

**NOBLE GROUP LIMITED***(Incorporated in Bermuda with limited liability)***PROPOSED DISPOSAL OF ALL THE ISSUED AND OUTSTANDING  
CAPITAL STOCK OF NOBLE AMERICAS CORP.****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, Noble Resources UK Holdings Limited (“**NRUK**”) and Noble Americas Corp. (“**NAC**”), had on 19 October 2017 (New York time) entered into a stock purchase agreement (“**SPA**”) with Vitol US Holding Co. (the “**Buyer**”) and Euromin Inc., the parent company of the Buyer (the “**Buyer Parent**”), in connection with the proposed sale by NRUK of all of the issued and outstanding capital stock (the “**Sale Shares**”) of NAC to the Buyer, in accordance with the terms and conditions of the SPA (the “**Proposed Disposal**”).

Noble Group’s global oil liquids business is primarily conducted through NAC. NAC is a supplier of industrial and energy products. In particular, NAC trades large physical volumes of crude and refined oil products via ship, barge, pipeline, truck and rail. In addition, NAC has blending and wholesale capabilities with long term leases on liquid storage facilities. NGL is in the process of winding down certain remaining global oil liquids working capital balances within Noble Clean Fuels Limited (“**NCFL**”). Further information is available in NGL’s announcement “Noble Group Announces Progress Update on Strategic Review, Profit Guidance and Update on Ongoing Discussions with Lenders” released concurrently with this Announcement.

As at the date hereof, all the Sale Shares are held by NGL indirectly through NRUK. Upon completion of the Proposed Disposal (“**Closing**”), NGL will no longer hold any Sale Shares in NAC and NAC will cease to be a subsidiary of NGL. In addition, certain subsidiaries of NAC (as set out in the Appendix to this Announcement) (the “**Subsidiaries**”) will also cease to be subsidiaries of NGL.

## 2. DETAILS OF THE PROPOSED DISPOSAL

### 2.1 Consideration

The consideration for the Proposed Disposal (the “**Consideration**”) comprises:

- (i) a base consideration (“**Base Consideration**”) calculated as of the Closing (“**Closing Date Base Consideration**”) which takes into account the value of certain assets and business contracts of NAC and which is subject to adjustments in certain circumstances (for example, if any asset ceases to be an asset of NAC prior to the Closing).

In particular, the Base Consideration shall be calculated taking into account certain specified line items, including the following:

- (a) NAC’s equity interests in Noble Petro Inc. (“**NPI**”) and whether such equity interests are sold to a third party (such sale, “**NPI Sale**”) or transferred to a subsidiary of NGL (such transfer, “**NPI Transfer**”) prior to the Closing (as further described in paragraph 2.8(i) below);
- (b) certain agreements (including a supply of products contract) entered into by NAC with, amongst others, a South American national oil company (the “**Relevant Agreements**”) and whether such agreements are assigned to a third party prior to the Closing (“**Relevant Assignment**”) (as further described in paragraph 2.8(ii) below);
- (c) a certain tankage lease and blending agreement entered into by NAC with, amongst others, a United States of America (“**U.S.**”) pipeline company and whether an option for a one-year extension of the term thereof is obtained prior to the Closing (“**Relevant Extension**”); and
- (d) a certain purchase, sale, terminaling and storage agreement entered into with an U.S. energy services group and whether such agreement ceases to be in full force or effect prior to the Closing (“**Relevant Cessation**”).

The Base Consideration is also subject to certain additional specified adjustments, including adjustments based on the length of time required for the Closing as well as adjustments based on the amount of the Consideration for purposes of assessing certain U.S. tax implications for the Buyer arising from the Proposed Disposal;

- (ii) plus the net working capital<sup>1</sup> of NAC and its Subsidiaries (“**Net Working Capital**”) calculated as of 11.59 p.m. (New York time) on the day immediately preceding the date of the Closing (the “**Closing Date**”) (“**Closing Date Net Working Capital**”); and

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<sup>1</sup> Net working capital shall be calculated taking into account (i) certain specified line items such as cash, trade receivables, accrued receivables, trade payables and inventory, and (ii) certain specified adjustments such as the removal of intercompany balances.

- (iii) minus any indebtedness<sup>1</sup> of NAC and its Subsidiaries (“**Indebtedness**”) calculated as of 11.59 p.m. (New York time) on the day immediately preceding the Closing Date (“**Closing Date Indebtedness**”).

The Closing Date Net Working Capital and the Closing Date Indebtedness shall be derived at after taking into account the Pre-Closing Restructuring (as defined in and further described under paragraph 2.5(iv) below), the removal of certain non-oil liquids businesses of NAC (the “**Discontinued Business**”) and the settlement of all outstanding intercompany accounts prior to Closing. In this regard, it is anticipated that NAC will carry out a capitalisation of all outstanding intercompany loans prior to Closing.

The Consideration was arrived at following a formal sale process involving multiple interested parties and after arm’s length negotiations between NRUK and the Buyer, on a “willing buyer willing seller” basis, and taking into account, *inter alia*, the assets and business contracts held by NAC, and the net working capital and indebtedness of NAC.

