



Noble Corporation plc
10 Brook Street
London W1S 1BG
England

March 20, 2019

Dear Shareholder:

You are receiving this statutory annual report required under English law as a registered shareholder of Noble Corporation plc on March 1, 2019, the record date for our 2019 annual general meeting.

In a separate mailing you should have already received our 2018 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the year ended December 31, 2018, and our 2019 Proxy Statement along with a form of proxy to vote at our annual general meeting to be held on April 26, 2019, at 3:00 p.m., local time, at the Ritz Hotel, 150 Piccadilly, London W1J 8BR, United Kingdom.

We hope you will take the opportunity to vote at the annual general meeting by submitting your proxy as described in the instructions accompanying delivery, or by joining us in person at the meeting.

Should you have questions about this package, please call (713) 239-6501 and ask for the office of the corporate secretary.

Noble Corporation plc

Noble Corporation plc

U.K. Annual Report and Financial Statements
Registered number 08354954
31 December 2018

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**NOBLE CORPORATION PLC AND SUBSIDIARIES
STRATEGIC REPORT**

The directors present their strategic report on the Group for the year ended 31 December 2018. Noble Corporation plc is a public limited company incorporated under the laws of England and Wales, and listed on the New York Stock Exchange. The terms “Noble,” “Noble plc,” “Noble-UK,” “Company,” “we,” “our” and “Group” refer to Noble Corporation plc and its consolidated subsidiaries, unless the context otherwise requires. The address of the registered office is 10 Brook Street, Second Floor, London, England, W1S1BG. The Company registration number is 08354954.

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I. Strategy and Outlook

Overview

Noble Corporation plc, a public limited company incorporated under the laws of England and Wales, (“Noble-UK”), is a leading offshore drilling contractor for the oil and gas industry. We provide contract drilling services to the international oil and gas industry with our global fleet of mobile offshore drilling units. We focus on a balanced, high-specification fleet of floating and jackup rigs and the deployment of our drilling rigs in oil and gas basins around the world. Noble and its predecessors have been engaged in the contract drilling of oil and gas wells since 1921.

We report our contract drilling operations as a single reportable segment, Contract Drilling Services, which reflects how we manage our business. The mobile offshore drilling units comprising our offshore rig fleet operate in a global market for contract drilling services and are often redeployed to different regions due to changing demands of our customers, which consist primarily of large, integrated, independent and government-owned or controlled oil and gas companies throughout the world. As at 31 December 2018, our fleet of 24 drilling rigs consisted of eight drillships, four semisubmersibles and 12 jackups.

On 21 September 2018, we purchased the *Noble Johnny Whitstine*, a new GustoMSC CJ46 design jackup rig, from the PaxOcean Group (“PaxOcean”) in connection with a concurrently awarded drilling contract in the Middle East region. We paid \$93.8 million for the rig, with \$33.8 million paid in cash and the remaining \$60.0 million of the purchase price financed by the seller. See “Note 14— Interest Bearing Loans and Borrowings” to our consolidated financial statements for additional information. On 28 February 2019, we purchased another GustoMSC CJ46 rig, the *Noble Joe Knight*. We paid \$83.8 million for the rig, with \$30.2 million paid in cash and the remaining \$53.6 million of the purchase price financed by the seller, Pax Ocean Group. See “Note 14— Interest Bearing Loans and Borrowings” for additional information.

Although we plan to prioritise capital preservation and liquidity based on current market conditions, from time to time we will also continue to evaluate opportunities to enhance our fleet, particularly focusing on higher specification rigs, to execute the increasingly complex drilling programs required by our customers.

Outlook for 2019 and Beyond

During 2018, higher average crude oil prices led to a slight improvement in customer activity, most notably across the jackup fleet. However, the challenging business environment for offshore drillers continued to persist due to an industry-wide rig supply imbalance that resulted from a multi-year period of investment in new offshore drilling capacity and the sustained drop in oil prices. Following the period of industry expansion, a period of oil price volatility compelled exploration and production companies to deemphasize offshore programs while focusing instead on land-based opportunities, such as unconventional land opportunities. A portion of the newbuild capacity ordered prior to the decline in industry activity continues to exit shipyards, while the delivery of other newbuild rigs has been delayed into the future. In either case, these rigs have added to the prevailing supply imbalance. Since 2015, the industry has experienced a higher level of fleet attrition, as rigs are removed from the global supply due to a number of factors, including advanced service life, high maintenance and reactivation costs and limited customer appeal, but the pace of attrition is significantly less than what would be required to remedy the capacity imbalance. Additionally, our customers have adopted a cautious approach to offshore spending due, in part, to volatility in crude oil prices over the past four years. We expect that the offshore drilling programs of operators will remain somewhat curtailed, as our customers continue to favor cash flow realisation over long cycle investment in offshore production and exploration. During 2018, we recognised improvement in leading edge dayrates in the high specification jackup sector, especially in regions such as the North Sea and Middle East where approximately 80 percent of our fleet is located. We remain cautiously optimistic that this trend will continue into 2019. However, the floating sector did not enjoy the same pricing improvement as the jackup sector and additional customer activity will be required before dayrates move higher.

In spite of the gradual improvement in offshore activities in 2018, we expect the business environment for 2019 to remain challenging. The uncertainty of the viability and length of reductions in production agreed to by the Organisation of Petroleum Exporting Countries (“OPEC”), the incremental production capacity in non-OPEC countries, including growing production from U.S. shale activity, the current U.S. political environment and fluid sentiment in oil markets are contributing to an uncertain oil price environment, leading to considerable uncertainty in our customers’ production spending plans. However, steady oil demand growth, the lack of production investments in various countries around the world and the production limits agreed to by OPEC and other significant oil producing countries should support higher sustained crude prices, and lead to improved offshore spending by our customers over time. In general, recent contract awards have been subject to an extremely competitive bidding process. As a result, the contracts have been for dayrates that are substantially lower than rates were for the same class of rigs before this period of imbalance.

We cannot give any assurances as to when conditions in the offshore drilling market will improve, or when the oversupply of available drilling rigs will end.

Due to numerous factors that influence our customers' annual global offshore spending patterns, including geopolitical events, we cannot predict the future level of demand or dayrates for our services, or future conditions in the offshore contract drilling industry. However, we believe the

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existence of certain factors should over time contribute to an improvement in the market for our services, driven in part by an acceleration in customers' offshore spending. These factors include:

- sustained crude oil prices;
- improved geologic success with regard to our customers' exploration efforts;
- greater customer access to areas with promising offshore resource potential;
- advances in offshore technological applications which reduce offshore costs and improve project economics;
- high rate of natural depletion relating to land-based sources of crude oil production;
- deteriorating annual production and poor reserve replacement metrics caused, in part, by a period of sustained under-investment by our customers; and
- declining supply of rigs due to continued attrition.

We believe that we are strategically well positioned during this period of fundamental weakness for several reasons, including our substantial backlog, modern fleet of high-specification rigs and strong operational capability. We also believe that these strengths will help us take advantage of any future market upcycle. Although we plan to prioritise capital preservation and liquidity based on the challenging market conditions, from time to time we will also continue to evaluate opportunities to enhance our fleet of floating and jackup rigs, particularly focusing on higher specification rigs, to execute the increasingly complex drilling programs required by our customers.

Contract Drilling Services Backlog

We maintain a backlog of commitments for contract drilling services. Our contract drilling services backlog reflects estimated future revenues attributable to signed drilling contracts. While backlog did not include any letters of intent as at 31 December 2018, in the past we have included in backlog certain letters of intent that we expect to result in binding drilling contracts.

We calculate backlog for any given unit and period by multiplying the full contractual operating dayrate for such unit by the number of days remaining in the period, and for the three rigs contracted with Royal Dutch Shell plc ("Shell") mentioned below, we utilise the idle period and floor rates as described in footnote (2) to the backlog table below. The reported contract drilling services backlog does not include amounts representing revenues for mobilisation, demobilisation and contract preparation, which are not expected to be significant to our contract drilling services revenues, amounts constituting reimbursables from customers or amounts attributable to uncommitted option periods under drilling contracts or letters of intent.

The table below presents the amount of our contract drilling services backlog and the percent of available operating days committed for the periods indicated:

	Year Ending December 31, ⁽¹⁾					
	Total	2019	2020	2021	2022	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contract Drilling Services Backlog						
Semisubmersibles/Drillships ⁽²⁾⁽³⁾	1,475,792	492,077	388,860	338,025	187,255	69,575
Jackups	927,739	453,275	286,710	141,438	46,316	—
Total ⁽⁴⁾	2,403,531	945,352	675,570	479,463	233,571	69,575
Percent of Available Days Committed ⁽⁵⁾						
Semisubmersibles/Drillships		49 %	34 %	27 %	15 %	6 %
Jackups		75 %	38 %	25 %	7 %	— %
Total		62 %	36 %	26 %	11 %	3 %

⁽¹⁾ Represents a twelve-month period beginning 1 January 2019.

⁽²⁾ As previously reported, three of our long-term drilling contracts with Shell, the *Noble Bully II*, *Noble Globetrotter I* and *Noble Globetrotter II*, contain a dayrate adjustment mechanism that utilises an average of market rates that match a set of distinct technical attributes and is subject to a modest discount, beginning on the fifth-year anniversary of the contract and continuing every six months thereafter. On 12 December 2016, we amended those drilling contracts with Shell. As a result of the amendments,

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each of the contracts now has a contractual dayrate floor. The contract amendments for the *Noble Globetrotter I* and *Noble Globetrotter II* provide a dayrate floor of \$275,000 per day. The *Noble Bully II* contract contains a dayrate floor of \$200,000 per day plus daily operating expenses. The amendment also provided Shell the right to idle the *Noble Bully II* for up to one year at a special stacking rate. The *Noble Bully II* was idled at a rate of \$200,000 per day, effective 3 April 2017. In April 2018, we agreed with Shell to extend the idle period for the *Noble Bully II* through 31 December 2018 at a revised rate of \$230,000 per day. Once the dayrate adjustment mechanism becomes effective and following any idle periods, the dayrate for these rigs will not be lower than the higher of (i) the contractual dayrate floor or (ii) the market rate as calculated under the adjustment mechanism. The impact to contract backlog from these amendments has been reflected in the table above and the backlog calculation assumes that, after any idle period at the contractual stacking rate, each rig will work at their respective dayrate floor for the remaining contract term.

- (3) Noble and a subsidiary of Shell are involved in joint ventures that own and operate both the *Noble Bully I* and *Noble Bully II*. Pursuant to these agreements, each party has an equal 50 percent share in both vessels. As at 31 December 2018, the backlog for the *Noble Bully II* totalled \$405.6 million, all of which is included in backlog. As of the same date, the *Noble Bully I* had no backlog. Noble's proportional interest in the backlog for these rigs totalled \$202.8 million.
- (4) Some of our drilling contracts provide customers with certain early termination rights and, in limited cases, those termination rights require minimal or no notice and minimal financial penalties.
- (5) Percent of available days committed is calculated by dividing the total number of days our rigs are operating under contract for such period by the product of the number of our rigs and the number of calendar days in such period.

The amount of actual revenues earned and the actual periods during which revenues are earned may be materially different than the backlog amounts and backlog periods presented in the table above due to various factors, including, but not limited to, shipyard and maintenance projects, unplanned downtime, the operation of market benchmarks for dayrate resets, achievement of bonuses, weather conditions, reduced standby or mobilisation rates and other factors that result in applicable dayrates lower than the full contractual operating dayrate. In addition, amounts included in the backlog may change because drilling contracts may be varied or modified by mutual consent or customers may exercise early termination rights contained in some of our drilling contracts or decline to enter into a drilling contract after executing a letter of intent. As a result, our backlog as of any particular date may not be indicative of our actual operating results for the periods for which the backlog is calculated.

As at 31 December 2018, Royal Dutch Shell plc ("Shell"), Saudi Arabian Oil Company ("Saudi Aramco"), and Equinor ASA ("Equinor" formerly known as "Statoil ASA") represented approximately 52.2 percent, 19.8 percent and 11.0 percent of our backlog, respectively.

II. Business Overview

Drilling Fleet

Noble is a leading offshore drilling contractor for the oil and gas sector. Noble owns and operates one of the most modern, versatile and technically advanced fleets of mobile offshore drilling units in the offshore drilling industry. Noble provides, through its subsidiaries, contract drilling services with a fleet of 24 offshore drilling units, consisting of eight drillships, four semisubmersibles and 12 jackups, focused largely on ultra-deepwater and high-specification drilling opportunities in both established and emerging regions worldwide. Each type of drilling rig is described further below. Several factors determine the type of unit most suitable for a particular job, the most significant of which include the water depth and the environment of the intended drilling location, whether the drilling is being done over a platform or other structure, and the intended well depth. At 31 December 2018, our fleet was located in Canada, Far East Asia, the Middle East, the North Sea, Oceania, the Black Sea, South America and the U.S. Gulf of Mexico.

Drillships

A drillship is a type of floating drilling unit that is based on the ship-based hull of the vessel and equipped with modern drilling equipment that gives it the capability of easily transitioning from various worldwide locations and carrying high capacities of equipment while being able to drill ultra-deepwater oil and gas wells in up to 12,000 feet of water. Drillships can stay directly over the drilling location without anchors in open seas using a dynamic positioning system ("DPS"), which coordinates position references from satellite signals and acoustic seabed transponders with the drillship's six to eight thrusters to keep the ship directly over the well that is being drilled. Drillships are selected to drill oil and gas wells for programs that require a high level of simultaneous operations, where drilling loads are expected to be high, or where there are occurrences of high ocean currents, where the drillship's hull shape is the most efficient. There are currently eight drillships in Noble's fleet, capable of water depths from 8,200 feet to 12,000 feet.

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Semisubmersibles

Semisubmersible drilling units are designed as a floating drilling platform incorporating one or several pontoon hulls, which are submerged in the water to lower the center of gravity and make this type of drilling unit exceptionally stable in the open sea. Semisubmersible drilling units are generally categorised in terms of the water depth in which they are capable of operating, from the mid-water range of 300 feet to 4,000 feet, the deepwater range of 4,000 feet to 7,500 feet, to the ultra-deepwater range of 7,500 feet to 12,000 feet as well as their generation, or date of construction. This type of drilling unit typically exhibits excellent stability characteristics, providing a stable platform for drilling in even rough seas. Semisubmersible drilling units hold their position over the drilling location using either an anchored mooring system or a DPS and may be self-propelled. Noble's fleet consists of four semisubmersible drilling units, three of which are equipped with mooring systems and three of which utilise DPS, with fleet diversity to operate in mid-water, deepwater and ultra-deepwater depth ranges with high levels of efficiency.

Jackups

Noble's fleet of modern, high-specification jackup drilling units give us the flexibility to provide drilling solutions to our customers who have drilling requirements in the shallower waters of the continental shelf, in depths ranging from less than 100 feet to as deep as 500 feet. Jackup rigs can be used in open water exploration locations, as well as over fixed, bottom-supported platforms. A jackup drilling unit is a towed mobile vessel consisting of a floating hull equipped with three or four legs, which are lowered to the seabed at the drilling location. The hull is then elevated out of the water by the jacking system using the legs to support weight of the hull and drilling equipment against the seabed. Once the hull is elevated to the desired level, or jacked up, the drilling package can be extended out over an existing production platform or the open water location and drilling can commence. Noble's fleet of 12 jackups varies from two standard units capable of drilling in up to 375 feet of water to premium and high-specification units capable of drilling in up to 500 feet of water with drilling hookloads greater than 2,500,000 pounds.

Offshore Drilling Operations

Contract Drilling Services

Offshore contract drilling operations, accounted for approximately 96 percent and 98 percent of our operating revenues for the years ended 31 December 2018 and 2017, respectively. During the two years ended 31 December 2018 and 2017, we principally conducted our contract drilling operations in Canada, Far East Asia, the Middle East, the North Sea, Oceania, the Black Sea, Africa, South America and the U.S. Gulf of Mexico. Revenues from Shell, Equinor and Saudi Aramco accounted for approximately 38.8 percent, 15.5 percent, and 14.5 percent, respectively, of our consolidated operating revenues for the year ended 31 December 2018. Revenues from Shell, Equinor and Saudi Aramco accounted for approximately 45 percent, 13.2 percent and 11.4 percent, respectively, of our consolidated operating revenues for the year ended 31 December 2017. No other customer accounted for more than 10 percent of our consolidated operating revenues in 2018 or 2017.

Competition

The offshore contract drilling industry is a highly competitive and cyclical business characterised by large capital expenditures and large swings in pricing. Demand for offshore drilling equipment is driven by the exploration and development programs of oil and gas companies, which in turn are influenced by many factors, including the price of oil and gas, the availability and relative cost of onshore oil and gas resources, general global economic conditions, energy demand, environmental considerations and national oil and gas policy.

In the provision of offshore contract drilling services, competition is largely governed by price but involves numerous other factors as well. Rig availability, location, suitability and technical specifications are the primary factors in determining which rig is qualified for a job, and additional factors are considered when determining which contractor is awarded a job, including experience of the workforce, efficiency, safety performance record, condition of equipment, operating integrity, reputation, industry standing and client relations. In addition to having one of the newest fleets in the industry among our peer companies, we strive to keep our equipment well-maintained and technologically competitive.

We maintain a global operational presence and compete in most of the major offshore oil and gas basins worldwide. All of our drilling rigs are mobile, and we may mobilise our drilling rigs among regions for a variety of reasons, including to respond to customer requirements. We compete in both the jackup and floating rig market segments, each of which may have different supply and demand dynamics at a given period in time or in different regions.

Demand for our services is, in significant part, a function of the worldwide demand for oil and gas and the global supply of mobile offshore drilling units. Our industry experienced a significant increase in the number of drilling units prior to and during the period in which crude oil prices declined precipitously and were highly volatile and in which the supply of onshore oil and gas resources expanded greatly. This combination of increased supply of drilling rigs and reduced demand for such rigs has resulted in falling dayrates and heightened competition for opportunities to re-contract our rigs upon expiry of existing contracts.

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We believe that improvements in market conditions will ultimately result from, among other things, improved oil prices, additional investment by our customers in offshore exploration and development, and attrition of rigs in the global offshore fleet. Our young and technologically advanced fleet is well positioned to compete now and in the future as market dynamics improve.

III. Principal Risks and Uncertainties

You should carefully consider the following risk factors and uncertainties in addition to the other information included in this 2018 Annual Report. Each of these risk factors could affect our business, operating results and financial condition, as well as affect an investment in our shares.

- Our business and results of operations have been materially and negatively impacted and our market value has substantially declined due to current depressed market conditions which are the result of the dramatic drop in the oil price, the development of additional onshore oil and gas resources and the oversupply of offshore drilling rigs.
- Our business depends on the level of activity in the oil and gas industry. Adverse developments affecting the industry, including a decline in the price of oil or gas, reduced demand for oil and gas products and increased regulation of drilling and production, could have a material adverse effect on our business, financial condition and results of operations.
- The offshore contract drilling industry is a highly competitive and cyclical business with intense price competition. We have competitors who are larger and have more financial resources than we do. If we are unable to compete successfully, our earnings may be materially reduced.
- The over-supply of offshore rigs is contributing to a reduction in dayrates and demand for our rigs, which reduction may continue for some time and, therefore, is expected to further adversely impact our revenues and earnings.
- We may record impairment charges on property and equipment, including rigs and related capital spares.
- We may not be able to renew or replace expiring contracts, and our customers may terminate or seek to renegotiate or repudiate our drilling contracts or may have financial difficulties which prevents them from meeting their obligations under our drilling contracts.
- Our current backlog of contract drilling revenue may not be ultimately realised.
- We are substantially dependent on several of our customers, including Shell, Equinor and Saudi Aramco, and the loss of any of these customers would have a material adverse effect on our financial condition and results of operations.
- A litigation trust was formed and funded as part of the Paragon Offshore bankruptcy proceedings and the litigation trust has filed claims against us and certain of our officers and directors. In addition, Paragon Offshore has rejected in the bankruptcy proceedings certain separation agreements entered into with us, and as a result, we will be responsible for those liabilities for which we would have otherwise sought indemnification under the separation agreements.
- Our business involves numerous operating hazards.
- We have substantial debt obligations that have significant covenant restrictions and could restrict our operations and prevent us from fulfilling our obligations with respect to our outstanding debt.
- To service our indebtedness, we will use a significant amount of cash. Our ability to generate cash to service our indebtedness depends on many factors beyond our control.
- As a result of our significant cash flow needs, we may be required to raise funds through the issuance of additional debt or equity, and in the event of lost market access, may have to delay or cancel discretionary capital expenditures.
- We are exposed to risks relating to operations in international locations.
- Operating and maintenance costs of our rigs may be significant and may not correspond to revenue earned.
- Drilling contracts with national oil companies may expose us to greater risks than we normally assume in drilling contracts with non-governmental clients.
- Governmental laws and regulations may add to our costs, result in delays, or limit our drilling activity.
- Any violation of anti-bribery or anti-corruption laws, including the Foreign Corrupt Practices Act, the United Kingdom Bribery Act, or similar laws and regulations could result in significant expenses, divert management attention, and otherwise have a negative impact on us.

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- Changes in, compliance with, or our failure to comply with the certain laws and regulations may negatively impact our operations and could have a material adverse effect on our results of operations.
- Operational interruptions or maintenance or repair work may cause our customers to suspend or reduce payment of dayrates until operation of the respective drilling rig is resumed, which may lead to loss of revenue or termination or renegotiation of the drilling contract.
- We may have difficulty obtaining or maintaining insurance in the future and our insurance coverage and contractual indemnity rights may not protect us against all the risks and hazards we face.
- Our failure to adequately protect our sensitive information technology systems and critical data and our service providers' failure to protect their systems and data could have a material adverse effect on our business, results of operations and financial condition.
- A loss of a major tax dispute or a successful tax challenge to our operating structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries could result in a higher tax rate on our worldwide earnings, which could result in a material adverse effect on our financial condition and results of operations.
- Our consolidated effective income tax rate may vary substantially from one reporting period to another.
- Our operations are subject to numerous laws and regulations relating to the protection of the environment and of human health and safety, and compliance with these laws and regulations could impose significant costs and liabilities that exceed our current expectations.
- Reactivation, refurbishment, conversion or upgrades of rigs are subject to risks, including delays and cost overruns, which could have an adverse impact on our available cash resources and results of operations.
- Failure to attract and retain skilled personnel or an increase in personnel costs could adversely affect our operations.
- Supplier capacity constraints or shortages in parts or equipment, supplier production disruptions, supplier quality and sourcing issues or price increases could increase our operating costs, decrease our revenues and adversely impact our operations.
- Acts of terrorism, piracy and political and social unrest could affect the markets for drilling services, which may have a material adverse effect on our results of operations.
- Unionisation efforts and labor regulations in certain countries in which we operate could materially increase our costs or limit our flexibility.
- Any failure to comply with the complex laws and regulations governing international trade could adversely affect our operations.
- Pension expenses associated with our retirement benefit plans may fluctuate significantly depending upon changes in actuarial assumptions, future investment performance of plan assets and legislative or other regulatory actions.
- Fluctuations in exchange rates and nonconvertibility of currencies could result in losses to us.
- We are subject to litigation that could have an adverse effect on us.
- We are a holding company, and we are dependent upon cash flow from subsidiaries to meet our obligations.

Responsibility for risk oversight that does not specifically fall within the scope of authority of our standing Board of Directors ("Board") committees rests with our entire Board. Our Board also provides overall risk management oversight rather than a single committee. Our Board has the responsibility for confirming the risk tolerance of the Company and monitoring and assessing any potential material risks identified by its committees, or otherwise ensuring management has an effective and ongoing program in place for monitoring and assessing, and, to the extent appropriate, mitigating such risks to be within the risk tolerance of the Company. Risks falling within this area include but are not limited to general business and industry risks, operating risks, financial risks and compliance risks that we face. We have not concentrated within our executive management responsibility for all risk management in a single risk management officer within our executive management, but rather we rely on a management steering committee to administer an enterprise risk management ("ERM") system that is designed to ensure that the most significant risks to the Company, on a consolidated basis, are being identified, managed and monitored appropriately, and that due care is exercised in considering such risks in the management of the Company.

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IV. Market Overview

Current Business Environment

For additional information, see — I. Strategic and Outlook “*Outlook for 2019 and Beyond.*”

Impairment

See “Note 10— Property and Equipment” for additional information on our impairment testing.

V. Key Performance Indicators

Operating results for our contract drilling services segment are dependent on three primary key performance metrics: operating days, day rates, and operating costs. We also track rig utilisation, which is a function of operating days and the number of rigs in our fleet. For more information on operating costs, see Section — VI. Results of Operations “Contract Drilling Services.”

The following table presents the average rig utilisation, operating days and average dayrates for our rig fleet for 2018 and 2017:

	Average Rigs Utilisation ⁽¹⁾		Operating Days ⁽²⁾			Average Dayrates ⁽³⁾		
	2018	2017	2018	2017	% Change	2018	2017	% Change
						\$'000	\$'000	
Jackups	77%	85%	3,642	4,367	(17)%	130,217	126,109	3%
Semisubmersibles	15%	17%	268	365	(27)%	108,111	155,919	(31)%
Drillships	62%	59%	1,817	1,716	6%	293,265	349,244	(16)%
Total	61%	63%	5,727	6,448	(11)%	180,909	187,181	(3)%

⁽¹⁾ We define utilisation for a specific period as the total number of days our rigs are operating under contract, divided by the product of the total number of our rigs, including cold stacked rigs, and the number of calendar days in such period. Information reflects our policy of reporting on the basis of the number of available rigs in our fleet, excluding newbuild rigs under construction.

⁽²⁾ Information reflects the number of days that our rigs were operating under contract.

⁽³⁾ Average dayrates for the year ended 31 December 2017 include the impact of the valuation of certain contingent payments for the *Noble Sam Croft* and *Noble Tom Madden* contract settlement and termination by and among Freeport-McMoRan Inc., Freeport-McMoRan Oil & Gas LLC and one of our subsidiaries (“FCX Settlement”). We recognised a \$14.4 million loss to the termination date valuation of certain contingent payments for the *Noble Sam Croft* and *Noble Tom Madden* related to the FCX Settlement. The loss in 2017 had a negative impact on the drillships’ average dayrates.

For additional information, see Strategic Report, “VI. Results of Operations” for a review of our third primary key performance indicator, operating costs.

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VI. Results of Operations

2018 Compared to 2017

Contract Drilling Services

The following table presents the operating results for our contract drilling services segment for 2018 and 2017:

	2018	2017	Change	
			\$	%
	\$'000	\$'000		
Operating revenues:				
Contract drilling services	1,036,082	1,207,026	(170,944)	(14)%
Reimbursables and other ⁽¹⁾	46,744	29,889	16,855	56%
	<u>1,082,826</u>	<u>1,236,915</u>	<u>(154,089)</u>	<u>(12)%</u>
Operating costs and expenses:				
Contract drilling services	638,964	639,663	(699)	—%
Reimbursables ⁽¹⁾	37,084	18,435	18,649	101%
Depreciation and amortisation	294,526	368,662	(74,136)	(20)%
General and administrative	68,836	72,569	(3,733)	(5)%
Loss on impairment	648,483	883,175	(234,692)	(27)%
	<u>1,687,893</u>	<u>1,982,504</u>	<u>(294,611)</u>	<u>(15)%</u>
Operating loss	<u>(605,067)</u>	<u>(745,589)</u>	<u>140,522</u>	<u>(19)%</u>

⁽¹⁾ We record reimbursements from customers for out-of-pocket expenses as operating revenues and the related direct costs as operating expenses. Changes in the amount of these reimbursables generally do not have a material effect on our financial position, results of operations or cash flows.

Operating Revenues. The \$170.9 million decline in contract drilling services revenues for the year ended 31 December 2018 as compared to the same period of 2017 was composed of \$135.0 million decline due to fewer operating days and a \$35.9 million decline due to lower dayrates. The decline in revenue was primarily due to our drillship and jackup fleets, which experienced declines in revenues of \$66.5 million and \$76.5 million, respectively. Our semisubmersible fleet also experienced a decline in revenue of \$27.9 million.

