

NOBLE GROUP LIMITED

(Incorporated in Bermuda with limited liability)

PROPOSED DISPOSAL OF ALL THE ISSUED AND OUTSTANDING CAPITAL STOCK OF NOBLE AMERICAS SOUTH BEND ETHANOL LLC TO MERCURIA INVESTMENTS US, INC.

Unless otherwise defined, all terms used herein shall bear the same meaning as in the Announcements (as defined below).

1. INTRODUCTION

Noble Group Limited (“**NGL**” and together with its subsidiaries from time to time, the “**Noble Group**”) refers to:

- (i) the announcement dated 23 October 2017 (the “**Disposal Announcement**”) relating to the stock purchase agreement (“**SPA**”) between Noble Resources UK Holdings Limited (“**NRUK**”), Noble Americas Corp. (“**NAC**”), Vitol US Holding Co. (the “**Buyer**”) and Euromin Inc., the parent company of the Buyer, in connection with the proposed sale by NRUK of all of the issued and outstanding capital stock of NAC to the Buyer, in accordance with the terms and conditions of the SPA;
- (ii) the announcement dated 14 November 2017 (the “**Amendment Announcement**”) relating to an amendment to amend certain provisions of the SPA; and
- (iii) the announcement dated 27 November 2017 (the “**Initial NASBE Announcement**”) and together with the Disposal Announcement and Amendment Announcement, the “**Announcements**”) relating to (a) the equity purchase agreement (“**Zeeland SPA**”) between NGL, NAC’s wholly-owned subsidiary, Noble Americas South Bend Ethanol LLC (“**NASBE**”), and Zeeland Farm Services, Inc. (“**Zeeland**”), in connection with the proposed sale by NAC of all the issued and outstanding capital stock of NASBE to Zeeland, in accordance with the terms and conditions of the Zeeland SPA (the “**Proposed Disposal**”) and (b) an amendment to further amend certain provisions of the SPA.

NGL announces that in connection with a NASBE Acquisition Proposal received by NGL (as further described in paragraph 2.1(iii) of the Initial NASBE Announcement), NGL and NASBE have on 7 December 2017 (New York time) entered into an equity purchase agreement (“**NASBE SPA**”) with Mercuria Investments US, Inc. (the “**NASBE Buyer**”), in connection with the proposed sale by NAC of all of the issued and outstanding capital stock (the “**NASBE Sale Shares**”) of NASBE to the NASBE Buyer, on the same terms as the Zeeland SPA other than, amongst others (a) the deletion of the provision relating to the Go-Shop Period and (b) an increase in the base consideration under the Zeeland SPA of US\$3 million (the “**Proposed NASBE Disposal**”). In connection with the foregoing, it is expected that NGL will terminate the

Zeeland SPA prior to 12:01 a.m. (New York time) on 11 December 2017.

2. PROPOSED DISPOSAL OF ALL THE ISSUED AND OUTSTANDING CAPITAL STOCK OF NOBLE AMERICAS SOUTH BEND ETHANOL LLC

2.1 Details of the Proposed NASBE Disposal

- (i) **Consideration.** The consideration for the Proposed NASBE Disposal (the “**NASBE Consideration**”) comprises:
- (a) US\$15.5 million (the “**NASBE Base Consideration**”);
 - (b) plus the net working capital¹ of NASBE (“**NASBE Net Working Capital**”) calculated as of 11.59 p.m. (New York time) on the day immediately preceding the date (the “**NASBE Closing Date**”) of the completion of the Proposed NASBE Disposal (“**NASBE Closing**”) (“**NASBE Closing Date Net Working Capital**”);
 - (c) plus the inventory value² of NASBE (“**NASBE Inventory Value**”) calculated as of 11.59 p.m. (New York time) on the day immediately preceding the NASBE Closing Date (“**NASBE Closing Date Inventory Value**”); and
 - (d) minus any indebtedness³ of NASBE (“**NASBE Indebtedness**”) calculated as of 11.59 p.m. (New York time) on the day immediately preceding the NASBE Closing Date (“**NASBE Closing Date Indebtedness**”). In this regard, it is anticipated that NASBE will carry out a capitalisation of all outstanding intercompany loans prior to the NASBE Closing.

The NASBE Consideration was arrived at following a formal sale process involving multiple interested parties and the subsequent entry by NGL into the Zeeland SPA and after arm’s length negotiations between NGL and the NASBE Buyer, on a “willing buyer willing seller” basis, and taking into account, *inter alia*, the net working capital, inventory value and indebtedness of NASBE.