Purely for illustrative purposes, based on the latest announced unaudited consolidated financial statements of Noble Group for the six months ended 30 June 2017 (“**1H2017**”) (“**Noble Group 1H2017 Results**”) (and including the proceeds received from the completion of the disposal of all the issued and outstanding capital stock of Noble Americas Gas & Power Corp. (“**NAGP**”) by NAC (the “**NAGP Disposal**”) (as further described in NGL’s circular to NGL’s shareholders (“**Shareholders**”) dated 19 August 2017), and assuming, amongst others:

- (a) that the Closing Date was 1 July 2017;
- (b) the completion of the Pre-Closing Restructuring, the removal of the Discontinued Business and the capitalisation of intercompany loans by NAC; and
- (c) that none of the NPI Sale, the NPI Transfer, the Relevant Assignment, the Relevant Extension or the Relevant Cessation occurred prior to the Closing,

the gross Consideration would amount to approximately US\$1,418 million, comprising the Base Consideration of approximately US\$202 million as at 1 July 2017, and the Net Working Capital of approximately US\$1,216 million as at 30 June 2017. After deducting the Indebtedness of approximately US\$836 million as at 30 June 2017, the cash proceeds from the

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<sup>1</sup> Indebtedness means all obligations (including in respect of outstanding principal and accrued and unpaid interest) of NAC or any of its Subsidiaries, without duplication, in respect of (i) indebtedness for borrowed money, (ii) indebtedness evidenced by bonds, notes, debentures or other similar instruments, (iii) drawn and outstanding letter of credit reimbursement obligations, (iv) capitalised lease obligations, and (v) the types referred to in sub-paragraphs (i) to (iv) of other persons that are guaranteed by NAC or any of its Subsidiaries and have been drawn upon and remain outstanding (other than guarantees released at the Closing); provided that, for the avoidance of doubt, “Indebtedness” shall not include any obligations solely between or among NAC and its Subsidiaries or any amount included as transaction expenses, being (a) all fees, expenses and costs payable by NAC in connection with the Proposed Disposal, the NAGP Disposal (as defined in paragraph 2.1) and the disposal of all the units of Noble Americas Energy Solutions LLC by NGL (the “**NAES Disposal**”) (as further described in NGL’s circular to Shareholders (as defined in paragraph 2.1) dated 18 October 2016) to financial advisors, accountants and legal advisors, and (b) retention payments to employees whose services are retained by the Buyer after the Closing which become payable as a result of the Proposed Disposal (in each case, to the extent such fees, expenses, costs and payments are incurred prior to the Closing and not paid prior to the Closing).

Proposed Disposal would have been approximately US\$582 million (“**Total Consideration**”).

At the Closing, the Buyer shall pay to NRUUK an amount in cash equal to:

- (1) the estimated Closing Date Base Consideration as determined by NRUUK in good faith prior to the Closing (the “**Estimated Closing Date Base Consideration**”);
- (2) plus the estimated Closing Date Net Working Capital as determined by NRUUK in good faith prior to the Closing (the “**Estimated Closing Date Net Working Capital**”);
- (3) minus the estimated Closing Date Indebtedness as determined by NRUUK in good faith prior to the Closing (the “**Estimated Closing Date Indebtedness**”);
- (4) minus US\$15 million (“**Tank Escrow Amount**”) which amount shall be delivered by the Buyer into an escrow account as security for losses from the subleasing of certain of NAC’s oil storage tank contracts (as further described in paragraph 2.9(i) below) (“**Subleasing of Tank Contracts**”);
- (5) minus US\$121 million<sup>1</sup> (the “**General Escrow Amount**”) which amount shall be delivered by the Buyer into an escrow account as security for the obligations of NRUUK and, as applicable, NGL, under the SPA (including those in relation to adjustments to the Consideration as described in paragraphs 2.2 and 2.3 below and indemnity claims as described in paragraph 2.4 below), other than with respect to the Specified Matters (as defined in sub-paragraph (6) below) and the Subleasing of Tank Contracts;
- (6) minus US\$38 million (the “**Specified Matters Escrow Amount**”) which amount shall be delivered by the Buyer into an escrow account as security for satisfying indemnity claims in respect of certain regulatory matters (the “**Specified Matters**”); and
- (7) minus US\$4 million which amount shall be paid by NRUUK to the Buyer as a contribution towards the costs of certain insurance policies obtained by the Buyer in respect of the SPA (as further described in paragraph 2.10 below).

At the Closing, the Buyer shall also cause the repayment of the Estimated Closing Date Indebtedness to the intended beneficiaries, including the discharge of Indebtedness under the NAC secured borrowing base credit facility.

## 2.2 **Adjustments to Consideration**

The amount paid shall be subject to adjustment based on an adjustment amount (which may be a positive or negative amount) (the “**Adjustment Amount**”) which is equal to the Consideration minus the sum of:

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<sup>1</sup> The General Escrow Amount shall be reduced to US\$105 million if accruals for annual bonuses in respect of certain employees have been paid prior to the Closing. If such payment is made after the Closing, US\$16 million of the General Escrow Amount shall be released to NRUUK *pro rata* based on the portion of the total amount of such payments that have been made.

