Management's Discussion and Analysis of Financial Condition & Results of Operations Nine Months Ended 30 September 2017

Financial Results

(US$ million / million tonnes)	Nine Months Ended 30 Sep 2017	Nine Months Ended 30 Sep 2016	Three Months Ended 30 Sep 2017	Three Months Ended 30 Sep 2016
Tonnage[1]	**59.4**	**80.5**	**16.8**	**27.7**
Revenue[1]	**4,854.0**	**5,882.6**	**1,408.8**	**1,676.4**
Operating income/(loss) from supply chains, net[1]	**(174.9)**	**456.1**	**(6.6)**	**207.4**
Operating income margin	n/a	7.75%	n/a	12.37%
Loss on supply chain assets[1]	(24.5)	(37.8)	(2.8)	(10.9)
Share of profits and losses of joint ventures and associates[1]	(9.2)	(52.9)	10.7	(24.3)
Total operating income/(loss)[1]	**(208.6)**	**365.4**	**1.3**	**172.2**
Other income net of other expenses[1]	3.0	3.6	1.4	(1.1)
Selling, administrative and operating expenses[1]	(214.9)	(289.9)	(63.4)	(104.8)
Profit/(loss) before interest and tax[1]	**(420.5)**	**79.1**	**(60.7)**	**66.3**
Net finance costs[1]	(128.0)	(102.7)	(42.5)	(34.0)
Taxation[1]	12.1	(34.0)	9.4	(20.8)
Adjusted net profit/(loss) from continuing operations[1]	**(536.4)**	**(57.6)**	**(93.8)**	**11.5**
Post-tax profit/(loss) from discontinued operations[2]	(813.5)	77.4	(652.3)	(12.9)
Exceptional items, net of tax[3]	(1,680.8)	(3.3)	(427.9)	(0.0)
Other items[4]	(20.6)	(59.4)	2.9	(27.0)
Non-controlling interests	0.2	0.4	0.1	0.3
Net loss	**(3,051.1)**	**(42.5)**	**(1,171.0)**	**(28.1)**

(1) Adjusted for post-tax profit/(loss) from discontinued operations, exceptional items and other items. See notes 2, 3 and 4 below and refer to SGX announcement note 1(a)(i)(A) for additional disclosure.

(2) Includes post-tax profit/(loss) from discontinued Global Oil Liquids and North American Gas & Power businesses.

(3) Includes exceptional 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.

(4) Includes the results of businesses which the Group has ceased or wound down their operations, however do not meet the criteria of discontinued operations under IFRS. Other items also includes costs associated with repositioning the Group's cost structure, including headcount reductions. These businesses include certain other energy and metals, minerals and ores product divisions in the Americas and Europe. There has not been any significant variance or notable items during the period related to these businesses.

Overview

The Group continues to make progress on the actions determined under the strategic review. As previously announced, the Group commenced a strategic review in May 2017 under the direction of the new Chairman, Mr. Paul Brough, and as part of the strategic review, the Board of Directors (the "Board") has given priority to a further reduction in the Group's indebtedness. As initially announced on 26 July 2017, the Group's debt repayment capability is comprised of:

- Cash flows from the Hard Commodities[1], Freight and Liquefied Natural gas ("LNG") businesses;
- Net proceeds from the monetisation of the Global Oil Liquids[2] and North American Gas & Power[3] businesses; and
- Proceeds from the Asset Disposal Programme[4].

The Group has taken significant steps towards monetising its Global Oil Liquids and North American Gas & Power businesses over the past several months. During the three months ended 30 September 2017, the Group closed the sale of its North American Gas & Power business to Mercuria Energy Americas Inc., and subsequent to 30 September 2017, the Group announced the proposed sale of Noble Americas Corp. ("NAC"), the entity through which the Global Oil Liquids business is primarily conducted, to Vitol Holding US Inc. Meanwhile, the Group also made progress on winding down certain remaining Global Oil Liquids working capital balances within Noble Clean Fuels Limited ("NCFL").

Following the completion of the monetisation plan, the NAC senior secured borrowing base revolving credit facility ("NAC BBF") and the NCFL senior secured borrowing base revolving credit facility ("NCFL BBF") are expected to be retired. Net proceeds following retirement of the NAC BBF and NCFL BBF will be available to reduce the Group's remaining debt.

