

# Special General Meeting

5 September 2017

# Strategic Review Update – 26 July 2017

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

- Strategic review commenced May 2017
- Alternatives explored included sale of an interest in the Group or its subsidiaries or disposals of parts of its business
- Priority given to a further reduction in the Group's indebtedness over the next two years
- The Group's debt repayment capability 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<sup>(1)</sup>
  3. New Asset Disposal Programme
- **Purpose of Special General Meeting is to consider and, if thought fit, approve sale of the outstanding capital stock of Noble Americas Gas & Power Corp upon the terms and conditions of the sales and purchase agreement outlined in the Circular to Shareholders**

## Decisions from Strategic Review<sup>(2)</sup>

**A**

### Sale of Global Oil Liquids

*Sales process underway*

**B**

### Sale of North American Gas & Power

*Sales & purchase agreement signed with Mercuria, closing subject to approvals*

**C**

### Asset Disposal Programme

*US\$800 million to US\$1 billion over next 2 years from certain assets located outside North America*

**D**

### Cost Reduction

*Reduce headcount from c.900 at present to c.400 to reflect Group's reduced complexity and footprint and impact of Global Oil Liquids and North America 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) After these sales are completed, it is anticipated that the NAC borrowing base facility and NCFL borrowing base facility will be retired and net proceeds will be available to reduce the Group's remaining debt; North American Gas & Power business is conducted through Noble Americas Gas & Power Corp

(2) The Group will make further announcements as progress continues to be made on executing against these actions. Refer to 26 July 2017 announcement for additional information

# Sale of North American Gas & Power

## Key highlights

- Proposed sale of North American Gas & Power business<sup>(1)</sup> to Mercuria<sup>(2)</sup>
- Total consideration as at 30 June 2017, for illustrative purposes, would have been US\$261 million
  - Total consideration calculated as closing date net working capital, minus US\$65 million minus closing date indebtedness
- Total consideration was arrived at following a formal sale process involving multiple interested parties and after arm's length negotiations
- North American Gas & Power sale proceeds will be utilised towards debt repayment
- Pending United States Federal Power Act regulatory approval
- Completion is expected before 15 October 2017

(1) North American Gas & Power business is conducted through Noble Americas Gas & Power Corp

(2) Mercuria Energy America, Inc., a subsidiary of Mercuria Energy Group Limited