- (i) Estimated Closing Date Base Consideration;
- (ii) plus the Estimated Closing Date Net Working Capital; and
- (iii) minus the Estimated Closing Date Indebtedness.

Following the Closing and upon the final determination of the Closing Date Base Consideration, the Closing Date Net Working Capital and the Closing Date Indebtedness:

- (a) if the Adjustment Amount is positive:
  - (1) the Adjustment Amount shall be payable in cash by the Buyer to NRUK; and
  - (2) a portion of the General Escrow Amount (equivalent to US\$50 million (the “**First Escrow Release Amount**”)) shall be released to NRUK; or
- (b) if the Adjustment Amount is negative:
  - (1) in the event that the absolute value of the Adjustment Amount (the “**Deficit Amount**”) exceeds the General Escrow Amount (the absolute value of such amount, the “**Excess Amount**”), (I) the Excess Amount shall be payable in cash by NRUK to the Buyer and (II) the entire General Escrow Amount shall be released to the Buyer; and
  - (2) in the event that the General Escrow Amount exceeds the Deficit Amount, a portion of the General Escrow Amount (equivalent to the Deficit Amount) shall be released to the Buyer, while a portion of the General Escrow Amount (equivalent to the positive difference, if any, of the First Escrow Release Amount minus the Deficit Amount) shall be released to NRUK. If the Deficit Amount exceeds the First Escrow Release Amount, such excess amount shall be subtracted from the Second Escrow Release Amount (as defined in paragraph 2.3(a)(2) below) and the Second Escrow Release Amount shall be reduced by such excess amount.

The Closing Date Base Consideration, the Closing Date Net Working Capital and the Closing Date Indebtedness shall be determined by the Buyer, subject to the agreement of NRUK. If NRUK disagrees with any calculations, it shall notify the Buyer of such disagreement within 45 days of receipt of the Buyer’s closing statement. NRUK and the Buyer agreed to use their respective reasonable best efforts for a period of 20 business days (or such longer period as they may mutually agree) to resolve such disagreements. Any disagreements which remain unresolved between the Buyer and NRUK shall be resolved by an independent accounting firm of recognised national standing mutually selected by the Buyer and NRUK. Where the disputed matter relates to a valuation issue or a matter specifically relating to the commodities industry and the resolution of such dispute is beyond the scope of work that an accounting firm of recognised national standing would customarily undertake, such disputed matter shall be resolved by an independent expert with relevant commercial experience in the subject matter of

the disputed matter.

### 2.3 Further Adjustments to Consideration

Following the final determination of the Closing Date Base Consideration, the Closing Date Net Working Capital and the Closing Date Indebtedness (as described in paragraph 2.2 above), the amount paid may also be subject to a further adjustment based on an adjustment amount (which may be a positive or negative amount) (the “**Further Adjustment Amount**”) which takes into account additional adjustments to the Closing Date Net Working Capital that result solely in respect of the following matters:

- (i) certain receivables and/or payables with respect to demurrage and claims to the extent that such items are identified following the Closing;
- (ii) certain accrued liabilities to the extent that such liabilities are finalised following the Closing; and
- (iii) certain tax accruals relating to employee bonuses to the extent that such accruals were not excluded in the final determination of the Closing Date Net Working Capital.

Following the final determination of the additional adjustments to the Closing Date Net Working Capital:

- (a) if the Further Adjustment Amount is positive:
  - (1) the Further Adjustment Amount shall be payable in cash by the Buyer to NRUUK; and
  - (2) a portion of the General Escrow Amount (equivalent to US\$10 million and, if applicable, as reduced in the manner described in paragraph 2.2(b)(2) above (the “**Second Escrow Release Amount**”)) shall be released to NRUUK; or
- (b) if the Further Adjustment Amount is negative:
  - (1) in the event that the absolute value of the Further Adjustment Amount (the “**Further Deficit Amount**”) exceeds the balance sum of the General Escrow Amount (the absolute value of such amount, the “**Further Excess Amount**”), (I) the Further Excess Amount shall be payable in cash by NRUUK to the Buyer and (II) the entire General Escrow Amount shall be released to the Buyer; and
  - (2) in the event that the balance sum of the General Escrow Amount exceeds the Further Deficit Amount, a portion of the balance sum of the General Escrow Amount (equivalent to the Further Deficit Amount) shall be released to the Buyer, while a portion of the balance sum of the General Escrow Amount (equivalent to the positive difference, if any, of the Second Escrow Release Amount minus the Further Deficit Amount) shall be released to NRUUK.

The additional adjustments to the Closing Date Net Working Capital shall be determined by the Buyer, subject to the agreement of NRUK. If NRUK disagrees with any calculations, it shall notify the Buyer of such disagreement within 45 days of receipt of the Buyer's further closing statement. NRUK and the Buyer agreed to use their respective reasonable best efforts for a period of 20 business days (or such longer period as they may mutually agree) to resolve such disagreements. Any disagreements which remain unresolved between the Buyer and NRUK shall be resolved by an independent accounting firm of recognised national standing mutually selected by the Buyer and NRUK. Where the disputed matter relates to a valuation issue or a matter specifically relating to the commodities industry and the resolution of such dispute is beyond the scope of work that an accounting firm of recognised national standing would customarily undertake, such disputed matter shall be resolved by an independent expert with relevant commercial experience in the subject matter of the disputed matter.