Further information on the monetisation plan for the Global Oil Liquids and North American Gas & Power businesses can be found in the progress update on the strategic review announced on 23 October 2017.

The Group's consolidated income statement has been reclassified following the decision to monetise the Global Oil Liquids and North American Gas & Power businesses. For the three and nine months ended 30 September 2017, the results from the Hard Commodities, Freight and LNG businesses have been presented as continuing operations, with the results from the Global Oil Liquids and North American Gas & Power businesses presented as discontinued operations. Prior period results have been restated to reflect this change in presentation.

The Group's consolidated balance sheet has also been reclassified as at 30 September 2017 to reflect NAC assets and liabilities as "assets and liabilities held for sale". Balance sheet items for prior periods include NAC, as was disclosed at the relevant reporting dates.

The strategic review continues to explore several alternatives, including recapitalising the Hard Commodities, Freight and LNG businesses, with a view to maximising value for the benefit of the Group's stakeholders.

[1] Energy Coal, Carbon Steel Materials and Metals.

[2] The Global Oil Liquids business trades and provides supply chain and risk management services in crude oil, distillates, gasoline, renewables and other refined products and was included in the Group's Energy segment for reporting purposes.

[3] The North American Gas & Power business (which was conducted through Noble Americas Gas & Power Corp and was a wholly owned subsidiary of Noble Americas Corp) trades and provides supply chain management services in gas and power in North America and was included in the Group's Energy segment for reporting purposes.

[4] The Asset Disposal Programme comprises certain assets held outside of North America. Further developments will be announced, as they arise, in accordance with the requirements under the SGX listing rules.

To date, the strategic review has been undertaken in the context of managing the Group's liquidity challenges while at the same time formulating a plan for a turnaround of the Group's remaining businesses.

The operating environment continues to be challenging for the Group and this impacted performance through the nine months ended 30 September 2017. Conservative liquidity management and constraints placed on the Group's access to trade finance lines led to disruption costs and prevented the Group from taking advantage of profitable trading opportunities.

Volumes from continuing operations for the nine months ended 30 September were 26% lower compared to the same period in 2016, primarily driven by the roll-off of a significant long term contract in the iron ore business at the end of 2016 and the focus on profitability over volumes in our freight business. Volumes also declined quarter to quarter from the second quarter to the third quarter of 2017, as constraints on liquidity and trade finance lines prevented the Group from taking advantage of opportunistic short term flows. The reduction in volumes led to the year-on-year decline in revenue. The businesses focus has remained on maintaining strong relationships with it suppliers, customers and other counterparties.

Realisation on the Group's portfolio of long-term physical contracts was positive during the three months ended 30 September 2017, however realisation continues to be adversely impacted by the Group's constrained liquidity and access to trade finance lines.

The Group recorded an adjusted operating loss from supply chains from continuing operations of US$(7) million and an adjusted net loss from continuing operations, after selling, administrative and operating ("SAO") expenses, net finance costs and tax, of US$(94) million for the three months ended 30 September 2017, in line with the profit guidance announced on 23 October 2017.

Resetting the Group's cost structure and consequently reducing SAO expenses continues to be a key focus and underlying SAO expense run-rates continued to decline during the third quarter of 2017 as progress was made on the Group's cost reduction plan. The Group's headcount is expected to decline to approximately 400[5], as previously indicated, following the monetisation of the Global Oil Liquids and North American Gas & Power businesses.

The adjusted net loss from continuing operations was driven by the above mentioned challenging operating conditions which prevented the Group from covering its fixed overhead costs and net finance costs.

Underlying trading results from the Global Oil Liquids and North American Gas & Power businesses, classified as discontinued operations, were adversely impacted in the three months ended 30 September 2017 by capital constraints as the businesses focused on reducing trading positions and utilisation under the NAC BBF and NCFL BBF.

In addition, the Group recorded a combined US$(485) million non-cash loss during the three months ended 30 September 2017 related to the loss on sale of the North American Gas & Power business and an impairment loss on the Global Oil Liquids business associated with the proposed sale of NAC. Provisions have also been recorded in respect of the wind-down of certain working capital balances within NCFL. Including these non-cash losses and provisions, the Group recorded a US$(652) million loss from discontinued operations during the three months ended 30 September 2017, and US$(814) million post-tax loss during the nine months ended 30 September 2017.

