

NOBLE GROUP LIMITED
(Incorporated in Bermuda with limited liability)

**RESPONSE TO SGX QUERIES REGARDING
FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

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

1. We refer to MD&A, Page 4 (Exceptional Items)

- (a) Please provide a breakdown of the \$428 million loss recorded in relation to non-cash losses for 3QFY2017.**

For the three months ended 30 September 2017, the Group recorded a US\$(427.9) million loss from exceptional items primarily related to non-cash losses on non-current assets including a non-cash loss resulting from the significant dilution of the Group’s shareholding in Yancoal Australia (“Yancoal”) following Yancoal’s capital raising exercise.

Exceptional items include non-operational items in the Group’s operating income from supply chains from continuing operations along with other non-operational items such as impairment losses on supply chain assets from continuing operations.

A breakdown of the components of the loss are as follows:

	(unaudited) Q3 2017 1 Jul to 30 Sep 2017 US\$’000
Operating income from supply chains	(12,741)
Impairment of non-current assets	(149,862)
Loss on deemed disposal of an associate*	(257,815)
Loss on disposal of joint venture	(7,616)
Loss on supply chain assets	(415,293)
Taxation	109
Exceptional items, net of tax	(427,925)

*Loss on deemed disposal of an associate refers to the non-cash loss resulting from the significant dilution of the Group’s shareholding in Yancoal.

- (b) **Please clarify as to whether \$428 million non-cash losses was included in the loss on supply chain asset of \$411.9 million as reflected on Page 1 of the “Announcement”. Specifically, the Company should provide a breakdown of the \$411.9 million reflected in the Announcement.**

The US\$(411.9) million loss on supply chain assets on page 1 of the SGX Announcement is comprised of the US\$(415.3) million loss on supply chain assets classified as exceptional items referred to in response 1(a) above, partially offset by profit on supply chain assets of US\$3.4 million not classified as exceptional items.

- (c) **Please disclose the amount of non-cash losses attributable to the “significant dilution of the Group’s shareholding in Yancoal”.**

The Group’s investment in Yancoal was carried as at 31 December 2016 at US\$180.4 million under the equity method of accounting. Following the change in accounting method as described in response 1(d) below, along with the recycling of accumulated foreign exchange losses previously recorded in other comprehensive income, the non-cash loss associated with the significant dilution of the Group’s shareholding in Yancoal was US\$257.8 million. This loss was recorded as a “deemed disposal of an associate” as referred in response 1(a) above.

As at 30 September 2017, the Group’s investment in Yancoal is carried at US\$11.6 million on the balance sheet with reference to the market price of its shares listed on the Australian Stock Exchange.

- (d) **Please elaborate how Yancoal’s capital raising exercise had resulted in the significant dilution of its investment in Yancoal.**

The Group’s investment in Yancoal was previously accounted for on the consolidated balance sheet as an investment in an associate under the equity method of accounting, less any impairment losses. Following Yancoal’s capital raising exercise and the significant dilution of the Group’s shareholding in Yancoal, which reduced the Group’s shareholding from 13.2% to 0.3%, the Group deemed that the “significant influence” criteria as determined under IAS 28 no longer applied and therefore the equity method of accounting was no longer appropriate. As such, the investment is now accounted for as a long term equity investment and carried on the consolidated balance sheet with reference to the market price of its shares listed on the Australian Stock Exchange as noted above.

2. We refer to MD&A, Page 10 (Results from Discontinued Operations)

- (a) **Please provide a reconciliation of the loss of \$99 million from “operating income from supply chains” to the \$653 million loss recorded in relation to “discontinued operations” for 3QFY2017.**

The US\$(99.4) million operating loss from supply chains and US\$(652.2) million net loss on discontinued Global Oil Liquids and North American Gas & Power operations are included in the table below:

	(unaudited) Q3 2017 1 Jul to 30 Sep 2017 US\$'000
Revenue	5,184,472
Cost of sales and services	(5,283,875)
Operating loss from supply chains	(99,403)
Loss on supply chain assets, net*	(488,030)
Share of profits and losses of joint ventures/associates	296
Total operating losses	(587,137)
Other income net of other expenses	485
Selling, administrative and operating expenses	(63,044)
Net finance costs	(854)
Loss before tax	(650,550)
Taxation	(1,701)
Net loss for the period from the discontinued operation	(652,251)

*Included impairment of US\$342 million on proposed disposal of Noble Americas Corp. and US\$142 million loss on sale of Noble Americas Gas & Power Corp.

3. We refer to MD&A, Page 6 (LNG)

- (a) **Please elaborate on “the LNG business continues to execute on its existing contracted flows” and provide an indication on the performance of the LNG business.**

Trading performance for the LNG business was profitable during the three and nine months ended 30 September 2017 as the business continued to service its existing contracts, via LNG deliveries to customers primarily in the EMEA region. However, the business has been unable to add profitable new business flows given the Group’s constrained liquidity and access to trade finance lines.

FOR IMMEDIATE RELEASE



Noble Group Limited
16 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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