#### 2.4 **Escrow Funds**

The balance sum of the General Escrow Amount shall be released to NRUK in the following manner:

- (i) following the first anniversary of the Closing Date, an amount equal to the amount then held in escrow and in excess of the sum of (a) US\$30 million, plus (b) the aggregate amount of any then outstanding indemnity claims;
- (ii) following the second anniversary of the Closing Date, an amount equal to the amount then held in escrow and in excess of the sum of (a) US\$15 million, plus (b) the aggregate amount of any then outstanding indemnity claims; and
- (iii) following the third anniversary of the Closing Date, an amount equal to the amount then held in escrow and in excess of the aggregate amount of any then outstanding indemnity claims.

To the extent that any outstanding indemnity claims are resolved, any related amount (net of any payment made to satisfy such claims) shall be released to NRUK.

The Specified Matters Escrow Amount or the balance thereof will be released to NRUK upon resolution of the Specified Matters.

#### 2.5 **Conditions Precedent**

Closing shall be conditional upon the satisfaction of, *inter alia*, the following conditions:

- (i) the passing at a general meeting of NGL of a resolution to approve the Proposed Disposal pursuant to the SPA;
- (ii) any applicable waiting period under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976 with respect to the Proposed Disposal having expired or been terminated;

- (iii) the following regulatory approvals having been obtained and remaining in full force and effect:
  - (a) approval by the Ecuadorian Superintendency of Market Power Control required under Ecuador's Organic Act for the Regulation and Control of Market Power;
  - (b) approval by the Colombian Superintendency of Industry and Commerce required under, amongst others, Columbia's competition law;
  - (c) approval in accordance with the merger control procedure under Chile's protection of free competition law;
  - (d) authorisation from the Mexican Federal Competition Commission, or expiration of the relevant statutory period (and any extension thereof) under Mexico's Federal Economic Competition Law; and
  - (e) approval by the South Korean Fair Trade Commission required under South Korea's Monopoly Regulation and Fair Trade Act;
- (iv) the following pre-closing restructuring steps (the "**Pre-Closing Restructuring**") having been completed:
  - (a) the dissolution by NAC of Noble Chartering Corp. ("**Noble Chartering**") and Stampports Inc. ("**Stampports**"), which are two of its wholly-owned subsidiaries;
  - (b) the distribution by NAC of its 100% equity interests in MR Coal Marketing & Trading, LLC ("**MR Coal**"), to NRUUK or, in the alternative, the sale by NAC of its equity interests in MR Coal to an affiliate of NGL; and
  - (c) the sale by NAC of its 50% equity interest in EIG Harbour Energy Advisor, L.P. (together with Noble Chartering, Stampports and MR Coal, the "**Excluded Subsidiaries/Associated Company**") to an affiliate of NGL; and
- (v) all required consents under the NAC secured borrowing base credit facility for the Proposed Disposal having been obtained.

## 2.6 Long-Stop Date

The SPA may be terminated at any time prior to the Closing by either NRUUK or the Buyer if Closing has not occurred before 1 February 2018 (the "**Long-Stop Date**"), provided that such right to terminate shall not be available to any party whose breach of the SPA results in the failure of the Closing to have occurred by such time and (ii) if the Buyer obtains permission from the provider of its representation and warranty insurance (as referred to in paragraph 2.10 below) to extend the Long-Stop Date to 1 April 2018, the Long-Stop Date will be automatically

extended to such date. The Buyer is required to use its reasonable best efforts to obtain such permission as promptly as practicable following the date of the SPA.

## 2.7 Termination Fee

NRUK shall pay to the Buyer a termination fee if:

- (i)
  - (a) prior to the termination of the SPA, any proposal or offer with respect to a merger, acquisition or similar transaction for the purchase of (1) all or any portion of the Sale Shares, or (2) all or substantially all of the assets and properties of NAC and of its Subsidiaries, taken as a whole (“**Proposal**”) is made directly to the shareholders of NGL or otherwise becomes known to the shareholders of NGL, or any person publicly announces an intention (that is not withdrawn) to make a Proposal or communicates a Proposal to NGL (or any officer or director thereof);
  - (b) the SPA is terminated by the Buyer as a result of a breach of the SPA by NRUK; and
  - (c) within 12 months of the making of such Proposal, NRUK or any of its affiliates enter into a definitive agreement for the disposal of all or any portion of the Sale Shares, or all or substantially all of the assets and properties of NAC and its Subsidiaries (which is subsequently consummated) or consummate such transaction; or
- (ii) the SPA is terminated:
  - (a) by either the Buyer or NRUK if Shareholders do not approve the Proposed Disposal;
  - (b) by the Buyer as a result of an intentional material breach of the SPA by NRUK; or
  - (c) by the Buyer if, amongst others, a petition is filed against any of NRUK, NGL or NAC, amongst others, under any bankruptcy law for the protection of creditors.

In the event of a termination referred to in paragraph 2.7(i), 2.7(ii)(a) or 2.7(ii)(c), the termination fee payable is US\$40 million. In the event of a termination referred to in paragraph 2.7(ii)(b), the termination fee payable is US\$20 million.