The \$66.5 million revenue decline in our drillship fleet consists of a \$101.7 million decline from lower dayrates, which was partially offset by a \$35.2 million increase due to higher operating days for the year ended 31 December 2018 compared to the same period of 2017. The decline in average dayrates was primarily related to the *Noble Bully II*, which remained idle during the current period but operated for a portion of the prior period. The increase in operating days was primarily related to the reactivation of the *Noble Tom Madden* in the fourth quarter of 2018, offset by the stacking of the *Noble Bully I* in the second quarter of 2017.

The \$76.5 million revenue decline in our jackup fleet is primarily attributable to a \$91.5 million decline in revenues due to certain of our jackup rigs not operating for the year ended 31 December 2018, which was partially offset by a \$15.0 million increase in revenues associated with favourable dayrate changes across the jackup fleet. The decrease in operating days during the current period was the result of the retirement and subsequent sale of the *Noble David Tinsley*, the retirement of the *Noble Alan Hay* and a decrease in operating days for the *Noble Mick O'Brien* and for the *Noble Sam Hartley*, which was stacked in early 2018 and reactivated in late 2018. The \$27.9 million decline in semisubmersible revenues was primarily due to a decrease in both dayrate and operating days on the *Noble Paul Romano*, which was warm stacked in early 2018.

Operating Costs and Expenses. Contract drilling services operating costs decreased \$0.7 million for the year ended 31 December 2018 as compared to the same period of 2017. Rigs that were operating in the prior period, but were idle or stacked most of the current period contributed \$16.5 million to the decrease in operating costs, and rigs that operated in the prior period but were subsequently retired contributed \$18.7 million to the decrease in operating costs. In addition to these rig costs declines, operations support costs decreased \$4.2 million for the year ended 31 December 2018, of which \$2.6 million related to reduction of employee-related expenses. These decreases were offset by \$67.4 million of cost increases as certain rigs prepared and returned to operations and experienced higher operating days in the current period. Operating costs increases were recognised across all costs categories, but were primarily attributable to crew-related expenses (\$48.4 million) and repairs, maintenance, and other rig-related costs (\$19.0 million). Contract drilling services costs in 2017 included non-recurring charges of \$28.7 million related to damages

NOBLE CORPORATION PLC AND SUBSIDIARIES
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sustained by two rigs during Hurricane Harvey in the U.S. Gulf of Mexico region along with a charge related to the write-off an uncollectible receivable held by a Paragon Offshore entity in Mexico that is expected to be liquidated.

Critical Accounting Policies and Estimates

See “Note 3— Critical Accounting Judgements, Estimates and Assumptions” to the Consolidated Financial Statements for our critical accounting policies and estimates for additional information.

Legal Proceedings

See “Note 19— Commitments and Contingencies” to the Consolidated Financial Statements for information on our legal proceedings for additional information.

Selected Financial Data.

The selected financial data presented below is derived, in part, from the “Consolidated Financial Statements”. This data should be read in conjunction with the “Consolidated Financial Statements” and related notes, as well as within this Strategic Report.

	Year Ended 31 December	
	2018	2017
	\$'000	\$'000
Consolidated Income Statement Data		
Revenue	1,082,826	1,236,915
Net loss attributable to Noble Corporation plc ⁽¹⁾	(685,766)	(1,047,046)
Net loss from continuing operations per share attributable to Noble-UK:		
Basic (\$)	(2.78)	(4.28)
Diluted (\$)	(2.78)	(4.28)
Consolidated Statement of Financial Position Data		
Cash and cash equivalents	375,232	662,829
Property and equipment	4,023,507	4,690,455
Total assets	4,916,390	5,878,134
Non-current interest bearing loans and borrowings	3,877,402	3,795,867
Total liabilities	4,537,930	4,699,898
Total liabilities and equity	4,916,390	5,878,134
Other Data		
Net cash generated from operating activities	171,851	416,680
Net cash used in investing activities	(189,377)	(118,325)
Net cash used in financing activities	(269,396)	(361,248)
Capital expenditures	(194,779)	(120,707)
Working capital ⁽²⁾	295,105	449,769
Cash dividends declared per share	—	—

⁽¹⁾ Results for 2018 and 2017 include impairment charges of \$648.5 million and \$883.2 million, respectively.

⁽²⁾ Working capital is calculated as current assets less current liabilities.

NOBLE CORPORATION PLC AND SUBSIDIARIES
STRATEGIC REPORT

VII. Liquidity and Capital Resources

Overview

Net cash generated from operating activities in 2018 was \$171.9 million, compared to \$416.7 million in 2017, respectively. The decrease in net cash provided by operating activities for the year ended 31 December 2018 was primarily attributable to a reduction in operating activity during 2018. We had working capital of \$295.1 million and \$449.8 million at 31 December 2018 and 2017, respectively.

Net cash used in investing activities in 2018 was \$189.4 million, compared to \$118.3 million in 2017. The variance primarily relates to the purchase of the *Noble Johnny Whitstine*, the reactivation of the *Noble Clyde Boudreaux*, *Noble Tom Madden*, and *Noble Sam Croft* and various major projects in the current period.

Net cash used in financing activities in 2018 and 2017 was \$269.4 million and \$361.2 million, respectively. During the current period, our primary uses of cash included retirement of a portion of the Senior Notes due 2020 (the “2020 Notes”), Senior Notes due 2021 (the “2021 Notes”), Senior Notes due 2022 (the “2022 Notes”), Senior Notes due 2024 (the “2024 Notes”), Senior Notes due 2040 (the “2040 Notes”), Senior Notes due 2041 (the “2041 Notes”), and Senior Notes due 2042 (the “2042 Notes”) in tender offers and open market purchases, repayment at maturity of the Senior Notes due 2018 Notes (the “2018 Notes”) and redemption of the Senior Notes due 2019 (the “2019 Notes”), which amounts were partially offset by the issuance of the Senior Notes due 2026 (the “2026 Notes”).

Our principal source of capital in the current period was cash generated from operating activities coupled with the \$750.0 million 2026 Notes offering in January 2018. Cash on hand during the current period was primarily used for the following:

- normal recurring operating expenses;
- retirement of a portion of various tranches of our senior notes in tender offers, repayment at maturity of the 2018 Notes and redemption of the 2019 Notes; and
- capital expenditures.

Our currently anticipated cash flow needs, both in the short-term and long-term, may include the following:

- normal recurring operating expenses;
- planned and discretionary capital expenditures; and
- repayments of debt and interest.

We currently expect to fund these cash flow needs with cash generated by our operations, cash on hand, borrowings under our Credit Facilities (as defined herein) and potential issuances of equity or long-term debt. However, to adequately cover our expected cash flow needs, we may require capital in excess of the amount available from these sources, and we may seek additional sources of liquidity and/or delay or cancel certain discretionary capital expenditures or other payments as necessary.

Capital Expenditures

Capital expenditures totalled \$281.3 million and \$111.1 million for the years ended 31 December 2018 and 2017, respectively. Capital expenditures during 2018 consisted of the following:

- \$82.7 million for sustaining capital;
- \$75.6 million in major projects, including reactivations;
- \$29.2 million in subsea and other related projects; and
- \$93.8 million to purchase the *Noble Johnny Whitstine* (inclusive of cash paid and seller financing).

Our total capital expenditure estimate for 2019 is approximately \$303.9 million, which is currently anticipated to be spent as follows:

- \$90.3 million for sustaining capital;
- \$96.4 million for in major projects, including reactivations;
- \$33.4 million in subsea and other related projects; and
- \$83.8 million to purchase the *Noble Joe Knight* (inclusive of cash paid and seller financing).

From time to time we consider possible projects that would require expenditures that are not included in our capital budget, and such unbudgeted expenditures could be significant. In addition, we will continue to evaluate acquisitions of drilling units from time to time. Other factors that could cause actual capital expenditures to materially exceed plan include delays and cost overruns in shipyards (including costs attributable to labour shortages), shortages of equipment, latent damage or deterioration to hull, equipment and machinery in excess of engineering estimates and assumptions, changes in governmental regulations and requirements, possible refurbishment and reactivation of rigs, and changes in design criteria or specifications during repair or construction.

Share Repurchases

**NOBLE CORPORATION PLC AND SUBSIDIARIES
STRATEGIC REPORT**

See the Directors' Report, which begins on page 15 of this report, for information on share repurchases.

Interest Bearing Loans and Borrowings

See "Note 14— Interest Bearing Loans and Borrowings" to the Consolidated Financial Statements for information on our interest bearing loans and borrowings.

Summary of Contractual Cash Obligations and Commitments

See "Note 19— Commitments and Contingencies" to the Consolidated Financial Statements for information on our contractual cash obligations and commitments.

VIII. Employees

At 31 December 2018, we had approximately 2,000 employees, excluding approximately 1,000 persons we engaged through labour contractors or agencies. Approximately 84 percent of our workforce is located offshore. Of our shorebased employees, approximately 67 percent are male. We are not a party to any material collective bargaining agreements, and we consider our employee relations to be satisfactory.

The following table summarises our employee diversity data at 31 December 2018:

Gender Diversity Data	Total	Men	Women
Directors of the Company	7	57%	43%
Senior Managers ⁽¹⁾	3	100%	—%
Shorebased Employees	410	67%	33%
Offshore Workforce	1,497	100%	—%

⁽¹⁾ Senior manager is defined in section 414C(9) of the Companies Act 2006 and accordingly the number disclosed comprises the Executive Committee members who were not Directors of the Company.

We strive to be the employer of choice and respect the dignity and worth of all employees. We expect each individual to demonstrate a strong work ethic and contribute to Noble's success. Noble is an equal opportunity employer. It is our policy not to discriminate against employees and people who apply to work for Noble. Noble has operations in many countries and endeavours to employ a skilled workforce that reflects the diverse populations of the communities where we operate. We will train employees to steadily develop and improve their competence and skills so they are fully prepared to meet the highest industry standards, customer expectations, and demands of modern offshore drilling. We will foster a culture where our employees reach their highest potential and create an environment that provides a safe place to work, structured career development, encourages open communication, promotes teamwork, and rewards performance.

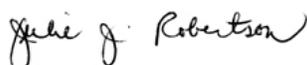
We place considerable value on the involvement of our employees and maintain a practice of keeping them informed on matters affecting them, as well as on the performance of the Company. Accordingly, we conduct formal and informal meetings with employees, maintain a Company intranet website with matters of interest, and issue periodic publications of Company activities and other matters of interest, and offer a variety of in-house training, including through NobleAdvances, our state of the art training facility in Sugar Land, Texas.

We are committed to a policy of recruitment and promotion based upon merit without discrimination. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled while employed by the Company. Training and development is undertaken for all employees, including disabled persons.

Learning and Development

Noble is committed to empowering our employees with the proper tools and training to meet our objectives. Noble provides training and development to help our employees reach their highest potential so we can support Noble's goals of sustainability and industry leadership. It is critical that Noble continue to attract, develop and retain a highly skilled and motivated workforce.

On behalf of the Board of Directors,



Julie J. Robertson
Executive Director
8 March 2019

NOBLE CORPORATION PLC AND SUBSIDIARIES
DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2018. Noble Corporation plc is a public limited company incorporated under the laws of England and Wales, and listed on the New York Stock Exchange. References in this Annual Report to “Noble,” “Noble plc,” “Noble-UK,” “Company,” “we,” “our” and “Group” refer to Noble Corporation plc and its consolidated subsidiaries. The address of the registered office is 10 Brook Street, Second Floor, London, England, W1S1BG.

Directors and Corporate Governance.

The Company’s Articles of Association and Governance Guidelines are posted on our company website at www.noblecorp.com, located in the “Governance” area. The U.K. Directors’ Remuneration Report, Remuneration Policy and directors’ interests in the shares of the Company are set out in the Company’s “Directors’ Remuneration Report and Policy”.

The Directors’ Remuneration Report was approved by the Board of Directors on 8 March 2019.

Board of Directors

The following table presents certain information as of 8 March 2019 with respect to our board of directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated:

Name	Effective	Retired
Julie J. Robertson	2017	
David W. Williams	2008	11 January 2018
Ashley M. Almanza	2013	19 June 2018
Julie H. Edwards	2006	
Gordon T. Hall	2009	
Roger W. Jenkins ⁽¹⁾	2018	
Scott D. Josey	2014	
Jon A. Marshall	2009	
Mary P. Ricciardello	2003	

⁽¹⁾ Roger W. Jenkins was appointed to the Board of Directors on 24 October 2018.

In line with the Company's Articles of Association (“the Articles”), all Directors will retire at the 2019 Annual General Meeting and seek reappointment by shareholders. Details of the Executive Directors' contracts can be found in the “Directors’ Remuneration Report and Policy,” and copies are available on the Company’s website. The terms and conditions of appointment of Non-executive Directors are set out in their letters of appointment with the Company which are available for inspection from the Company Secretary.

Board of Directors Interest

No Director is, or was, materially interested in any contract subsisting during or at the end of the year that was significant in relation to the Company’s business. See also “Related Party Transactions” below. The interests of the Directors in office at the end of the year, including any interests of a connected persons, can be found in the “Directors’ Remuneration Report and Policy.”

Dividends

Our Board of Directors suspended our quarterly cash dividend of \$0.02 per share, beginning in the fourth quarter of 2016.

The declaration and payment of dividends require authorisation of the Board of Directors, provided that such dividends on issued share capital may be paid only out of the Company’s “distributable reserves” on its statutory balance sheet in accordance with U.K. laws. The Company is not permitted to pay dividends out of share capital, which includes share premiums. The payment of future dividends will depend on our results of operations, financial condition, cash requirements, future business prospects, the availability of sufficient distributable reserves, contractual and indenture restrictions and other factors deemed relevant by our Board of Directors.

See “Note 20— Dividends” to the Consolidated Financial Statements for more information on dividends.

On 19 February 2019, there were 248,704,351 shares outstanding held by 167 shareholder accounts of record.

NOBLE CORPORATION PLC AND SUBSIDIARIES
DIRECTORS' REPORT

Share Repurchases

Under U.K. law, the Company is only permitted to purchase its own shares by way of an “off-market purchase” in a plan approved by shareholders. At 31 December 2018 we do not have shareholder authority to repurchase shares. During the years ended 31 December 2018 and 2017, no shares were repurchased.

Going Concern Basis

The Group’s business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report beginning on page 3 of this Annual Report. The directors have considered the use of the going concern basis in the preparation of the financial statements of the Company and the Group in light of the current market conditions and conclude that the use of the going concern basis is appropriate. In coming to their conclusion, the directors have considered the financial position and cash requirements of the Company and the Group for the period of 12 months from the date of issuance of these financial statements.

In June 2016, the United Kingdom (“U.K.”) held a referendum in which voters approved an exit from the European Union (“E.U.”), commonly referred to as “Brexit” and in March 2017 the U.K. formally started the process for the U.K. to leave the E.U. Given the lack of comparable precedent, it is unclear how disruptive the withdrawal will be, including possible financial, trade, regulatory and legal implications. Brexit creates global political and economic uncertainty, which may cause, among other consequences, volatility in exchange rates and interest rates, and changes in regulations. The Company provides contract drilling services to the international oil and gas industry and our fleet operates globally across multiple locations. While our business is internationally diversified, the Company is incorporated and registered within the U.K. Based on our global operating model and the versatility and marketability of our fleet, we do not expect the impact of Brexit to be significant to the Company.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial Risk Management and Financial Instruments

Information related to the use of financial instruments and Noble’s financial risk management objectives and policies, and exposure to market risk (including price risk), credit risk and liquidity risk can be found in “Note 25— Financial Instruments” to the Consolidated Financial Statements.

Qualifying Third-Party Indemnities

The Company has granted a qualifying third party indemnity to each of its Directors against liability in respect of proceedings brought by third parties, which is in force as at the date of approving the Directors' report and will remain in force throughout 2019.

Related Party Transactions

See “Note 24— Related Party Transactions” to the Consolidated Financial Statements. There were no transactions or proposed transactions that were material to either the Company or any related party.

Future Developments

See the Section — I. Strategy and Outlook of the Strategic Report, which begins on page 3 of this Annual Report, for information about future developments including our backlog.

Recent Developments and Post Balance Sheet Events

Material recent developments and post-balance sheet events can be found in “Note 30— Post-Balance Sheet Events” to the Consolidated Financial Statements.

Research and Development

The Company did not engage in research and development activities. For more information on the Company’s business overview and activities see the Strategic Report, which begins on page 3 of this Annual Report.

Political Contributions

No donations were made by the Company or any of its subsidiaries to political parties or organisations during the year.

Greenhouse Gas Emissions

There is increasing attention concerning the issue of climate change and the effect of greenhouse gas (“GHG”) emissions. The United States Environmental Protection Agency (“EPA”) regulates the permitting of GHG emissions from stationary sources under the Clean Air Act’s Prevention of Significant Deterioration and Title V permitting programs, which require the use of “best available control technology” for GHG emissions from new and modified major stationary sources, which can sometimes include drillships. The EPA has also adopted rules requiring the monitoring

NOBLE CORPORATION PLC AND SUBSIDIARIES
DIRECTORS' REPORT

and reporting of GHG emissions from specified sources in the United States, including, among other things, certain onshore and offshore oil and natural gas production facilities, on an annual basis.

Moreover, in 2005, the Kyoto Protocol to the 1992 United Nations Framework Convention on Climate Change, which establishes a binding set of emission targets for GHGs, became binding on all countries that had ratified it. In 2015, the United Nations ("U.N.") Climate Change Conference in Paris resulted in the creation of the Paris Agreement. The Paris Agreement requires countries to review and "represent a progression" in their nationally determined contributions, which set emissions reduction goals, every five years beginning in 2020. Incentives to conserve energy or use alternative energy sources could have a negative impact on our business if such incentives reduce the worldwide demand for oil and gas. See Section - III. Principal Risks and Uncertainties for additional information.

Countries in the E.U. have implemented the United Nations Kyoto Protocol on GHG emissions, through the E.U. Emissions Trading System ("ETS"). The ETS program establishes a GHG emissions "cap and trade" system for certain industry sectors, including power generation at some offshore facilities. Total GHG emissions from these sectors is capped, and the cap will reduce over time to achieve a 21 percent GHG reduction from these sectors between 2005 and 2020. The ETS program will continue to require GHG reductions in the future. Phase 4 of the ETS program (covering 2021 to 2030) was revised in 2018 to achieve emission reduction targets as part of the E.U.'s contribution to the Paris Agreement. Phase 4 targets a 43 percent GHG reduction between 2005 and 2030.

In addition, the U.K. government, which implements ETS in the U.K. North Sea, has introduced a carbon price floor mechanism to place an incrementally increasing minimum price on carbon. Thus, the cost of compliance with ETS can be expected to increase over time. Additional member state climate change legislation may result in potentially material capital expenditures.

While it is not possible at this time to predict how new laws may be enacted to address GHG emissions would impact our business, the modification of existing laws or regulations or the adoption of new laws or regulations curtailing exploratory or developmental drilling for oil and gas could materially and adversely affect our operations by limiting drilling opportunities or imposing materially increased costs. In addition, incentives to conserve energy or use alternative energy sources could also have a negative impact on our business.

We have determined that combustion of diesel fuel (Scope 1) aboard all of our vessels worldwide is the Company's primary source of GHG emissions, including carbon dioxide, methane and nitrous oxide. The data necessary to report indirect emissions from generation of purchased power (Scope 2) has not been previously collected; however, procedures are being established to collect and report Scope 2 data.

For the year ended 31 December 2018, our estimated carbon dioxide equivalent ("CO₂e") gas emissions were 954,944 tonnes as compared to 918,439 tonnes for the years ended 31 December 2017. When expressed as an intensity measure of tonnes of CO₂e gas emissions per dollar of contract drilling revenues from continuing operations, the intensity measure for 31 December 2018 and 2017 was .0009 and .0008, respectively. The increase in emissions is due to increases in operational activity from the *Noble Tom Madden*, *Noble Sam Croft*, *Noble Lloyd Noble*, *Noble Tom Prosser* and activation of the *Noble Clyde Boudreaux*.

Our Scope 1 CO₂e gas emissions reporting has been prepared with reference to the requirements set out in the U.K. Companies Act 2006 Regulations 2013, the Environmental Reporting Guidelines (June 2013) issued by the Department for Environment Food & Rural Affairs, the World Resources Institute and World Business Council for Sustainable Development GHG Protocol Corporate Accounting and Reporting Standard Revised and the International Organisation for Standardisation ("ISO") 14064-1, "Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals (2006)."

It is our intent to have the procedures related to GHG emissions independently assessed in the future.

NOBLE CORPORATION PLC AND SUBSIDIARIES
DIRECTORS' REPORT

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the income or loss of the Group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Confirmations

Each of the directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

- the parent company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties that it faces.

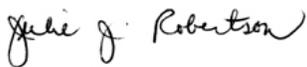
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and parent company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

The financial statements on pages 47 to 118 were approved by the Board of Directors on 8 March 2019 and signed on its behalf by,



Julie J. Robertson
Executive Director
8 March 2019

**NOBLE CORPORATION PLC AND SUBSIDIARIES
DIRECTORS' REMUNERATION REPORT & POLICY**

**Directors' Remuneration Report
For the Year Ended 31 December 2018**

Compensation Committee Chairman's Annual Statement:

Dear Shareholders:

I am pleased to present our Company's remuneration report for 2018. This remuneration report is divided into three sections:

- (A) this statement;
- (B) the Directors' remuneration policy setting out our policy on Directors' compensation, which will be resubmitted to shareholders for approval in a binding vote at our 2019 Annual General Meeting (the "2019 AGM"); and
- (C) the annual report on remuneration which sets out Director compensation and details the link between Company performance and compensation for the financial year ended 31 December 2018. The annual report on remuneration, together with this statement, is subject to an advisory vote at our 2019 AGM.

Current Challenging Market Conditions

Since the fourth quarter of 2014, the offshore drilling industry has suffered through a historic downturn. Our business, and the business of other offshore drillers, has declined significantly due principally to two factors:

- A dramatic fall in our customers' offshore drilling capital spending as a result of the decline in the price of oil and a strategic shift in capital spending to onshore oil and gas resources and away from offshore resources; and
- An over-supply of drilling rigs.

Reflecting these market factors, our share price since the middle of 2014 has declined, falling from \$27 on 4 August 2014 to \$3.15 on 19 February 2019, a decline of 88%.

Recent Compensation Decisions

Against the difficult offshore drilling market background, the Compensation Committee has made a number of changes with respect to compensation over the past few years:

- ***Reducing Overall CEO Compensation.*** We have made changes in our compensation program which have significantly reduced our CEO's overall compensation by more than 44% from 2014 levels.
- ***Reduction in CEO LTIP Award; Refocus of LTIP Goals.*** In 2018, we reduced the aggregate value of the target LTIP award to our CEO has reduced by 23% from 2017 levels and by 38% from 2013 levels. Also in 2017, we introduced a new LTIP performance goal: contract drilling margin relative to our driller peer group. We believe this LTIP goal, along with the existing relative total shareholder return performance goal, will drive performance on a key success metric for the Company.
- ***Freezing Base Salaries; Reducing CEO Salary.*** During 2018, we continued to hold the base salaries of all of our named executive officers at 2014 levels. In addition, our current CEO's 2018 base salary reflects a reduction of 10% from our former CEO's 2017 level.

**NOBLE CORPORATION PLC AND SUBSIDIARIES
DIRECTORS' REMUNERATION REPORT & POLICY**

Outlook for 2019

We believe our compensation program's components and levels are appropriate for our industry and provide a direct link to enhancing shareholder value and advancing the core principles of our compensation philosophy and objectives to ensure the long-term success of the Company. We will continue to monitor current trends and issues in our industry, as well as the effectiveness of our program with respect to our executives, and properly consider, from time to time, whether to modify our program as appropriate.

The members of the Compensation Committee are Jon A. Marshall, Julie H. Edwards, and Gordon T. Hall.

Jon A. Marshall

Chairman of the Compensation Committee

8 March 2019

**NOBLE CORPORATION PLC AND SUBSIDIARIES
DIRECTORS' REMUNERATION REPORT & POLICY**

Directors' Compensation Policy

Our Directors' Compensation Policy applies to our Executive Director, Chairman, President and Chief Executive Officer (as well as any individual that may become an Executive Director while this policy is in effect) and our Non-Executive Directors.

Our Compensation Policy for our Executive Directors is primarily designed to:

- Attract and retain individuals with the skills and experience necessary to successfully execute Noble's strategic business plan;
- Motivate individuals to achieve key strategic, operational, safety and financial goals that will drive shareholder value while not subjecting the Company to excessive or unnecessary risk; and
- Align our Executive Directors' interests with those of our shareholders.

Consistent with this philosophy, we seek to provide total compensation packages that are competitive with those of the companies against which we compete on an operational basis and for key talent. In establishing our Compensation Policy, the Compensation Committee (or "Committee") has reviewed and considered various benchmarks and market reference points. A substantial portion of total compensation for our Executive Directors is subject to Company, individual and share price performance and is at risk of forfeiture.

Compensation Policy - Executive Directors

The Compensation Policy set out in this report will be submitted to a binding vote of shareholders at the Company's 2019 Annual General Meeting of Shareholders, which is set for 26 April 2019, and will continue in effect until 31 December 2022 unless amended and approved by shareholders prior to such date.

Compensation Component	Purpose / Link to Noble's Business Strategy	How Component Operates	Maximum Opportunity
Base Salary	<ul style="list-style-type: none"> -Attract and retain high performing individuals -Reflect an individual's skills, experience and performance -Align with market value of role 	<ul style="list-style-type: none"> -Reviewed annually by the Committee -In establishing base salary levels and determining increases, the Committee considers a variety of factors including: (1) our compensation philosophy, (2) market compensation data, (3) competition for key Director-level talent, (4) the Director's experience, leadership and contributions to the Company's success, (5) the Company's overall annual budget for merit increases and (6) the Director's individual performance in the prior year -If any adjustments are made, annual salary increases generally take effect in January or February of each year, but could occur throughout the year if circumstances merit such an adjustment. Base salary is not subject to any clawback measures 	<ul style="list-style-type: none"> -Annual increase ordinarily not to exceed 15% of prior year's highest annualised base salary rate -Committee reserves discretion to set base salary at a level it deems appropriate to reflect a material job promotion or a material increase in responsibility, provided that the base salary level set in these circumstances will not exceed 115% of the annualised salary of the person who previously held such similar position for a period of at least 12 months. -The base salary limits set forth in this policy will not apply to any individual hired from outside of Noble or to the extent local market conditions reasonably require additional salary to be payable.

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Compensation Component	Purpose / Link to Noble's Business Strategy	How Component Operates	Maximum Opportunity
<p>Annual Bonus pursuant to Short Term Incentive Plan ("STIP") or other Cash Awards</p>	<ul style="list-style-type: none"> -Attract and retain high performing individuals -Drive achievement of annual financial, safety and strategic goals -Align interests and wealth creation with those of shareholders -Align with market value of role 	<ul style="list-style-type: none"> -Funding mechanism for the aggregate STIP pool linked directly to objective financial and/or operational performance (e.g., EBITDA, safety, environmental, etc.) determined annually. -Individual payouts will be based on a fixed pro rata share (based on an annually fixed bonus opportunity percentage) or other share of the aggregate funding pool and may also be subject to individual increase or decrease through the application of discretionary factors or financial, operational and/or other company, team or individual metrics key to the success of Noble. -Performance metrics and actual results used to determine STIP payouts will be disclosed in the Implementation Report of the Directors' --Compensation. Report in the year in which corresponding STIP payouts are made unless the metrics are considered commercially sensitive. -All metrics will be measured on a no longer than one year basis. -Performance below a threshold level for operational or financial goals will result in a \$0 payout for these goals. -Payouts between a threshold and maximum level will be interpolated. The Committee reserves the right in its discretion to adjust earned awards up or down, including to reduce any award to zero. -Payments are intended to be made in cash, but can be settled in shares of company stock or a combination of cash and stock at the Committee's discretion. -The Committee will assess the performance of our CEO and in the case of Executive Directors other than the CEO, if any, it will consider input from the CEO. -The treatment of STIP awards will differ from this policy if a change in control were to occur. This treatment is summarised in the Directors' Remuneration Report. -STIP awards are subject to recoupment under the provisions of Section 304 of the Sarbanes-Oxley Act and any other policy adopted by the Company, and would also be subject to any applicable legislation adopted during the time in which this policy is in effect. See "Clawback Provisions" below. -Cash awards outside the STIP will only be made in connection with recruitment, retention, promotion, special achievement or inducement awards. 	<ul style="list-style-type: none"> -250% of the highest annualised base salary in effect for the fiscal year to which the performance targets relate -In exceptional circumstances, which would be limited to where a cash award, under a Company incentive plan or otherwise, is used to facilitate recruitment of individuals via the buy-out of awards, the limit set forth in this policy will not apply. The Committee will consider market-based and individual-specific factors in these circumstances -In select cases (promotion, recruitment, retention, special achievement or inducement), to secure, retain or recognise the services of certain individuals, other cash awards may be granted at the Committee's discretion. These awards may exceed the limit set forth in this policy, but will not exceed 250% of such individual's annualised base salary.

