 2014 was manufactured. FALSE

THE TRUTH: The results of Noble Agri have not been manufactured.

Noble Agri had record volume for both the three and nine month periods ending 30 September 2014. There was also a strong recovery in gross margin particularly in the global Grains and Oilseeds business, supported by the full integration of the recently completed crush plants, increased operational efficiency along the supply chain, and continued expansion of its logistics capabilities.

Most industry experts/analysts agree that the partnership with COFCO, the largest supplier of diversified products and services in the agriculture and food industries in China, is transformational for Noble Agri and will underpin the expansion of the business going forward.

5. Iceberg Claim: Noble will have substantial remaining financial commitments to Noble AGRI. FALSE

THE TRUTH: Apart from contingent liabilities such as guarantees, Noble Group does not have significant ongoing commitments to Noble AGRI.

During the transitional period (of around 18 months from signing), Noble Group will provide Noble Agri some corporate services, including risk management, human resources, insurance, internal audit, legal, tax, and other administrative services. Noble Group will bear the cost during the transition period, we do not expect the cost to be substantial or to extend beyond the transition period.

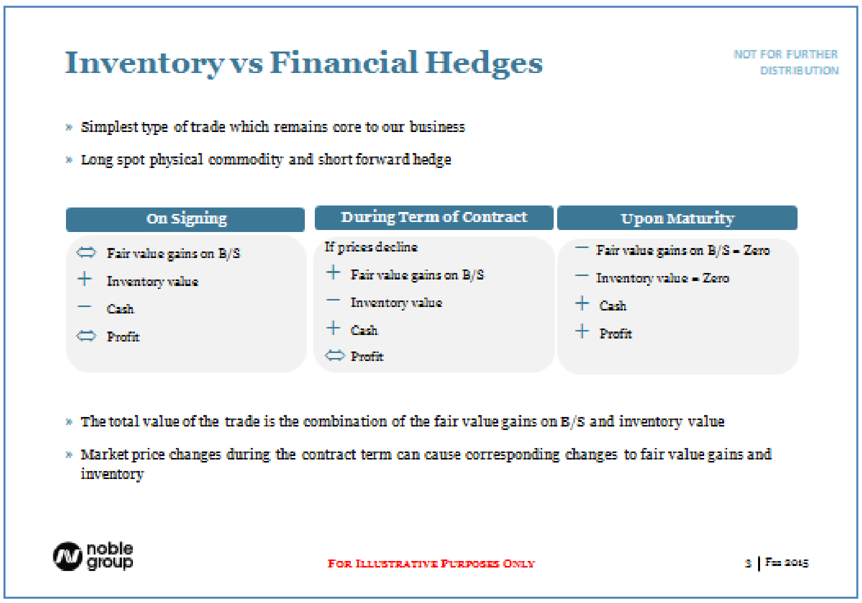
6. Iceberg Claim: Noble fair value gains are overstated by $3.8Bn and should be impaired. FALSE

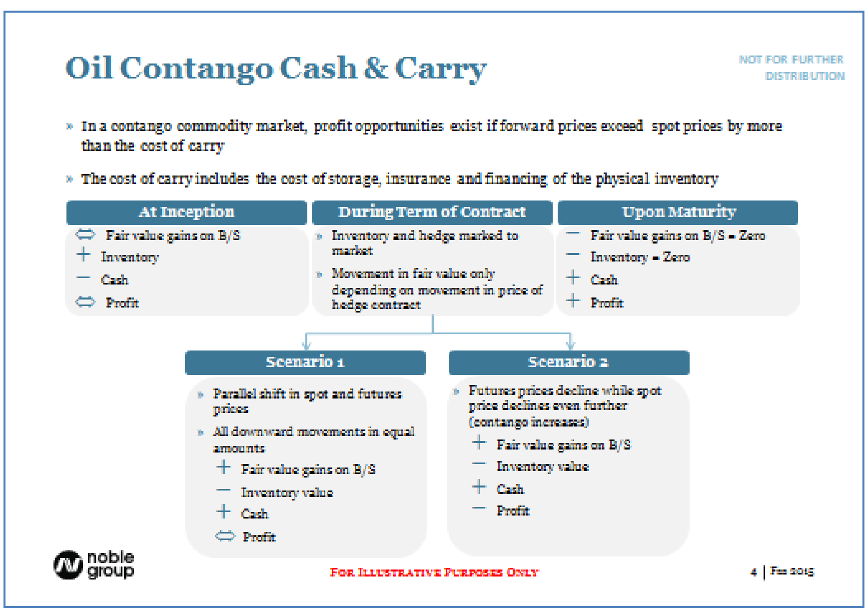
THE TRUTH: A change in fair value does not equal a change in operating income.