## 2.8 Pre-Closing Transactions

- (i) **NPI Sale or NPI Transfer.** Prior to or simultaneously with the Closing, NAC is permitted to undertake the NPI Sale or the NPI Transfer. Should an NPI Sale or NPI Transfer be

consummated prior to the Closing, NRUK and NGL shall procure that NPI's ownership interest in San Juan Fuels, LLC be transferred to NAC or to an affiliate of NAC prior to the closing of such NPI Sale or NPI Transfer.

- (ii) **Relevant Assignment.** Prior to the Closing, NAC and its Subsidiaries are permitted to assign all (but not less than all) of the Relevant Agreements.
- (iii) **Discontinued Business.** Prior to the Closing, NRUK is permitted to use its reasonable best efforts to assign certain contracts relating to the Discontinued Business from NAC or its applicable Subsidiary to NRUK or one of its affiliates. To the extent any consent to such an assignment is not obtained or an attempted assignment would be ineffective or would adversely affect the rights of NAC or its applicable Subsidiary thereunder, NRUK and the Buyer shall cooperate in an arrangement under which NRUK would obtain the benefits and assume the obligations under such contracts. The Buyer, NAC and their respective affiliates shall pay to NRUK all monies received by the Buyer, NAC or any of their respective affiliates under any such contract or any claim or right or any benefit arising thereunder.
- (iv) **Receivables.** Prior to the Closing, NRUK shall cause NAC or its applicable Subsidiary to assign to NRUK or NGL certain trade receivables and accrued receivables not taken into account for purposes of the calculation of the Net Working Capital. To the extent any third party consent to such an assignment is not obtained prior to the Closing, for a period of up to 90 days after the Closing Date, the Buyer, NAC and their respective affiliates shall pay to NRUK all monies received by the Buyer, NAC or any of their respective affiliates under any such receivable or any claim or right or any benefit arising thereunder. For a further period of 90 days, the Buyer, NAC and their respective affiliates shall use their reasonable best efforts to continue to pass through such payments.

## 2.9 Post-Closing Transactions

- (i) **Subleasing of Tank Contracts.** As at the date of this Announcement, NAC has subsisting leases for a number of oil storage tanks. From the Closing Date until the 90<sup>th</sup> day following the Closing, the Buyer shall cause NAC to sublease five selected tank contracts to third parties.

In the event that the payments under the original leases exceed the payments under the subleases, a portion of the Tank Escrow Amount (equivalent to such excess) shall be released to the Buyer, with the remaining Tank Escrow Amount being released to NRUK. In the event that the payments under the subleases exceed the payments under the original leases, the Tank Escrow Amount shall be released to NRUK and the Buyer shall pay to NRUK 90% of the surplus amount.

- (ii) **NASBE Sale.** As at the date of this Announcement, NAC holds 100% equity interest in Noble Americas South Bend Ethanol LLC ("**NASBE**"). In this regard, the Buyer had

agreed to commence a formal sale process with respect to such equity interests (“**NASBE Sale**”), no later than the 90<sup>th</sup> day following the Closing.

In the event that the Buyer receives any proceeds from a NASBE Sale within two years following the Closing, the Buyer shall pay to NRUUK an amount in cash equal to 75% of the sum of (a) such proceeds, (b) plus the amount of distributions from NASBE to NAC or any of its affiliates following the Closing, (c) minus the amount of capital contributions by NAC or any of its affiliates to NASBE following the Closing, and (d) minus reasonable out-of-pocket expenses incurred by the Buyer in connection with the NASBE Sale.

- (iii) **Long Term Investments.** As at the date of this Announcement, NAC holds certain long term investments in securities and other assets, none of which amounts to a stake in an associated company (the “**Long Term Investments**”). In this regard, the Buyer and NRUUK had agreed to cooperate to develop a divestiture plan with respect to each Long Term Investment no later than the 30<sup>th</sup> day following the Closing.

In the event that the Buyer receives any proceeds relating to the sale of all or any portion of a Long Term Investment, the Buyer shall pay to NRUUK an amount in cash equal to 75% of the sum of (1) such proceeds, (2) plus the amount of distributions from such Long Term Investment to NAC or any of its affiliates following the Closing, (3) minus the amount of capital contributions by NAC or any of its affiliates to such Long Term Investment following the Closing, and (4) minus reasonable out-of-pocket expenses incurred by the Buyer in connection with such sale.

- (iv) **Biodiesel Mixture Tax Credits.** Subject to the Closing occurring and in the event of the adoption or reinstatement of any applicable law permitting claims for tax credits under the U.S. Internal Revenue Code of 1986 with respect to any biodiesel mixture used or sold by NAC prior to the Closing Date, the Buyer agreed to pay to NRUUK an amount in cash equal to US\$27 million as an advance for such tax credits (“**Tax Credit Advance**”).