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Compensation Component	Purpose / Link to Noble's Business Strategy	How Component Operates	Maximum Opportunity
Long-term Incentives ("LTI")	<ul style="list-style-type: none"> -Equity awards currently awarded under Noble Corporation 2015 Omnibus Incentive Plan, as may be amended from time to time, or any subsequent replacement plan ("2015 Plan") -Attract and retain high performing individuals -Drive achievement of long-term financial and strategic goals -Align interests and wealth creation with those of shareholders -Align with market value of role 	<ul style="list-style-type: none"> -Annual equity grant will include at least 50% performance-based awards. At present, these are performance vested restricted stock units ("PVRsUs"), but in the future, could include other type of incentive awards. -For performance-based awards, including PVRsUs, the Committee will use TSR, contract drilling margin (absolute or relative) and/or other or performance metrics set forth in the ("2015 Plan"). -Payout schedule for relative TSR performance or other financial metrics will be established by the Committee and will range from 0% for below-threshold performance to 100% of maximum for superior performance. Percentile ranks, performance levels and corresponding payout levels will be set by the Committee in its discretion. -Performance targets for financial metrics and actual results used to determine payouts (if applicable) for performance-contingent awards will be disclosed in the Implementation Report of the Directors' Remuneration Report in the year in which corresponding payouts are made, unless the metrics are considered commercially sensitive. -Time-vested restricted stock unit awards ("TVRSUs") are used by the Committee to (1) promote retention, (2) reward individual and team achievement and (3) align individual's interest with the interests of shareholders. -Vesting/performance period for all LTI awards consisting of restricted stock and restricted stock units will be over at least one from grant date, except in exceptional circumstances, such as recruitment awards, where such vesting period may be less, or upon the occurrence of certain events. -Earned/vested amounts are intended to be delivered in shares of Company stock, but can be settled in a cash or a combination of cash and stock at the Committee's discretion, subject to the terms of the 2015 Plan -Any outstanding LTI awards made prior to the approval and implementation of this policy will continue to vest and be subject to the same performance conditions (if applicable) and other terms/conditions prevailing at the time of grant of such awards. -Performance-based LTI awards are subject to recoupment under the provisions of Section 304 of the Sarbanes-Oxley Act and any other policy adopted by the Company, and would also be subject to any applicable legislation adopted during the time in which this policy is in effect. See "Clawback Provisions" below. -This policy reserves the ability to use all aspects of the 2015 Plan for awards made outside the annual equity grant program referenced above. 	<ul style="list-style-type: none"> -Value of annual equity grant (based on commonly used valuation methods) not to exceed 750% of base salary. -In exceptional circumstances, which would be limited to where the plan is used to facilitate recruitment, retention or special achievement of certain individuals (including, in the recruitment context, the buyout of previously-granted incentive awards), the limit set forth in this policy will not apply. The Committee will consider market-based and individual-specific factors in these circumstances. -To secure the services of individuals in the case of a promotion, inducement awards may be granted at the Committee's discretion. These inducement grants may exceed the limit set forth in this policy, but will not exceed 115% of the annual target equity award value of the person who previously held such similar position for a period of at least 12 months. -For performance-contingent awards, such as PVRsUs, maximum payout not to exceed 200% of target number of units/shares (or cash amount, if applicable) at end of performance period, plus any earned dividends or cash equivalents (if applicable, on vested awards). -For all other LTI awards, C6of the original number of units/shares/ options (or similar) granted at the end of vesting period plus any earned dividends or cash equivalents (if applicable, on vested awards).
Benefits	<ul style="list-style-type: none"> -Attract and retain high performing individuals -Align with market value of role -Align with market practice in country of residence 	<ul style="list-style-type: none"> -Executive Directors are provided with healthcare, life and disability insurance and other employee benefit programs. These employee benefits are provided on a non-discriminatory basis to all employees. -These and additional programs are established to align with market practice/levels and, as such, may be adjusted in the discretion of the Committee from time to time. 	<ul style="list-style-type: none"> -Taxable benefits not to exceed 10% of base salary.

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Compensation Component	Purpose / Link to Noble's Business Strategy	How Component Operates	Maximum Opportunity
Pension	<ul style="list-style-type: none"> -Attract and retain high performing individuals -Align with market value of role 	<p><i>Salaried Employees' Retirement Plan</i></p> <ul style="list-style-type: none"> -Defined benefits provided in accordance with the terms of the previously-adopted Salaried Employees' Retirement Plan. -Benefits are accrued in the form of an annuity, providing for payments to an individual during retirement and in select cases to a designated beneficiary. -Payments may be made in a single lump-sum, a single life annuity and several forms of joint and survivor elections. -Benefits are determined in accordance with the plan's terms and consider an individual's average compensation and years of service at Noble. -Only available to employees hired originally on or before 31 July 2004. -Plan amended effective 31 December 2016 to cease future benefit accruals. <p><i>Retirement Restoration Plan</i></p> <ul style="list-style-type: none"> -Unfunded, nonqualified plan that provides the benefits under the Salaried Employees' Retirement Plan's benefit formula that cannot be provided by the Salaried Employees' Retirement Plan because of the annual compensation and annual benefit limitations applicable to the Salaried Employees' -Retirement Plan under the U.S. Internal Revenue Code. -Only available to employees hired originally on or before 31 July 2004. -Plan amended effective 31 December 2016 to cease future benefit accruals. 	<ul style="list-style-type: none"> -The maximum benefit under the pension plans is determined pursuant to the terms of the pension plans in effect as of the effective date of this policy (subject to adjustment as provided in the applicable plan).
Other Retirement Programs	<ul style="list-style-type: none"> -Attract and retain high performing individuals -Align with market value of role 	<p><i>401(k) Savings Plan</i></p> <ul style="list-style-type: none"> -Qualified defined contribution plan that enables qualified employees, including Executive Directors, to save for retirement through a tax-advantaged combination of employee and Company contributions. -Matched at the rate of \$0.70 to \$1.00 per \$1.00 (up to 6% of Basic Compensation) depending on years of service. Fully vested after three years of service or upon retirement, death or disability. <p><i>401(k) Savings Restoration Plan</i></p> <ul style="list-style-type: none"> -Unfunded, nonqualified employee benefit plan under which specified employees may defer compensation in excess of 401(k) plan limits. <p><i>Profit Sharing Plan</i></p> <ul style="list-style-type: none"> -Qualified defined contribution plan available for U.S. employees. -Any contribution at Board of Directors' discretion. Fully vested after three years of service or upon retirement, death or disability. 	<ul style="list-style-type: none"> -401(k) plan: Maximum amounts governed by the applicable U.S. laws and regulations. -Profit sharing plan: Not to exceed 10% of covered compensation.

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Compensation Component	Purpose / Link to Noble's Business Strategy	How Component Operates	Maximum Opportunity
Relocation / Expatriate Assistance (if applicable)	<ul style="list-style-type: none"> -Ensure Noble is able to attract high calibre talent regardless of business location -Provide career and/or personal development options and potentially help retain the services of individuals already employed by the Company -Align with market value of role -Align with market practice in country of residence 	<ul style="list-style-type: none"> -Executive expatriate benefits will be paid if determined to be required for competitive purposes and will be set to be consistent with those of comparable companies. These benefits may consist of: <ul style="list-style-type: none"> -Housing allowance -Foreign service premium -Goods and services differential allowance -Car allowance -Reimbursement or payment of school fees for eligible dependents to age 19 -Annual home leave allowance -Tax equalisation payments (calculated on a grossed-up basis) -Tax preparation services -Relocation assistance for expatriates will be provided comparable to those provided by other similar companies. Assistance includes (provided to non-Director level employees also): <ul style="list-style-type: none"> -Standard outbound services, such as "house hunting" trips and shipment of personal effects -Temporary housing -Temporary relocation assistance. -Future expatriate benefits and relocation assistance could include other components not included in the above. 	<ul style="list-style-type: none"> -There are a number of variables affecting the amount that may be payable, but the Committee would pay no more than it judged reasonably necessary in light of all applicable circumstances. -Maximum expatriate/relocation assistance not to exceed types of benefits described and/or used by comparable companies. The maximum tax equalisation payment (calculated on a grossed-up basis) shall not exceed the payment that would be due if the Director was paid at the maximum amount permitted under this policy for each other component of compensation (except upon a change in control, in which case amounts would be calculated in accordance with the terms of the applicable agreement).

Share Ownership Policy

The purpose of the share ownership policy is to align executive interests and wealth creation with the interests of shareholders. Under the current share ownership policy, an Executive Director must meet the following stock ownership requirements: (1) CEO = five times base salary; (2) Executive Vice Presidents and Senior Vice Presidents = four times base salary; and (3) Vice Presidents = two times base salary. For Non-Executive Directors, the stock ownership requirement is six times the Director's annual retainer. A Director may not sell or dispose of shares for cash unless the above share ownership policy is satisfied.

Performance Measure Selection

The measures used under the STIP and LTIP are selected annually to reflect the Company's key short-term and long-term strategic initiatives and reflect both financial and non-financial objectives. Performance targets are set to be challenging but achievable, taking into account the Company's business, financial and strategic priorities.

Compensation Policy for Other Employees

The Company's approach to annual compensation reviews is consistent across the Company, with consideration given to the scope of the role, level of experience, responsibility, individual performance and pay levels at comparable companies. Non-Director level employees are eligible to participate in the Company's annual and long-term incentive programs. Participation, award opportunities and specific performance conditions vary by level within the Company, with corporate and business division metrics incorporated as appropriate.

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Illustration of Application of Compensation Policy for Executive Directors

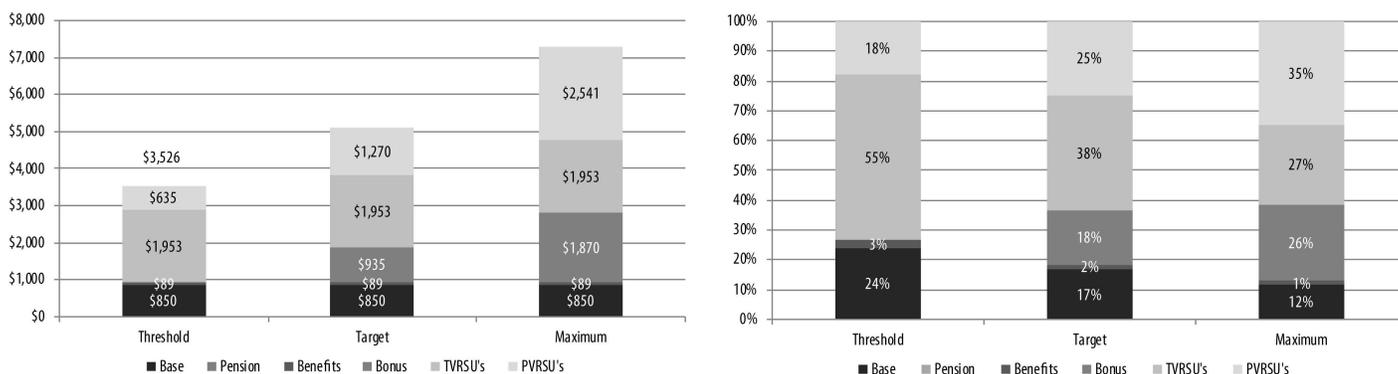
The estimated compensation amounts received by the Executive Directors, which Group currently includes only our Chairman, President and Chief Executive Officer, for 2018 are shown in the following graphs. These amounts reflect three levels of performance as defined below:

- **Threshold:** Includes sum of salary, benefits, pension, time vested restricted stock units (“TVRSUs”) at grant date fair value, performance vested restricted stock units (“PVRsUs”) at grant date fair value, and threshold payout (assuming no share price appreciation)
- **Target (at expectation):** Includes sum of: (1) fixed compensation plus annual bonus paid at target amount and (2) PVRsUs at grant date fair value and target payout (assuming no share price appreciation)
- **Maximum:** Includes sum of: (1) fixed compensation plus annual bonus paid at maximum amount and (2) PVRsUs at grant date fair value and maximum payout (assuming no share price appreciation)

Additional assumptions used in compiling the chart illustrations are:

- **Salary:** Reflects 2018 annualised rate.
- **Pension:** Reflects aggregate change in the actuarial present value of accumulated benefits under the Salaried Employees’ Retirement Plan and the Retirement Restoration Plan for the year. These amounts do not include any amounts that are above-market or preferential earnings on deferred compensation.
- **Benefits:** Sum of Company-paid benefits include foreign tax payments, savings plan contributions, business travel and accident insurance, and tax preparation services.
- **Bonus:** Reflects potential payments under the STIP based solely upon financial metrics (1) minimum = below threshold performance, so no payout would occur; (2) target = “at expectation” performance, so 100% of target amount would be paid; and (3) maximum = “stretch” performance where 200% of target amount would be paid.
- **Long-term Incentive (LTI) Awards:** TVRSUs are shown at grant date fair value; PVRsUs reflect grant date fair value at “target” or “maximum,” as applicable. In all scenarios, LTI values assume no share price change relative to the closing price of Noble shares on grant date. These values do not represent actual amounts that an Executive Director will receive as the (1) TVRSUs vest ratably over a two or three-year period and (2) PVRsUs vest, only to the extent earned, at the end of a three-year performance period.

Illustrative Compensation of Chairman, President & CEO



Recruitment of Executive Directors

The compensation package for a new Executive Director will be set in accordance with the terms of the Compensation Policy in force at the time of appointment or hiring. To successfully facilitate recruitment of high calibre talent from outside of Noble, the limits in this policy, if any, with respect to annual base salary, STIP or other cash awards, and LTI awards do not apply except as presented above. With respect to inducement-related STIP or other cash awards, amounts will not exceed 250% of such individual’s annualised base salary; no such limit will apply with respect to base salary amounts and LTI awards used to help facilitate recruitment. In addition, to facilitate the recruitment of an individual to an Executive Director position, the Committee can use cash and/or LTI awards to buy-out previously-granted incentive awards and no limits will apply under this policy.

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In the case of an internal appointment/promotion of an individual to an Executive Director position, the Committee reserves discretion to set base salary at a level it deems appropriate to reflect the material increase in scope and responsibility, provided that the base salary level set in these circumstances will not exceed 115% of the annualised salary of the person who previously held such similar position for a period of at least 12 months. In addition, STIP, cash awards or LTI awards may be granted as inducement awards at the Committee's discretion. These STIP, cash awards or LTI grants used as inducement awards may exceed the limit set forth in this policy, but will not exceed the following amounts: for STIP or cash awards, 250% of such individual's annualised base salary, and for LTI awards, 115% of the annual target equity award value of the person who previously held such similar position for a period of at least 12 months.

For external hires and internal appointments, the Committee may agree that the Company will meet certain relocation expenses, as appropriate and within the limits set by the Committee. The Committee believes it needs to retain the flexibility set forth in this policy to ensure that it can successfully secure the services of individuals with the background, experience and skill-set needed to lead a company of the size and scope of Noble. In all cases, the Committee will consider market-based and individual-specific factors when making its final decisions.

Executive Directors' Service Agreements and Loss of Office Payments

The Company's general policy is that Executive Directors should be employed on an "at will" basis such that no notice provision applies and no contractual termination payments are payable. Executive Directors working in the United Kingdom will, however, benefit from the statutory minimum notice period. This is enshrined in a written statement of particulars provided to relevant individuals, which states that the amount of notice of termination of employment that they are entitled to receive is one week. After two years' continuous service they will be entitled to an extra week per year of service, up to a maximum of 12 weeks' notice.

The Committee may vary these terms if the particular circumstances surrounding the appointment of a new Executive Director require it (in accordance with the policy on the appointment of new Executive Directors above). In particular, the Committee may determine that these terms may vary substantially where it is necessary or desirable to recruit in a market in which "at will" employment terms are not competitive.

An exception to the policy stated above will arise in relation to Change of Control Employment Agreements and loss-of-office compensation arrangements in each case as set out below.

It is the Company's policy to maintain Change of Control Employment Agreements, details of which are set forth under the 'Change of Control Agreements' heading below. In addition, as circumstances may require, the Committee may approve other loss-of-office compensation arrangements in consideration for a release of claims, settlement of employment-related disputes or potential disputes, enhanced post-termination restrictive covenants, confidentiality obligations or other undertakings, or for cooperation, handover or transitional assistance. The Committee will aim to ensure that such compensation is appropriate, fair and reasonable in a U.S. context, and such compensation may include:

- retained eligibility for annual bonus for the year of departure;
- retained eligibility for performance-based equity awards that are outstanding in year of departure;
- accelerated vesting of equity awards to the extent permissible under the governing plan document;
- payments in respect of a period of agreed notice, garden leave or consultancy or similar arrangements;
- outplacement services valued at or less than \$25,000; and
- other payments if commercially appropriate (e.g. severance, legal fees, etc).

Change of Control Employment Agreements

Certain of the executive officers serving at 31 December 2018 are parties to change of control employment agreements which we have offered to certain senior executives since 1998. These agreements become effective only upon a change of control (within the meaning set forth in the agreement). If a defined change of control occurs and the employment of the executive officer is terminated either by us (for reasons other than death, disability or cause) or by the officer (for good reason or upon the officer's determination to leave without any reason during the 30-day period immediately following the first anniversary of the change of control), which requirements can be referred to as a "double trigger", the executive officer will receive payments and benefits set forth in the agreement. The terms of the agreements are summarised in the Company's 2015 Proxy Statement under the heading "Potential Payments on Termination or Change of Control - Change of Control Employment Agreements." We believe a "double trigger" requirement, rather than a "single trigger" requirement (which would be satisfied simply if a change of control occurs), increases shareholder value because it prevents an immediate unintended windfall to the executive officers in the event of a friendly (non-hostile) change of control.

Julie J. Robertson, our CEO, is the only currently serving Director to have entered into such an agreement. A copy of any Change of Control Agreement for a Director will be available for inspection at the registered office of the Company.

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The Company may, at the discretion of the Committee, enter into a Change of Control Employment Agreement with any newly recruited or appointed Executive Director. It would be the policy of the Company that the terms of such agreement would be substantially similar to those summarised in the Company's 2018 Proxy Statement under the heading "Potential Payments on Termination or Change of Control - Change of Control Employment Agreements" in the most recent version approved by the Board.

Clawback Provisions

The Company has adopted a clawback provision which provides that at any time there is a material and negative restatement of the Company's reported financial results, the cash equity compensation awarded or paid to any executive officer during the previous three years would be subject to recoupment, if the Board determines that the executive officer's intentional misconduct or gross negligence materially contributed to such restatement. In addition, Section 304 of the Sarbanes-Oxley Act of 2002, generally requires U.S.-listed public company chief executive officers and chief financial officers to disgorge bonuses, other incentive- or equity-based compensation and earnings on sales of company stock that they receive within the 12-month period following the public release of financial information if there is a restatement because of material noncompliance, due to misconduct, with financial reporting requirements under the federal securities laws. The compensation of Directors of the Company would also be subject to any clawback provision adopted under any applicable legislation.

Consideration of Employment Conditions and Consultation with Employees

Although the Committee does not consult directly with the broader employee population on the Company's executive compensation program, the Committee considers a variety of factors when determining the Directors' Compensation Policy, including but not limited to (1) the average and range of base salary increases provided to non-Director employees, (2) compensation arrangements covering variable pay and benefits for all employees, (3) recent trends in talent attraction and retention affecting the Company and the broader energy industry and (4) employment conditions for the broader employee population. In addition to these considerations, the Committee believes that the Compensation Policy for Executive Directors is necessary to reflect the increased qualifications and level of responsibility of the position relative to the typical employee. The primary area of policy differentiation is the increased emphasis on performance-based compensation for Executive Directors relative to the broader employee population.

Consideration of Shareholder Views

In the past few years, we have conducted an extensive shareholder outreach effort regarding executive compensation matters through a wide-ranging dialogue between management and numerous shareholders. We also took into consideration certain proxy advisory firms' reports regarding our compensation program. The Committee considered all of such feedback in designing and making changes to our compensation program. Our current compensation program is largely a reflection of this shareholder input.

We are committed to continued engagement between shareholders and the Company to fully understand and consider shareholders' input and concerns.

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DIRECTORS' REMUNERATION REPORT & POLICY**

Compensation Policy for Non-Executive Directors

As of the effective date of this Policy, all of our Directors, with the exception of our Chairman, President and Chief Executive Officer, are Non-Executive Directors. The Company believes that the following program and levels of compensation are necessary to secure and retain the services of individuals possessing the skills, knowledge and experience to successfully support and oversee the Company as a member of our Board of Directors. Our Non-Executive Directors receive no compensation from the Company for their service as Directors other than as presented below.

Compensation Component	Purpose / Link to Noble's Business Strategy	How Component Operates	Maximum Opportunity
Annual Retainer	Attract and retain Non-Executive Directors with a diverse set of skills, background and experience Align with market value of role	Reviewed annually by the Board Market data from the peers is taken into consideration as part of this review Paid quarterly, in cash, with up to 100% paid in shares (or a combination of cash and shares) at the Director's election	Not to exceed \$125,000 per year Not to exceed an additional \$500,000 per year for a Non-Executive Chairperson (to the extent one were to be appointed)
Board and Committee Meeting Fees	Attract and retain Non-Executive Directors with a specialised set of skills, background and experience Recognise time devoted to serving Company Align with market value of role	Reviewed annually by the Board Market data from the peers is taken into consideration as part of this review Paid in cash	Not to exceed \$3,000 per meeting
Lead Independent Director and Committee Chairperson Fees	Attract and retain Non-Executive Directors with a specialised set of skills, background and experience Recognise additional time and responsibility associated with role Align with market value of role	Reviewed annually by the Board Market data from the peers is taken into consideration as part of this review Paid in cash	Lead Independent Director: not to exceed \$50,000 per year Committee Chairperson: not to exceed \$50,000 per year
Annual Equity Award	Attract and retain Non-Executive Directors with a diverse set of skills, background and experience Align with market value of role	Reviewed annually by the Board Market data from the peers serves as the primary benchmark Paid in shares	Not to exceed \$350,000 per year at time of grant (based on commonly used valuation methods) Amount subject to increase if the above described cash compensation is reduced or eliminated; cash compensation subject to increase in the event equity-based compensation is reduced or eliminated
Benefits	Facilitate Non-Executive Directors' attendance at meetings Align with market value of role	Includes travel and other relevant out-of-pocket expenses incurred in conjunction with meeting attendance or meeting locations for other company business	Limited to out-of-pocket expenses incurred. These amounts will vary based on meeting/business location and duration of stay
Tax Equalisation	Facilitate Non-Executive Directors' attendance at meetings Align with market value of role	Eligible for tax equalisation payment (calculated on a grossed-up basis) if United Kingdom individual income taxes on the above compensation and benefits are higher than income taxes owed on such compensation and benefits in country of residence	Not to exceed \$150,000 per year (\$250,000 for the Non-Executive Chairperson) (calculated on a grossed-up basis)

Our Non-Executive Directors will only receive compensation for those services outlined in this Policy. There are no contracts or agreements that provide guaranteed amounts payable for service as a Non-Executive Director of Noble, and there are no similar arrangements that provide for any guaranteed compensation (other than for any accrued amounts, if applicable, for services rendered as a Non-Executive Director) upon a Non-Executive Director's termination of service from our Board of Directors.

**NOBLE CORPORATION PLC AND SUBSIDIARIES
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Annual Report on Compensation

The following is provided on an audited basis.

Compensation of Executive Director

The following table presents the compensation of our Executive Director. The 2017 amounts present the compensation of David W. Williams, our former Executive Director, who resigned as Chairman, President and CEO of the Company on 11 January 2018 and retired from the Company on 28 February 2018. Julie J. Robertson was appointed as our Chairman, President and CEO of the Company on 11 January 2018.

	Base Salary		STIP ⁽¹⁾		LTIP ⁽²⁾		Pensions ⁽³⁾		All Other Compensation ⁽⁴⁾		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018 ⁽⁵⁾	2017	2018 ⁽⁵⁾	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Julie J. Robertson	842,917	—	1,439,900	—	869,141	—	—	—	89,268	—	3,241,226	—
David W. Williams	230,193	945,000	—	1,621,620	2,200,319	2,506,858	—	273,105	3,781,813	155,351	6,212,325	5,501,934

⁽¹⁾ STIP payment attributable to 2018 performance and 2017 performance.

⁽²⁾ The amounts disclosed in this column represent the vesting date fair market value of awards as follows:

	PVRSU		TVRSU		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Julie J. Robertson	255,960 ⁽⁶⁾	—	613,181	—	869,141	—
David W. Williams	693,222 ⁽⁶⁾	851,069 ⁽⁷⁾	1,507,097	1,655,789	2,200,319	2,506,858

⁽³⁾ The amounts in this column represent the aggregate change in the actuarial present value of the Executive Director's accumulated benefit under the Salaried Employees' Retirement Plan and the Retirement Restoration Plan for the year. For 2018, the aggregate change in actuarial present value was a negative amount (-\$406,551 for Ms. Robertson and -\$330,567 for Mr. Williams). There are no deferred compensation earnings reported in this column, as the Company's nonqualified deferred compensations plans do not include any amounts that are above-market or preferential earnings on deferred compensation.

⁽⁴⁾ The amounts in this column include foreign tax payments relating to a former expatriate assignment, savings plan contributions, business travel and accident insurance, tax preparation services and other forms of compensation.

⁽⁵⁾ 2018 amounts include separation payments made totaling \$3,750,000 to David W. Williams.

⁽⁶⁾ PVRSU's awarded for the 2015-2017 performance period vested 40.0% and the remaining 60.0% were forfeited in February 2018.

⁽⁷⁾ PVRSU's awarded for the 2014-2016 performance period vested 50.4% and the remaining 49.7% were forfeited in February 2017.

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DIRECTORS' REMUNERATION REPORT & POLICY**

Compensation of Non-Executive Directors

The following table presents the compensation of our Non-Executive Directors during 2018:

	Annual Retainer	Board/ Committee Meeting Fees	Lead Director / Committee Chairman	Total Fees	Annual Equity Award ⁽¹⁾	Other Compensation	Total
	\$	\$	\$	\$	\$	\$	\$
Ashley M. Almanza	25,000	30,000	—	55,000	355,603 ⁽²⁾	711	411,314
Julie H. Edwards	50,000	52,000	10,000	112,000	131,356	282	243,638
Gordon T. Hall	50,000	52,000	32,500	134,500	131,356	282	266,138
Roger W. Jenkins	12,500	6,000	—	18,500	—	—	18,500
Scott D. Josey	50,000	38,000	10,000	98,000	131,356	282	229,638
Jon A. Marshall	50,000	30,000	10,000	90,000	131,356	282	221,638
Mary P. Ricciardello	50,000	44,000	20,000	114,000	131,356	282	245,638
Total	287,500	252,000	82,500	622,000	1,012,383	2,121	1,636,504

⁽¹⁾ The amounts disclosed in this column represent the vesting-date fair market value of awards.

⁽²⁾ The equity award amount for Mr. Almanza includes the vesting date fair market value of his 2018 award which vested early due to his retirement from the board on 19 June 2018.