Fair value changes do not equal changes in operating income. There are many factors that influence operating income that do not influence fair values, and vice versa, including changes in the value of inventory.

For example, in 2009 operating income from supply chains excluding agri segment was $761MM, but in the same year the change in fair value was -$458MM. The commodity market rallied. As prices rose the balance sheet was impacted as the inventory value increased, and fair value gains on hedges for that inventory decreased. We witnessed significant movements in the balance sheet, but largely offsetting impacts on operating income from supply chains.

Two examples are included below, that illustrate the disconnect between fair value and operating income:





THE TRUTH: Fair values are not overstated, they represent real value and are being realised.

Over the last four years net fair value gains and losses have increased. The markets offered Noble more opportunities to build out our business model. Many asset owners are struggling to access working capital, or need liquidity or a secure customer to buy their product. Noble is the clear choice. These physical supply contracts involve substantial volumes with independent third parties. They could be "long" or "short" contracts - purchase or supply in nature, and the contract pricing could include discounts or premiums to the market price.

There is real value in our entire portfolio. It includes customers and producers from many regions, the majority being best in class existing producers and major industrial customers with whom we have had long and successful relationships. Through this portfolio we have access to more than 12,000 contracts. This secures Noble more than 1.5Bn tonnes of product flow.

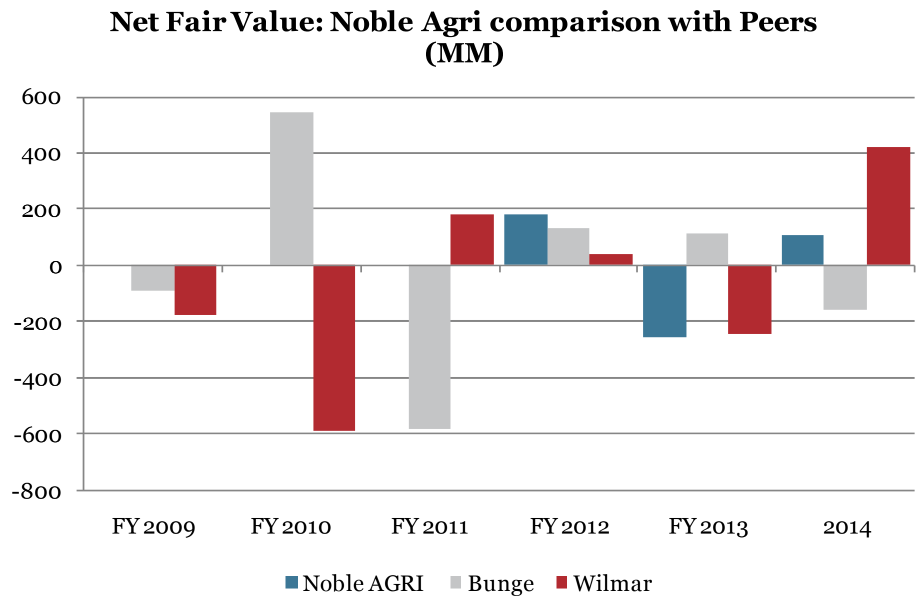
This portfolio of commodity contracts has realized cash and will continue to do so. Over the last three years, approximately $800MM of cash has been realized, 34% of net fair value gains and losses are expected to mature within 1 year, increasing to 43% of net fair value gains and losses maturing within 2 years.

Net fair values are based on robust internal processes, a clear valuation methodology, continually updated inputs and valuations, thorough review, and back testing against actual realisation. Finally, net fair value gains and losses are part of our financial statements which are audited by E&Y. Noble discloses both the valuation methodology and the observability of the inputs to the valuations in the financial statement notes. Over 80% of the net fair value gains and losses are based on directly or indirectly observable inputs (Level 1 and Level 2 in the fair value hierarchy).

THE TRUTH: The peers chosen for comparison to Noble are not appropriate.

The comparison of Noble to Glencore is not applicable. The two companies are fundamentally different. Glencore owns the majority of the assets they use for supply: $68Bn in Property, Plant & Equipment, and $12Bn in Associates and Joint Ventures. Glencore's business model is asset heavy, our business model is asset light.

The comparison of Noble to Bunge and Wilmar is also not applicable, as Bunge and Wilmar are two agri firms, whilst Noble is composed of businesses across a diverse range of products. However, we have taken Iceberg's chart (Iceberg Report 2, Page 7) and restated it to compare our Noble Agri business to Bunge and Wilmar. Please see the chart below.