Upon receipt by NAC of any such tax credits (“**Actual Tax Credit Amount**”), the Buyer shall pay to NRUUK an amount in cash equal to (a) 90% of the sum of (1) the Actual Tax Credit Amount, (2) minus contractual obligations to share any tax credits due with third parties, and (3) minus reasonable out-of-pocket expenses incurred by the Buyer or NAC in obtaining such tax credits (“**Payment Amount**”) minus (b) the Tax Credit Advance. The balance 10% of the Payment Amount is payable upon the earlier of (1) final determination of any tax credit-related audit, and (2) expiration of applicable statute of limitations. If the Tax Credit Advance exceeds the Payment Amount, NRUUK shall pay to the Buyer an amount in cash equal to the amount of such excess.

- (v) **Tax Refunds.** From and after the Closing, the Buyer shall promptly pay to NRUUK the amount of any tax refunds or credits in lieu thereof in respect of any taxable period of NAC or any of its Subsidiaries (a) that ends on or before the Closing Date, and (b) in the case of any taxable period that begins on or before and ends after the Closing Date (the “**Straddle Period**”), the portion of such period that ends on the Closing Date (the

“**Pre-Closing Tax Period**”), with respect to taxes paid by NAC on or prior to the Closing Date or paid by NRUUK pursuant to the indemnity (as further described in paragraph 2.13 below), that are received (in the case of refunds) or utilised (in the case of credits in lieu thereof) by NAC or any of its Subsidiaries (net of any taxes imposed thereon and any third-party out-of-pocket expenses incurred by NAC or any of its Subsidiaries in obtaining such refund or credit), except to the extent such refunds or credits are (1) taken into account as an asset in the Closing Date Net Working Capital or (2) attributable to a carryback of a loss, credit or other tax attribute from a taxable period (or portion thereof) ending after the Closing Date.

- (vi) **Tax Returns.** Following the Closing, NRUUK shall prepare, and NAC shall file, all tax returns that are required to be filed by NAC or any of its Subsidiaries for any taxable period ending on or before the Closing Date. The Buyer shall also prepare and file all tax returns that are required to be filed by NAC or any of its Subsidiaries for the Straddle Period. Prior to the due date for filing each such tax return, NRUUK shall pay to the Buyer an amount equal to all taxes shown as due on such tax returns to the extent such taxes related to the Pre-Closing Tax Period and were not reflected in the determination of the Closing Date Net Working Capital. The Buyer shall in turn pay all taxes payable in respect of such tax returns.

#### 2.10 **Representation and Warranty Insurance and Tax Credit Insurance**

At the Closing, NRUUK shall pay to the Buyer US\$4 million as a contribution towards the costs of a representation and warranty insurance policy and a tax credit insurance policy obtained by the Buyer in respect of the SPA.

#### 2.11 **NAGP Disposal**

NRUUK and the Buyer agreed that any adjustment amount to the consideration for the NAGP Disposal which is payable by the purchaser of NAGP to NAC, and amounts released from the escrow account in connection with the NAGP Disposal, shall be the property of NGL. They also agreed that NGL shall be responsible for all liabilities and obligations arising from the NAGP Disposal, save for any liabilities arising from a breach of the stock purchase agreement for the NAGP Disposal by NAC following the Closing (which liabilities shall be borne by the Buyer).

#### 2.12 **Acceleration of Bonuses and Equity/Cash Awards**

As of immediately prior to the Closing, NRUUK shall or shall cause its applicable affiliates to fully accelerate the vesting of all bonuses and equity, cash and similar incentive awards granted or outstanding with respect to or held by employees whose services are retained by the Buyer after the Closing, and to settle or pay all such bonuses and awards on the Closing Date.

#### 2.13 **Indemnity**

NRUUK and NGL had agreed to, jointly and severally, indemnify the Buyer and its affiliates (including, after the Closing, NAC and any of its Subsidiaries) against damages arising out of,

amongst others:

- (i) breach of representations and warranties under the SPA;
- (ii) breach of covenants under the SPA;
- (iii) certain specified taxes, including taxes attributable to the Pre-Closing Restructuring and taxes which relate to or are attributable to the Excluded Subsidiaries/Associated Company;
- (iv) any investment of NAC or any of its Subsidiaries (or the Excluded Subsidiaries/Associated Company) related to upstream oil and gas activities;
- (v) violations of environmental law related to assets or facilities owned or operated by San Juan Fuels, LLC and NASBE;
- (vi) the Specified Matters, up till the second business day following the resolution of such matters as specified in the SPA;
- (vii) certain specified liabilities, including liabilities of NAC or any of its Subsidiaries arising out of the Pre-Closing Restructuring, the NAGP Disposal, the NAES Disposal, and the Discontinued Business;
- (viii) the employment, transfer thereof or termination thereof of any individuals by NAC or any of its Subsidiaries prior to the Closing; or
- (ix) a determination by a governmental authority that the Buyer, NAC or any of its Subsidiaries is not legally entitled to be eligible to receive refined coal production tax credits under the U.S. Internal Revenue Code of 1986, other than as a result of any repeal or amendment of a specified provision of such Code.

The aggregate liability of NRUUK and NGL under such indemnity shall not exceed US\$500 million.

#### 2.14 **Guarantee**

The Buyer Parent had agreed to guarantee all of the payment and other obligations of the Buyer under the SPA. In addition, Vitol Holding B.V., the ultimate parent company of the Buyer and the Buyer Parent, provided NRUUK and NGL a guarantee of the payment obligations of the Buyer and the Buyer Parent under the SPA, subject to a cap of US\$1.25 billion.