Purely for illustrative purposes, based on the latest announced unaudited consolidated

¹ Net working capital means the aggregate value of the current assets of NASBE minus the aggregate value of the current liabilities of NASBE and does not include amounts included in the calculations of NASBE Indebtedness, NASBE Closing Date Inventory Value and transaction expenses incurred by NASBE in connection with the Proposed NASBE Disposal.

² Inventory value means all inventory of NASBE, including corn, ethanol, distillers dry grains, corn oil and similar materials and chemicals, less the value of spare/replacement parts of NASBE.

³ Indebtedness means all obligations and liabilities (including in respect of outstanding principal and accrued and unpaid interest) of NASBE, without duplication, calculated in accordance with GAAP in all material respects, but excluding current liabilities, and does not include amounts included in the calculations of NASBE Net Working Capital and transaction expenses incurred by NASBE in connection with the Proposed NASBE Disposal.

financial statements of Noble Group for the nine months ended 30 September 2017 (“**9M2017**”) (“**Noble Group 9M2017 Results**”) (which take into account the proceeds received by NAC from the completion of the NAGP Disposal which proceeds will count towards the Net Working Capital of NAC), and assuming that the Closing Date was 1 October 2017, the gross NASBE Consideration would amount to approximately US\$20 million, comprising the NASBE Base Consideration of US\$15.5 million, the NASBE Net Working Capital of approximately US\$0.9 million and the NASBE Inventory Value of approximately US\$3.6 million as at 30 September 2017. As the NASBE Indebtedness as at 30 September 2017 is nil, the cash proceeds from the Proposed NASBE Disposal would have been approximately US\$20 million (the “**NASBE Total Consideration**”).

At the NASBE Closing, the NASBE Buyer shall pay to NAC an amount in cash equal to (1) the NASBE Base Consideration, (2) plus the NASBE Closing Date Net Working Capital, (3) plus the NASBE Closing Date Inventory Value, and (4) minus the NASBE Closing Date Indebtedness, in each case, based on NGL’s calculations.

At the NASBE Closing, the NASBE Buyer shall also cause the repayment of the NASBE Closing Date Indebtedness to the intended beneficiaries.

- (ii) **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 “**NASBE Adjustment Amount**”) which is equal to (a) the NASBE Closing Date Net Working Capital (as finally determined in the manner described below) minus the NASBE Closing Date Net Working Capital based on NGL’s calculations and (b) plus the NASBE Closing Date Indebtedness based on NGL’s calculations minus the NASBE Closing Date Indebtedness (as finally determined in the manner described below).

Following the NASBE Closing, the NASBE Buyer shall deliver to NGL its calculations of the NASBE Closing Date Net Working Capital and the NASBE Closing Date Indebtedness. If NGL disagrees with such calculations, it shall notify the NASBE Buyer of such disagreement within five business days of receipt of the NASBE Buyer’s calculations. NGL and the NASBE Buyer agreed to use their respective reasonable best efforts for a period of 10 business days (or such longer period as they may mutually agree) to resolve such disagreements. Any disagreements which remain unresolved between NGL and the NASBE Buyer shall be resolved by an independent accounting firm of recognised national standing mutually selected by NGL and the NASBE Buyer.

If the NASBE Adjustment Amount is positive, such amount shall be payable in cash by the NASBE Buyer to NAC. If the NASBE Adjustment is negative, such amount shall be payable in cash by NGL or caused to be paid by NGL to the NASBE Buyer.

The NASBE Consideration will be announced by NGL upon the final determination of the NASBE Closing Date Net Working Capital and the NASBE Closing Date Indebtedness.

- (iii) **Conditions Precedent.** The NASBE Closing shall be conditional upon the satisfaction of certain conditions, including there not being in force an injunction or order of any court of competent jurisdiction in the U.S. enjoining or prohibiting the consummation of the Proposed NASBE Disposal.
- (iv) **Long-Stop Date.** The NASBE SPA may be terminated at any time prior to the NASBE Closing by either NGL or the NASBE Buyer if the NASBE Closing has not occurred before 13 December 2017 (the “**NASBE Long-Stop Date**”), provided that such right to terminate shall not be available to any party whose breach of the NASBE SPA results in the failure of the NASBE Closing to have occurred by such time.
- (v) **Indemnity.** NGL agreed to indemnify the NASBE Buyer and its affiliates against damages arising out of breach of representations and warranties, and covenants and agreements, under the NASBE SPA. The maximum liability of NGL under such indemnity shall not exceed the NASBE Base Consideration.