5 Headcount levels were approximately 1,050 and 900 as at 31 December 2016 and 30 June 2017, respectively.

Refer to the "Discontinued Operations" section of this Management's Discussion & Analysis for further information.

The total net loss of US$(3,051) million for the nine months ended 30 September 2017 is inclusive of the US$(814) million in losses from discontinued operations described above, as well as US$(1,681) million of exceptional items recorded during the period from the Group's continuing operations. The exceptional items from the Group's continuing operations include certain non-cash adjustments to the Group's valuations of its net fair value gains on commodity contracts and derivative instruments and other provisions, as defined below.

Exceptional Items

As part of the strategic review announced in May 2017, the Board mandated that a detailed reassessment should be undertaken of the Group's balance sheet reserves to take account of increased uncertainty in the Group's operating environment including markets, the industry and the Group's access to adequate funding sources. Based on this reassessment, the Board concluded that changes should be made to the Group's balance sheet to reflect increased risks.

During the three months ended 30 June 2017, the Group recorded certain non-cash adjustments to its net fair value gains valuations – including reserving of the entire Level 3 net fair value gains balance. In addition, the Group also recorded reserves and adjustments against certain Level 2 net fair value gains including applying additional reserves to certain contracts as a result of adverse back testing results during the first half of 2017. These reserves and adjustments, along with the impact of the credit rating downgrades during the three months ended 30 June 2017, resulted in non-cash losses and were recorded as exceptional items in the amount of approximately US$(1.2) billion.

In addition, during the three months ended 30 June 2017, the Group also recorded certain non-cash losses on non-current assets including a US$(60) million impairment loss against the Group's palm oil assets held for sale and a US$(31) million impairment loss against the Group's investment in Baralaba Coal, following its appointment of administrators in July 2017. Further information on the exceptional items recorded during the three months ended 30 June 2017 can be found in the clarification announcement made on 18 August 2017.

For the three months ended 30 September 2017, the Group has recorded an additional US$(428) 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. 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 the dilution of the Group's shareholding in Yancoal, 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.

In total, the Group's continuing operations recorded US$(1,681) million of exceptional items for the nine months ended 30 September 2017.

Further additional non-cash valuation adjustments may be recorded going forward following the execution of the actions determined under the strategic review, in particular with regard to further asset disposals.

Refer to SGX results announcement note 1(a)(i)(A) for additional disclosure on exceptional items.

Energy Segment

(US$ million / million tonnes)	Nine Months Ended 30 Sep 2017	30 Sep 2016	% change	Three Months Ended 30 Sep 2017	30 Sep 2016	% change
Volume (million tonnes)[(1)(2)]	25.7	31.4	-18%	7.2	9.9	-27%
Volume (million MWh)[(1)(3)(4)]	4.8	46.8	-90%	3.8	15.9	-76%
Revenue[(1)(4)]	1,951	2,143	-9%	570	715	-20%
Operating income from supply chains[(1)(4)]	(96)	280	-	26	90	-71%

(1) Adjusted for exceptional and other items.
(2) Volumes exclude Energy Coal marketing volumes.
(3) Gas & Power volume conversions from MMBTu to MWh based on current market heat rates.
(4) 2016 segment results include Noble Americas Energy Solutions.

The Energy Segment includes the following businesses:

- Energy Coal: a global business which trades and provides supply chain and risk management services in bituminous and sub-bituminous energy coal.
- LNG: a global business which trades and provides supply chain and risk management services in seaborne LNG.

Results from the Global Oil Liquids and North American Gas & Power businesses, previously reported under the Energy segment, have been reclassified to discontinued operations following the Group's decision to monetise these businesses. Prior period results have been restated to reflect this change in presentation in the consolidated income statement. Please refer to the "Discontinued Operations" section of this Management's Discussion & Analysis for further information.

Energy Coal: Market Overview

Selected Average Commodity Prices	Nine Month Average 30 Sep 2017	30 Sep 2016	% change	Three Month Average 30 Sep 2017	30 Sep 2016	% change
Coal – API4 (US$/t)	81.66	57.28	43%	86.60	65.03	33%
Coal – API2 (US$/t)	81.16	51.33	58%	86.69	60.03	44%
Coal – Newcastle FOB (US$/t)	85.22	56.48	51%	94.47	57.12	65%

Source: Bloomberg

- Energy coal indices were higher to 30 September 2017, with increases quarter-on-quarter and year-on-year.
- Import demand from China remained strong with the increase in power generation exceeding domestic coal output growth while hydro power generation remained flat. Strong demand is expected to continue as power utilities build supply for the winter.