### **3. INFORMATION ON NAC**

#### 3.1 **NAC**

NAC was incorporated as a corporation in the state of Delaware in the U.S.

Noble Group's global oil liquids business is primarily conducted through NAC. NAC is a supplier of industrial and energy products. In particular, NAC trades large physical volumes of crude and refined oil products via ship, barge, pipeline, truck and rail. In addition, NAC has blending and wholesale capabilities with long term leases on liquid storage facilities. NAC is included in Noble Group's Energy segment for reporting purposes.

Further details on certain subsidiaries of NAC are set out in the Appendix to this Announcement.

### 3.2 **Asset Value of NAC**

As at 30 June 2017, based on the Noble Group 1H2017 Results, the book value of NAC, including the book value of NAGP, was approximately US\$1,107 million<sup>1</sup> and the net tangible asset value of NAC was approximately US\$992 million<sup>4</sup>.

The excess (or deficit) of the Consideration over the book value of NAC will be determined based on the Consideration as adjusted for the Adjustment Amount and the Further Adjustment Amount.

Purely for illustrative purposes, based on the Total Consideration of approximately US\$582 million, the deficit of the Total Consideration to the book value of NAC as at 30 June 2017 (as set out above) is approximately US\$525 million.

### 3.3 **Net Loss of NAC**

The net loss (before income tax, minority interests and extraordinary items) attributable to NAC, based on the Noble Group 1H2017 Results, is approximately US\$246 million.

### 3.4 **Loss on Proposed Disposal**

The amount of the loss on the Proposed Disposal will be determined based on the Consideration as adjusted for the Adjustment Amount and the Further Adjustment Amount.

Purely for illustrative purposes, based on the Total Consideration of approximately US\$582 million, the illustrative loss on the Proposed Disposal, including the loss on the NAGP Disposal, would amount to approximately US\$525 million based on the carrying value of NAC as at 30 June 2017 (as set out above).

## 4. **INFORMATION ON THE BUYER**

The Buyer is a subsidiary of Vitol Holding B.V. Based on publicly available information, the Vitol group trades, refines and distributes energy products. It was founded in 1966 and trades over seven million barrels of crude oil and products a day. Its customers include national oil companies, multinationals, leading industrial and chemical companies and the world's largest

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<sup>1</sup> After taking into account the anticipated capitalisation of intercompany loans by NAC.

airlines.

## 5. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

### 5.1 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 announcement dated 26 July 2017 in relation to the NAGP Disposal (the "**NAGP Disposal Announcement**"), 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.

It should be noted that the strategic review had been performed during a challenging period for Noble Group following the announcement of a loss for the three months ended 31 March 2017 ("**1Q2017**"). Market and lender reaction to these quarterly results led to significant challenges for Noble Group in managing and supporting its supply chain and hedging activities, and in restoring the confidence of its lenders, suppliers, customers and other counter-parties. These difficulties were reflected in Noble Group's unaudited consolidated financial statements for the six months ended 30 June 2017.

The strategic review had also been undertaken in the context of managing Noble Group's short-term liquidity challenges, while at the same time formulating a plan for the turnaround of Noble Group's business.

As stated in the NAGP Disposal Announcement, Noble Group is taking steps to monetise its global oil liquids business<sup>1</sup>, its most working capital intensive operation, and NAGP, which together will generate significant cash proceeds. In this regard, as at the date of this Announcement, Noble Group had completed the disposal of NAGP. Noble Group had also agreed certain milestones to reduce utilisation under the NAC secured borrowing base credit facility and NCFL secured borrowing base credit facility, and the step-down of these facilities is proceeding smoothly. Following completion of the monetisation plan, the NAC secured borrowing base credit facility and NCFL secured borrowing base facility will be retired in full.

The sale of the global oil liquids business and NAGP reinforces Noble Group's focus on its Hard Commodities, Freight and LNG businesses and Noble Group's position as the leading industrial

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<sup>1</sup> Noble Group's global oil liquids business is primarily conducted through NAC. NGL is in the process of winding down certain remaining global oil liquids working capital balances within NCFL. Further information is available in NGL's announcement "Noble Group Announces Progress Update on Strategic Review, Profit Guidance and Update on Ongoing Discussions with Lenders" released concurrently with this Announcement.

and energy products supply chain manager in Asia – an important competitive advantage as global energy consumption is expected to continue to see the largest growth in this region.

## 5.2 Use of Proceeds

The net proceeds arising from the Proposed Disposal (“**Net Proceeds**”) will be determined based on the Consideration as adjusted for the Adjustment Amount and the Further Adjustment Amount.

Purely for illustrative purposes, based on the Total Consideration of approximately US\$582 million, the estimated illustrative net proceeds arising from the Proposed Disposal (after deducting the estimated transaction costs relating to the Proposed Disposal (including the contribution towards the costs of the insurance policies obtained by the Buyer in respect of the SPA)) will amount to approximately US\$576 million.

The Net Proceeds will unlock capital from Noble Group’s balance sheet and generate significant liquidity. It is expected that the Net Proceeds will be made available to reduce Noble Group’s indebtedness.