2.2 Termination of Zeeland SPA. Upon the anticipated termination of the Zeeland SPA, NGL shall pay to Zeeland a termination fee of US\$2 million.

2.3 Information on NASBE

- (i) **NASBE.** NASBE was incorporated as a corporation in the state of Delaware in the U.S. NASBE owns and operates an ethanol production plant in South Bend, Indiana in the U.S. NASBE is included in Noble Group’s Energy segment for reporting purposes.
- (ii) **Asset Value of NASBE.** As at 30 September 2017, based on the Noble Group 9M2017 Results, the book value of NASBE was approximately US\$80.4 million¹ and the net tangible asset value of NASBE was approximately US\$80.4 million⁴.

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

Purely for illustrative purposes, based on the NASBE Total Consideration of approximately US\$20 million, the deficit of the Total Consideration to the book value of NASBE as at 30 September 2017 (as set out above) is approximately US\$60.3 million.

- (iii) **Net Loss of NASBE.** The net loss (before income tax, minority interests and extraordinary items) attributable to NASBE, based on the Noble Group 9M2017 Results, is approximately US\$9 million.
- (iv) **Loss on Proposed NASBE Disposal.** The amount of the loss on the Proposed

¹ After taking into account the anticipated capitalisation of intercompany loans by NASBE.

NASBE Disposal will be determined based on the NASBE Consideration as adjusted for the NASBE Adjustment Amount.

Purely for illustrative purposes, based on the NASBE Total Consideration of approximately US\$20 million, the illustrative loss on the Proposed NASBE Disposal would amount to approximately US\$60.3 million based on the carrying value of NASBE as at 30 September 2017 (as set out above).

- 2.4 **Information on the NASBE Buyer.** The NASBE Buyer is a subsidiary of Mercuria Energy Group Limited. Based on publicly available information, the Mercuria group was founded in 2004 and trades in a wide spectrum of commodity products including crude oil, refined oil products, petrochemicals, natural gas, liquefied natural gas, power, coal, carbon emissions, freight, iron ore, base metals and soft commodities. The Mercuria group also operates a portfolio of production, logistic and storage assets.
- 2.5 **Rationale for the Proposed NASBE Disposal.** The Proposed NASBE Disposal is being undertaken in connection with the sale of the global oil liquids business as further described in the Disposal Announcement. As stated in the Disposal Announcement, the Buyer initially agreed to commence a formal sale process with respect to the NASBE Sale Shares following the Closing of the global oil liquids sale. The Buyer has now agreed to permit NAC to consummate such sale prior to the Closing of the global oil liquids sale. This will allow Noble Group to monetise and realise the value of NASBE prior to the Closing (instead of post-Closing) of the sale of the global oil liquids business.
- 2.6 **Use of Proceeds.** The net proceeds arising from the Proposed NASBE Disposal (“**NASBE Net Proceeds**”) will be determined based on the NASBE Consideration as adjusted for the NASBE Adjustment Amount.

Purely for illustrative purposes, based on the NASBE Total Consideration of approximately US\$20 million, the estimated illustrative net proceeds arising from the Proposed NASBE Disposal (after deducting the estimated transaction costs relating to the Proposed NASBE Disposal and the termination fee payable upon the termination of the Zeeland SPA) will amount to approximately US\$18 million.

It is expected that the NASBE Net Proceeds will be made available to reduce Noble Group’s indebtedness.

2.7 **Pro Forma Financial Effects of the Proposed NASBE Disposal**

- (i) **Assumptions.** The pro forma financial effects of the Proposed NASBE 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 NASBE Disposal. The pro forma financial effects have been prepared based on:

- (a) 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
- (b) the Noble Group 9M2017 Results and after taking into account the completion of NGL’s 10-to-1 share consolidation in May 2017.
- (ii) **NTA – FY2016.** Purely for illustrative purposes only and assuming that the Proposed NASBE 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:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (US\$’000)	3,776,313	3,711,528
NTA per share (US\$)	0.29	0.28

- (iii) **NTA – 9M2017.** Purely for illustrative purposes only and assuming that the Proposed NASBE Disposal had been completed on 30 September 2017, being the end of 9M2017, the effect on the NTA per share of Noble Group as at 30 September 2017 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (US\$’000)	999,234	938,896
NTA per share (US\$)	0.76	0.72