The following table presents the compensation of our Non-Executive Directors during 2017:

	Annual Retainer	Board/ Committee Meeting Fees	Lead Director / Committee Chairman	Total Fees	Annual Equity Award ⁽¹⁾	Other Compensation	Total
	\$	\$	\$	\$	\$	\$	\$
Ashley M. Almanza	50,000	38,500	—	88,500	—	—	88,500
Michael A. Cawley	37,500	20,500	16,250	74,250	95,416	282	169,948
Julie H. Edwards	50,000	45,500	11,250	106,750	—	—	106,750
Gordon T. Hall	50,000	45,500	34,375	129,875	—	—	129,875
Scott D. Josey	50,000	30,500	2,500	83,000	—	—	83,000
Jon A. Marshall	50,000	41,000	13,750	104,750	—	—	104,750
Mary P. Ricciardello	50,000	30,000	21,250	101,250	—	—	101,250
Total	337,500	251,500	99,375	688,375	95,416	282	784,073

⁽¹⁾ The amounts disclosed in this column represent the vesting-date fair market value of awards.

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DIRECTORS' REMUNERATION REPORT & POLICY**

Option Exercises and Outstanding Options at Fiscal Year End

The following table presents certain information about exercises of options during 2018 and outstanding options at 31 December 2018 held by Julie J. Robertson:

Exercise Price	Expiry Date	Outstanding at 1/1/2018 ⁽¹⁾	Expired	Outstanding at 31/12/2018	Exercisable	Unexercisable
\$						
35.73	7 February 2018	26,138	(26,138)	—	—	—
20.49	25 February 2019	47,018	—	47,018	47,018	—
32.78	6 February 2020	24,934	—	24,934	24,934	—
31.33	4 February 2021	41,792	—	41,792	41,792	—
30.59	3 February 2022	41,210	—	41,210	41,210	—
Total		181,092	(26,138)	154,954	154,954	—

⁽¹⁾ In 2013, we discontinued the use of stock option awards.

The following table presents certain information about exercises of options during 2018 and outstanding options at 31 December 2018 held by David W. Williams:

Exercise Price	Expiry Date	Outstanding at 1/1/2018 ⁽¹⁾	Expired	Outstanding at 31/12/2018	Exercisable	Unexercisable
\$						
35.73	7 February 2018	61,907	(61,907)	—	—	—
20.49	25 February 2019	121,695	—	121,695	121,695	—
32.78	6 February 2020	83,603	—	83,603	83,603	—
31.33	4 February 2021	109,023	—	109,023	109,023	—
30.59	3 February 2022	107,502	—	107,502	107,502	—
Total		483,730	(61,907)	421,823	421,823	—

⁽¹⁾ In 2013, we discontinued the use of stock option awards.

The market price of the company's shares at the end of the financial year was \$2.62. The range of market prices during the 2018 was between \$2.37 and \$7.19.

Performance Against Performance Targets for STIP for our Executive Director

Cash awards under the STIP are earned by reference to the achievement of annual financial, operational, individual and team performance goals and other key accomplishments, and are paid in February following the end of the financial year. The calculation of the performance components of the STIP and the aggregate STIP award paid to the Executive Director for 2018 are shown below. All amounts paid under the STIP are performance-based.

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Components of Performance Bonus	How Determined	Weighting	2018 Results	Component Payout
EBITDA	EBITDA relative to budget	0.55	119%	0.66
Safety results	Total Recordable Incident Rate relative to goal	0.25	200%	0.50
Environmental stewardship	Conduct audits and complete management committed actions in response to audit findings, also to achieve at the maximum level, no audit findings can be categorised as major non-conformities	0.10	200%	0.20
Operational Efficiency	Operational downtime relative to goal	0.10	179%	0.18
			Goal Achievement	1.54
			Amount funded	1.54
			Aggregate STIP Award (\$)	<u>1,439,900</u>

Performance Against Performance Targets for LTIP Vesting for our Executive Director

The following presents the aggregate grant date fair value of the restricted stock units granted in 2018 and 2017:

Year	TVRSU	PVRSU	Total
	\$	\$	\$
Julie J. Robertson - 2018	2,982,095 ⁽¹⁾	2,540,775	5,522,870
David W. Williams - 2017	2,667,792	3,202,817	5,870,609

⁽¹⁾ Includes an inducement award with a grant date fair value of \$1,029,303 and an annual LTIP award with a grant date fair value of \$1,952,792.

Time-Vested Restricted Stock Unit Awards

The following table presents information regarding the TVRSUs outstanding at the beginning and end of the year ended 31 December 2018 for Julie J. Robertson:

Award Date	End of Vesting Period ⁽¹⁾	Unvested RSU's Outstanding at 1/1/2018	RSU's Granted	RSU's Vested	Unvested RSU's Outstanding at 31/12/2018	Market Price Per Share on Grant Date	Market Value Per Share on 2018 Vesting Date	Value on 2018 Vesting Date
						\$	\$	\$
1/29/2015	1/29/2018	22,887	—	22,887	—	15.94	4.94	113,062
1/29/2016	1/29/2019	100,547	—	50,273	50,274	7.79	4.94	248,349
3/2/2017	3/2/2020	162,086	—	54,028	108,058	7.28	4.66	251,770
11/1/2018	11/1/2021	—	183,150	—	183,150	5.62	N/A	N/A
2/2/2018	2/2/2020	—	429,185	—	429,185	4.55	N/A	N/A
Total		285,520	612,335	127,188	770,667			613,181

⁽¹⁾ TVRSUs vest ratably over a two or three-year period.

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The following table presents information regarding the TVRSUs outstanding at the beginning and end of the year ended 31 December 2018 for David W. Williams:

Award Date	End of Vesting Period ⁽¹⁾	Unvested RSU's Outstanding at 1/1/2018	RSU's Granted	RSU's Vested	RSU's Forfeited	Unvested RSU's Outstanding at 31/12/2018	Market Price Per Share on Grant Date	Market Value Per Share on 2018 Vesting Date	Value on 2018 Vesting Date
							\$	\$	\$
1/29/2015	1/29/2018	61,984	—	61,984	—	—	15.94	4.94	306,201
1/29/2016	1/29/2019	255,738	—	127,869	127,869	—	7.79	4.94	631,673
3/2/2017	3/2/2020	366,455	—	122,151	244,304	—	7.28	4.66	569,224
Total		684,177	—	312,004	372,173	—			1,507,098

⁽¹⁾ TVRSUs vest ratably over a three-year period.

Performance-Vested Restricted Stock Unit Awards

The following table presents information regarding the PVRsUs outstanding at the beginning and end of the year ended 31 December 2018 for Julie J. Robertson:

Measurement Period	Vesting Date ⁽¹⁾	Unvested RSU's Outstanding at 1/1/2018	RSU's Granted	RSU's Vested	RSU's Forfeited	Unvested RSU's Outstanding at 12/31/2018 ⁽²⁾	Fair Value Per Share on Grant Date	Market Value Per Share on 2018 Vesting Date	Value on 2018 Vesting Date
							\$	\$	\$
2015-2017	February 2018	137,318	—	54,927	82,391	—	9.12	4.66	255,960
2016-2018	February 2019	352,382	—	—	—	352,382	3.81	N/A	N/A
2017-2019	February 2020	324,172	—	—	—	324,172	4.37	N/A	N/A
2018-2020	February 2021	—	858,370	—	—	858,370	2.96	N/A	N/A
Total		813,872	858,370	54,927	82,391	1,534,924			255,960

⁽¹⁾ PVRsUs vest, if at all, at the end of the three-year measurement period to which they relate.

⁽²⁾ Performance share units are awarded at the maximum level. Expressed at target, awards are 176,191, 162,086 and 429,185 for the measurement periods of 2016-2018, 2017-2019 and 2018-2020, respectively.

The following table presents information regarding the PVRsUs outstanding at the beginning and end of the year ended 31 December 2018 for David W. Williams:

Measurement Period	Vesting Date ⁽¹⁾	Unvested RSU's Outstanding at 1/1/2018	RSU's Granted	RSU's Vested	RSU's Forfeited	Unvested RSU's Outstanding at 12/31/2018 ⁽²⁾	Fair Value Per Share on Grant Date	Market Value Per Share on 2018 Vesting Date	Value on 2018 Vesting Date
							\$	\$	\$
2015-2017	February 2018	371,900	—	148,760	223,140	—	9.12	4.66	693,222
2016-2018	February 2019	896,278	—	—	248,967	647,311	3.81	N/A	N/A
2017-2019	February 2020	732,910	—	—	447,890	285,020	4.37	N/A	N/A
Total		2,001,088	—	148,760	919,997	932,331			693,222

⁽¹⁾ PVRsUs vest, if at all, at the end of the three-year measurement period to which they relate.

⁽²⁾ Performance share units are awarded at the maximum level. Expressed at target, awards are 185,950, 448,139 and 366,455 for the measurement periods of 2015-2017, 2017-2018 and 2018-2019, respectively.

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The performance thresholds presented in the table immediately below were applicable for the 2015-2017 performance cycle.

Noble Ranking Among Drilling Peer Group	Vesting Percentage of Awarded Units
1 st of 9 (Maximum Level)	100.0%
2 nd of 9	87.5%
3 rd of 9	75.0%
4 th of 9	62.5%
5 th of 9 (Target Level)	50.0%
6 th of 9	37.5%
7 th of 9	25.0%
8 th of 9	12.5%
9 th of 9	0%

The performance thresholds presented in the table immediately below were applicable for the 2016-2018 and 2017-2019 performance cycles.

Noble Ranking Among Driller Peer Group	Vesting Percentage of Awarded Units
1 st of 7 (Maximum Level)	100.0%
2 nd of 7	83.3%
3 rd of 7	66.7%
4 th of 7 (Target Level)	50.0%
5 th of 7	33.3%
6 th of 7	16.7%
7 th of 7	0%

The performance thresholds presented in the table immediately below were applicable for the 2018-2020 performance cycle.

Noble Ranking Among Driller Peer Group	Vesting Percentage of Awarded Units
1 st of 5 (Maximum Level)	100.0%
2 nd or 3 rd of 5	Percentage interpolated between 25.0% and 100.0% or the companies in the 1 st and 4 th positions
4 th of 5	25.0%
5 th of 5	0%

**NOBLE CORPORATION PLC AND SUBSIDIARIES
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Pensions

The following table presents certain information about retirement programs and benefits under the defined benefit plans for Julie J. Robertson:

Plan Name	Years of Credited Service ⁽¹⁾	Present Value of Accumulated Benefit ⁽¹⁾⁽²⁾	Payments During 2018	Change in Pension Value and Non- Qualified Deferred Compensation Earnings ⁽³⁾
		\$	\$	\$
Salaried Employees' Retirement Plan ⁽⁴⁾	28	1,215,077	—	—
Retirement Restoration Plan ⁽⁴⁾	28	4,900,660	—	—

(1) Computed as at 31 December 2018.

(2) For purposes of calculating the amounts in this column, retirement age was assumed to be the normal retirement age of 65, as defined in the Salaried Employees' Retirement Plan.

(3) The amounts in this column represent the aggregate change in the actuarial present value of the Executive Director's accumulated benefit under the Salaried Employees' Retirement Plan and the Retirement Restoration Plan for the year. For 2018, the aggregate change in actuarial present value was -\$406,551. There are no deferred compensation earnings reported in this column, as the Company's nonqualified deferred compensations plans do not include any amounts that are above-market or preferential earnings on deferred compensation.

(4) The Plan was amended effective 31 December 2016 to cease future benefit accruals.

Payments to Past/Former Directors

Mr. Williams resigned as Chairman, President and CEO of the Company on 11 January 2018 and retired from the Company on 28 February 2018. Per the terms of his separation agreement, he received payments totaling \$3,750,000.

Payments for Loss of Office

There were no payments for loss of office for the year ended 31 December 2018.

Statement of the Directors Shareholding and Share Interests

We have a share ownership policy that applies to our Directors and Executive Officers and provides for minimum share ownership requirements. The share ownership policy requirement for our Executive Director is five times his/her base salary and for our Non-Executive Directors is six times their annual retainer. Until the policy holding requirements are satisfied, a Director may not sell or dispose of shares for cash. Once a Director meets the applicable stock ownership requirements, the share ownership policy requirements are satisfied even if there is a subsequent drop in the stock price that would result in a shareholding value that is below the threshold, as long as no shares are sold. A Director may not sell or dispose of shares for cash thereafter until the threshold is met. With the exception of Roger W. Jenkins who became a Director in 2018, all of our Directors are in compliance with the share ownership requirements.

**NOBLE CORPORATION PLC AND SUBSIDIARIES
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The following table provides details on the Directors' shareholdings as at 31 December 2018:

Director	Beneficially Owned Shares	Vested but Unexercised Options	Restricted Stock Unit Awards Subject to Performance or Vesting Conditions ⁽¹⁾	Weighted Average Exercise Price of Vested Options \$
Julie J. Robertson	962,784	154,954	2,305,591	28.08
Ashley M. Almanza ⁽²⁾	69,309	—	—	—
Julie H. Edwards	123,771	—	42,918	—
Gordon T. Hall	103,407	—	42,918	—
Roger W. Jenkins ⁽³⁾	—	—	—	—
Scott D. Josey	63,459	—	42,918	—
Jon A. Marshall	128,599	—	42,918	—
Mary P. Ricciardello	150,550	—	42,918	—

⁽¹⁾ TVRSUs are counted for purposes of our ownership guidelines.

⁽²⁾ Mr. Almanza retired from the Board of Directors on 19 June 2018; these are the shares that he held at that time.

⁽³⁾ Mr. Jenkins was appointed to the Board of Directors on 24 October 2018.

Gains made by the Directors on Option Exercises

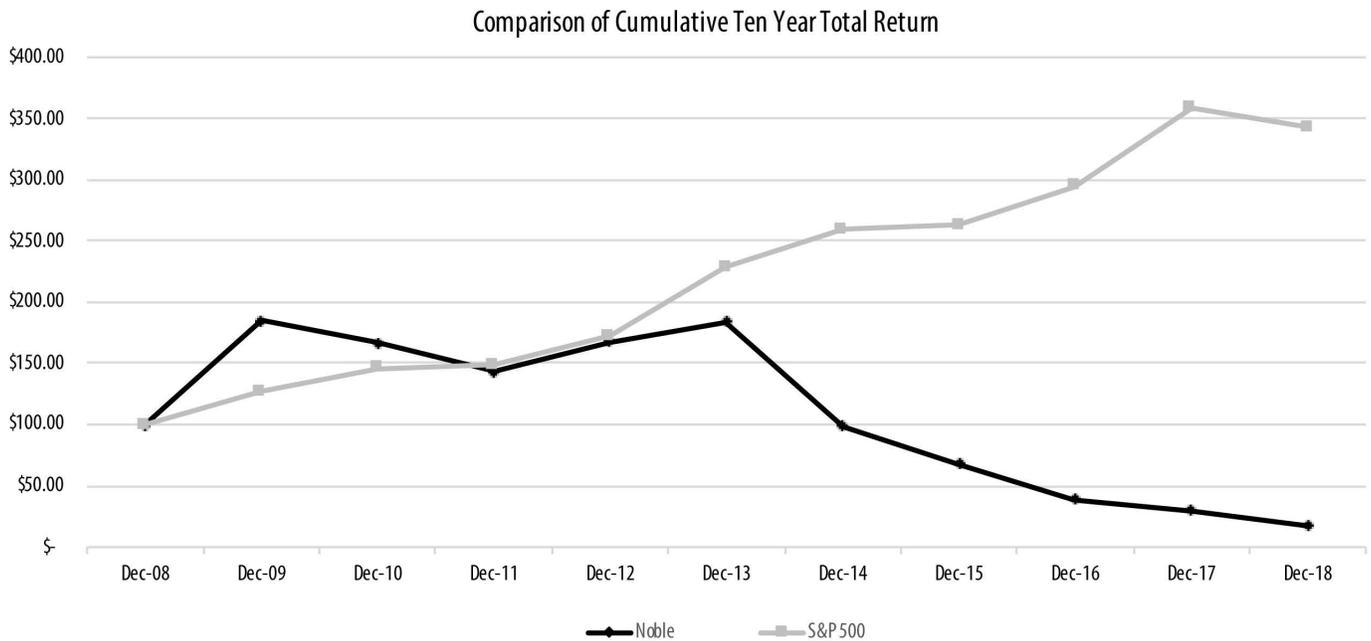
No options were exercised by the Directors during the year ended 31 December 2018.

**NOBLE CORPORATION PLC AND SUBSIDIARIES
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The Following Information is Unaudited.

Stock Performance Graph

The chart below presents a comparison of the ten-year cumulative total return, assuming \$100 was invested on 31 December 2008 for Noble-UK and the Standard & Poor's 500 Index. Total return assumes the reinvestment of dividends, if any, in the security on the ex-dividend date.



Chief Executive Officer's Compensation in the Past Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CEO single figure ⁽¹⁾ (\$)	5,102,182	7,449,875	6,124,526	7,887,455	7,039,906	11,046,727	6,615,399	5,082,017	5,501,934	3,239,969
Bonus (% of maximum awarded)	93%	63%	28%	25%	71%	92%	61%	50%	78%	77%
Performance-based LTI (% of maximum vesting)	50%	44%	—%	21%	—%	45%	—%	56%	50%	40%

⁽¹⁾ CEO compensation is composed of base salary, STIP attributable to the performance year, value of LTIP awards on vesting and all other compensation, as defined on page 30.

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Percentage Change in the Chief Executive Officer's Compensation

The table below shows the percentage year-on-year change in salary, STIP and LTIP award earned between the years ended 31 December 2017 and 2018 for the CEO compared to the average of such compensation for the U.S. shorebased administrative employees who were STIP eligible during each year. This comparative employee group was chosen as the make-up and calculation of their compensation for the categories in the table below most closely resembles that of our CEO.

	Base Salary	STIP	LTIP ⁽¹⁾
CEO	(11.0)%	(11.0)%	(63.0)%
Average of U.S. shorebased administrative employees ⁽²⁾	2.9%	1.5%	(0.4)%

⁽¹⁾ For comparability, this is calculated using the TVRSU award vestings in 2017 and 2018. PVRSU vestings are excluded as the majority of the comparable group are not eligible for these awards.

⁽²⁾ Reflects the change in average pay for U.S. shorebased administrative employees who are STIP eligible employed in both the year ended 31 December 2017 and the year ended 31 December 2018.

Relative Importance of Spend on Pay

The table below shows the total pay for all employees compared to other key financial metrics and indicators:

	Year Ended 31 December		% change
	2018	2017	
Employee costs (\$'000s)	327,510	333,311	(2)%
Average number of employees	2,592	2,548	2 %
Revenues from continuing operations (\$'000s)	1,082,826	1,236,915	(12)%
Loss from continuing operations before income taxes (\$'000s)	(901,427)	(1,036,623)	(13)%

Additional information on the average number of employees, total revenues and income before income taxes has been provided for context. The majority of our workforce (approximately 84%) are located offshore.

Consideration by the Directors of Matters Relating to Directors' Compensation

The compensation committee of our Board is responsible for determining the compensation of our Directors and Executive Officers and for establishing, implementing and monitoring adherence to our compensation policy. The compensation committee operates independently of management and receives compensation advice and data from outside independent advisors.

The compensation committee charter authorises the committee to retain and terminate, as the committee deems necessary, independent advisors to provide advice and evaluation of the compensation of Directors or Executive Officers, or other matters relating to compensation, benefits, incentive and equity-based compensation plans and corporate performance. The compensation committee is further authorised to approve the fees and retention terms of any independent advisor that it retains. The compensation committee has engaged Meridian Compensation Partners, LLC, an independent consulting firm, to serve as the committee's compensation consultant.

The compensation consultant reports to and acts at the direction of the compensation committee and is independent of management, provides comparative market data regarding Executive and Director compensation to assist in establishing reference points for the principal components of compensation and provides information regarding compensation trends in the general marketplace, compensation practices of the Peer Group described below, and regulatory and compliance developments. The compensation consultant regularly participates in the meetings of the compensation committee and meets privately with the committee at each committee meeting.

**NOBLE CORPORATION PLC AND SUBSIDIARIES
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Statement of Voting at General Meeting

At the Annual General Meeting in April 2018, the shareholder advisory vote on executive compensation received the following votes:

	<u>Votes</u>	<u>% of Total Votes</u>
Votes Cast in Favour	96,289,162	63 %
Votes Cast Against	57,404,309	37 %
Total Votes Cast in Favour or Against	153,693,471	100%
Votes Withheld	706,368	

Independent auditors' report to the members of Noble Corporation plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Noble Corporation plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's loss and cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the U.K. Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and parent company statements of financial position as at 31 December 2018; the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated and parent company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Materiality:

- Overall group materiality: \$30 million (2017: \$25 million), based upon our professional judgement, the rationale for the benchmark applied has been set out in detail on page 44.
 - Overall parent company materiality: \$11.6 million (2017: \$14.5 million), based on 1% of total assets.
-

Audit Scope:

- Noble Corporation PLC is a public limited company incorporated under the laws of England and Wales and is listed on the New York Stock Exchange, thus the company is subject to group financial statement audits in both the United Kingdom (UK) and the United States of America (US).
 - The company's headquarters are in London, however it maintains offices in Sugar Land, Texas, where significant worldwide global support activity occurs. We have thus used a component team to perform the on-site testing in the US based on a sub-consolidation of geographical reporting areas, with the group team performing the remainder of the audit work.
-

Key Audit Matters:

- Fixed Asset Impairment (Group).
 - Uncertain Tax Positions (Group).
 - Paragon Litigation (Group and Parent).
 - Valuation of Investments in Subsidiaries (Parent).
-

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Fixed Asset Impairment (Group)</i></p> <p>Noble has 24 rigs and related assets with a net book value of \$4,023.5 million as at 31 December 2018.</p> <p>Due to the current market environment there have been indicators of impairment on specific rigs and related assets and those fixed assets have been subject to impairment testing.</p> <p>An impairment charge of \$648.5 million has been recorded against these balances in the current year.</p> <p>Certain assumptions used in the impairment review are subjective and require estimates to be made to calculate the recoverable amount, determined by value in use, of its rigs and related assets. The key estimates and assumptions assessed include but are not limited to:</p> <ul style="list-style-type: none">• timing of future contract awards• expected operating day rates and future operating costs• forecast utilisation of the rigs• the discount rate applied to future cash flows	<p>We assessed the group's rigs by reference to specification, primarily splitting the fleet between semi-submersible drillships (12 rigs) and jack-up rigs (12 rigs) and applied separate audit procedures to both.</p> <p>Based on the year end contracted position and the lack of deterioration in day rates within the jack up fleet management concluded that there was no impairment trigger for these rigs. We have assessed this conclusion for the jack-up rigs by testing of the current latest contracted position of a sample of the rigs including vouching of day rates and further market assessment of the jack-up marketplace.</p> <p>We performed additional substantive procedures on one jack-up rig which, based on its specific modifications, can be isolated from the remaining fleet, and for which an impairment charge of \$7.9 million was booked in the year.</p> <p>In assessing the remaining drillship fleet of the Noble group we identified 9 rigs for further consideration based upon the underlying assumptions applied to those specific models. The cash flow models for the untested drillships are based on similar assumptions and have sufficient headroom which does not indicate any impairment charge.</p> <p>We tested the directors' value in use model and the process by which it was constructed and tested the integrity of the underlying discounted cash flow model.</p> <p>In respect of the 10 rigs in total that we focused our additional audit procedures on, we assessed the directors' assumptions for future cash flow growth in the plan, by:</p> <ul style="list-style-type: none">• testing the effectiveness of controls specific to property, plant and equipment impairment, including controls over management's review of the assumptions used in the impairment assessment.• agreeing contracted day rates to the historical contracted day rate per the contract summaries for each rig selected for testing.• comparing forecast day rates from current and historical external market reports where possible to the day rates used in the cash flow model.• comparing the daily operating cost and utilisation of rigs assumptions to historical performance and based on our knowledge of the industry. <p>We used our internal valuation specialists and external market data to assess the assumptions used to build the discount rates and observed them to be within a reasonable range. We verified the use of discount rates across all rigs and ensured the mathematical accuracy of its application in the value in use calculations.</p>

Uncertain Tax Positions (Group)

As described in Note 13 to the consolidated financial statements, Noble has a provision for uncertain tax positions, including interest and penalties, of \$183.8 as at 31 December 2018.

The group operates in multiple tax jurisdictions and tax returns filed in those countries are subject to review and examination by local tax authorities with the rules in some jurisdictions being complex to interpret.

The group recognises uncertain tax positions at an amount that management believes to be the best estimate of the potential exposure. Estimates have to be made by the directors on the tax treatment of a number of transactions in advance of the ultimate tax determination being certain.

There is significant judgment and estimation required in determining uncertain tax positions and a risk that all potential tax exposures may not be identified.

We tested the effectiveness of controls relating to the completeness and accuracy of uncertain tax positions and evaluated the process by which the directors calculated each tax exposure. This included testing the probability assessment used in developing the estimated exposure and testing the mathematical accuracy of the underlying calculations.

We tested the completeness of uncertain tax provisions by comparing the schedule of uncertain tax positions by tax jurisdiction to the territories in which Noble operates, including consideration of existing tax audits and issues, settlements and tax law changes which may create new uncertainties.

We also compared the significant permanent and temporary differences in the current provision to the previous provisions to search for uncertainties that could lead to an uncertain tax position.

We held discussions with Noble's tax specialist team throughout the year, in order to keep track of new jurisdictions in which Noble operates or has a material presence. We consulted with our tax specialists in order to identify the impact of any relevant tax law changes and to assess the reasonableness of the significant assumptions within the model.

Paragon Litigation (Group and Parent)

The financial statements disclose significant ongoing legal claims against the company from Paragon Offshore litigation trust relating to the spin-off and subsequent bankruptcy of Paragon Offshore.

The pending litigation alleges significant claims against the company and is seeking damages of approximately \$1.7 billion.

The company continues to believe the claims by the litigation trust are without merit and will be contested and, based on the status of legal procedures, the company is not currently able to make a reasonable estimation of the amount of possible loss they may incur, if any.

The total damages sought from the company is a highly significant balance and there is judgement involved in assessing when an estimate for any future liability can be reliably estimated, and whether the related disclosures sufficiently describe the situation.

We tested the effectiveness of controls relating to legal contingencies, including controls over management's review of commitments and contingencies reserves and disclosures.

We held discussions and confirmed facts with management's internal and external legal experts and reviewed legal letters received from external counsel. We then read the analysis prepared by management concluding that no liability should be recognised.

We reviewed correspondence between parties and discussed the latest position with executive management and those charged with governance at the Group.

We read the disclosures made in note 19 and considered whether they fully included the appropriate facts and disclosures required by considering whether it was consistent with evidence obtained in other areas of the audit.

Valuation of investments in subsidiaries (Parent)

The parent company has an investment in other Noble group subsidiaries, with a carrying value of \$1,163.0 million after an impairment charge of \$307.9 million has been recorded against these balances in the current year.

Due to the current market environment there have been several indicators of impairment of the investment in the Noble group subsidiaries which has resulted in the investments becoming subject to impairment testing.

Our audit focused on the risk that the carrying value of investments in subsidiaries could be overstated.

We evaluated the directors' value in use model and the process by which it was drawn up and ensured that the model was properly constructed and tested the integrity of the underlying discounted cash flow model.

We assessed the directors' assumptions for future cash flow growth in the plan, by testing the sample of rigs as noted above in "Fixed Asset Impairment", by:

- agreeing contracted day rates to the historical contracted day rate per the contract summaries for each rig selected for testing.
- comparing forecast day rates from current and historical external market reports where possible to the day rates used in the cash flow model.
- comparing the daily operating cost and utilisation of rigs assumptions to historical performance and on our knowledge of the industry.

We reviewed the reconciliation of the market capitalisation of the group to the recoverable amount of the investment.

We used our internal valuation specialists and external market data to assess the assumptions used to build the discount rates and observed them to be within a reasonable range. We verified the use of a discount rate across all rigs and ensured the mathematical accuracy of its application in the value in use calculations.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

Our component team performed a financial statement audit on the US group financial statements prepared under US GAAP under our direction and supervision. Any additional work required to comply with the statutory requirements in the UK, which include reporting in accordance with IFRSs as adopted by the European Union and the Companies Act 2006, has been carried out by the group team.

The Company has several different regional locations which serve as shore-based rig and accounting support centres. The component regions are United States, Europe and Mediterranean, Middle East and India, Africa, Far East, Central America, South America, Oceania, Canada and a separate Corporate region which provides oversight.