## 6. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

### 6.1 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 1H2017 Results and after taking into account the completion of NGL’s 10-to-1 share consolidation in May 2017,

and, additionally, on the basis that the Consideration is approximately US\$582 million (being the Total Consideration).

### 6.2 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:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTA (US\$'000)	3,776,313	3,086,206
NTA per share (US\$)	0.29	0.24

### 6.3 **NTA – 1H2017**

Purely for illustrative purposes only and assuming that the Proposed Disposal had been completed on 30 June 2017, being the end of 1H2017, the effect on the NTA per share of Noble Group as at 30 June 2017 is as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTA (US\$'000)	1,907,257	1,497,359
NTA per share (US\$)	1.45	1.14

### 6.4 **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:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Book value (US\$'000)	3,979,564	3,159,901
Book value per share (US\$)	0.30	0.24

### 6.5 **Book Value – 1H2017**

Purely for illustrative purposes only and assuming that the Proposed Disposal had been completed on 30 June 2017, being the end of 1H2017, the effect on the book value per share of Noble Group as at 30 June 2017 is as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Book value (US\$'000)	2,100,434	1,575,534
Book value per share (US\$)	1.60	1.20

### 6.6 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:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Earnings/(loss) attributable to the Shareholders (US\$'000)	8,653	(516,247)
Less: Capital securities dividend (US\$'000)	(24,000)	(24,000)
Adjusted loss attributable to the Shareholders (US\$'000)	(15,347)	(540,247)
Weighted average number of shares ('000)	10,831,359	10,831,359
Loss per share (US cents)	(0.14)	(4.99)

### 6.7 Loss – 1H2017

Purely for illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 January 2017, being the beginning of 1H2017, the effect on the loss per share of Noble Group for 1H2017 is as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Loss attributable to the Shareholders (US\$'000)	(1,880,086)	(2,404,986)
Less: Capital securities dividend (US\$'000)	(12,014)	(12,014)
Adjusted loss attributable to the Shareholders (US\$'000)	(1,892,100)	(2,417,000)
Weighted average number of shares ('000)	1,304,570	1,304,570

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Loss per share (US cents)	(145.04)	(185.27)

## 6.8 Share Capital

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

## 7. CHAPTER 10 OF THE LISTING MANUAL

### 7.1 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:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	Net asset value of NAC as compared with Noble Group’s net asset value <sup>1</sup>	53
(b)	Net loss attributable to NAC compared with Noble Group’s net loss <sup>2</sup>	12
(c)	The consideration <sup>3</sup> received compared with the market capitalisation <sup>4</sup> of NGL	156

### 7.2 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

<sup>1</sup> The net asset value attributable to NAC of approximately US\$1,107 million is the carrying value of NAC based on the Noble Group 1H2017 Results (and including the carrying value of NAGP) and after taking into account the anticipated capitalisation of intercompany loans by NAC. Noble Group’s net asset value of approximately US\$2,100 million is based on the Noble Group 1H2017 Results.

<sup>2</sup> Net loss is defined as loss before income tax, minority interest and extraordinary items. The net loss of NGL attributable to NAC based on the Noble Group 1H2017 Results is approximately US\$246 million. Noble Group’s net loss based on the Noble Group 1H2017 Results is approximately US\$2,018 million.

<sup>3</sup> Based on the Total Consideration of approximately US\$582 million.

<sup>4</sup> The market capitalisation of NGL of approximately US\$374 million is based on a total number of 1,312,795,156 shares of NGL in issue (excluding treasury shares) as at 19 October 2017 (Singapore time), at the volume-weighted average price of S\$0.3861 per share transacted on 19 October 2017 (Singapore time), being the market day preceding the date of the SPA, and an exchange rate of US\$1.00 to S\$1.3566.

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.

#### **8. 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.

#### **9. 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.

#### **10. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the SPA is 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, 30<sup>th</sup> Floor, One Marina Boulevard, Singapore 018989 for a period of three months commencing from the date of this Announcement.

Noble Group Limited  
23 October 2017

**APPENDIX**

The subsidiaries of NAC<sup>(1)</sup> as at the date of this Announcement are as follows:

Name	Country of Incorporation	Percentage equity interest held by NAC
Noble Americas South Bend Ethanol LLC	U.S.	100%
Noble Petro Inc.	U.S.	100%
Noble Americas Ventures Corp.	U.S.	100%
Noble Commodities Services, LLC	U.S.	100%
C&N Ethanol Marketing, LLC	U.S.	100% <sup>(2)</sup>
San Juan Fuels, LLC	U.S.	100% <sup>(3)</sup>

**Notes:**

- (1) Excludes the Excluded Subsidiaries/Associated Company, each of which will cease to be a subsidiary or, as the case may be, an associated company of NAC as a result of the Pre-Closing Restructuring.
- (2) Held by NAC through Noble Commodities Services, LLC.
- (3) Held by NAC, of which 99% equity interest is held through Noble Petro Inc. and 1% equity interest is held directly by NAC.

The book value and the net tangible asset value of such subsidiaries as at 30 June 2017, based on the Noble Group 1H2017 Results, have been reflected in the book value and the net tangible asset value of NAC as described in paragraph 3.2 of this Announcement.

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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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