

Embargoed until 17.05 Singapore Time Tuesday, 15 May 2018

**Group financial results announcement for the three months ended 31 March 2018**

15 May 2018



- Primary focus on implementing the proposed restructuring of the Group's debt
- Positive adjusted operating income from supply chains and realisation on physical contracts in 1Q 2018
- 16% reduction in quarterly selling, administrative & operating expenses, in line with cost reduction strategy
- Sale of Noble Americas Corp ("NAC") successfully completed on 12 January 2018
- Debt reduced following repayment and cancellation of borrowing base facilities

The Group started 2018 with the completion of the sale of Noble Americas Corporation (“NAC”) and the wind down of certain remaining Global Oil Liquids working capital balances within Noble Clean Fuels Limited (“NCFL”), which concluded the asset disposal programme, resulting in the retirement of US\$3 billion in senior secured borrowing base revolving credit facilities, and approximately US\$525 million in net proceeds.

Over the first three months of 2018, and to date, the Group’s primary focus has been to agree and implement the proposed restructuring pursuant to the binding Restructuring Support Agreement (the “RSA”), which was signed between, among others, Noble Group Limited (the “Company”) and an ad hoc group of Existing Senior Creditors (the “AHG” and as defined in the RSA) on 14 March 2018.

Since March, approximately 85% of Existing Senior Creditors have acceded to the RSA. Furthermore, Noble Holdings Limited, the Company’s largest shareholder, has given an irrevocable undertaking to support the RSA<sup>1</sup>.

The proposed restructuring is expected to result in a sustainable capital structure, and provides for a committed trade finance and hedging facility which is critically important for the Group to continue to trade, reposition its business and expand on its position as a leading industrial and energy products supply chain manager in the Asia Pacific region.

The Board believes that the proposed restructuring provides the best possible outcome for all stakeholders.

Global commodity prices strengthened in 1Q 2018, supported by both growth in demand and factors affecting supply such as production cuts and economic sanctions. However, the Group’s performance continues to be impacted by the ongoing constraints on liquidity and availability of trade finance to support its operations.

The Hard Commodities businesses were able to maintain stable volumes in 1Q 2018 compared to 4Q 2017, while the Freight business experienced a 21% reduction in volume during the same period largely due to seasonally weak freight markets. Total Group volumes were down 9% quarter-to-quarter and 26% year-on-year, and revenues were down 12% and 37% respectively, with the businesses focused on their core flows.

Operating income from supply chains was positive, after adjusting for non-cash losses due to contract-specific performance reserves which were recorded in 1Q 2018 against certain net fair value gains on commodity contracts and derivative financial instruments. Realisation on the Group’s portfolio of long-term physical contracts was also positive during 1Q 2018, with contributions from each of the Energy Coal, Carbon Steel Materials and Metals businesses. The Group’s Jamalco joint venture also delivered a solid contribution during 1Q 2018 in the stronger price environment.

Underlying selling, administrative & operating (“SAO”) expenses continued to decline in 1Q 2018, in line with expectations and the Group’s cost reduction strategy, with a 16% reduction in 1Q 2018 compared to 4Q 2017, and a 43% reduction on an annualised basis. Further reductions in SAO expenses are expected with projected steady state annual SAO expenses of approximately US\$100 million targeted to be achieved on a run rate basis by 3Q 2018.

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<sup>1</sup> Noble Holdings Limited is the entity through which Richard Elman has a deemed interest in the shares of the Company.

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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](http://www.thisisnoble.com).

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