We identified 3 components (United States, Europe and Mediterranean, Middle East and India), which, in our view, required an audit of the complete financial information based on its contribution to group revenue and assets and associated risk relating to the component.

In determining the nature, timing, and extent of audit procedures to be performed at non-significant components, we performed analytical procedures at a group level.

Based on the results of the analytical procedures, we determined that specified audit procedures were required at selected components, not identified as significant components, to address specific risk characteristics or to provide sufficient overall group coverage of particular financial statement line items.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	<i>Group financial statements</i>	<i>Parent company financial statements</i>
<i>Overall materiality</i>	\$30 million (2017: \$25 million).	\$11.6 million (2017: \$14.5 million).
<i>How we determined it</i>	See below.	1% of total assets.
<i>Rationale for benchmark applied</i>	Based on the highly cyclical nature of Noble's business, we have concluded that pre-tax income or loss for the current year is not the most meaningful benchmark for determining overall materiality. Thus, we have considered alternative benchmarks including total revenues, EBITDA and total assets. These benchmarks yielded materiality levels ranging from \$8 million to \$103 million. We used our professional judgement to determine an overall materiality level of \$30 million.	We believe that total assets is the primary measure used by shareholders in assessing the performance of the entity. The parent company is primarily a holding company with investments in subsidiary companies.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between \$9.0 million and \$28.5 million.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$3 million (Group audit) (2017: \$2.5 million) and \$1.2 million (Parent company audit) (2017: \$1.5 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 and ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the 'Statement of Directors' Responsibilities in Respect of the Preparation of the Financial Statements set out on page 18, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Miles Saunders (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
8 March 2019

NOBLE CORPORATION PLC AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Year Ended	
		31 December 2018	31 December 2017
		\$'000	\$'000
Revenue	4	1,082,826	1,236,915
Expenditures			
Operating costs pre-impairment loss	5	(1,039,410)	(1,099,329)
Impairment loss	5	(648,483)	(883,175)
	5	(1,687,893)	(1,982,504)
Operating loss		(605,067)	(745,589)
Finance costs	6	(304,662)	(296,483)
Finance income	6	8,302	5,449
Net finance costs		(296,360)	(291,034)
Loss before income tax		(901,427)	(1,036,623)
Income tax credit	13	130,557	9,803
Net loss from continuing operations		(770,870)	(1,026,820)
Net loss from discontinued operations, net of tax	7	—	(1,486)
Net loss for the year		(770,870)	(1,028,306)
Less net loss/(income) attributable to non-controlling interests	9	85,104	(18,740)
Net loss attributable to Noble Corporation plc		(685,766)	(1,047,046)
Net loss attributable to Noble Corporation plc:			
Loss from continuing operations, less non-controlling interests		(685,766)	(1,045,560)
Net loss from discontinued operations, net of tax	7	—	(1,486)
Net loss attributable to Noble Corporation plc		(685,766)	(1,047,046)
Basic and diluted loss per share:	8		
Loss from continuing operations (\$)		(2.78)	(4.27)
Loss from discontinued operations (\$)		—	(0.01)
Net loss attributable to Noble Corporation plc (\$)		(2.78)	(4.28)
Weighted average shares ('000's)		246,614	244,743

See accompanying notes to the consolidated financial statements.

NOBLE CORPORATION PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Year Ended	
		31 December 2018	31 December 2017
		\$'000	\$'000
Net loss for the year		(770,870)	(1,028,306)
Other comprehensive (expenses)/income			
<i>Items that will be reclassified to income statement in subsequent years:</i>			
Foreign currency translation adjustments	18	(2,729)	990
<i>Items that will not to be reclassified to income statement in subsequent years:</i>			
Re-measurements of retirement benefit obligations, gross of tax	13	(18,111)	13,604
Re-measurements of retirement benefit obligations, tax (expense)/credit	13	3,251	(7,707)
Total other comprehensive (expense)/income, net of tax	18	(17,589)	6,887
Total comprehensive loss for the year, net of tax		(788,459)	(1,021,419)
Less total comprehensive expense/(income) for the year attributable to non-controlling interests	9	85,104	(18,740)
Total comprehensive loss for the year attributable to Noble Corporation plc		(703,355)	(1,040,159)

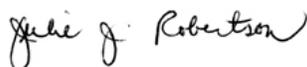
See accompanying notes to the consolidated financial statements.

NOBLE CORPORATION PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	As at 31 December 2018	As at 31 December 2017	As at 31 December 2016
		\$'000	\$'000	\$'000
Assets				
Non-current assets				
Property and equipment	10	4,023,507	4,690,455	5,840,484
Deferred tax assets	13	127,338	42,449	103,658
Trade and other receivables	11	106,489	106,255	90,805
Total non-current assets		4,257,334	4,839,159	6,034,947
Current assets				
Cash and cash equivalents	12	375,232	662,829	725,722
Trade and other receivables	11	263,326	270,801	411,412
Taxes receivable	13	20,498	105,345	55,480
Total current assets		659,056	1,038,975	1,192,614
Total assets		4,916,390	5,878,134	7,227,561
Liabilities				
Non-current liabilities				
Interest bearing loans and borrowings	14	3,877,402	3,795,867	4,040,238
Deferred tax liabilities	13	1,056	402	4,505
Trade and other payables	15	251,369	283,677	276,080
Retirement benefit obligations	16	44,152	30,746	46,398
Total non-current liabilities		4,173,979	4,110,692	4,367,221
Current liabilities				
Interest bearing loans and borrowings	14	—	249,843	299,882
Trade and other payables	15	333,929	305,398	283,035
Taxes payable	13	28,960	33,965	46,561
Retirement benefit obligations	16	1,062	—	—
Total current liabilities		363,951	589,206	629,478
Total liabilities		4,537,930	4,699,898	4,996,699
Equity				
Share capital	18	2,468	2,450	2,432
Other reserves	18	668,364	669,846	637,270
(Accumulated losses)/retained earnings		(469,482)	216,147	1,263,226
Equity attributable to equity holders of the parent		201,350	888,443	1,902,928
Non-controlling interests		177,110	289,793	327,934
Total equity		378,460	1,178,236	2,230,862
Total liabilities and equity		4,916,390	5,878,134	7,227,561

See accompanying notes to the consolidated financial statements.

The financial statements of Noble Corporation plc (registered number 08354954) were approved by the Board of Directors on 8 March 2019. They were signed on behalf of the Board by:



Julie J. Robertson
Executive Director

NOBLE CORPORATION PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital	Share Premium	Other Reserves	Retained Earnings/ Accumulated Losses	Non- Controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2017	2,432	—	637,270	1,263,226	327,934	2,230,862
Net (loss)/income for the year	—	—	—	(1,047,046)	18,740	(1,028,306)
Other comprehensive income	—	—	6,887	—	—	6,887
Total comprehensive (loss)/income	—	—	6,887	(1,047,046)	18,740	(1,021,419)
Amortisation of share-based compensation	—	—	30,050	—	—	30,050
Issuance of share-based compensation shares	18	—	(23)	—	—	(5)
Shares withheld from taxes on equity activity	—	—	(4,338)	—	—	(4,338)
Dividends	—	—	—	(33)	—	(33)
Dividends paid to non-controlling interests	—	—	—	—	(56,881)	(56,881)
Balance as at 31 December 2017	2,450	—	669,846	216,147	289,793	1,178,236
Adjustment for adoption of IFRS 15 ⁽¹⁾	—	—	—	(1,488)	—	(1,488)
Balance as at 1 January 2018	2,450	—	669,846	214,659	289,793	1,176,748
Net loss for the year	—	—	—	(685,766)	(85,104)	(770,870)
Other comprehensive loss	—	—	(17,589)	—	—	(17,589)
Total comprehensive loss	—	—	(17,589)	(685,766)	(85,104)	(788,459)
Amortisation of share-based compensation	—	—	19,613	—	—	19,613
Issuance of share-based compensation shares	18	—	(18)	—	—	—
Shares withheld from taxes on equity activity	—	—	(3,488)	—	—	(3,488)
Dividend equivalents ⁽²⁾	—	—	—	80	—	80
Dividends paid to non-controlling interests	—	—	—	—	(27,579)	(27,579)
Tax effect of intra-entity transfers	—	—	—	1,545	—	1,545
Balance as at 31 December 2018	2,468	—	668,364	(469,482)	177,110	378,460

⁽¹⁾ See “Note 4— Revenue.”

⁽²⁾ Activity associated with dividend equivalents, which are related to 2016 performance awards to be paid upon vesting.

See accompanying notes to the consolidated financial statements.

NOBLE CORPORATION PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Year Ended	
		31 December 2018	31 December 2017 (as restated)
		\$'000	\$'000
Operating activities			
Net loss for the year		(770,870)	(1,028,306)
Adjustments to reconcile net loss to net cash from operating activities:			
Depreciation and amortisation	5	294,526	368,662
Loss on impairment	5	648,483	883,175
Loss on extinguishment of debt	6	1,793	—
Deferred income tax provision	13	(80,947)	(5,355)
Share-based compensation expense	17	19,613	30,051
Other long-term asset write-off		—	29,032
Other changes in assets and liabilities	10,14	59,253	139,421
Net cash generated from operating activities		<u>171,851</u>	<u>416,680</u>
Investing activities			
Capital expenditures	10	(194,779)	(120,707)
Proceeds from disposal of assets	10	5,402	2,382
Net cash used in investing activities		<u>(189,377)</u>	<u>(118,325)</u>
Financing activities			
Repayments of long-term debt	14	(972,708)	(300,000)
Issuance of senior notes	14	750,000	—
Deferred issuance costs	14	(15,639)	(42)
Net outflow from employee stock transactions	17	(3,470)	(4,325)
Dividends paid to joint venture partners	9	(27,579)	(56,881)
Net cash used in financing activities		<u>(269,396)</u>	<u>(361,248)</u>
Net change in cash, cash equivalents and restricted cash		<u>(286,922)</u>	<u>(62,893)</u>
Cash, cash equivalents and restricted cash, beginning of year	12, 2.13	<u>662,829</u>	<u>725,722</u>
Cash, cash equivalents and restricted cash, end of year	12, 2.13	<u><u>375,907</u></u>	<u><u>662,829</u></u>

See accompanying notes to the consolidated financial statements.

NOBLE CORPORATION PLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1— General Information

Noble Corporation plc (“Noble-UK” or “Group” or “Company” or “we”), is a public limited company incorporated in the United Kingdom under the Companies Act and listed on the New York Stock Exchange. The address of the registered office is 10 Brook Street, Second Floor, London, England, W1S1BG.

We are a leading offshore drilling contractor for the oil and gas industry. We provide contract drilling services to the international oil and gas industry with our global fleet of mobile offshore drilling units. As of the filing date of this Annual Report, our fleet of 24 drilling rigs consisted of eight drillships, four semisubmersibles and 12 jackups.

At 31 December 2018, our fleet was located in Canada, Far East, Asia, Africa, the Middle East, the North Sea, Oceania, the Black Sea, South America and the U.S. Gulf of Mexico. Noble and its predecessors have been engaged in the contract drilling services of oil and gas wells since 1921.

The Company's registration number is 08354954.

Note 2— Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented.

2.01 —Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“E.U.”) and interpretations issued by the IFRS Interpretations Committee (“IFRS IC”). The financial statements have been prepared on a historical cost basis, except for where otherwise disclosed.

The consolidated financial statements were authorised for issue by the Board of Directors on 8 March 2019.

2.02 —Going Concern

Management has considered whether the use of the going concern basis is appropriate for the preparation of these consolidated financial statements, based upon the financial position and cash requirements of the Company for the period of 12 months from the date of signing of these financial statements. We have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, we continue to adopt the going concern basis in preparing the consolidated financial statements.

2.03 —Standards Issued but not yet Effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

IFRS 16	Leases
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS IC Interpretation 23	Uncertainty over Income Tax Treatments

IFRS 16 Leases

IFRS 16 *Leases* was issued in January 2016 and it replaces IAS 17 *Leases*, IFRS IC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., copiers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the

NOBLE CORPORATION PLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. We estimate that at adoption, our right-of-use asset and corresponding lease liability will be approximately \$28.0 million.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases, commencing subsequent to adoption, using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

The primary impact on lessor accounting is the requirement under IFRS 16 to consider if a contract contains a lease component. Under the updated accounting standards, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

We have preliminarily determined that our drilling contracts contain a lease component, and our adoption, therefore, will require that we separately disclose revenues associated with the lease and service components of our contracts. Our adoption, and the ultimate effect on our consolidated financial statements, will be based on an evaluation of the contract-specific facts and circumstances which is ongoing. We note that there will be no impact to the overall disclosed revenue from contracts with customers, but based on our current estimations we believe the lease component, which will be disclosed separately in the year of adoption, will represent an amount somewhere in the range of 30% - 35% of total revenue.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

Our adoption will have an impact on how our consolidated financial statements and related disclosures will be presented.

IFRS IC Interpretation 23 Uncertainty over Income Tax Treatments

In June 2017, the IASB issued IFRS IC Interpretation 23 Uncertainty over Income Tax Treatments (the Interpretation) which clarifies application of the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable income (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. These amendments are not expected to have any significant impact on the Group.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. We are currently evaluating the impact of these amendments and do not expect our adoption to have material impact on the Group.

NOBLE CORPORATION PLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.04 — Basis of Consolidation

(a) Acquisitions of entities controlled by the Group

Subsidiaries and joint ventures are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

We maintain a 50 percent interest in five joint ventures. Two of the joint ventures are with a subsidiary of Royal Dutch Shell plc (“Shell”), that own and operate the two *Bully*-class drillships. The Group also has three joint ventures, Sedco Dubai, Noble Drilling Arabia Company Ltd and Noble Drilling Doha LLC which allows Noble to participate and operate in certain jurisdictions. We have determined that we direct and control the most relevant activities of these joint ventures and are thus exposed to a greater amount of variable returns. Accordingly, we consolidate the entities in our consolidated financial statements. See “Note 3— Critical Accounting Judgements, Estimates and Assumptions” for additional information.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group with any differences expressed into goodwill. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in income or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group’s accounting policies.

(b) Disposal of controlled entities

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in income or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to income or loss.

2.05 — Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

We report our contract drilling operations as a single reportable segment, Contract Drilling Services, which reflects how we manage our business, and the fact that all of our drilling fleet is dependent upon the worldwide oil industry.

2.06 — Fair Value Measurement

The Group measures certain financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.07 — Revenue Recognition

On 1 January 2018, the Company adopted IFRS 15 *Revenue from Contracts with Customers*. Under IFRS 15, revenue from contracts with customers is recognised as or when the Group satisfies a performance obligation by transferring a promised good or service to a customer. The accounting for revenue under IFRS 15 does not represent a substantive change from the Group's previous practice for recognising revenue from sales to customers.

Noble elected to apply the 'modified retrospective' approach to transition permitted by IFRS 15 under which comparative financial information is not restated. We recognised a cumulative effect of \$1.5 million as an adjustment to the opening balance of retained earnings as of 1 January 2018, which is our date of initial adoption.

The activities that primarily drive the revenue earned in our drilling contracts include (i) providing a drilling rig and the crew and supplies necessary to operate the rig, (ii) mobilising and demobilising the rig to and from the drill site, and (iii) performing rig preparation activities and/or modifications required for the contract. Consideration received for performing these activities may consist of dayrate drilling revenue, mobilisation and demobilisation revenue, contract preparation revenue and reimbursement revenue. We account for these integrated services provided within our drilling contracts as a single performance obligation satisfied over time and comprised of a series of distinct time increments in which we provide drilling services.

Our standard drilling contracts require that we operate the rig at the direction of the customer throughout the contract term (which is the period we estimate to benefit from the corresponding activities and generally ranges from two to 60 months). The activities performed and the level of service provided can vary hour to hour. Our obligation under a standard contract is to provide whatever level of service is required by the operator, or customer, over the term of the contract. We are, therefore, under a stand-ready obligation throughout the entire contract duration. Consideration for our stand-ready obligation corresponds to distinct time increments, though the rate may be variable depending on various factors, and is recognised in the period in which the services are performed. The total transaction price is determined for each individual contract by estimating both fixed and variable consideration expected to be earned over the term of the contract. We have elected to exclude from the transaction price measurement all taxes assessed by a governmental authority. See further discussion regarding the allocation of the transaction price to the remaining performance obligations below.

The amount estimated for variable consideration may be subject to interrupted or restricted rates and is only included in the transaction price to the extent that it is probable that a significant reversal of previously recognised revenue will not occur throughout the term of the contract ("constrained revenue"). When determining if variable consideration should be constrained, management considers whether there are factors outside the Company's control that could result in a significant reversal of revenue as well as the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required.

Dayrate Drilling Revenue. Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted or restricted. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore, recognised in line with the contractual rate billed for the services provided for any given hour.

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Mobilisation/Demobilisation Revenue. We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the mobilisation and demobilisation of our rigs. These activities are not considered to be distinct within the context of the contract and, therefore, the associated revenue is allocated to the overall performance obligation and the associated pre-operating costs are deferred. We record a contract liability for mobilisation fees received and a deferred asset for costs. Both revenue and pre-operating costs are recognised ratably over the initial term of the related drilling contract.

In most contracts, there is uncertainty as to the amount of expected demobilisation revenue due to contractual provisions that stipulate that certain conditions must be present at contract completion for such revenue to be received and as to the amount thereof, if any. For example, contractual provisions may require that a rig demobilise a certain distance before the demobilisation revenue is payable or the amount may vary dependent upon whether or not the rig has additional contracted work within a certain distance from the wellsite. Therefore, the estimate for such revenue may be constrained, as described earlier, depending on the facts and circumstances pertaining to the specific contract. We assess the likelihood of receiving such revenue based on past experience and knowledge of the market conditions. In cases where demobilisation revenue is expected to be received upon contract completion, it is estimated as part of the overall transaction price at contract inception or the applicable reporting date and recognised in earnings ratably over the initial or remaining term of the contract with an offset to an accretive contract asset.

Contract Preparation Revenue. Some of our drilling contracts require downtime before the start of the contract to prepare the rig to meet customer requirements. At times, we may be compensated by the customer for such work (on either a fixed lump-sum or variable dayrate basis). These activities are not considered to be distinct within the context of the contract and, therefore, the related revenue is allocated to the overall performance obligation and recognised ratably over the initial term of the related drilling contract. We record a contract liability for contract preparation fees received, which is amortised ratably to contract drilling revenue over the initial term of the related drilling contract.

Bonuses, Penalties and Other Variable Consideration. We may receive bonus increases to revenue or penalty decreases to revenue. Based on historical data and ongoing communication with the operator/customer, we are able to reasonably estimate this variable consideration. We will record such estimated variable consideration and re-measure our estimates at each reporting date. For revenue estimated, but not received, we will record to “Trade and other receivables” on our Consolidated Statement of Financial Position.

Capital Modification Revenue. From time to time, we may receive fees from our customers for capital improvements to our rigs to meet contractual requirements (on either a fixed lump-sum or variable dayrate basis). Such revenue is allocated to the overall performance obligation and recognised ratably over the initial term of the related drilling contract as these activities are integral to our drilling activities and are not considered to be a stand-alone service provided to the customer within the context of our contracts. We record a contract liability for such fees and recognise them ratably as contract drilling revenue over the initial term of the related drilling contract.

Revenues Related to Reimbursable Expenses. We generally receive reimbursements from our customers for the purchase of supplies, equipment, personnel services and other services provided at their request in accordance with a drilling contract or other agreement. Such reimbursable revenue is variable and subject to uncertainty, as the amounts received and timing thereof is highly dependent on factors outside of our influence. Accordingly, reimbursable revenue is constrained revenue and not included in the total transaction price until the uncertainty is resolved, which typically occurs when the related costs are incurred on behalf of a customer. We are generally considered a principal in such transactions and record the associated revenue at the gross amount billed to the customer as “Revenue” in our Consolidated Income Statement. Such amounts are recognised ratably over the period within the contract term, during which the corresponding goods and services are to be consumed.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest method. The effective interest method is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the income statement.

2.08 —Income Taxes

Income taxes are based on the laws and rates in effect in the countries in which operations are conducted or in which we or our subsidiaries are considered resident for income tax purposes. In certain circumstances, we expect that, due to changing demands of the offshore drilling markets and the ability to redeploy our offshore drilling units, certain of such units will not reside in a location long enough to give rise to future tax consequences. As a result, no deferred tax asset or liability has been recognised in these circumstances. Should our expectations change regarding the length of time an offshore drilling unit will be used in a given location, we will adjust deferred taxes accordingly.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable incomes will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside income or loss is recognised outside income or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in income or loss.

We operate through various subsidiaries in numerous countries throughout the world, including the United States. Consequently, we are subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in the U.S., U.K. or jurisdictions in which we or any of our subsidiaries operate or are resident. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that the expense was incurred. If the U.S. Internal Revenue Service (“IRS”) or other taxing authorities do not agree with our assessment of the effects of such laws, treaties and regulations, this could have a material adverse effect on us including the imposition of a higher effective tax rate on our worldwide earnings or a reclassification of the tax impact of our significant corporate restructuring transactions. We will not recognise the benefit of income tax positions we believe are probably to be disallowed upon challenge by a tax authority. The tax and penalty associated with an uncertain income tax position are measured based on the single best estimate of the most likely outcome.

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2.09 — Foreign Currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency) which is U.S. dollars. Unless otherwise stated, the consolidated financial statements are presented in U.S. dollars, which is the Group's functional as well as presentation currency. Non-U.S. dollar transaction gains and losses are recognised in income or loss.

Transactions and balances

Although we are a U.K. company, we define foreign currency as any non-U.S. denominated currency.

In non-U.S. locations where the U.S. Dollar has been designated as the functional currency (based on an evaluation of factors including the markets in which the subsidiary operates, inflation, generation of cash flow, financing activities and intercompany arrangements), local currency transaction gains and losses are included in income or loss.

In non-U.S. locations where the local currency is the functional currency, monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange on the reporting date, while statement of operations items denominated in foreign currencies are translated at average rates of exchange during the year. Foreign exchange gains and losses arising on transactions are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of transaction with no further re-measurement in future.

Foreign operations

For the preparation of consolidated financial statements, the differences arising on translation of financial statements of foreign operations into USD are recognised in other comprehensive income and accumulated in the translation reserve except to the extent of share of non-controlling interests in such differences. Accumulated translation differences are re-cycled to income or loss on derecognition of foreign operations as part of the gain or loss on such derecognition. In case of partial derecognition, accumulated differences proportionate to the stake derecognised are re-cycled.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in the translation reserve.

2.10 — Financial Assets

Initial recognition and subsequent measurement

IFRS 9 *Financial Instruments* replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 *Financial Instruments* from 1 January 2018 resulted in changes in accounting policies but without restating comparative information. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through income or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. From a review of the Group financial statements, the Group has concluded the following classification changes to have taken place as a result of IFRS 9 adoption:

- All financial instruments previously classified as loans and receivables under IAS 39 are classified and measured at amortised cost under IFRS 9; and
- Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial instruments not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. As such, fair value through income or loss represents a 'residual' category. Financial assets that are held for trading and those managed on a fair value basis are also included in this category.

Reclassification

IFRS 9 requires financial assets to be reclassified between measurement categories when, and only when, the entity's business model for managing them changes. This is a significant event and thus is expected to be uncommon.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

IFRS 9 introduces a new expected credit loss model which broadens the information that an entity is required to consider when determining its expectations of impairment. Under this new model, expectations of future events must be taken into account and this could result in the earlier recognition of larger impairments.

The Group has adopted the simplified expected credit loss model for its trade receivables and contract assets, in accordance with IFRS 9, paragraph 5.5.15. This simplified approach to measuring expected credit losses uses a lifetime expected loss allowance for all classes of financial assets.

Trade receivables are carried at cost less allowances for loss. The allowance loss measurement is then determined by applying a simplified approach equalling the lifetime expected credit losses. Under this approach the tracking of credit is not required but instead the base expected credit loss at all times is applied. An allowance for loss is made for potentially impaired receivables during the year in which they are identified based on a periodic review of outstanding amounts. Trade receivables are deemed impaired when there is an indication of significant financial difficulties of the debtor.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate ("EIR").

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the Consolidated Income Statement. Interest income (recorded as finance income in the Consolidated Income Statement) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the Consolidated Income Statement.

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2.11 — Financial Liabilities

Initial recognition and measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities and the adoption of IFRS 9 has therefore not had a significant effect on the Group's accounting policies related to financial liabilities nor derivative financial instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through income or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. However, if certain conditions are met, an asset may subsequently need to be reclassified.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through income or loss

Financial liabilities at fair value through income or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through income or loss.

The Group has not designated any financial liabilities at fair value through income or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in income or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 — Derivative Financial Instruments and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- (b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

We periodically enter into derivative instruments to manage our exposure to fluctuations in interest rates and foreign currency exchange rates. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in

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fair values or cash flows of hedged items. We do not engage in derivative transactions for speculative or trading purposes, nor are we a party to leveraged derivatives.

Cash Flow Hedges

Several of our regional shorebases, including our North Sea operations, have a significant amount of their cash operating expenses payable in local currencies. To limit the potential risk of currency fluctuations, we periodically enter into forward contracts, which settle monthly in the operations' respective local currencies.

For foreign currency forward contracts, hedge effectiveness is evaluated at inception based on the matching of critical terms between derivative contracts and the hedged item. Any change in fair value resulting from ineffectiveness is recognised immediately in income and loss statement.

2.13 — Restatement of Prior Period Consolidated Statement of Cash Flows

During the preparation of our 2018 financial statements, we identified a computational error that resulted in misstatements of certain line items on the Consolidated Statement of Cash Flows for for the year ended 31 December 2017. See “Note 28— Restatement of Prior Period Consolidated Statement of Cash Flows.”

2.14 — Restricted Cash

We classify restricted cash balances in current assets if the restriction is expected to expire or otherwise be resolved within one year and in other assets if the restriction is expected to expire or otherwise be resolved in more than one year. As at 31 December 2018, our restricted cash balance consisted of \$0.7 million of restricted cash accounts for interest payments associated with our financing of the *Noble Johnny Whitstine*, is recorded in Trade and other receivables. As at 31 December 2017, we had no restricted cash balances.

2.15 — Trade and Other Receivables

Trade receivables are amounts due from customers for contract drilling services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, which is based on the expected credit loss model.

2.16 — Trade and Other Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 — Property and Equipment

Property and equipment is shown at cost less accumulated depreciation and reduced by provisions to recognise economic impairment at the end of each reporting period. Property and equipment costs are recognised at the time they are incurred and include costs incurred to initially acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. In connection with the Company's first-time adoption of IFRS, IFRS 1 allows the entity to elect to treat the fair value of property and equipment at the date of transition as the deemed cost for IFRS. Noble elected to treat the fair value of certain of our property and equipment as the deemed cost at 1 January 2016, our date of transition.

Scheduled maintenance of equipment is performed based on the number of hours operated in accordance with our preventative maintenance program. Routine repair and maintenance costs are charged to expense as incurred; however, the costs of the overhauls and asset replacement projects that benefit future periods and which typically occur every three to five years are capitalised when incurred and depreciated over an equivalent period if they meet the asset recognition criteria under IAS 16. When assets are sold, retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the gain or loss is recognised.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, as well as exchange rate differences from foreign currency are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are offset by investment income earned on those borrowings. For borrowings associated with a specific qualifying asset, actual borrowing costs are capitalised.

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Drilling equipment and facilities are depreciated using the straight-line method over their estimated useful lives as of the date placed in service or date of major refurbishment. Noble componentises subsequent drilling equipment, replacement upgrades (DERU) and overhauls added after the initial in-service date of the rig. The costs are recognised as part of the carrying value of the asset if they meet the recognition criteria under IAS 16 and depreciated on a straight-line basis over the useful life of the component. These items are generally capitalised and depreciated over a three or five year period depending upon the corresponding regulatory requirements for overhauling and recertifying the equipment. Noble also componentises drill pipe (tubulars), as well as its aluminium risers and depreciates them over three and seven years, respectively. Major refurbishments and improvements when completed are depreciated over the shorter of, the period benefiting from these enhancements or, remaining useful life of the rig. Other items of property and equipment are depreciated using the straight-line method over their respective useful lives ranging from three to forty years.