- Import demand from other Northeast Asian markets also continued to rise as concerns over nuclear power generation persist.
- With the rise in prices, producers in the US have increased export volume by more than 40% compared to the same period in 2016, while, on the other hand, exports out of Indonesia has seen some reduction due to weather and operational issues.

Energy Coal: Performance

- Liquidity constraints and restrictions placed on access to trade finance lines impacted the Energy Coal business with offtake volumes for the nine months ended 30 September 2017 declining by 17% year-on-year. Some of the decline in offtake volume was compensated by increased marketed tonnage, which resulted in overall tonnage (including both offtake and marketed volume) declining by 7% over the same period.
- Operating income from supply chains for the three months ended 30 September 2017 recovered, as first half 2017 was impacted by non-cash mark-to-market losses related to unrealised observable physical positions as forward prices fell. Repositioning of the coal hedging portfolio was also completed during the second quarter of 2017
- The business continues to execute on its contracted flows and generated positive returns on its portfolio of long-term contracts. However, the Group's liquidity constraints prevented the business from entering into new short term opportunities to take advantage of rising prices.

LNG: Market Overview

Selected Average Commodity Prices	**Nine Month Average**			**Three Month Average**		
	30 Sep 2017	**30 Sep 2016**	**% change**	**30 Sep 2017**	**30 Sep 2016**	**% change**
Gas – Henry Hub (US$/mmBtu)	3.05	2.35	30%	2.96	2.79	6%
Gas – NBP (US$/mmBtu)	5.41	4.38	24%	5.43	4.53	20%
LNG Spot JKM (US$/mmBtu)	6.31	5.11	23%	6.30	5.61	12%

Source: Bloomberg

- Uncertainty regarding nuclear power generation in Northeast Asia has also had an impact on LNG demand with LNG imports growing at a record pace in 2017 and led to the year-on-year increase in price.

LNG: Performance

- The LNG business continues to execute on its existing contracted flows, but were unable to add profitable new business flows given the Group's constrained liquidity and access to trade finance lines.

Metals, Minerals and Ores Segment

(US$ million / million tonnes)	Nine Months Ended			Three Months Ended		
	30 Sep 2017	**30 Sep 2016**	**% change**	**30 Sep 2017**	**30 Sep 2016**	**% change**
Volume[(1)]	33.7	49.0	-31%	9.6	17.8	-46%
Revenue[(1)]	2,903	3,739	-22%	839	961	-13%
Operating income from supply chains[(1)]	(78)	176	-	(32)	118	-

(1) Adjusted for exceptional items and other items.

The Metals, Minerals and Ores Segment includes the following businesses:

- Metals: comprised of our Asian base metals business which trades and provides supply chain management services in copper, zinc, lead, nickel and other raw materials and our global aluminium business which trades and provides supply chain management services in aluminium, alumina and bauxite.
- Carbon Steel Materials: an Asia and EMEA focused business which trades and provides risk management and logistics services for the steel complex in iron ore, metallurgical coal, metallurgical coke, and specialty ores and alloys.
- Freight: which provides internal and external customers with ocean transport in the dry bulk segment, long term freight solutions and freight market guidance.

Metals: Market Overview

Selected Average Commodity Prices	Nine Month Average			Three Month Average		
	30 Sep 2017	**30 Sep 2016**	**% change**	**30 Sep 2017**	**30 Sep 2016**	**% change**
S&P GSCI Industrial Metals Index	330	263	26%	349	275	27%
LME cash aluminium price (US$/t)	1,924	1,570	23%	2,011	1,620	24%
LME cash copper price (US$/t)	5,948	4,725	26%	6,347	4,772	33%
LME cash zinc price (US$/t)	2,781	1,955	42%	2,962	2,255	31%
Bauxite – China CFR (US$/t)	46	53	-13%	45	53	-18%

Source: Bloomberg

- Base metals prices, especially those that are staples in the construction industry, were higher year-on-year on the back of optimism about China and US infrastructure spending and economic growth.
- Aluminium prices were higher year-on-year primarily due to production cuts in China driven by environmental regulation and policy changes.