- (iv) **Book Value – FY2016,** Purely for illustrative purposes only and assuming that the Proposed NASBE 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:

	Before the Proposed Disposal	After the Proposed Disposal
Book value (US\$’000)	3,979,564	3,914,779
Book value per share (US\$)	0.30	0.30

- (v) **Book Value – 9M2017.** Purely for illustrative purposes only and assuming that the Proposed NASBE Disposal had been completed on 30 September 2017, being the end of 9M2017, the effect on the book value per share of Noble Group as at 30 September 2017 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Book value (US\$'000)	1,045,212	984,874
Book value per share (US\$)	0.80	0.75

- (vi) **Loss – FY2016.** Purely for illustrative purposes only and assuming that the Proposed NASBE 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:

	Before the Proposed Disposal	After the Proposed Disposal
Earnings/loss attributable to the Shareholders (US\$'000)	8,653	(51,685)
Less: Capital securities dividend (US\$'000)	(24,000)	(24,000)
Adjusted loss attributable to the Shareholders (US\$'000)	(15,347)	(75,685)
Weighted average number of shares (‘000)	10,831,359	10,831,359
Loss per share (US cents)	(0.14)	(0.70)

- (vii) **Loss – 9M2017.** Purely for illustrative purposes only and assuming that the Proposed NASBE Disposal had been completed on 1 January 2017, being the beginning of 9M2017, the effect on the loss per share of Noble Group for 9M2017 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to the Shareholders (US\$'000)	(3,051,086)	(3,111,424)

	Before the Proposed Disposal	After the Proposed Disposal
Less: Capital securities dividend (US\$'000)	(18,194)	(18,194)
Adjusted loss attributable to the Shareholders (US\$'000)	(3,069,280)	(3,129,618)
Weighted average number of shares (‘000)	1,306,543	1,306,543
Loss per share (US cents)	(234.92)	(239.53)

- (viii) **Share Capital.** The Proposed NASBE Disposal will not have any impact on the issued share capital of NGL.

2.8 Chapter 10 of the Listing Manual

- (i) **Rule 1006 Relative Figures for the Proposed NASBE Disposal.** The relative figures for the Proposed NASBE Disposal computed on the relevant bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of NASBE as compared with Noble Group's net asset value ¹	7.7
(b)	Net loss attributable to NASBE compared with Noble Group's net loss ²	0.3
(c)	The consideration ³ received compared with the market capitalisation ⁴ of NGL	15.2

¹ The net asset value attributable to NASBE of approximately US\$80 million is the carrying value of NASBE based on the Noble Group 9M2017 Results. Noble Group's net asset value of approximately US\$1,045 million is based on the Noble Group 9M2017 Results.

² Net loss is defined as loss before income tax, minority interest and extraordinary items. The net loss of NGL attributable to NASBE based on the Noble Group 9M2017 Results is approximately US\$9 million. Noble Group's net loss based on the Noble Group 9M2017 Results is approximately US\$3,197 million.

³ Based on the NASBE Total Consideration of US\$20 million.

⁴ The market capitalisation of NGL of approximately US\$132 million is based on a total number of 1,327,483,781 shares of NGL in issue as at 7 December 2017 (Singapore time), at the volume-weighted average price of S\$0.1337 per share transacted on 7 December 2017 (Singapore time), being the market day preceding the date of the NASBE SPA, and an exchange rate of US\$1.00 to S\$1.3496.

- (ii) **Rule 1010.** As the relative figures for the Proposed NASBE Disposal computed on the relevant bases set out in Rule 1006 of the Listing Manual exceed 5% but does not exceed 20%, the Proposed NASBE Disposal is classified as a “discloseable transaction” for the purposes of Chapter 10 of the Listing Manual.
- 2.9 **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 NASBE Disposal.
- 2.10 **Directors’ Service Contracts.** No person is proposed to be appointed as a director of NGL in connection with the Proposed NASBE Disposal. Accordingly, no service contract is proposed to be entered into between NGL and any such person in connection with the Proposed NASBE Disposal.
- 2.11 **Documents Available for Inspection.** A copy of the NASBE 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, 30th Floor, One Marina Boulevard, Singapore 018989 for a period of three months commencing from the date of this Announcement.

Noble Group Limited
8 December 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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