Construction in progress, which includes capital spares, are not depreciated until they are placed in service. Then, they are depreciated on the straight-line method, over their estimated useful lives from the date placed in service.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Component	Useful Life
Drilling Rigs (complete unit)	25 or 30 years
Major Equipment, Refurbishments & Improvements	Remaining estimated useful life of rig
Drilling Equipment Replacement & Upgrades (DERU)	3 or 5 years
Aluminum Alloy Drilling Risers	7 years
Drill Pipe	3 years
Other (Buildings, IT, Office Equipment & Furniture)	3 - 40 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount see "Note 2.18 — Impairment of Non-Financial Assets."

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Net operating costs' in the income statement.

2.18 — Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU's") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover the life of the CGU.

Impairment losses of continuing operations are recognised in the income statement categories consistent with the function of the impaired asset

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. Such an indication would include new contract dayrates at or above mid-cycle dayrates, a sustained increase in backlog, or our market valuation significantly exceeding the value of our CGUs. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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2.19 — Provisions and Contingencies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are split between amounts expected to be settled within 12 months of the date of the consolidated statement of financial position (current) and amounts expected to be settled later (non-current).

Contingent liabilities

Contingent liabilities are (i) possible obligations whose existence will only be confirmed by future events not wholly within the control of the company or (ii) present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities that are not recognised in the consolidated financial statements are disclosed, unless the possibility of an outflow of economic resources is considered probable. The Group reviews its contingent liabilities on a regular basis to re-assess its conclusions related to provisioning.

Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is not recognised until their realisation is virtually certain and an asset is then recognised for the same in line with applicable IFRS. The Group reviews its contingent assets on a regular basis to re-assess its conclusions related to recognition.

2.20 — Employee Benefits

Defined benefit plan obligations

Noble maintains various post-employment Schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to income or loss in subsequent periods.

Past service costs are recognised immediately in net operating costs in the income statement.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation under Net operating cost in the consolidated income statement:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;
- Net interest expense or income; and
- Remeasurements.

The defined benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans, known as the asset ceiling. An asset ceiling limits the net defined benefit asset recognised and is applied when the Company is not able to control and does not have the unconditional right to a refund under the plan rules.

A curtailment occurs when an entity significantly reduces the number of employees covered by a plan. A curtailment may arise from an isolated event, such as the closing of a plant, discontinuance of an operation or termination or suspension of a plan.

Gains or losses on the settlement of a defined benefit plan are recognised when the settlement occurs.

The gain or loss on a settlement is the difference between:

- the present value of the defined benefit obligation being settled, as determined on the date of settlement; and
- the settlement price, including any plan assets transferred and any payments made directly by the entity in connection with the settlement.

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Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. See “Note 17— Share Based Payments” for further information.

2.21 — Insurance Reserves

We maintain various levels of self-insured retention for certain losses including property damage, loss of hire, employment practices liability, employers’ liability and general liability, among others. We accrue for property damage and loss of hire charges on a per event basis.

Employment practices liability claims are accrued based on actual claims during the year. Maritime employer’s liability claims are generally estimated using actuarial determinations. General liability claims are estimated by our internal claims department by evaluating the facts and circumstances of each claim (including incurred but not reported claims) and making estimates based upon historical experience with similar claims. At 31 December 2018 and 2017, loss reserves for personal injury and protection claims totalled \$22.4 million and \$22.0 million, respectively, and such amounts are included in “Other current liabilities” in the accompanying consolidated statement of financial position.

2.22 — Earnings Per Share

Basic EPS amounts are calculated by dividing the income for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the income attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Our unvested share-based payment awards, which contain non-forfeitable rights to dividends, are participating securities and are included in the computation of earnings per share pursuant to the “two-class” method. The “two-class” method allocates undistributed earnings between common shares and participating securities.

For year-to-date and annual computations, regardless of whether the period has income or loss, the number of dilutive potential ordinary shares included in the year-to-date period is not a weighted average of the dilutive potential ordinary shares included in each interim computation. Dilutive potential ordinary shares are determined independently for each period presented, including year-to-date periods. Contingently issuable shares are included in the denominator of diluted EPS from the beginning of the reporting period (or from the date of the contingent share agreement, if later) in the year-to-date diluted EPS calculation.

2.23 — Share-Based Compensation Plans

We record the grant date fair value of share-based compensation arrangements as compensation cost using a graded vesting method over the service period. Share-based compensation is expensed or capitalised based on the nature of the employee’s activities.

Fair value of restricted shares and restricted share units awarded to employees is based on the market price of the stock on the date of grant. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counter-party, any remaining element of the fair value of the award is expensed immediately through income or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Note 3— Critical Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

Depreciation of property and equipment

We depreciate our assets using the straight-line method over their estimated useful service lives after allowing for salvage values. We estimate useful lives and salvage values by applying judgments and assumptions that reflect both historical experience and expectations regarding future operations, utilisation and performance. Useful lives may be affected by a variety of factors including technological advances in methods of oil and gas exploration, changes in market or economic conditions, and changes in laws or regulations that affect the drilling industry. Applying different judgments and assumptions in establishing useful lives and salvage values may result in values that differ from recorded amounts.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on discounting the estimated future cash flows to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property and equipment recognised by the Group. The key assumptions used to determine the recoverable amount, including a sensitivity analysis, are disclosed and further explained in "Note 10— Property and Equipment."

Income taxes

In accordance with accounting guidelines for income tax uncertainties, reserves are booked in the amount of tax expected to be paid. We evaluate each tax position and determine the best estimate of any potential exposure to be recorded as a provision based on its merits. Our income tax returns are subject to audit by U.S. federal, state, and foreign tax authorities. Determinations by such taxing authorities that differ materially from our recorded estimates, either favourably or unfavourably, may have a material impact on our results of operations, financial position and cash flows.

As a result of frequent changes in the taxing jurisdictions in which our drilling rigs are operated and/or owned, changes in the overall level of our income and changes in tax laws, our consolidated effective income tax rate may vary substantially from one reporting period to another. Income tax rates imposed in the tax jurisdictions in which our subsidiaries conduct operations vary, as does the tax base to which the rates are applied. In some cases, tax rates may be applicable to gross revenues, statutory or negotiated deemed earnings or other bases utilized under local tax laws, rather than to net income. Our drilling rigs frequently move from one taxing jurisdiction to another to perform contract drilling services. In some instances, the movement of drilling rigs among taxing jurisdictions will involve the transfer of ownership of the drilling rigs among our subsidiaries. If we are unable to mitigate the negative consequences of any change in law, audit, business activity or other matter, this could cause our consolidated effective income tax rate to increase and cause a material adverse effect on our financial position, operating results and/or cash flows.

Future recoverability of deferred tax assets

Our deferred tax assets and liabilities are recognized for the anticipated future tax effects of temporary differences between the financial statement basis and the tax basis of our assets and liabilities using the applicable jurisdictional tax rates at year-end. Our net deferred tax asset balance at year-end reflects the application of our income tax accounting and is based on management's estimates, judgments and assumptions regarding recoverability. Management evaluates the recoverability of deferred tax assets based on evidence of future taxable profits derived from the reversal of existing taxable temporary differences and management's forecast of future taxable profit. Future taxable profit is primarily based on the rig

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forecast cash modeling used to evaluate our property and equipment for impairment. If it is probable that a portion of deferred tax assets will not be recoverable in a future period, the deferred tax assets will be reduced by the unrecoverable amounts.

Defined benefit plans

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Judgments

Paragon offshore litigation

The Paragon Offshore litigation trust has filed claims against the Company and certain of its current and former directors and officers. These claims are related to the spin-off and subsequent bankruptcy of Paragon Offshore. The litigation trust is seeking damages of approximately \$1.7 billion. The Company believes the claims by the litigation trust are without merit and intends to defend itself vigorously. Because of the Company's view of the merits of the claims and the significant discovery still to be conducted in the litigation, the Company is not currently able to make a reasonable estimation of the amount of possible loss it may incur, if any. See "Note 19— Commitments and Contingencies" for more information on the litigation.

Depreciation of property and equipment

A significant part of an item of property, plant and equipment may have a useful life and depreciation method that are the same as the useful life and the depreciation method of another significant part of that same item. Such parts may be aggregated in determining the depreciation charge. However, IAS 16 does not prescribe the unit of measure (how individual items may be identified and the extent to which items may be aggregated), but states that judgement is needed in applying the recognition criteria to an entity's particular circumstances. Such judgements might include whether individual items should be aggregated and treated as a single item of property and equipment or whether large items should be broken down into significant components, which are then treated as separate individual items with different useful lives or patterns of benefits.

Since individual data does not exist for components of our rigs, the Group believes that significant estimates, judgments and inconsistency with other companies in our sector would occur should the company attempt to componentise. The standard states that judgment might include whether individual items should be aggregated and treated as a single item and does not provide specific guidance in this case. If an attempt were to be made to componentise the rig, all components would effectively have the same useful life, other than tubulars and replacements and upgrades, and be grouped together for depreciation purposes.

In addition, if materially significant parts are replaced, the Group derecognises the part being replaced using an appropriately depreciated replacement value, calculated by taking the replacement cost for the new item, less the residual value using straight-line method over the assets estimated useful life from the date the asset was placed into service, recognising the appropriate gain/loss on disposal; and records the replacement part at cost and depreciates it over the remaining useful life of the rig. Since transition date, there have been no large material replacements.

Consolidation

Determination of Group's control over entities where the Group holds less than 50% shareholding and non-consolidation of entities in which the Group holds more than 50% shareholding requires the management to consider various factors and thereby involves a high degree of judgment.

IFRS broadly distinguishes the following types of investments in entities:

- Entities controlled by the reporting entity (subsidiaries);
- Entities or activities jointly controlled by the reporting entity and one or more third parties (joint arrangements);
- Entities that, while not controlled or jointly controlled by the reporting entity, are subject to significant influence by it (associates); and
- Investments in equity instruments/ net assets classified as financial assets/ liabilities.

The first type of investment (subsidiaries) is accounted for in accordance with IFRS 10. IFRS 10 establishes a single control model that applies to all entities, including 'structured entities.' IFRS requires that an entity consolidates all entities over which it has control. A joint arrangement is classified as either a joint operation or a joint venture. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. In order to classify the joint arrangement as either a joint operation or a joint venture, the investor needs to consider whether it has the rights to the asset and liabilities (which would form a joint operation) or to the net assets relating to the joint arrangement (which would form a joint venture).

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Our consolidated financial statements include accounts of its wholly-owned subsidiaries and entities in which we hold a controlling financial interest. This includes the accounts of two joint ventures, each of which Noble owns a 50 percent interest with a subsidiary of Royal Dutch Shell plc (Shell), that own and operate the two *Bully*-class drillships, namely the *Noble Bully I* and *Noble Bully II* (the *Bully* Joint Ventures).

In addition to the *Bully* Joint Ventures, we have determined three Middle-Eastern Joint Ventures (Sedco Dubai, Noble Drilling Arabia Company Ltd. and Noble Drilling Doha LLC) with ownership interests via loans to the joint venture.

For all five joint ventures, we have the ability to direct relevant activities. The three Middle-Eastern entities are such that the third party investee has no ability to direct activity. As such, we control the entities via a straightforward assessment of our control of the relevant activities. These joint ventures are fully consolidated.

Noble and Shell both contributed equal capital to the *Bully* Joint Ventures. Under the agreements, we are exposed to variable returns from our involvement with the joint ventures and we have the ability to affect those returns through our power over the investee. We have the ability to direct the relevant activities such as marketing, operating and managing the rig. Management and marketing of the rigs directly corresponds to the investee's performance. Noble, with management authority, is the principal decision maker and can affect the relevant activities. Shell's equity interests are presented as non-controlling interests on our Consolidated Statement of Financial Position.

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Note 4— Revenue

Contract Balances

On 1 January 2018, Noble adopted IFRS 15 *Revenue from Contracts with Customers*. Under IFRS 15, revenue from contracts with customers is recognised as or when the Group satisfies a performance obligation by transferring a promised good or service to a customer. See “Note 2.07 — Revenue Recognition” for additional discussion of the Group’s accounting policy for revenue recognition. The accounting for revenue under IFRS 15 does not represent a substantive change from the Group’s previous practice for recognising revenue from sales to customers.

Noble elected to apply the ‘modified retrospective’ approach to transition permitted by IFRS 15 under which comparative financial information is not restated. We recognised a cumulative effect of \$1.5 million as an adjustment to the opening balance of retained earnings as of 1 January 2018, which is our date of initial adoption.

Accounts receivable are recognised when the right to consideration becomes unconditional based upon contractual billing schedules. Payment terms on invoiced amounts are typically 30 days. Current contract asset and liability balances are included in “Trade and other receivables” and “Trade and other payables,” respectively, and noncurrent contract assets and liabilities are included in “Trade and other receivables” and “Trade and other payables,” respectively, on our Condensed Consolidated Balance Sheets.

The following table provides information about contract assets and contract liabilities from contracts with customers:

	<u>Year Ended 31 December 2018</u>	<u>Year Ended 31 December 2017</u>
	<u>\$'000</u>	<u>\$'000</u>
Current contract assets	25,298	21,229
Noncurrent contract assets	22,366	34,520
Total contract assets	47,664	55,749
Current contract liabilities (deferred revenue)	(32,906)	(35,422)
Noncurrent contract liabilities (deferred revenue)	(47,847)	(73,439)
Total contract liabilities	(80,753)	(108,861)

Significant changes in the remaining performance obligation contract assets and the contract liabilities balances for the year ended 31 December 2018 are as follows:

	<u>Contract Assets</u>	<u>Contract Liabilities</u>
	<u>\$'000</u>	<u>\$'000</u>
Net balance at 1 January 2018	55,749	(108,861)
Amortisation of deferred costs	(32,420)	—
Additions to deferred costs	24,335	—
Amortisation of deferred revenue	—	47,798
Additions to deferred revenue	—	(19,690)
Total	(8,085)	28,108
Net balance at 31 December 2018	47,664	(80,753)

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Contract Costs

Certain direct and incremental costs incurred for upfront preparation, initial rig mobilisation and modifications are costs of fulfilling a contract and are recoverable. These recoverable costs are deferred and amortised ratably to contract drilling expense as services are rendered over the initial term of the related drilling contract. Certain of our contracts include capital rig enhancements used to satisfy our performance obligations. These capital items are capitalised and depreciated in accordance with our existing property and equipment accounting policy.

Costs incurred for the demobilisation of rigs at contract completion are recognised as incurred during the demobilisation process. Costs incurred for rig modifications or upgrades required for a contract, which are considered to be capital improvements, are capitalised as drilling and other property and equipment and depreciated over the estimated useful life of the improvement.

Transaction Price Allocated to the Remaining Performance Obligations

The following table reflects revenue expected to be recognised in the future related to unsatisfied performance obligations, by rig type, at the end of the reporting period:

	Years Ended 31 December					Total
	2019	2020	2021	2022	2023 and beyond	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Drillships	20,658	15,677	15,677	9,266	3,572	64,850
Semisubmersibles	363	—	—	—	—	363
Jackups	11,868	3,672	—	—	—	15,540
Total	32,889	19,349	15,677	9,266	3,572	80,753

The revenue included above consists of expected mobilisation, demobilisation, and upgrade revenue for unsatisfied performance obligations. The amounts are derived from the specific terms within drilling contracts that contain such provisions, and the expected timing for recognition of such revenue is based on the estimated start date and duration of each respective contract based on information known at 31 December 2018. The actual timing of recognition of such amounts may vary due to factors outside of our control. We have taken the optional exemption, permitted by accounting standards, to exclude disclosure of the estimated transaction price related to the variable portion of unsatisfied performance obligations at the end of the reporting period, as our transaction price is based on a single performance obligation consisting of a series of distinct hourly, or more frequent, periods, the variability of which will be resolved at the time of the future services.

Our revenue recognition pattern under IFRS 15 is materially equivalent to revenue recognition under the previous guidance. For the year ended 31 December 2018, there were no material effects to our Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations, or Condensed Consolidated Statements of Cash Flows upon adopting IFRS 15.

Disaggregation of Revenue

The following table provides information about disaggregation of revenue:

	31 December 2018	31 December 2017
	\$'000	\$'000
Drillships	532,833	599,359
Semisubmersibles	28,992	56,911
Jackups	474,257	550,756
Total contract drilling services	1,036,082	1,207,026
Reimbursables and other	46,744	29,889
Total revenue	1,082,826	1,236,915

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Note 5— Expenditures

Operating costs for the years ended 31 December has been arrived at after charging:

	<u>Year Ended 31 December 2018</u>	<u>Year Ended 31 December 2017</u>
	<u>\$'000</u>	<u>\$'000</u>
Operating costs		
Contract drilling services	(385,290)	(365,441)
Employee expenses	(327,510)	(333,311)
Depreciation	(294,526)	(368,662)
General and administrative and other	(32,084)	(31,915)
Total operating costs	<u>(1,039,410)</u>	<u>(1,099,329)</u>
Loss on impairment	(648,483)	(883,175)
Total expenditures	<u>(1,687,893)</u>	<u>(1,982,504)</u>

Note 6— Finance Income and Costs

Finance Income:

	<u>Year Ended 31 December 2018</u>	<u>Year Ended 31 December 2017</u>
	<u>\$'000</u>	<u>\$'000</u>
Bank interest income	8,302	5,449
Total	<u>8,302</u>	<u>5,449</u>

Finance Costs:

	<u>Year Ended 31 December 2018</u>	<u>Year Ended 31 December 2017</u>
	<u>\$'000</u>	<u>\$'000</u>
Commitment fee on unutilised credit facilities	(13,528)	(10,994)
Interest expense	(284,083)	(280,986)
Loss on extinguishment of debt	(1,793)	—
Interest expense related to uncertain tax positions	(5,258)	(4,503)
Total	<u>(304,662)</u>	<u>(296,483)</u>

Note 7— Discontinued Operations

Spin-off of Paragon Offshore plc (“Paragon Offshore”)

During the year ended 31 December 2017, we recognised a non-cash loss of \$1.5 million. This loss was recorded in “Net loss from discontinued operations, net of tax” on our Consolidated Income Statement relating to Paragon Offshore’s emergence from bankruptcy.

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Note 8— Loss Per Share

The calculation of loss per share is based on the following data:

	<u>Year Ended 31 December 2018</u>	<u>Year Ended 31 December 2017</u>
	<u>\$'000</u>	<u>\$'000</u>
Net loss attributable to Noble Corporation plc:		
Loss from continuing operations, less non-controlling interest	(685,766)	(1,045,560)
Net loss from discontinued operations, net of tax	—	(1,486)
Net loss attributable to Noble Corporation plc	<u>(685,766)</u>	<u>(1,047,046)</u>
Basic and diluted loss per share:		
Loss from continuing operations	(2.78)	(4.27)
Loss from discontinued operations	—	(0.01)
Net loss attributable to Noble Corporation plc	<u>(2.78)</u>	<u>(4.28)</u>
Weighted average shares	246,614	244,743

Potentially dilutive shares, which were excluded from the diluted earnings per share computation because to do so would be anti-dilutive, include the following:

Anti-dilutive shares:

Share options	1,103,242	1,313,155
Non-vested restricted shares and restricted share units outstanding	11,415,470	10,688,956
Total	<u>12,518,712</u>	<u>12,002,111</u>

Note 9— Non-Controlling Interest

The Group recognises any non-controlling interests in an acquiree at the non-controlling interest's proportionate share of the acquiree's net assets on an acquisition by acquisition basis. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's subsequent share of changes in equity.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests where control is not lost are also recorded in equity. Where control is lost over a subsidiary, the gains or losses are recognised in income or loss.

Noble's consolidated financial statements include the accounts of two joint ventures, each of which Noble owns a 50 percent interest, with a subsidiary of Shell. The two joint ventures own and operate the two *Bully*-class drillships, namely the *Noble Bully I* and *Noble Bully II* (the *Bully* Joint Ventures).

Each joint venture has its own separate entity through which all the legal, operational and financial functions for the joint arrangement are carried out. Neither party has any direct rights to the assets and obligations for liabilities based on the legal form of the joint arrangement. Furthermore, no contractual agreement between the two parties or any other facts or circumstances that are not part of the joint venture agreement or management agreement give either party the rights to any assets or the obligation to offset any liabilities.

Noble has determined that it controls and directs the most relevant activities. Accordingly, Noble consolidates the entities in its consolidated financial statements after eliminating intercompany transactions. Shell's equity interests are presented as non-controlling interests on our Consolidated Statement of Financial Position.

During the years ended 31 December 2018 and 2017, the *Bully* joint ventures approved and paid dividends totalling \$55.2 million and \$113.8 million, respectively. Of these amounts, 50 percent was paid to our joint venture partner.

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Loss attributable to non-controlling interests was \$85.1 million for the year ended 31 December 2018 and income attributable to non-controlling interests was \$18.7 million for the year ended 31 December 2017.

The accounts listed below are the stand-alone accounts. Further consolidating entries are recognised on the Group's accounts. Therefore, a direct reconciliation is not obtainable with the stand-alone accounts in isolation. A summarised Statement of Financial Position is presented below:

	Noble Bully 1 (Switzerland) GmbH, Baar		Noble Bully 2 (Switzerland) GmbH, Baar	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Assets	31,859	38,146	31,701	24,348
Liabilities	402	3,293	14,855	3,192
Total current net assets	31,457	34,853	16,846	21,156
Non-current				
Assets	37,344	592,908	249,576	609,059
Liabilities	10,227	10,203	17,347	23,058
Total non-current net assets	27,117	582,705	232,229	586,001
Net assets	58,574	617,558	249,075	607,157

The accounts listed below are the stand-alone accounts. Further consolidating entries are recognised on the Group's accounts. Therefore, a direct reconciliation is not obtainable with the stand-alone accounts in isolation. A summarised Income Statement is presented below:

	Noble Bully 1 (Switzerland) GmbH, Baar		Noble Bully 2 (Switzerland) GmbH, Baar	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Revenue	—	35,121	92,838	131,621
Income/(loss) before income tax	(32,369)	(19,977)	31,924	67,501
Other expense	360	135	702	149
Income tax (expense)/income	253	(754)	(915)	(42)
Post-tax income/(loss) from continued operations	(31,756)	(20,596)	31,712	67,608
Total comprehensive income/(loss)	(31,756)	(20,596)	31,712	67,608
Dividends paid to non-controlling interests	—	(5,393)	(27,579)	(51,488)

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Note 10— Property and Equipment

2018

	Jackups	Drillships	Semisubmersibles	Capital work in progress	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost at 1 January 2018	1,760,760	2,203,253	784,905	379,621	113,073	5,241,612
Transfers	18,620	57,142	40,179	(118,177)	2,236	—
Additions	25,529	49,098	6,999	198,369	1,352	281,347
Impairment loss	(28,464)	(306,380)	(422,363)	(38,906)	—	(796,113)
Disposals	(13,363)	(11,319)	(15,284)	(1,817)	(4,096)	(45,879)
Currency translation adjustments	—	—	—	(3)	(2,108)	(2,111)
Cost at 31 December 2018	1,763,082	1,991,794	394,436	419,087	110,457	4,678,856
Accumulated depreciation at 1 January 2018	(168,665)	(204,428)	(132,634)	(575)	(44,855)	(551,157)
Transfers	6	(15)	—	—	9	—
Depreciation and amortisation	(107,861)	(107,998)	(59,874)	(312)	(18,481)	(294,526)
Impairment loss	15,252	30,732	101,646	—	—	147,630
Disposals	13,363	11,318	15,284	—	2,661	42,626
Currency translation adjustments	—	—	—	—	78	78
Accumulated depreciation at 31 December 2018	(247,905)	(270,391)	(75,578)	(887)	(60,588)	(655,349)
Net book value						
As at 31 December 2017	1,592,095	1,998,825	652,271	379,046	68,218	4,690,455
As at 31 December 2018	1,515,177	1,721,403	318,858	418,200	49,869	4,023,507

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2017

	Jackups	Drillships	Semisubmersibles	Capital work in progress	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost at 1 January 2017	2,023,604	2,596,481	969,413	468,308	113,055	6,170,861
Transfers	38,616	32,114	36,034	(107,363)	599	—
Additions	30,771	28,812	7,693	43,528	336	111,140
Impairment loss	(325,861)	(446,681)	(211,002)	(22,212)	—	(1,005,756)
Disposals	(6,370)	(7,473)	(17,233)	(2,640)	(814)	(34,530)
Currency translation adjustments	—	—	—	—	(103)	(103)
Cost at 31 December 2017	1,760,760	2,203,253	784,905	379,621	113,073	5,241,612
Accumulated depreciation at 1 January 2017	(98,645)	(118,208)	(90,389)	(280)	(22,855)	(330,377)
Transfers	31	(31)	—	—	—	—
Depreciation and amortisation	(131,866)	(123,150)	(90,538)	(295)	(22,813)	(368,662)
Impairment loss	55,459	29,567	37,555	—	—	122,581
Disposals	6,356	7,394	10,738	—	813	25,301
Accumulated depreciation at 31 December 2017	(168,665)	(204,428)	(132,634)	(575)	(44,855)	(551,157)
Net book value						
As at 31 December 2016	1,924,959	2,478,273	879,024	468,028	90,200	5,840,484
As at 31 December 2017	1,592,095	1,998,825	652,271	379,046	68,218	4,690,455

The Group had \$2.9 million and zero capitalised borrowing costs during the years ended 31 December 2018 and 2017, respectively.

Impairment

In connection with the preparation of the Group's consolidated financial statements included in this Annual Report, consistent with our accounting policies discussed in "Note 2— Summary of Significant Accounting Policies," we evaluate our property and equipments for impairment whenever there are changes in facts which suggest that the value of the asset is not recoverable.

The recoverable amount of all rigs and capital spares has been determined based on value-in-use calculations using present value of future cash flow projections. As part of our impairment analysis, we make assumptions and estimates regarding future market conditions, including rig utilization, resource utilisations, contract margins, contract awards and discount rate by rig. To the extent actuals results do not meet our estimated assumptions, for a given rig or piece of equipment, we may take an impairment loss in the future.

During the year ended 31 December 2018, we identified indicators that certain assets in our fleet might not be recoverable. Such indicators included additional customer suspensions of drilling programs, contract cancellations and a further reduction in the number of new contract opportunities, resulting in reduced drilling contracts.

As a result, the carrying amounts on certain of our rigs were written down to their recoverable amount resulting in an impairment charge of \$612.9 million and \$861.9 million during the years ended 31 December 2018 and 2017. In addition, we recorded a \$35.6 million and \$21.2 million impairment charge during the year ended 31 December 2018 and 2017 on certain capital spares and other property

The range of pre-tax discount rates for the individual rigs ranged from 12.5% - 13.8% for 2018 with a weighted-average after-tax discount rate of 12.6% for the individual rigs. The range of pre-tax discount rates for the individual rigs ranged from 11.8% - 14.6% for 2017 with a weighted-average after-tax discount rate of 12.0% for the individual rigs.

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Rig	2018	
	Year ended 31 December	As at 31 December
	Impairment charges	Recoverable amount
	\$'000	\$'000
Noble Bully I	183,960	36,991
Noble Bully II	65,579	240,214
Noble Don Taylor	26,109	317,285
Noble Lloyd Noble	7,905	592,963
Noble Gene House	290	2,200
Noble Joe Beall	5,230	1,553
Noble Paul Romano	86,180	2,500
Noble Danny Adkins	79,319	95,444
Noble Jim Day	83,372	101,091
Noble Dave Beard	72,456	—
Subtotal	610,400	1,390,241
Other	38,083	161,398
Subtotal	38,083	161,398
Total impairment loss	648,483	1,551,639

The remaining book value as at 31 December 2018 of unimpaired rigs and other equipment was \$2,358,436 and \$113,432, respectively.