Metals: Performance

- Base Metals has been impacted by the Group's constrained liquidity, resulting in a decline in volume. The business, however, continues to focus on a measured build out of its business based on existing relationships in our key origination markets – namely Central Asia and Africa – with sales into China, South East Asia, Middle East and Europe.
- In Aluminium/Alumina/Bauxite, the Group is focused on its vertically integrated supply chain (including the Jamalco asset). Jamalco's performance has benefitted from the various cost reduction initiatives that were implemented in 2016, although some scheduled maintenance impacted performance during the three months ended 30 September 2017.

Carbon Steel Materials: Market Overview

Selected Average Commodity Prices	Nine Month Average			Three Month Average		
	30 Sep 2017	**30 Sep 2016**	**% change**	**30 Sep 2017**	**30 Sep 2016**	**% change**
Met Coal – Platts PLV US$/tonne	183	101	81%	189	136	39%
Iron Ore - US$/tonne	73	53	37%	71	58	22%

Source: Platts, Bloomberg

- The metallurgical coal market experienced extreme volatility with a significant fall in prices since reaching record levels in November 2016. Price volatility continued in 2017, with average prices still higher year-on-year, due to production disruptions, including disruption in Australian supply from Queensland due to tropical cyclone Debbie.
- Iron ore prices were higher year-on-year, following a price correction in March 2017, boosted by strong steel margins in China.

Carbon Steel Materials: Performance

- In Met Coal and Coke, performance also continues to be impacted by liquidity constraints and restrictions placed on access to trade finance lines, however the business continues to see opportunities to expand its market share with Chinese and Indian steel mills and expand its origination markets into Southeast Asia, Latin America and Africa, becoming the only global supplier with this level of diversity.
- Tonnage and performance in Iron Ore was impacted by the roll-off of a significant contract at the end of 2016, while volumes and profitability in Special Ores, including manganese and chrome, increased as we increasingly focus on niche high margin businesses.

Freight: Market Overview

- The dry bulk sector continued to improve through the first nine months of 2017 on the back of last year's intensive scrapping activity, coupled with growing seaborne demand.
- The increases were led largely by the Capesize sector which moved from the second quarter 2017 average charter rate of US$12,042 to a third quarter 2017 average of US$14,653. Panamax and Supramax vessels followed suit with increases of 15% and 8% over the third quarter of 2017.

Freight: Performance

- Although the business has been able to enter into select new time charters to benefit from rising markets, the challenges faced by the Group has impacted the business' ability to fully take advantage of the current market's improving fundamentals.

Results from Discontinued Operations

(US$ million / million tonnes / million MWh)	Nine Months Ended 30 Sep 2017	Nine Months Ended 30 Sep 2016	% change	Three Months Ended 30 Sep 2017	Three Months Ended 30 Sep 2016	% change
Volume (million tonnes)	62.3	88.6	-30%	14.4	29.2	-51%
Volume (million MWh)(1)	185.5	551.7	-66%	55.9	163.6	-66%
Revenue	24,311	28,873	-16%	5,184	9,766	-47%
Operating income from supply chains	(204)	173	-	(99)	(36)	-175%

(1) Gas & Power volume conversions from MMBTu to MWh based on current market heat rates.

Results from the Global Oil Liquids and North American Gas & Power businesses are presented as discontinued operations following the Group's decision to monetise these businesses.

During the three months ended 30 September 2017, the Group closed the sale of its North American Gas & Power business to Mercuria Energy Americas Inc., and subsequent to 30 September 2017, the Group announced the proposed sale of NAC, the entity through which the Global Oil Liquids business is primarily conducted, to Vitol Holding US Inc. The proposed sale of NAC is expected to close by the end of 2017 and the US$2 billion NAC BBF has been extended to 15 January 2018 to support the completion of the proposed sale. As part of this extension, certain milestones to reduce the facility size and utilisation were agreed. On closing of the sale of the North American Gas & Power business, proceeds received were used for the repayment of loans drawn under the NAC BBF and the facility size was reduced to US$1.35 billion.

The Group is also in the process of winding down certain remaining Global Oil Liquids working capital balances within NCFL. This process includes the collection and settlement of working capital items and the roll-off or settlement of certain contractual commitments. The wind-down process is expected to conclude by the end of 2017 and the Group expects to retire the NCFL BBF prior to the 17 February 2018 maturity date. As at 30 September 2017, the Group had repaid all loans drawn under the NCFL BBF and utilisation under the facility related entirely to the issuance of letters of credit.