As you can see, Noble Agri's net fair values are consistent with those of Bunge and Wilmar. The chart clearly highlights both the smaller scale of the fair values in the agri industry (a business driven by shorter term buys and sells) and the year on year volatility in those balances. Please note, comparisons for Noble Agri are not available pre FY2012, as separate consolidated statutory accounts for Noble Agri were not prepared before that time.

7. Iceberg Claim: Noble manipulates the fair values and books 100% of the value of long dated deals on day one. FALSE

THE TRUTH: Noble does not book 100% of the value of long dated deals on day one.

The fair value methodology adopted by Noble is based on International Financial Reporting Standards (IFRS) and covers all financial instruments, including physical transactions and financial hedges. Principal standards used as the basis for the fair value methodology are IAS39 (IFRS9 when effective) and IFRS13.

The fair value methodology is then applied through clear policies approved by the Audit Committee with standard manuals covering accepted approaches. Values are not manipulated and the values are being recovered as the contracts roll-off.

- The fair value methodology has 4 key inputs for valuations: Underlying Price, Volume, Discount Rate, and Reserves (as appropriate). Key inputs are reviewed and updated every quarter.

- Price assumptions are based on standardised approaches with external pricing inputs, independent control groups for modelling and valuation, and independent price testing and curve validation. Price exposure and the impact of changes in commodity prices on commodity contracts are reflected in our VaR, and are part of our daily PnL reporting process.
- Production volume assumptions are based on independent third party production and reserve reports (e.g. JORC). Logistics constraints may also be considered to limit volume recognition (port or rail capacities). These are reviewed and updated every quarter, including the production profile.
- Inputs are adjusted after taking into account all relevant risk factors so that the estimated fair value is conservative. The expected cash flows from the agreement are discounted at a risk-adjusted rate to derive a present value for the agreement (further provisions may be taken). The discount rate is adjusted to reflect market risk, counterparty credit risk, and operational risk, among others.
- The present value (net of provision) is recognized as fair value in Noble's P&L, with corresponding effect on the balance sheet. As the products underlying the portfolio of contracts are delivered, cash is generated and profit is recognized as the difference between the cash inflow and the discounted value on the balance sheet.
- Initial assumptions are back tested against actual realisation for all major transactions. Results are reported to senior management for review.
- The fair value of an individual commodity contract will be impacted by changes in price, volume (i.e. deferrals) and risk (discounting or provisioning). But it is a gross oversimplification to assume that as a particular product price goes up or down there will be a highly correlated move in total fair value of all commodity contracts. We have hedging strategies in place particularly at the front of the forward curve, while the back end is so heavily discounted that any move in prices today has a minimal impact on overall fair value. Further, in a growing business, new contracts (additions to fair value) will more than replace old contracts as they are realized and rolled off.

8. Iceberg Claim: All movements in Fair Value are non-cash. FALSE

THE TRUTH: As noted above, there are many reasons for changes in fair values and many of these reasons will generate a cash impact, for example:

- *Inventory hedge (inventory on Noble's balance sheet hedged via a short hedge position)*: If the commodity curve shifts downwards over the course of the trade, a fair value gain is recognized on the hedge position, and cash is received from the broker/clearer. The corresponding decline in inventory value is non-cash and is recognised in inventory not in net fair value gains/losses.
- *Contango trade (cash & carry):* Buy commodity spot and keep in inventory, short hedge contract (if difference between forward and spot price sufficiently larger than cost of carry for duration of trade). If the commodity curve shifts downwards over the course of the trade, a fair value gain is recognized on the hedge position, and cash is received from the broker/clearer. Corresponding decline in inventory value is non-cash and is recognised in inventory not in net fair value gains/losses.

In addition to the above, our portfolio of marketing, supply, and off-take agreements will deliver cash throughout their term as tonnage is realized, with a corresponding decline in the net fair value. Over the last three years, cash realization on commodity contracts was approximately $800MM. The fair value is generating a positive cash impact.

9. Iceberg Claim: Noble is increasingly struggling to hide its operating cash outflows. FALSE

THE TRUTH: Cash flows have never been hidden and we have not suffered cash outflows every year. The cash flows from operating activities are clearly reported in the Financial Statements. Further for FY2011, FY2012 and FY2013, net cash flows from operating activities were cash in-flows of $2,319MM, $893MM and $805MM respectively.

Even if you adjust these cash inflows for the impact of interest paid on financing activities (both short and long-term), FY2011, FY2012 and FY2013 would still be cash inflows of $1,896MM, $502MM and $431MM respectively.