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Rig	2017	
	Year ended 31 December	As at 31 December
	Impairment charges	Recoverable amount
	\$'000	\$'000
Noble Paul Romano	40,353	103,739
Noble Amos Runner	37,500	—
Noble Danny Adkins	63,156	185,191
Noble Jim Day	32,826	194,427
Noble David Tinsley	18,859	—
Noble Alan Hay	25,336	—
Noble Hans Deul	3,070	103,097
Noble Globetrotter I	61,946	288,545
Noble Globetrotter II	18,977	301,181
Noble Bully I	37,863	234,342
Noble Regina Allen	65,207	105,506
Noble Mick O'Brien	65,291	108,379
Noble Sam Turner	6,151	124,396
Noble Don Taylor	111,413	337,787
Noble Bob Douglas	112,609	162,776
Noble Sam Croft	48,810	198,719
Noble Tom Madden	25,496	216,100
Noble Sam Hartley	87,066	114,614
Subtotal	861,929	2,778,799
Other	21,246	85,679
Subtotal	21,246	85,679
Total impairment loss	883,175	2,864,478

The remaining book value as at 31 December 2018 of unimpaired rigs and other equipment was \$1,548,209 and \$277,768, respectively.

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Note 11— Trade and Other Receivables

	As at 31 December 2018	As at 31 December 2017
	\$'000	\$'000
Non-current		
Trade and other receivables	106,489	106,255
Total non-current trade and other receivables	106,489	106,255
Current		
Accounts receivable, net	200,722	204,696
Prepaid expenses & deposits	14,928	13,743
Restricted cash	675	—
Other current assets	47,001	52,362
Total current trade and other receivables	263,326	270,801

As at 31 December 2018 and 2017, trade receivables of \$16.7 million and \$27.0 million were past due but not impaired, respectively. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Past due but not impaired		
	31–90 days	>91 days	Total
	\$'000	\$'000	\$'000
As at 31 December 2018	15,157	1,570	16,727
As at 31 December 2017	25,927	1,100	27,027

Note 12— Cash and Cash Equivalents

	As at 31 December 2018	As at 31 December 2017
	\$'000	\$'000
Petty cash	14	14
Liquid investments	138,873	398,587
Liquid funds	236,345	264,228
Total cash and cash equivalents	375,232	662,829

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. All cash above is included in the statement of cash flows.

Note 13— Taxes

The company is tax resident in the U.K. and, as such, is subject to U.K. corporation tax on its taxable earnings. A U.K. tax exemption is available in respect of qualifying dividends income and capital gains related to the sale of qualifying participations. We operate in various countries throughout the world, including the United States. The income or loss of the non-U.K. subsidiaries is not expected to be subject to U.K. corporation tax. Prior to the redomiciliation, Noble Corporation, a Swiss corporation (“Noble-Swiss”) was the Group holding company and was exempt from Swiss cantonal and communal income tax on its worldwide income or loss, and was also granted participation relief from Swiss federal tax for qualifying dividend income and capital gains related to the sale of qualifying participations. It is expected that the participation relief will result in a full exemption of participation income from Swiss federal income tax.

Consequently, we have taken account of those tax exemptions and provided for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries have a taxable presence for income tax purposes.

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a. Consolidated Income Statement:

	Year Ended 31 December 2018	Year Ended 31 December 2017
	\$'000	\$'000
Current tax:		
In respect of current year	17,446	(64,767)
In respect of prior years	(67,056)	5,567
Deferred tax:		
In respect of current year	(106,254)	51,038
In respect of prior years	25,307	(1,641)
Total income tax/(credit) recognised	(130,557)	(9,803)

b. Consolidated Statement of Other Comprehensive Income:

	Year Ended 31 December 2018			Year Ended 31 December 2017		
	Pre tax	Tax impact	After tax	Pre tax	Tax impact	After tax
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Items that will not to be reclassified to income statement in subsequent periods:</i>						
Re-measurements of retirement benefit obligations	(18,111)	3,251	(14,860)	13,604	(7,707)	5,897
Income tax charged to OCI		3,251			(7,707)	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c. Deferred tax movement schedule:

	2018			
	Opening balance 1 January	Recognised in (loss)/ income	Recognised in other comprehensive income/(loss)	Ending Balance 31 December
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets				
<u><i>United States</i></u>				
Property and equipment	447	(447)	—	—
Net operating loss carryover	—	95,577	—	95,577
Disallowed interest carryover	—	51,424	—	51,424
Defined benefit pension obligations	8,310	491	725	9,526
Accrued expenses not currently deductible	12,203	(315)	—	11,888
Other	2,151	(2,151)	—	—
<u><i>Non-U.S.</i></u>				
Property and equipment	13,769	(5,078)	—	8,691
Net operating loss carryover	—	12,438	—	12,438
Disallowed interest carryover	—	5,005	—	5,005
Defined benefit pension obligations	134	363	2,526	3,023
Accrued expenses not currently deductible	12,087	(11,246)	—	841
Net deferred tax assets	49,101	146,061	3,251	198,413
Deferred tax liabilities				
<u><i>United States</i></u>				
Property and equipment	—	(63,534)	—	(63,534)
Other	(6,652)	170	—	(6,482)
<u><i>Non-U.S.</i></u>				
Other	(402)	(1,713)	—	(2,115)
Deferred tax liabilities	(7,054)	(65,077)	—	(72,131)
Net deferred tax assets/(liabilities)	42,047	80,984	3,251	126,282
Deferred tax assets	42,449	—	—	127,338
Deferred tax liabilities	402	—	—	1,056
Net deferred tax assets/(liabilities)	42,047	—	—	126,282

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	2017			
	Opening balance 1 January	Recognised in (loss)/income	Recognised in other comprehensive income/(loss)	Ending Balance 31 December
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets				
<i><u>United States</u></i>				
Property and equipment	70,940	(70,493)	—	447
Defined benefit pension obligations	12,250	931	(4,871)	8,310
Accrued expenses not currently deductible	17,995	(5,792)	—	12,203
Other	6,803	(4,652)	—	2,151
<i><u>Non-U.S.</u></i>				
Property and equipment	—	13,769	—	13,769
Defined benefit pension obligations	3,120	(150)	(2,836)	134
Accrued expenses not currently deductible	221	11,866	—	12,087
Net deferred tax assets	111,329	(54,521)	(7,707)	49,101
Deferred tax liabilities				
<i><u>United States</u></i>				
Other	(7,671)	1,019	—	(6,652)
<i><u>Non-U.S.</u></i>				
Excess of net book basis over tax basis	(200)	200	—	—
Other	(4,305)	3,903	—	(402)
Deferred tax liabilities	(12,176)	5,122	—	(7,054)
Net deferred tax assets/(liabilities)	99,153	(49,399)	(7,707)	42,047
Deferred tax assets	103,658	—	—	42,449
Deferred tax liabilities	4,505	—	—	402
Net deferred tax assets/(liabilities)	99,153	—	—	42,047

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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d. Deferred tax by jurisdiction:

	As at 31 December 2018	As at 31 December 2017
	\$'000	\$'000
Deferred tax assets		
U.S.	98,399	16,458
U.K.	28,107	24,790
Other	832	1,201
Deferred tax liabilities		
U.S.	—	—
U.K.	—	—
Other	(1,056)	(402)
Net deferred tax assets/(liabilities)	126,282	42,047

e. Unrecognised deductible temporary differences, unused tax losses and unused tax credits for the years 31 December:

	2018	2017
	\$'000	\$'000
Non-U.S. tax losses	17,240	—
	17,240	—

f. The following is a reconciliation of our reserve for uncertain tax positions, excluding interest and penalties for the years ended 31 December:

	2018	2017
	\$'000	\$'000
Beginning balance 1 January	174,437	159,826
Additions based on tax positions related to current year	97	14,187
Additions for tax positions of prior years	25	1,284
Reductions for tax positions of prior years	(12,806)	(860)
Expiration of statutes	(497)	—
Gross balance	161,256	174,437
Related tax benefits	(1,008)	(1,008)
Ending balance 31 December	160,248	173,429

g. The liabilities related to our reserve for uncertain tax positions as at 31 December are comprised of the following:

	2018	2017
	\$'000	\$'000
Reserve for uncertain tax positions ⁽¹⁾	161,233	174,566
Interest included in “Non-current other payables” ⁽¹⁾	22,553	17,295
Reserve for uncertain tax positions, including interest and penalties	183,786	191,861

⁽¹⁾ See “Note 15— Trade and other payables.”

We conduct business globally and, as a result, we file numerous income tax returns in the U.S. and non-U.S. jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including in jurisdictions such as Brazil, Brunei, Bulgaria, Canada, Cyprus, Egypt, Hungary, Malta, Mexico, Nigeria, Norway, Saudi Arabia, Argentina, Australia, Denmark, Gabon, Luxembourg, Malaysia, the Netherlands, Oman, Qatar, Tanzania, Singapore, Suriname, Switzerland, the United Kingdom and the United States. We are no longer subject to U.S. Federal income tax examinations for years before 2010 and non-U.S. income tax examinations for years before 2000.

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h. Taxes receivable and payable consist of the following:

	As at 31 December 2018	As at 31 December 2017
	\$'000	\$'000
Taxes receivable	20,498	105,345
Taxes payable	28,960	33,965

If a portion or all of these reserves of \$183.8 million are not realised, the provision for income taxes, including penalties and interest, could be reduced by up to \$183.8 million.

We include, as a component of our “Income tax expense,” potential penalties related to recognised tax contingencies within our global operations. There were no additional penalties accrued in income tax expense in 2018 and 2017. Potential interest computed on recognised tax contingencies is included as a component of interest expense in the amount of \$5.3 million in 2018 and \$4.5 million in 2017.

It is reasonably possible that our existing liabilities related to our reserve for uncertain tax positions may fluctuate in the next 12-months primarily due to the completion of open audits or the expiration of statutes of limitation. However, we cannot reasonably estimate a range of changes in our existing liabilities due to various uncertainties, such as the unresolved nature of various audits.

Noble-UK conducts substantially all of its business through Noble Corporation, a Cayman Islands company (“Noble-Cayman”) and its subsidiaries. The income or loss of our non-U.K. subsidiaries is not subject to U.K. income tax. Earnings are taxable in the United Kingdom at the U.K. statutory rate of 19.25 percent and 19.0 percent for 2017 and 2018. Ongoing consultative process in the United Kingdom and a possible change in law could materially impact our tax rate on operations in the United Kingdom continental shelf. A reconciliation of tax rates outside of the United Kingdom and the Cayman Islands to our Noble-UK effective rate for continuing operations is shown below:

	2018	2017
	\$'000	\$'000
Loss from continuing operations before income tax expense	(901,427)	(1,036,623)
U.K. statutory tax rate (2017 - 19.25%, 2018 - 19.0%)	(171,271)	(199,550)
Total tax impact from tax restructuring	—	235,951
Total tax impact from tax reform	(25,486)	(115,027)
Current tax in respect of prior years	(35,698)	5,567
Discrete tax items related to changes in uncertain tax positions	(744)	1,660
Difference in overseas tax rates	102,642	61,596
Income tax credit	(130,557)	(9,803)

Changes in the tax rate are as follows:

	2018	2017
Hungary	9.0%	9.0%
Luxembourg	27.1%	27.1%
Norway	24.0%	24.0%
Suriname	36.0%	36.0%
United Kingdom*	19.0%	19.3%
United States	21.0%	35.0%

*The U.K. rate provided for 2017 is a blended rate as the reduction of the rate to 19.0% occurred on 1 April 2017.

U.S. Federal Income Tax Reform

On 22 December 2017, the President of the United States signed the into law legislation informally known as the Tax Cuts and Jobs Act (the “Act”). The Act makes significant changes to various areas of U.S. federal income tax law by, among other things, lowering corporate income tax

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rates, implementing the territorial tax system, and rules limiting base erosion, and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries of U.S parent shareholders.

During the fourth quarter of 2017, the Act resulted in the write-down of our net deferred tax liabilities. In accordance with the guidance issued in SAB No. 118, during the third quarter of 2018, we finalised our provisional amounts recorded as we completed our technical analysis, computations and tax law interpretations and filed our 2017 U.S. tax return. As a result, we recognised an additional tax benefit of \$24.9 million.

The Company has considered new provisions of the Act that became effective in 2018. Two such provisions, which had an impact on the Company's financial results for later periods, are as follows:

- The Act limits the deduction of interest paid or accrued on indebtedness. This limitation results in a deferral for U.S. federal income tax purposes and requires the recording of a deferred tax asset for the benefit of the interest deduction carryforward. The interest deduction carryforward has an indefinite life.
- The Act eliminates the U.S. federal income tax carryback provision for net operating losses ("NOLs") and limits the taxpayer's ability to utilise NOL carryforwards to of 80 percent taxable income. The NOL carryforward has an indefinite life.

The Act also introduces a new anti-deferral provision, which subjects a U.S. parent shareholder to current tax on certain income referred to as Global Intangible Low-Taxed Income, of its foreign subsidiaries. The Company has adopted a policy to treat tax due on future U.S. inclusions in taxable income as period costs when incurred.

The Company continues to monitor developments in regulations.

Note 14— Interest Bearing Loans and Borrowings

Credit Facility and Commercial Paper Program

2015 Credit Facility

At 31 December 2017, we had a five-year \$2.4 billion senior unsecured credit facility that matures in January 2020 and is guaranteed by our indirect, wholly-owned subsidiaries, Noble Holding (U.S.) LLC ("NHUS") and Noble Holding International Limited ("NHIL") (the "2015 Credit Facility"). At 31 December 2017, the 2015 Credit Facility also provided us with the ability to issue up to \$500.0 million in letters of credit.

On 19 December 2017, we entered into the First Amendment and Consent and Successor Agent Agreement (the "Amendment") amending the 2015 Credit Facility. On 3 January 2018, the Amendment to the 2015 Credit Facility became fully effective. The Amendment caused, among other things, a reduction in the aggregate principal amount of commitments under the 2015 Credit Facility to \$300.0 million and the termination of the 2015 Credit Facility's letter of credit sub-facility. The maturity of the 2015 Credit Facility remains January 2020. As a result of the 2015 Credit Facility's reduction in the aggregate principal amount of commitments, we recognised a net loss of approximately \$2.3 million in the year ended 31 December 2018. At 31 December 2018, we had no borrowings outstanding or letters of credit issued under the 2015 Credit Facility.

2017 Credit Facility

On 21 December 2017, Noble Cayman Limited, a Cayman Islands company and a wholly-owned indirect subsidiary of Noble-Cayman ("NCL"); Noble International Finance Company, a Cayman Islands company and a wholly-owned indirect subsidiary of Noble-Cayman ("NIFCO"); and Noble Holding UK Limited, a company incorporated under the laws of England and Wales and a wholly-owned direct subsidiary of Noble-UK ("NHUK"), as parent guarantor, entered into a new senior unsecured credit agreement (the "2017 Credit Facility" and, together with the 2015 Credit Facility, the "Credit Facilities"). The maximum aggregate amount of commitments under the 2017 Credit Facility is approximately \$1.5 billion. Borrowings under the 2017 Credit Facility are subject to certain conditions precedent, including that there be no unused commitments to advance loans under the 2015 Credit Facility. The 2017 Credit Facility will mature in January 2023. Borrowings may be used for working capital and other general corporate purposes. The 2017 Credit Facility provides for a letter of credit sub-facility currently in the amount of \$15.0 million, with the ability to increase such amount up to \$500.0 million with the approval of the lenders. At 31 December 2018, we had \$3.4 million of performance letters of credit outstanding under the 2017 Credit Facility. At 31 December 2018, other than the performance letters of credit, we had no borrowings outstanding under the 2017 Credit Facility.

Both of our Credit Facilities have provisions which vary the applicable interest rates for borrowings based upon our debt ratings. We also pay a facility fee under the 2015 Credit Facility on the full commitments thereunder (used or unused) and a commitment fee under the 2017 Credit Facility on the daily unused amount of the underlying commitments, in each case which varies depending on our credit ratings. At 31 December 2018, the interest rates in effect under our Credit Facilities were the highest permitted interest rates under those agreements.

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Debt Issuance

In January 2018, we issued \$750.0 million aggregate principal amount of our Senior Notes due 2026 (the “2026 Notes”) through our indirect wholly-owned subsidiary, NHIL. The net proceeds of the offering of approximately \$737.4 million, after expenses, were used to retire a portion of our near-term senior notes in a related tender offer.

The indenture for the 2026 Notes contains certain covenants and restrictions, including, among others, restrictions on our subsidiaries’ ability to incur certain additional indebtedness. Additionally, the subsidiary guarantors must own, directly or indirectly, (i) assets comprising at least 85% of the revenue of Noble-Cayman and its subsidiaries on a consolidated basis and (ii) jackups, semisubmersibles, drillships, submersibles or other mobile offshore drilling units of material importance, the combined book value of which comprises at least 85% of the combined book value of all such assets of Noble-Cayman and its subsidiaries on a consolidated basis, in each case, with respect to the most recently completed fiscal year.

Seller Financing of Rigs

In September 2018, we purchased the *Noble Johnny Whitstine* for \$93.8 million with a \$60.0 million seller-financed secured loan (the “Seller Loan”). The Seller Loan has a term of four years and requires a 5% principal payment at the end of the third year with the remainder of the principal due at the end of the term. The Seller Loan bears a cash interest rate of 4.25% and the equivalent of a 1.25% interest rate paid-in-kind over the four year term of the Seller Loan. Based on the terms of the Seller Loan, the 1.25% paid-in-kind interest rate is accelerated into the first year, resulting in an overall first year interest rate of 8.91%, of which only 4.25% is payable in cash. Thereafter, the paid-in-kind interest ends and the cash interest rate of 4.25% is payable for the remainder of the term.

The Seller Loan is guaranteed by Noble-Cayman and is secured by a mortgage on the *Noble Johnny Whitstine* and by the pledge of the shares of the single-purpose entity that owns the rig. The Seller Loan contains debt to total capitalisation ratio and minimum liquidity financial covenants substantially similar to the 2017 Credit Facility, and an asset and revenue covenant substantially similar to the 2026 Notes as well as other covenants and provisions customarily found in secured transactions. The Seller Loan requires immediate repayment on the occurrence of certain events, including the termination of the drilling contract entered into at the time of the purchase of the rig.

On 28 February 2019, we purchased another GustoMSC CJ46 rig, the *Noble Joe Knight*. We paid \$83.8 million for the rig, with \$30.2 million paid in cash and the remaining \$53.6 million of the purchase price financed by the seller, Pax Ocean Group. See “Note 30— Post-Balance Sheet Events” for additional information.

Senior Notes Interest Rate Adjustments

Note	Original %	Downgrades							
		February 2016		July 2016		December 2016		October 2017	
		New rate - 1% increase	Effective	New rate - 0.25% increase	Effective	New rate - 0.50% increase	Effective	New rate - 0.25% increase	Effective
Senior Note due 2018	4.00%	5.00%	16 Mar 2016	5.25%	16 Sept 2016	5.75%	16 Mar 2017	N/A	N/A
Senior Note due 2025	5.95%	6.95%	1 Apr 2016	7.20%	1 Oct 2016	7.70%	1 Apr 2017	7.95%	1 Apr 2018
Senior Note due 2045	6.95%	7.95%	1 Apr 2016	8.20%	1 Oct 2016	8.70%	1 Apr 2017	8.95%	1 Apr 2018

These senior notes have reached the contractually defined maximum interest rate set for each rating agency and no further interest rate increases are possible. The interest rates on these senior notes may be decreased if our debt ratings were to be raised by either rating agency above specified levels. Our other outstanding senior notes do not contain provisions varying applicable interest rates based upon our credit ratings.

Debt Tender Offers and Repayments

In January 2018, we commenced cash tender offers for the Senior Notes due 2018 (the “2018 Notes”), our Senior Notes due 2019 (the “2019 Notes”), our Senior Notes due 2020 (the “2020 Notes”), our Senior Notes due 2021 (the “2021 Notes”), our Senior Notes due 2022 (the “2022 Notes”) and our Senior Notes due 2024 (the “2024 Notes”). In February 2018, we purchased \$754.2 million aggregate principal amount of these senior notes for \$750.0 million, plus accrued interest, using the net proceeds of the 2026 Notes issuance and cash on hand. As a result of this transaction, we recognised a net loss of approximately \$3.5 million.

In February 2018, we redeemed the remaining principal amount of \$61.9 million of the 2019 Notes for approximately \$65.3 million, plus accrued interest. As a result of this transaction, we recognised a net loss of approximately \$3.5 million.

In March 2018, we repaid the remaining aggregate principal amount of \$126.6 million of the 2018 Notes at maturity using cash on hand.

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In March 2018, we purchased \$9.5 million aggregate principal amount of various tranches of our senior notes for approximately \$8.7 million, plus accrued interest, as open market repurchases and recognised a net gain of approximately \$0.5 million.

In August 2018, we purchased \$0.4 million aggregate principal amount of our 2042 Notes for approximately \$0.3 million, plus accrued interest, as open market repurchases and recognised a net gain of approximately \$0.1 million.

In October 2018, we purchased \$27.4 million aggregate principal amount of various tranches of our senior notes for approximately \$20.2 million, plus accrued interest, as open market repurchases and recognised a net gain of approximately \$6.9 million.

In March 2017, we repaid our Senior Notes due 2017 using cash on hand. We used cash on hand to repay the outstanding balance of our \$300 million 2018 Notes, maturing in March 2018.

Covenants

The 2015 Credit Facility is guaranteed by NHUS and NHIL. The 2015 Credit Facility contains a covenant that limits our ratio of debt to total tangible capitalisation, as defined in the 2015 Credit Facility, to 0.60 at the end of each fiscal quarter.

The 2017 Credit Facility contains certain financial covenants applicable to NHUK and its subsidiaries, including (i) a covenant restricting debt to total tangible capitalisation (less noncontrolling interest) to not greater than 0.55 at the end of each fiscal quarter, (ii) a minimum Liquidity requirement of \$300.0 million, (iii) a covenant that, beginning with the fiscal quarter ending 31 March 2018, the ratio of the Rig Value (as defined in the 2017 Credit Facility) of Marketed Rigs (as defined in the 2017 Credit Facility) to the sum of commitments under the 2017 Credit Facility plus indebtedness for borrowed money of the borrowers and guarantors, in each case, that directly own Marketed Rigs, is not less than 3:00 to 1:00 at the end of each fiscal quarter and (iv) a covenant that, beginning with the fiscal quarter ending 31 March 2018, the ratio of (A) the Rig Value of the Closing Date Rigs (as defined in the 2017 Credit Facility) that are directly wholly owned by the borrowers and guarantors to (B) the Rig Value of the Closing Date Rigs owned by NHUK, subsidiaries of NHUK and certain local content affiliates, is not less than 80% at the end of each fiscal quarter (such covenants described in (iii) and (iv) of this paragraph, the “Guarantor Ratio Covenants”). The 2017 Credit Facility also includes restrictions on borrowings if, after giving effect to any such borrowings and the application of the proceeds thereof, the aggregate amount of Available Cash (as defined in the 2017 Credit Facility) would exceed \$200.0 million.

NHUK has guaranteed the obligations of the borrowers under the 2017 Credit Facility. In addition, on 19 January 2018, certain indirect subsidiaries of Noble-UK became guarantors under the 2017 Credit Facility, including Noble Dave Beard Limited, Noble Drilling (TVL) Ltd., Noble Resources Limited, Noble SA Limited, Noble BD LLC, Noble Drilling Holding LLC, Noble Drilling International GmbH, Noble Leasing (Switzerland) GmbH, and Noble Leasing III (Switzerland) GmbH. Certain other subsidiaries of Noble-UK may be required from time to time to guarantee the obligations of the borrowers under the 2017 Credit Facility in order maintain compliance with the Guarantor Ratio Covenants.

The 2017 Credit Facility contains additional restrictive covenants generally applicable to NHUK and its subsidiaries, including restrictions on the incurrence of liens and indebtedness, mergers and other fundamental changes, restricted payments, repurchases and redemptions of indebtedness with maturities outside of the maturity of the 2017 Credit Facility, sale and leaseback transactions and transactions with affiliates.

In addition to the covenants from the Credit Facilities noted above, the covenants from the 2026 Notes described under “-Debt Issuance” above, and the covenant from the Seller Loan described under “Seller Financing of Rigs” above, the indentures governing our outstanding senior unsecured notes contain covenants that place restrictions on certain merger and consolidation transactions, unless we are the surviving entity or the other party assumes the obligations under the indenture, and on the ability to sell or transfer all or substantially all of our assets. There are also restrictions on incurring or assuming certain liens and on entering into sale and lease-back transactions.

At 31 December 2018, our debt to total tangible capitalisation ratio under our 2017 Credit Facility was approximately 0.48 and we were in compliance with all applicable debt covenants. We continually monitor compliance with the covenants under our Credit Facilities, senior notes and Seller Loan and expect to remain in compliance throughout 2019.

Fair Value of Debt

Fair value represents the amount at which an instrument could be exchanged in a current transaction between willing parties. The estimated fair value of our senior notes was based on the quoted market prices for similar issues or on the current rates offered to us for debt of similar remaining maturities (Level 2 measurement). All remaining fair value disclosures are presented in “Note 25— Financial Instruments.”

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The following table presents the carrying value and the estimated fair value of our total debt, not including the effect of unamortised debt issuance costs, as at 31 December 2018 and 31 December 2017 respectively:

	As at 31 December 2018		As at 31 December 2017	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	\$'000	\$'000	\$'000	\$'000
Senior unsecured notes:				
5.75% Senior Notes due March 2018	—	—	249,959	250,830
7.50% Senior Notes due March 2019	—	—	201,695	206,881
4.90% Senior Notes due August 2020	65,858	60,177	167,625	163,283
4.625% Senior Notes due March 2021	93,110	84,931	208,568	195,687
3.95% Senior Notes due March 2022	41,670	37,096	125,518	107,348
7.75% Senior Notes due January 2024	790,829	613,719	982,301	861,160
7.95% Senior Notes due April 2025	449,112	339,035	449,008	380,732
7.875% Senior Notes due February 2026	750,000	647,085	—	—
6.20% Senior Notes due August 2040	393,501	245,242	399,900	274,988
6.05% Senior Notes due March 2041	392,872	247,171	397,800	273,988
5.25% Senior Notes due March 2042	482,104	277,056	498,400	315,430
8.95% Senior Notes due April 2045	394,706	311,392	394,659	320,396
Other:				
Seller-financed secured loan due September 2022	60,776	57,902	—	—
Total debt	3,914,538	2,920,806	4,075,433	3,350,723
Less: Unamortised debt issuance costs	(37,136)	—	(29,723)	—
Less: Current maturities of long-term debt	—	—	(249,843)	(250,830)
Long-term debt, net of debt issuance costs	3,877,402	2,920,806	3,795,867	3,099,893

Note 15— Trade and other payables

	As at 31 December 2018	As at 31 December 2017
	\$'000	\$'000
Non-current		
Accrued interest on uncertain tax position	22,553	17,295
Non-current other payables	228,816	266,382
Total non-current trade payables and other payables	251,369	283,677
Current		
Trade payables	125,599	84,074
Accrued payroll & related costs	49,987	54,607
Interest payable	100,100	98,189
Current other payables	58,243	68,528
Total current trade payables and other payables	333,929	305,398

Note 16— Pension and Other Post-Retirement Benefits

Defined Benefit Plans

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The Group operates a number of pension Schemes for the benefit of its employees. The nature of each Scheme which has a significant impact on the financial statements is as follows:

- Operating in the North Sea, Noble Drilling (Land Support) Limited, an indirect, wholly-owned subsidiary of Noble-UK (“NDLS”), maintains a pension plan that covers all of its salaried, non-union employees, whose most recent date of employment is prior to April 1, 2014 (referred to as our “non-U.S. plan”). The NDLS Scheme is closed to new members and as at 31 December 2016 was closed to future accrual for existing members.
- Operating in the U.S., our three noncontributory defined benefit Schemes: two of which cover certain salaried employees and one which covers certain hourly employees, whose initial date of employment is prior to 1 August 2004 (collectively referred to as our “qualified U.S. plans”). All three Schemes are closed to new members and as at 31 December 2016 were closed to future accrual for existing members.

We approved amendments, effective as at 31 December 2016, to our non-U.S. and qualified U.S. plans. With these amendments, employees and alternate payees will accrue no future benefits under the plans after 31 December 2016. However, these amendments will not affect any benefits earned through that date. Benefits for the affected plans are primarily based on years of service and employees' compensation near 31 December 2016.

Nature of Benefits

The non-U.S. plans and qualified U.S. plans each provide benefits to eligible participants in the form of a guaranteed lifetime pension. In the U.S., participants may elect either monthly payments or a lump sum distribution. The pension benefits provided depend on several factors, which include a participant's length of service, salary at retirement or average salary over employment in the final years leading up to retirement, age when participation is elected, as well as whether spousal continuation of benefits is selected at the time a participant enters into payee status. One of the U.S. plans provides a fixed benefit per month times the participant's number of years of service. As at 31 December 2016, all of the Schemes have been frozen to future accruals.