Underlying trading results from the Global Oil Liquids and North American Gas & Power businesses were adversely impacted during the nine months ended 30 September 2017 by capital constraints as the businesses focused on reducing trading positions and utilisation under the NAC BBF and NCFL BBF from the second quarter of 2017 onwards. These constraints are reflected in the lower volumes and profitability recorded year-on-year.

The total pre-tax loss for the nine months ended 30 September 2017 from the discontinued Global Oil Liquids and North American Gas & Power businesses was US$(896) million, inclusive of a combined US$(485) million non-cash loss on sale of the North American Gas & Power business and impairment loss on the Global Oil Liquids business associated with the proposed sale of NAC. Provisions have also been recorded in respect of the wind-down of certain working capital balances within NCFL. The post-tax loss from discontinued operations for the nine months ended 30 September 2017 was US$(814) million.

Refer to the SGX results announcement note 1(b)(i)(H) for further information on discontinued operations.

Principal Associated Companies

The following associated companies are all publicly listed. Further information can be found on the companies' own websites and stock exchanges.

- **Aspire Mining** is an ASX listed company with a primary focus on the development of coal resources in Mongolia, especially for coal used in the steel making industry. The company is the largest coal tenement holder in the Orkhon-Selenge Coal Basin in Northern Mongolia and it wholly owns the Ovoot Coking Coal Project. The Ovoot project is a large scale coking coal project with a current JORC Probable Reserve of 255 million tonnes with a projected output of up to 10 million tonnes per annum for 21 years.

- Aspire also has an 90% interest in the Nuurstei coking coal project which has confirmed its first JORC coal resource of 12.85 million tonnes, with the characteristics of high quality hard coking coal. The mining license was issued after the quarter end. Additionally, Aspire Mining has signed an agreement with the Mongolian Government, owner of the Tavan Tolgoi Coal Mine, to look into blending coal opportunities with Aspire's Ovoot mine.

- The company is actively involved in facilitating and promoting the required rail based infrastructure solutions via its involvement in Northern Railways LLC, a company backed by a consortium including Aspire, which is currently progressing the development of the Erdenet – Ovoot rail section of a key link between Tianjin and the Trans-Siberian railway.

- **Xanadu** is an ASX listed copper and gold exploration company with several advanced exploration projects in Mongolia's highly mineralized and vastly underexplored South Gobi region.

- The company has two key prospects within the world class Oyu Tolgoi porphyry trend, in the major Kharmagtai and Oyut Ulaan areas, which it continues to delineate. The company believes from exploration information to date that its licenses encompass one of the most promising copper/gold discoveries globally and that the quality is also very high by global standards.

- **Resource Generation ("ResGen")** is an ASX and Johannesburg listed thermal coal exploration company, in which the largest shareholder is the investment entity wholly owned by the South African Government, Public Investment Corporation. The focus of the company is on developing its Boikarabelo coal mine in the Waterberg region of South Africa.

- The latest JORC statement relates only to 27% of ResGen's coal resources and 46% of its reserves. It depicts ResGen as having 3.7 billion tonnes of resources and 581 million tonnes of reserves, with measured and indicated tonnes of 995 million tonnes.

- **Atlas Resources**, operating in Indonesia, and listed on the Jakarta Stock Exchange has re-organized its business into three units, Coal, Infrastructure and Energy. The company has five production hubs with combined reserves of over 300 million tonnes.

Working Capital

(US$ million)	30 Sep 2017	30 Jun 2017	31 Dec 2016
Trade receivables	1,084	2,005	2,407
Prepayments, deposits and other receivables	653	841	867
Inventories	232	1,317	1,643
Trade and other payables and accrued liabilities	(973)	(2,043)	(3,151)
Net fair value gains on commodity contracts and derivative financial instruments	1,267	1,455	2,776
NAC working capital[(1)]	829	n/a	n/a
Working capital	**3,092**	**3,575**	**4,542**

(1) NAC working capital classified as "assets and liabilities held for sale" at 30 September 2017. Prior periods shown as per reported financials as at the relevant dates.

- Working capital decreased by US$1,450 million in the nine months to 30 September 2017 driven primarily by the non-cash adjustments to and reserves taken against the Group's net fair value gains on commodity contracts and derivative financial instruments.
- During the three months ended 30 June 2017, the Group recorded non-cash adjustments to the Group's net fair value gains on commodity contracts and derivative financial instruments which totaled US$1.2 billion, and included reserving of the entire Level 3 net fair value gains balance. In addition, the Group also recorded reserves and adjustments against certain Level 2 net fair value gains positions. Further adjustments were made to reflect the impact of credit rating downgrades.
- During three months ended 30 September 2017, working capital decreased by US$483 million primarily due to working capital reductions in the Global Oil Liquids as the business focused on reducing trading positions and utilisation under the NAC BBF and NCFL BBF.
- Readily marketable inventories ("RMI") were US$182 million at 30 September 2017, excluding NAC RMI of US$715 million, and accounted for 78% of total inventory. The Group's reported RMI of US$182 million is lower at 30 September 2017, compared to the US$1.2 billion at 30 June 2017, due to the presentation of NAC working capital as "assets and liabilities held for sale" and the wind down of certain remaining Global Oil Liquids inventories in NCFL.
- The Group's RMI is highly liquid, primarily comprising both metals and oil liquids products. Given the highly liquid nature of these inventories, the Group believes it is appropriate to consider them together with cash equivalents when evaluating the Group's leverage.
- As of 30 September 2017, the Group no longer utilises its off balance sheet readily marketable inventory sales program, compared to utilisation of US$129 million at 31 December 2016, with the decrease primarily reflecting the roll-off of certain metals and oil liquids inventory sales positions.

Selected Cash Flow & Net Debt Reconciliation[1][2]

(US$ million)	9 Months Ended 30 Sep 2017	3 Months Ended 30 Sep 2017
Operating loss before working capital changes	**(1,938)**	**(218)**
Decrease in working capital[3]	1,440	508
Others	31	5
Net cash flows from/(used in) operating activities[3]	**(467)**	**295**
Net cash flows used in investing activities	**(120)**	**(68)**
Interest paid on financing activities	(174)	(59)
Others	(10)	1
Net cash flows used in financing activities[4]	**(184)**	**(58)**
Net foreign exchange differences & others[5]	(62)	(57)
(Increase)/decrease in net debt	**(833)**	**112**

(1) Full cash flow statement available in the SGX results announcement.
(2) Inclusive of amounts related to discontinued operations.
(3) Excludes movement in cash with futures brokers not immediately available for use.
(4) Excludes bank debt additions or repayments and net proceeds from issuance of senior notes.
(5) Others includes US$(65) million related to debt assumed with the acquisition of 100% of the shares of Panacore Investments Limited ("Panacore"). Panacore owns four dry bulk carrier vessels and was previously accounted for as a joint venture.

- The Group's net debt decreased by US$112 million during the three months ended 30 September 2017, from US$3,817 million at 30 June 2017 to US$3,705 million at 30 September 2017, primarily due to working capital reductions in the Global Oil Liquids as the business focused on reducing trading positions and utilisation under the NAC BBF and NCFL BBF.

- Realisation on the Group's portfolio of long-term physical contracts during the three months ended 30 September 2017 was positive, however realisation continues to be adversely impacted by the Group's constrained liquidity and access to trade finance lines.

- The Group's net debt increased by US$833 million during the nine months ended 30 September 2017, from US$2,872 million at 31 December 2016 to US$3,705 million at 30 September 2017, primarily driven by negative cash flow from underlying activities due to the challenging operating environment and the Group's reinvestment in Harbour Energy in January.

- The operating loss before working capital changes recorded during the nine months ended 30 September 2017 includes approximately US$1.2 billion of non-cash valuation adjustments to and reserves taken against net fair value gains on commodity contracts and derivative financial instruments and approximately US$150 million of additional non-cash mark-to-market losses in our Hard Commodities businesses related to unrealised observable physical positions as forward prices fell, both recorded in the second quarter of 2017. Therefore, the adjusted operating loss before working capital changes during the nine months ended 30

September 2017 was approximately US$(550) million, primarily related to trading losses in the Global Oil Liquids business and the challenging operating conditions which have prevented the Group from covering its SAO expenses.

- Net cash flows used in investing activities include the Group's re-investment in Harbour Energy in January, and therefore recorded a higher level than we would typically expect to see given the Group's business model and the predominantly discretionary nature of its capital expenditure requirements.

- Net cash flows used in financing activities primarily relates to the interest paid on the Group's debt.

Funding and Credit Availability[1]

A detailed breakdown of debt is included below to assist in the comparison and analysis of the consolidated balance sheet following the classification of NAC as "assets and liabilities held for sale".

Net Debt Breakdown Including Noble Americas Corp

(US$ million)	30 Sep 2017	30 Jun 2017	31 Dec 2016
3.625% senior notes due Mar 2018	379	378	378
6.75% senior notes due Jan 2020	1,177	1,177	1,177
8.75% senior notes due Mar 2022	738	737	-
Total debt capital markets	**2,293**	**2,293**	**1,555**
Senior unsecured revolving credit facilities and term loan	1,143	1,143	1,908
Loans drawn under NAC BBF and NCFL BBF	636	1,023	350
Vessel financing	126	65	73
Other bank debt	30	29	156
Total bank debt	**1,936**	**2,261**	**2,487**
Total debt	**4,229**	**4,554**	**4,042**
Cash and cash equivalents[2]	524	737	1,170
Net debt	**3,705**	**3,817**	**2,872**
Shareholders' equity	1,040	2,095	3,974
Net debt/capital[4]	**78.1%**	**64.6%**	**42.0%**
Readily marketable inventory (RMI)[3]	897	1,230	1,526
Adjusted net debt/capital[3][4]	**73.0%**	**55.2%**	**25.3%**

Net Debt Reconciliation to SGX Announcement

(US$ million)	30 Sep 2017	30 Jun 2017	31 Dec 2016
Total debt	**4,229**	**4,554**	**4,042**
Loans drawn under NAC BBF[1]	(636)	n/a	n/a
Total debt per SGX announcement	**3,593**	**4,554**	**4,042**
Cash and cash equivalents[2]	**524**	**737**	**1,170**
Cash and cash equivalents attributable to subsidiaries classified as held for sale[1][2]	(185)	n/a	n/a
Cash and cash equivalents per SGX announcement[2]	**339**	**737**	**1,170**

(1) NAC classified as "assets and liabilities held for sale" as at 30 September 2017. Prior periods shown as per reported financials as at the relevant dates. Refer to SGX results announcement note 1(b)(i)(E)(ii) for further information.
(2) Includes cash with brokers not immediately available for use.
(3) Adjusted for RMI. 30 September 2017 includes reported US$182 million RMI plus US$715 million NAC RMI classified as "assets held for sale".
(4) Capital= net debt + shareholders' equity.

- The Group's net debt decreased by US$112 million during the three months ended 30 September 2017, from US$3,817 million at 30 June 2017 to US$3,705 million at 30 September 2017, primarily due to working capital reductions in the Global Oil Liquids as the business focused on reducing trading positions and utilisation under the NAC BBF and NCFL BBF.

- The Group's net debt increased by US$833 million during the nine months ended 30 September 2017, from US$2,872 million at 31 December 2016 to US$3,705 million at 30 September 2017, primarily driven by negative cash flow from underlying activities due to the challenging operating environment and the Group's reinvestment in Harbour Energy in January.

- Total cash and cash equivalents at 30 September 2017, excluding cash and cash equivalents attributable to subsidiaries classified as held for sale, stood at US$339 million of which US$77 million was restricted with brokers and not immediately available for use. The Group continues to conservatively manage its liquidity balance.
- The Group continues to face significant credit constraints and availability under its uncommitted bank facilities saw a material decline over the nine months to 30 September 2017. This has impacted trading and earnings generation capacity as mentioned in various business commentaries. As at 30 September 2017, the Group had a total of US$3.6 billion in available committed and uncommitted bank facilities, of which US$2.8 billion was utilised. The decline in available bank facilities and utilisation, compared to 30 June 2017, is largely due to the reduction in the facility sizes of and utilisation under the borrowing base facilities.
- The Group obtained an extension on a waiver in relation to the financial covenants in its committed unsecured revolving credit facility due May 2018, to 20 December 2017. The Group continues to be in discussions with its lenders. To date, these discussions have been focused on the Group's banks in order to stabilise support for the Group's working capital and trade finance requirements. Whilst no assurance can be given as to the outcome of these discussions, the Group believes that these are open and constructive, and are moving forward.