



Noble Energy Announces Asset Sale to NBLX and IDR Simplification

November 15, 2019

Concludes Strategic Review of Midstream Business

HOUSTON--(BUSINESS WIRE)--Nov. 15, 2019-- Noble Energy, Inc. (NYSE: **NBL**) ("Noble Energy" or "the Company") today announced the conclusion of its midstream strategic review, having elected to retain and increase its ownership in Noble Midstream Partners LP (NYSE: NBLX). The review was concluded with the sale of essentially all of the Company's remaining U.S. onshore midstream interests and assets to NBLX and the elimination of the Company's Incentive Distribution Rights ("IDRs") for a total value of \$1.6 billion.

In concluding the midstream strategic review, the Company identified the following primary drivers for retaining its ownership in NBLX:

- Supports focus on delivering sustainable, long-term free cash flow for Noble Energy shareholders;
- Enhances corporate returns through high-return midstream investments, including gathering and processing, intermediate and long-haul pipeline; and
- Preserves operational synergies and control of in-basin gathering in core U.S. onshore development areas of the DJ and Delaware Basins.

David L. Stover, the Company's Chairman and CEO, commented: "The transaction announced today highlights significant midstream value within Noble Energy, while simplifying the structure of Noble Midstream. Retaining ownership of these assets through the NBLX structure enhances our business with steady and growing cash flow with lesser volatility from commodity prices. Noble Midstream will continue to play a critical role in Noble Energy's execution and capital-efficient development onshore, where we have a deep inventory of high-return upstream investment opportunities."

Noble Energy is receiving \$1.6 billion in consideration from the transaction, including an estimated \$670 million in cash and 38.5 million of newly issued common units of NBLX valued at \$930 million based upon a 30-day volume weighted average price as of November 6, 2019. Following the close of the transaction, Noble Energy will own 56.5 million units or approximately 63% of the outstanding units of NBLX.

As part of the transaction, the Company has divested its remaining midstream gathering interests to NBLX, including the following:

- A 60% working interest in the Delaware Basin gathering system, which services crude oil, natural gas, and water gathering;
- A 75% working interest in the Mustang area (DJ Basin) gathering system, which services crude oil, natural gas, and water gathering, along with freshwater delivery;
- A 75% working interest in the East Pony area (DJ Basin) gathering system, which services freshwater delivery; and
- A 100% working interest in the East Pony area (DJ Basin) natural gas gathering and processing system.

NBLX now owns 100% of the interest in the above gathering systems. Noble Energy estimates the earnings before interest, taxes, depreciation, depletion and amortization ("EBITDA") for the assets sold to be approximately \$160 million for 2020. In addition, the Company estimates its IDRs divested would have resulted in total IDR distribution to Noble Energy in 2020 of approximately \$40 million.

The Company will have a 180-day lock up period applicable to its common units in NBLX following the closing of the transaction. In addition, the Company will retain ownership and control of the General Partner of NBLX.

Noble Energy (NYSE: NBL) is an independent oil and natural gas exploration and production company committed to meeting the world's growing energy needs and delivering leading returns to shareholders. The Company operates a high-quality portfolio of assets onshore in the United States and offshore in the Eastern Mediterranean and off the west coast of Africa. Founded more than 85 years ago, Noble Energy is guided by its values, its commitment to safety, and respect for stakeholders, communities and the environment. For more information on how the Company fulfills its purpose: Energizing the World, Bettering People's Lives®, visit <https://www.nbleenergy.com>.

This news release contains certain "forward-looking statements" within the meaning of federal securities laws. Words such as "anticipates", "plans", "estimates", "believes", "expects", "intends", "will", "should", "may", and similar expressions may be used to identify forward-looking statements. Forward-looking statements are not statements of historical fact and reflect Noble Energy's current views about future events. Such forward-looking statements may include, but are not limited to, future financial and operating results, and other statements that are not historical facts, including estimates of oil and natural gas reserves and resources, estimates of future production, assumptions regarding future oil and natural gas pricing, planned drilling activity, future results of operations, projected cash flow and liquidity, business strategy and other plans and objectives for future operations. No assurances can be given that the forward-looking statements contained in this news release will occur as projected and actual results may differ materially from those projected. Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, without limitation, volatility in commodity prices for crude oil and natural gas, the presence or recoverability of estimated reserves, the ability to replace reserves, environmental risks, drilling and operating risks, exploration and development risks, competition, government regulation or other actions, the ability of management to execute its plans to meet its goals and other risks inherent in Noble Energy's businesses that are discussed in Noble Energy's most recent annual report on Form 10-K, quarterly report on Form 10-Q, and in other Noble Energy reports on file with the Securities and Exchange Commission. These reports are also available from the sources described above. Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. Noble Energy does not assume any obligation to update any forward-looking statements should circumstances or management's estimates or opinions change.

This news release also contains certain forward-looking non-GAAP measures of financial performance that management believes are good tools for internal use and the investment community in evaluating Noble Energy's overall financial performance. These non-GAAP measures are broadly used to value and compare companies in the crude oil and natural gas industry. Management cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures. Accordingly, Noble Energy is unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measure. Amounts excluded from these non-GAAP measures in future periods could be significant.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20191115005076/en/>

Source: Noble Energy, Inc.

Investor Contacts

Brad Whitmarsh
(281) 943-1670
Brad.Whitmarsh@nblenergy.com

Kim Hendrix
(281) 943-2197
Kim.Hendrix@nblenergy.com

Media Contacts

Trudi Boyd
(281) 569-8009
media@nblenergy.com

Paula Beasley
(281) 876-6133
media@nblenergy.com