Non-U.S. Plans

During the third quarter of 2017, Noble fully settled the previously maintained NRL defined benefit Scheme and incurred a net settlement gain of \$0.6 million as a result. Noble maintains one pension plan for certain of our employees whose most recent date of employment is prior to 1 April 2014 operating in the North Sea, the NDLS Scheme. NDLS and NRL are both indirect, wholly-owned subsidiaries of Noble-UK. References to our “non-U.S. plan” balances as at 31 December 2018 relate to the NDLS plan only. References to our “non-U.S. plans” for periods prior to 2017 included throughout this report relates to both the NDLS and NRL plans.

The non-U.S. pension Scheme is a registered Scheme and is governed by The Pension Regulator in the U.K. and is subject to the statutory Scheme-specific funding requirements, which includes the payment of levies to the Pension Protection Fund. It is established under trust and the responsibility for its governance lies with the trustees who authorise funding arrangements held by the trust. The U.K. pension Schemes have been frozen to future accruals as at 31 December 2016.

The NDLS pension Scheme targets an asset allocation of 48.0% return-seeking securities (Growth) and 52.0% debt securities (Matching). The trustees have decided to implement a de-risking strategy whereby the level of investment risk reduces as the Scheme's funding level improves. The overall investment objective of the Scheme, as adopted by the Scheme's trustees, is to reach a fully funded position on the agreed de-risking basis of Gilts - 0.45% per annum. The objectives within the Scheme's overall investment strategy is to outperform the cash + 4% per annum long term objective for growth assets and to sufficiently hedge interest rate and inflation risk within the Matching portfolio in relation to the Scheme's liabilities. By achieving these objectives, the trustees believe the Scheme will be able to avoid significant volatility in the contribution rate and provide sufficient assets to cover the Scheme's benefit obligations. To achieve this the trustees have given Mercer, the appointed investment manager, full discretion in the day-to-day management of the Scheme's assets and implementation of the de-risking strategy, who in turn invests in multiple underlying investment managers where appropriate. The trustees meet with Mercer periodically to review and discuss their investment performance.

U.S. Plans

In addition to the non-U.S. plans discussed above, we have a U.S. noncontributory defined benefit pension plan that covers certain salaried employees and a U.S. noncontributory defined benefit pension plan that covers certain hourly employees. These plans qualify under the Employee Retirement Income Security Act of 1974 (“ERISA”), and our funding policy is consistent with funding requirements of ERISA and other applicable laws and regulations. We make cash contributions, or utilise credit balances available to us under the plan, for the qualified U.S. plans when required. The benefit amount that can be covered by the qualified U.S. plans is limited under ERISA and the Internal Revenue Code (“IRC”) of 1986. Therefore, we maintain an unfunded, nonqualified excess benefit plan designed to maintain benefits for specified employees at the formula level in the qualified salary U.S. plan.

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The three qualified U.S. plans are governed by the Noble Drilling Employees' Retirement Trust (the "Trust"). The fundamental objective of the Plan is to provide the capital assets necessary to meet the financial obligations made to Plan participants. In order to meet this objective, the Investment Policy Statement depicts how the investment assets of the Plan are to be managed in accordance with the overall target asset allocation of approximately 31.5% equity securities, 67.3% fixed income securities, and 1.2% in cash and equivalents. The target asset allocation is intended to generate sufficient capital to meet Plan obligations and provide a portfolio rate of return equal to or greater than the return realized using appropriate blended, market benchmark over a full market cycle (usually a three to five year time period). Actual allocations may deviate from the target range, however any deviation from the target range of asset allocations must be approved by the Trust's governing committee. For investments in mutual funds, the assets of the Trust are subject to the guidelines and limits imposed by such mutual fund's prospectus and the other governing documentation at the fund level. No shares of Noble were included in equity securities at either 31 December 2018 or 2017.

a. Amounts recognised in the income statement for the years ended 31 December:

	2018	2017
	\$'000	\$'000
U.S. Defined benefit pension schemes:		
Net interest expense on retirement benefit obligations	1,494	1,623
Total charge in respect of U.S. defined benefit pension schemes	1,494	1,623
Non-U.S. Defined benefit pension schemes:		
Past service cost	285	—
Net interest expense on retirement benefit obligations	3	(8)
Settlement gain	—	(229)
Administrative expenses	194	227
Total charge in respect of Non-U.S. defined benefit pension schemes	482	(10)
Total charge in respect of defined benefit pension schemes	1,976	1,613

b. Amounts recognised in the balance sheet:

	As at 31 December 2018		
	Non-U.S.	U.S.	Total
	\$'000	\$'000	\$'000
Present value of obligations	(54,898)	(210,944)	(265,842)
Fair value of plan assets	68,596	165,730	234,326
Effect of asset ceiling/(onerous liability)	(13,698)	—	(13,698)
Net deficit on defined benefit pension plans	—	(45,214)	(45,214)
	As at 31 December 2017		
	Non-U.S.	U.S.	Total
	\$'000	\$'000	\$'000
Present value of obligations	(61,952)	(235,175)	(297,127)
Fair value of plan assets	77,141	189,240	266,381
Net surplus/(deficit) on defined benefit pension plans	15,189	(45,935)	(30,746)

c. Movements in the present value of retirement benefit obligations and the fair value of plan assets for the years ended 31 December:

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	2018			2017		
	Liabilities (PV)	Assets (FV)	Total	Liabilities (PV)	Assets (FV)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Qualified U.S. Plans at 1 January	(235,175)	189,240	(45,935)	(216,577)	171,239	(45,338)
Interest (expense)/income	(8,179)	6,685	(1,494)	(8,593)	6,970	(1,623)
Contributions – Group	—	4,553	4,553	—	2,349	2,349
Benefits paid	11,737	(11,737)	—	9,108	(9,108)	—
<u>Remeasurement of retirement benefit obligations:</u>						
Experience gain/(loss)	20,673	—	20,673	(19,113)	—	(19,113)
Return on Schemes' assets greater than discount rate	—	(23,011)	(23,011)	—	17,790	17,790
Total remeasurement gain/(loss)	20,673	(23,011)	(2,338)	(19,113)	17,790	(1,323)
Qualified U.S. Plans at 31 December	(210,944)	165,730	(45,214)	(235,175)	189,240	(45,935)
Non-U.S. Plans at 1 January	(61,952)	77,141	15,189	(72,347)	71,286	(1,061)
Exchange rate adjustments	3,123	(3,898)	(775)	(6,373)	7,000	627
Interest (expense)/income	(1,838)	1,940	102	(1,925)	1,933	8
Settlement/Curtailment gain/(loss)	—	—	—	4,826	(4,597)	229
Contributions – Group	—	—	—	—	688	688
Contributions – Members	—	—	—	(6)	6	—
Benefits paid	3,087	(3,087)	—	2,609	(2,609)	—
<u>Remeasurement of retirement benefit obligations:</u>						
Experience gain	3	—	3	4,541	—	4,541
Gain from change in demographic assumptions	—	—	—	6,466	—	6,466
Gain from change in financial assumptions	2,679	—	2,679	257	—	257
Return on assets not included in finance costs	—	(3,306)	(3,306)	—	3,661	3,661
Total remeasurement gain/(loss)	2,682	(3,306)	(624)	11,264	3,661	14,925
Administrative expenses borne directly by Schemes	—	(194)	(194)	—	(227)	(227)
Non-U.S. Plans at 31 December	(54,898)	68,596	13,698	(61,952)	77,141	15,189
Total plans at 1 January	(297,127)	266,381	(30,746)	(288,924)	242,525	(46,399)
Exchange rate adjustments	3,123	(3,898)	(775)	(6,373)	7,000	627
Interest (expense)/income	(10,017)	8,625	(1,392)	(10,518)	8,903	(1,615)
Settlement/Curtailment gain/(loss)	—	—	—	4,826	(4,597)	229
Contributions – Group	—	4,553	4,553	—	3,037	3,037
Contributions – Members	—	—	—	(6)	6	—
Benefits paid	14,824	(14,824)	—	11,717	(11,717)	—
<u>Remeasurement of retirement benefit obligations:</u>						
Experience gain/(loss)	20,676	—	20,676	(14,572)	—	(14,572)
Gain from change in demographic assumptions	—	—	—	6,466	—	6,466
Gain from change in financial assumptions	2,679	—	2,679	257	—	257
Return on assets not included in finance costs	—	(26,317)	(26,317)	—	21,451	21,451
Total remeasurement gain/(loss)	23,355	(26,317)	(2,962)	(7,849)	21,451	13,602
Administrative expenses borne directly by Schemes	—	(194)	(194)	—	(227)	(227)
Total Plans at 31 December	(265,842)	234,326	(31,516)	(297,127)	266,381	(30,746)

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d. Analysis of the fair value of pension Scheme assets:

	As at 31 December 2018				As at 31 December 2017			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
Cash	4,801	—	4,801	2.9%	3,275	—	3,275	1.7%
Equities	34,613	31,175	65,788	39.7%	34,142	27,105	61,247	32.4%
Corporate bonds	89,987	5,154	95,141	57.4%	124,718	—	124,718	65.9%
U.S. pension Schemes	129,401	36,329	165,730	100.0%	162,135	27,105	189,240	100.0%
Cash	151	—	151	0.2%	280	—	280	0.4%
Equities	25,584	—	25,584	37.3%	54,145	—	54,145	70.2%
Corporate bonds	42,861	—	42,861	62.5%	22,716	—	22,716	29.4%
Non-U.S. pension Schemes	68,596	—	68,596	100.0%	77,141	—	77,141	100.0%
Cash	4,952	—	4,952	2.1%	3,555	—	3,555	1.3%
Equities	60,197	31,175	91,372	39.0%	88,287	27,105	115,392	43.3%
Corporate bonds	132,848	5,154	138,002	58.9%	147,434	—	147,434	55.4%
Total pension Schemes' assets	197,997	36,329	234,326	100.0%	239,276	27,105	266,381	100.0%

e. Financial assumptions used to calculate Scheme:

Retirement benefit obligation:

	2018		2017	
	Non-U.S. Plan	Qualified U.S. Plan	Non-U.S. Plan	Qualified U.S. Plan
Discount rate	2.90%	3.65% - 4.29%	2.48% - 2.60%	3.09% - 4.48%
Salary increases	N/A	N/A	N/A	N/A

Defined benefit cost:

	2018		2017	
	Non-U.S. Plan	Qualified U.S. Plan	Non-U.S. Plan	Qualified U.S. Plan
Discount rate	2.60%	3.65% - 4.29%	2.15% - 2.70%	3.00% - 4.24%
Inflation rate-CPI	2.20%	2.30%	2.20%	2.30%
Inflation rate-RPI	3.00%	6.00% - 7.00%	3.20%	6.00% - 7.00%
Salary increases	N/A	N/A	N/A	N/A

Risks

The Group is exposed to a number of risks arising from operating its defined benefit pension Schemes, the most significant of which are detailed below. The Group has not changed the process used to manage defined benefit Scheme risks during the year.

Asset volatility

In determining the present value of Schemes' defined benefit obligations, liabilities are discounted using interest rates of high quality corporate bonds. To the extent the actual return on Schemes' assets is below this yield, the retirement benefit obligations recognised in the consolidated financial statements would increase. This risk is partly mitigated by funded Schemes investing in matching corporate bonds, such that changes in asset values are offset by similar changes in the value of Scheme liabilities. However, the Group also invests in other asset types such as equities and debt securities.

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Interest risk

In determining the present value of Schemes' defined benefit obligations, liabilities are discounted using interest rates of high quality corporate bonds. If these yields fall, the retirement benefit obligations recognised in the consolidated financial statements would increase. This risk is partly mitigated through the funded Schemes investing in matching assets as described above. The Group currently does not use derivatives to mitigate this risk.

Inflation risk

In determining the present value of Schemes' defined benefit obligations, estimates are made as to the levels of salary inflation, inflation increases that will apply to deferred benefits during deferment and pensions in payment, and healthcare cost inflation. To the extent actual inflation exceeds these estimates, the retirement benefit obligations recognised in the consolidated financial statements would increase. Salary inflation risk is partly mitigated by linking benefits in respect of future service to average salaries over a period of employment rather than final salary at retirement. Benefits in respect of certain periods of past service are still linked to final salary at retirement. Exposure to inflation risk has been mitigated by freezing contributions to all of our defined benefit plans as at 31 December 2016.

Longevity risk

In determining the present value of Schemes' defined benefit obligations, assumptions are made as to the life expectancy of members during employment and in retirement. To the extent life expectancy exceeds this estimate, the retirement benefit obligations recognised in the consolidated financial statements would increase. The Group currently does not use derivatives to mitigate this risk.

No shares of Noble were included in equity securities at either 31 December 2018 or 2017.

As at 31 December 2018, no single security made up more than 10 percent of total assets of either the qualified U.S. plans or the non-U.S. plan.

Other information

We have adopted the Retirement Plan ("RP") mortality tables with the Mortality Projection ("MP") scale as issued by the Society of Actuaries. RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected with Mortality Improvement Scale MP-2018, with employee rates before termination and healthy annuitant rates after termination (adopted 31 December 2018). As a generational table, it reflects mortality improvements both before and after the measurement date.

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2018 by the amounts shown below:

Sensitivity Analysis	\$'000	
1% reduction in discount rate		41,378
Mortality improvement of 1 year		2,511
Estimated future payments	Non-U.S. Plan	Qualified U.S. Plan
	\$'000	\$'000
2019	3,063	8,873
2020	3,173	9,320
2021	3,287	13,562
2022	3,406	9,754
2023	3,529	10,351
Succeeding 5 years	19,647	57,415
	36,105	109,275

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Future benefit payments represent payments to either active or terminated employees who have a vested pension, but who have yet to begin their annuity as well as current annuitants and their expected length of payments based on mortality tables. Whether or not the plans require funding is dictated by the annual valuation report in the U.S. and the triennial valuation report in the U.K. There are prescribed funding levels which if the actuaries determine we are below in a given plan, will trigger funding in order to at least meet the passing threshold level. The above table summarises our estimated future benefit payments at 31 December 2018.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in U.K. These assumptions translate into an average life expectancy in years for a retiree retiring at age 65.

	2018
	U.K.
Retiring at the end of the reporting year	
Male retirees	21.8
Female retirees	24.4
Retiring 20 years after the end of the reporting year	
Male retirees	23.7
Female retirees	26.5

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in U.S. These assumptions translate into an average life expectancy in years for a retiree retiring at age 65.

	2018
	U.S.
Retiring at the end of the reporting year	
Male retirees	20.6
Female retirees	22.6
Retiring 20 years after the end of the reporting year	
Male retirees	22.3
Female retirees	24.2

Other Benefit Plans

We sponsor a 401(k) Restoration Plan, which is a nonqualified, unfunded employee benefit plan under which specified employees may elect to defer compensation in excess of amounts deferrable under our 401(k) savings plan. The 401(k) Restoration Plan has no assets, and amounts withheld for the 401(k) Restoration Plan are kept by us for general corporate purposes. The investments selected by employees and associated returns are tracked on a phantom basis. Accordingly, we have a liability to the employee for amounts originally withheld plus phantom investment income or less phantom investment losses. We are at risk for phantom investment income and, conversely, benefit should phantom investment losses occur. At 31 December 2018 and 2017, our liability for the 401(k) Restoration Plan was \$8.2 million and \$8.8 million, respectively, and is included in “Accrued payroll and related costs.”

In 2005, we enacted a profit sharing plan, the Noble Drilling Services Inc. Profit Sharing Plan, which covers eligible employees, as defined. Participants in the plan become fully vested in the plan after two years of service. Profit sharing contributions are discretionary, require Board of Directors' approval and are made in the form of cash. Contributions recorded related to this plan totalled \$2.3 million and \$3.1 million in years ending 31 December 2018 and 2017, respectively.

We sponsor other retirement, health and welfare plans and a 401(k) savings plan for the benefit of our employees. The cost of maintaining these plans for continuing operations aggregated approximately \$25.0 million and \$27.6 million in years ending 31 December 2018 and 2017, respectively. We do not provide post-retirement benefits (other than pensions) or any post-employment benefits to our employees.

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Note 17— Share Based Payments

Share-Based Compensation Plans

Stock Plans

During 2015 Noble Corporation plc shareholders approved a new equity plan, the Noble Corporation plc 2015 Omnibus Incentive Plan (the “2015 Incentive Plan”), which permits grants of options, stock appreciation rights (“SARs”), stock or stock unit awards or cash awards, any of which may be structured as a performance award, from time to time to employees who are to be granted awards under the 2015 Incentive Plan. Neither consultants nor non-employee Directors are eligible for awards under the 2015 Incentive Plan.

During 2018, 2017 and 2016, the 2015 Incentive Plan was restated and shareholders approved amendments, primarily to increase the number of ordinary shares available for issuance as long-term incentive compensation under the 2015 Incentive Plan by 5.0 million, 3.7 million and 9.5 million shares, respectively. The maximum aggregate number of ordinary shares that may be granted for any and all awards under the 2015 Incentive Plan will not exceed 25.5 million shares and at 31 December 2018, we had 11.5 million shares remaining available for grants to employees.

The Noble Corporation 1991 Stock Option and Restricted Stock Plan, as amended (the “1991 Plan”), provided for the granting of options to purchase our shares, with or without stock appreciation rights, and the awarding of restricted shares or units to selected employees. Upon shareholder approval of the 2015 Incentive Plan, as described above, the 1991 Plan was terminated and equity based awards to employees are now made only through the 2015 Incentive Plan. Equity based awards previously granted under the 1991 Plan remain outstanding in accordance with their terms, which include the 1991 Plan.

Prior to 2017, we used the Noble Corporation 1992 Nonqualified Stock Options and Share Plan for Non-Employee Directors (the “1992 Plan”) to issue stock awards to non-employee directors. During 2017, upon shareholder approval, the Noble Corporation plc 2017 Director Omnibus Plan (the “Director Plan”), replaced the 1992 Plan. At the same time, the 1992 Plan was terminated and equity based awards to non-employees directors are now made only through the Director Plan.

Stock Options

Options have a term of 10 years, an exercise price equal to the fair market value of a share on the date of grant and generally vest over a three-year period. A summary of the status of stock options granted under both the 1991 Plan and 1992 Plan as at 31 December 2018 and 2017 and the changes during the year ended on those dates is presented below:

	2018		2017	
	Number of Shares Underlying Options	Weighted Average Exercise Price	Number of Shares Underlying Options	Weighted Average Exercise Price
	\$		\$	
Outstanding at beginning of year	1,313,155	29.51	1,420,175	29.52
Expired	(209,913)	33.56	(107,020)	29.74
Outstanding at end of year ⁽¹⁾	<u>1,103,242</u>	28.74	<u>1,313,155</u>	29.51
Exercisable at end of year ⁽¹⁾	<u>1,103,242</u>	28.74	<u>1,313,155</u>	29.51

⁽¹⁾ Options outstanding and exercisable at 31 December 2018 had no intrinsic value.

NOBLE CORPORATION PLC AND SUBSIDIARIES
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The following table summarises additional information about stock options outstanding at 31 December 2018:

	Options Outstanding and Exercisable		
	Number of Shares Underlying Options	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
			\$
\$20.49 to \$25.41	290,962	0.69	21.40
\$25.42 to \$30.59	334,958	3.10	30.59
\$30.60 to \$32.78	477,322	1.70	31.91
Total	1,103,242	1.86	28.74

The fair value of each option is estimated on the date of grant using a Black-Scholes pricing model. The expected term of options granted represents the period of time that the options are expected to be outstanding and is derived from historical exercise behaviour, current trends and values derived from lattice-based models. Expected volatilities are based on implied volatilities of traded options on our shares, historical volatility of our shares, and other factors. The expected dividend yield is based on historical yields on the date of grant. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant.

There were no non-vested stock option balances at 31 December 2018 or any changes during the year ended 31 December 2018. No new stock options were granted during the years ended 31 December 2018 and 2017.

There was no compensation cost recognised during the years ended 31 December 2018 and 2017 related to stock options.

Restricted Stock Units (“RSUs”)

We have awarded both Time Vested RSUs (“TVRSUs”) and Performance Vested (“PVRsUs”) under the 1991 Plan and the 2015 Incentive Plan. The TVRSUs generally vest over a three-year period. The number of PVRsUs which vest will depend on the degree of achievement of specified corporate performance criteria over a three-year performance period. Depending on the date the PVRsU was awarded, these criteria consist of market based criteria or market and performance based criteria.

The TVRSUs are valued on the date of award at our underlying share price. The total compensation for units that ultimately vest is recognised over the service period. The shares and related nominal value are recorded when the restricted stock unit vests and additional paid-in capital is adjusted as the share-based compensation cost is recognised for financial reporting purposes.

The market-based PVRsUs are valued on the date of grant based on the estimated fair value. Estimated fair value is determined based on numerous assumptions, including an estimate of the likelihood that our stock price performance will achieve the targeted thresholds and the expected forfeiture rate. The fair value is calculated using a Monte Carlo Simulation Model. The assumptions used to value the PVRsUs include historical volatility and risk-free interest rates over a time period commensurate with the remaining term prior to vesting, as follows:

	2018	2017
<u>Valuation assumptions:</u>		
Expected volatility	61.8%	56.4%
Expected dividend yield	—%	—%
Risk-free interest rate	2.31%	1.49%

Additionally, similar assumptions were made for each of the companies included in the defined index and the peer group of companies in order to simulate the future outcome using the Monte Carlo Simulation Model.

NOBLE CORPORATION PLC AND SUBSIDIARIES
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A summary of the RSUs awards for each of the years in the period ended 31 December, is as follows:

<u>TVRSU</u>	<u>2018</u>	<u>2017</u>
Units awarded	3,578,212	3,231,225
Weighted-average share price at award date	\$ 4.71	\$ 6.96
Weighted-average vesting period (years)	3.0	3.0
<u>PVRSU</u>		
Units awarded	2,733,906	2,474,978
Weighted-average share price at award date	\$ 4.55	\$ 7.28
Three-year performance period ended 31 December	2020	2019
Weighted-average award-date fair value	\$ 2.96	\$ 4.37

During the years ended 31 December 2018 and 2017, we awarded 267,204 and 197,316 TVRSUs, respectively, to our non-employee directors.

A summary of the status of non-vested RSUs at 31 December 2018 and changes during the year ended 31 December 2018 is presented below:

	<u>TVRSUs Outstanding</u>	<u>Weighted Average Award-Date Fair Value</u>	<u>PVRSUs Outstanding ⁽¹⁾</u>	<u>Weighted Average Award-Date Fair Value</u>
		<u>\$</u>		<u>\$</u>
Non-vested RSUs at 1 January 2018	5,043,502	7.95	5,645,454	4.98
Awarded	3,578,212	4.71	2,733,906	4.87
Vested	(2,342,503)	8.67	(403,553)	9.12
Forfeited	(1,054,808)	6.43	(1,784,740)	5.97
Non-vested RSUs at 31 December 2018	<u>5,224,403</u>	5.71	<u>6,191,067</u>	4.38

(1) The number of PVRSUs shown equals the units that would vest if the “maximum” level of performance is achieved. The minimum number of units is zero and the “target” level of performance is 50 percent of the amounts shown.

At 31 December 2018, there was \$7.5 million of total unrecognised compensation cost related to the TVRSUs, which is expected to be recognised over a remaining weighted-average period of 1.6 years. The total award-date fair value of TVRSUs vested during the year ended 31 December 2018 was \$20.3 million.

At 31 December 2018, there was \$6.7 million of total unrecognised compensation cost related to the PVRSUs, which is expected to be recognised over a remaining weighted-average period of 1.1 years. The total potential compensation for PVRSUs is recognised over the service period regardless of whether the performance thresholds are ultimately achieved. In February 2019, 1,450,802 PVRSUs for the 2016-2018 performance period were forfeited.

Share-based amortisation recognised during the years ended 31 December 2018 and 2017 related to all restricted stock totalled \$19.6 million (\$16.7 million net of income tax) and \$30.1 million (\$27.2 million net of income tax), respectively. During the year ended 31 December 2018 and 2017, capitalised share-based amortisation was zero.

Note 18— Shareholders’Equity

a. Share Capital:

	<u>As at 31 December 2018</u>	<u>As at 31 December 2017</u>
	<u>Ordinary Shares of \$ 0.01 each</u>	
Shares outstanding and trading (*000s)	246,794	244,971

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At our 2018 Annual General Meeting, shareholders approved a proposal to allow our Board of Directors to increase share capital through the issuance of up to 82.2 million ordinary shares. The right of our directors to allot shares will expire at the end of our 2019 Annual General Meeting unless we seek an extension from shareholders at that time. No shares were allotted during the year ended 31 December 2018.

	<u>Ordinary shares outstanding</u>	<u>Share capital (par value)</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance as at 1 January 2017	243,239	2,432
Issuance of share-based compensation shares	1,732	18
Balance as at 31 December 2017	244,971	2,450
Issuance of share-based compensation shares	1,823	18
Balance as at 31 December 2018	246,794	2,468

b. Other Reserves:

	<u>Share Plan Reserve & Other</u>	<u>Accumulated Other Comprehensive Expense/Income</u>	<u>Other Reserves</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance as at 1 January 2017	678,764	(41,494)	637,270
Other comprehensive loss	—	6,887	6,887
Amortisation of share-based compensation	30,050	—	30,050
Issuance of share-based compensation shares	(23)	—	(23)
Tax benefit of equity transactions	(4,338)	—	(4,338)
Balance as at 31 December 2017	704,453	(34,607)	669,846
IFRS translation on defined benefit obligation	—	—	—
Other comprehensive loss	—	(17,589)	(17,589)
Amortisation of share-based compensation	19,613	—	19,613
Issuance of share-based compensation shares	(18)	—	(18)
Tax benefit of equity transactions	(3,488)	—	(3,488)
Balance as at 31 December 2018	720,560	(52,196)	668,364

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c. Accumulated Other Comprehensive Income:

	Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Items	Foreign Currency Items	Accumulated Other Comprehensive Income/(Loss)
	Note 25	Note 16		
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2017	—	(25,219)	(16,275)	(41,494)
Activity during year:				
Other comprehensive income before reclassifications	1,239	748	990	2,977
Accumulative effect of changes in tax rate	—	5,149	—	5,149
Amounts reclassified from AOCI	(1,239)	—	—	(1,239)
Other comprehensive income	—	5,897	990	6,887
Balance as at 31 December 2017	—	(19,322)	(15,285)	(34,607)
Activity during year:				
Other comprehensive loss before reclassifications	—	—	(2,729)	(2,729)
Amounts reclassified from AOCI	—	(14,860)	—	(14,860)
Other comprehensive loss	—	(14,860)	(2,729)	(17,589)
Balance as at 31 December 2018	—	(34,182)	(18,014)	(52,196)

Note 19— Commitments and Contingencies

Transocean Ltd.

In January 2017, a subsidiary of Transocean Ltd. (“Transocean”) filed suit against us and certain of our subsidiaries for patent infringement in a Texas federal court. The suit claims that five of our newbuild rigs that operated in the U.S. Gulf of Mexico violated Transocean patents relating to what is generally referred to as dual-activity drilling. We were aware of the patents when we constructed the rigs. The patents are now expired in the United States and most other countries. While there is inherent risk in litigation, we do not believe that our rigs infringe the Transocean patents. Transocean also recently added another claim alleging that we breached a 2007 settlement agreement we entered into with Transocean relating to patent claims in respect of another Noble rig. We also do not believe there has been any breach of the 2007 agreement. The litigation continues, and we believe the court could set a trial date for the third quarter of 2019. We continue to defend ourselves vigorously against this claim.

Brazil commercial agent.

We previously used a commercial agent in Brazil in connection with our Petróleo Brasileiro S.A. (“Petrobras”) drilling contracts. This agent represented a number of different companies in Brazil over many years, including several offshore drilling contractors. In November 2015, this agent pled guilty in Brazil in connection with the award of a drilling contract to a competitor and implicated a Petrobras official as part of a wider investigation of Petrobras’ business practices. