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ABN 66 008 881 712

Level 15, Tower B
799 Pacific Highway
Chatswood NSW 2067 Australia

PO Box 137
Chatswood NSW 2067 Australia

Phone 612 9413 2028
Fax 612 9413 4802
www.gloucestercoal.com.au

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GLOUCESTER COAL

Noble announces the Disposal of Interest in Donaldson Coal Holdings Limited

Attached is the announcement released to the Singapore Exchange by Noble Group Limited regarding the disposal of interest in Donaldson Coal Holdings Limited.

Noble Group is the major shareholder of Gloucester Coal, holding approximately 65.3% of Gloucester Coal's shares.

For Immediate Release

NOBLE GROUP LIMITED

DISPOSAL OF INTEREST IN DONALDSON COAL HOLDINGS LIMITED (“DONALDSON”)

1. INTRODUCTION

1.1 **Disposal**. The Board of Directors of Noble Group Limited (the “**Company**”) wishes to announce that the Company and its subsidiaries (the “**Group**”) have entered into a sale and purchase agreement (“**SPA**”) with Gloucester Coal Limited (“**GCL**”) pursuant to which the Group will sell its entire shareholding interest in the Company’s indirect and wholly-owned subsidiary, Donaldson, to GCL (the “**Disposal**”).

1.2 **Consideration**. The aggregate consideration (the “**Consideration**”) for the Disposal is A$360.0 million which will be entirely satisfied by the allotment and issue to the Company of 36,923,077 new shares (“**GCL Consideration Shares**”) in the capital of GCL (the “**GCL Share Issue**”, together with the Disposal, the “**Transactions**”). The GCL Consideration Shares to be issued pursuant to the GCL Share Issue is calculated based on an issue price of A$9.75 per GCL share. The obligation of the Company to pay for the GCL Consideration Shares will be set off against the obligation of GCL to pay the Consideration for the Disposal.

The Consideration was arrived at on a willing seller willing buyer basis after taking into account, *inter alia*, prevailing coal market conditions.

2. CONDITIONS PRECEDENT

2.1 **Conditions**. The Disposal is conditional upon, *inter alia*:

(a) GCL receiving approval for the Disposal from Australia's Foreign Investment Review Board along with any other required regulatory approvals;

(b) GCL obtaining shareholders' approval for the Disposal, the financing in connection with the Disposal, including the Capital Raising (as defined below), and the acquisition by GCL of Ellemby Holdings Pty Limited and its controlled entities ("**Monash Acquisition**"). The Company will not vote at the GCL shareholders' meeting. In addition, the Group is not involved in the Monash Acquisition other than through its shareholding in GCL;

(c) GCL raising up to A$500 million debt finance at its discretion; and

(d) the receipt of the Independent Expert's Report including a favourable conclusion with respect to the Disposal.

3. INFORMATION ON DONALDSON AND GCL

3.1 **Book Values**[1]. The book value of Donaldson was approximately US$107.72 million as at 31 March 2011. The book value attributable to the GCL Consideration Shares to be issued pursuant to the GCL Share Issue was approximately US$265.00 million as at 31 March 2011.

3.2 **Net Tangible Asset Values**[1]. The net tangible asset value of Donaldson was approximately US$107.72 million as at 31 March 2011. The net tangible asset value attributable to the GCL Consideration Shares to be issued pursuant to the GCL Share Issue was approximately US$265.00 million as at 31 March 2011.

3.3 **Open Market Value of GCL**[2]. As at 6 May 2011, being the latest trading day of the GCL shares on the Australian Stock Exchange ("**ASX**") prior to the date of the SPA, the open market value attributable to the GCL Consideration Shares to be issued pursuant to the GCL Share Issue is A$364.4 million.

4. CAPITAL RAISING BY GCL

4.1 **Capital Raising**. Further to the GCL Share Issue, GCL is proposing a capital raising ("**Capital Raising**") pursuant to which it will issue approximately 25.5 million new GCL shares for approximately A$230 million. The proceeds from the Capital Raising shall be used, *inter alia*, to fund the Monash Acquisition (if it

[1] Based on the latest announced consolidated financial statements of the Group for the 3-month period ended 31 March 2011.
[2] Based on the volume weighted average price of A$9.87 per GCL share transacted on the ASX on 6 May 2011.

proceeds), partly fund repayment of existing debts[3] owed by Donaldson and payment of associated transaction costs. Following the completion of the Capital Raising and the Transactions, the Company's shareholding interest in GCL is expected to decrease from approximately 65.4 per cent to 63.4 per cent. For the avoidance of doubt, the Company will not be taking up its entitlement under the Capital Raising.

4.2 **Non-Principal Subsidiary**. As GCL's latest audited consolidated pre-tax profits[4] (excluding the minority interest relating to GCL) accounts for approximately 4.85 per cent. of the latest audited consolidated pre-tax profits[5] of the Group (excluding the minority interest relating to GCL), GCL is **not** a principal subsidiary of the Company within the meaning of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**"). Accordingly, shareholders' approval is not required for the Company's reduction in interest in GCL as a result of the Capital Raising.

5. CHAPTER 10 THRESHOLDS

Both the Disposal and the GCL Share Issue are not discloseable or major transactions as defined under Chapter 10 of the SGX-ST Listing Manual.

6. FURTHER INFORMATION

6.1 **Directors' Service Contracts**. No person is proposed to be appointed as a director of the Company in connection with the Transactions. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

6.2 **Interests of Directors and Controlling Shareholders**. None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transactions.

[3] The maximum amount of the debt repayment owing from Donaldson to the Company is approximately A$207 million. Payment consideration to the Company will consist of A$186 million in cash and A$18.2million in GCL shares issued at A$9.75 per GCL share (shares issued for repayment are included in GCL Consideration Shares as described in Section 1.2).

[4] Based on the latest audited consolidated financial statements of GCL for the financial year ended 30 June 2010.

[5] Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2010.

For Immediate Release

6.3 **Documents for Inspection.** A copy of the SPA is available for inspection during normal business hours at the offices of the Company at 18th Floor, MassMutual Tower, 38 Gloucester Road, Hong Kong for a period of three months commencing from the date of this Announcement.

Noble Group Limited

16 May 2011

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About Noble Group
Noble Group (SGX: N21) manages the global supply chain of agricultural and energy products, metals and minerals. Noble operates from over 120 offices in 40 countries, employing approximately 80 nationalities. Noble manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation. Noble owns and manages an array of strategic assets, sourcing from low cost producers such as Brazil, Argentina, Australia and Indonesia and supplying to high growth demand markets including China, India and the Middle East. Today, Noble has interests in grain crushing facilities, coal and iron ore mines, fuel terminals and storage facilities, sugar and ethanol plants, ports, vessels and other key infrastructure.

For further details please contact:

Mr. Stephen Brown
Noble Group Limited
Tel: +852 2250 2060
Fax: +852 2861 0018
Email: stephenbrown@thisisnoble.com

Mr. Brad Smolar
Smolar Limited
Tel: +852 6339 3396
Fax: +852 2573 2473
Email: reputation@smolar.com