Please note: we do not think it is appropriate to allocate interest paid to cash flow from operating activities as this cash flow metric is intended to represent the operating performance of the business, independent of the company's capital structure (mix of equity and debt) and the associated finance costs.

Cash flows from operating activities will change year to year depending on many factors including the underlying operating results and changes in working capital. Taking two different years as examples of the factors that influence cash flows:

FY2011 Cash flow from operating activities +$2,319MM: Operating Profit before working capital changes for FY2011 was +$970MM. During Quarter 3, the commodity market was overshadowed by continued concerns over sovereign risk in the Eurozone. Given those risks Noble maintained a low risk profile. The impact of this 'risk off' strategy was decreased trading as seen in working capital, with usage dropping by $1,000MM, one of the biggest drivers of this change being inventory which decreased by $1,116MM. These reductions in working capital positively impacted operating cash flows.

FY2014 Cash flow from operating activities -$1,103MM: Operating Profit before working capital changes for FY2014 was +$955MM. During 2014 we completed the sale of the Agri business, which reduced working capital requirements by close to $2Bn. This decrease in working capital was offset by underlying growth in continuing operations.

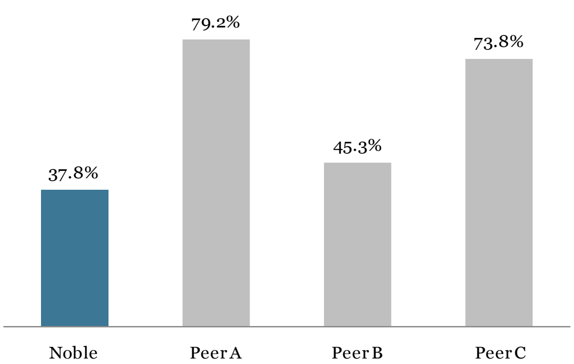
As Noble increased physical volumes, net working capital needs increased correspondingly, and broker cash increased as we posted margin for hedges. Furthermore, net fair value increased driven by growth across all of our businesses, predominantly in Hards and Oil Liquids (including the impact of the volatility in oil liquids prices). Importantly, it is not only the size of the fair value balance that is changing but also the nature. Much of the fair value growth related to short term physical and hedges, vessels on the water, gasoline in pipes, and metals in warehouses, diversifying our portfolio even further. These increases in working capital negatively impacted operating cash flows.

10. Iceberg Claim: Noble always pays too much interest for the level of debt it reports and therefore must be hiding off-balance sheet activities. FALSE

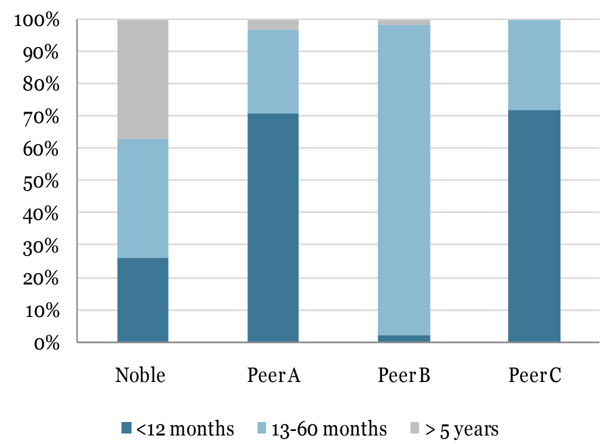
THE TRUTH: There is nothing hidden in Noble's interest costs, they include costs associated with Bank Loans, Revolving Credit Facilities and Capital Markets Bonds.

Noble has always, and will continue to maintain, a conservative approach when it comes to managing our debt and liquidity profile, as you can see by the following charts.

Net Debt/Capitalization vs Peers

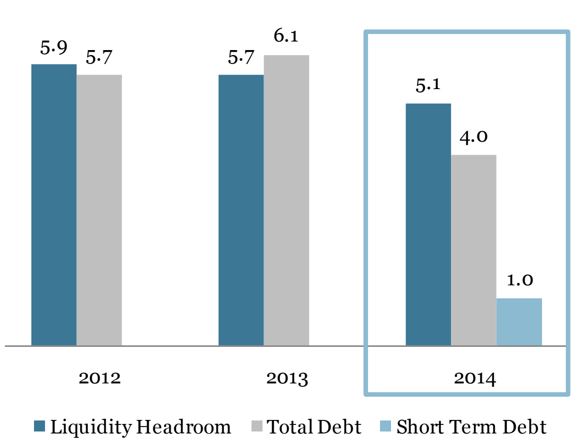


Debt Maturity Profile vs Peers

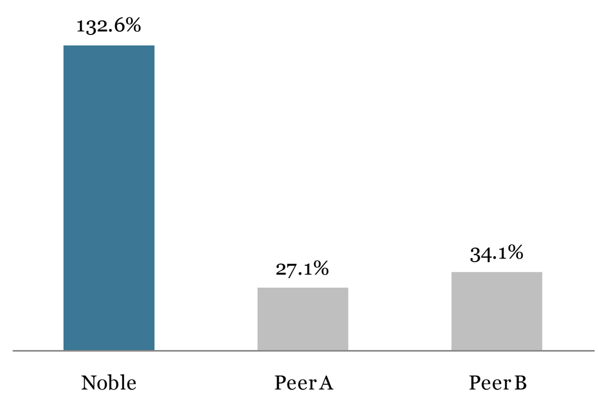


Noble maintains a conservative maturity profile, with 37% of its debt having a maturity of more than five years. Furthermore, Noble maintains industry leading levels of liquidity headroom of $5.1Bn. We have a very simple definition of liquidity headroom – which is the sum of readily available cash and unutilized committed facilities. Our liquidity headroom of $5.1Bn can fully cover all outstanding debt and more than comfortable refinance the $1.0Bn debt coming due in the next twelve months.

Liquidity Headroom vs Debt
(US$ billions)



Liquidity Headroom vs Peers
(as % of Working Capital)



Iceberg debugged

This is what we know about the anonymous blogger:

Iceberg is not a recognized or licensed research house. It was, to the best of our knowledge, unknown by any market participant before the release of the first report. Iceberg's reports are released through a blog, and other than the reports on Noble, there is no other information on the blog. The blogger remains anonymous with no address, phone number, or email contact details provided.

1. The name of the company that registered the blog with WordPress (the blog provider based in San Francisco) is a Seychelles SPV called Enlighten Ace.
2. The blog was set up in January, 2015.
3. Enlighten Ace was also set up in January, 2015.
4. The contact person for Enlighten Ace was a former Credit Analyst, mainly covering Chartering.
5. He joined Noble in March 2011 and his employment was terminated in June 2013.
6. In his annual assessment for 2012 he was told he was in the bottom 10% of his group.
7. In June 2013, Noble's Head of HR confirmed that an investigation had been conducted and the facts pointed to "misconduct on his behalf, in terms of his disruptive behaviour". His employment was terminated. We have also discovered that he was terminated by his previous employer (a bank) in almost identical circumstances.
8. A current Noble employee has confirmed that he approached him at a social event approximately 12 months ago and said that he was preparing a report "in several parts" and was going to "work with short sellers to blow up Noble".

We have reported the above information to the authorities.

Icebergs Intentions

Iceberg claims that their intention is to "highlight accounting irregularities", but their actions are clearly not consistent with that.

By their own admission they are not a research firm: Beyond the usual disclaimer of any research report Iceberg further disclaims the following: "Iceberg Research is not registered as an investment advisor in any jurisdiction," and then "… our research and report express our opinions which are based on generally available information…such information is presented "as is"….. Iceberg Research makes no representation… as to the accuracy, timeliness or completeness of any such information… all expressions of opinion are subject to change without notice, and Iceberg Research is not obligated to update or supplement any reports or any of the information…"

They haven't communicated with Noble: If the intention, as claimed in the report, was to highlight supposed deficiencies in our accounting principles for the benefit of investors, it would have been normal and necessary to approach Noble to discuss their concerns. However, there was no attempt to contact Noble to clarify their concerns.

Timing and sensationalized nature of reports: The timing of the Iceberg allegations was designed to inflict maximum damage. The first report was released one week before our earnings announcement, in the middle of Chinese New Year holidays, and after our stock had rallied 20%, making sensationalist accusations and threatening further reports.

The second report was released one day before our year end results. There is no other credible explanation for the timing of the release of the second report other than to disrupt the company's reporting schedule.

Failure to use the most up-to-date information and report completion: A research firm, that is trying to highlight accounting irregularities, would surely have waited the additional 24 hours so that they could use the most recent financial information in their analysis. Furthermore, they would have released all the reports at same time. If the other reports were not ready as they claim, then it is inconsistent with the actions of a reputable research firm to make sensationalist accusations without having completed the work.

As our key stakeholders we ask if you think these actions are consistent with those of a reputable research effort trying to highlight accounting issues or the actions of an individual trying to do damage to Noble or manipulate the stock price?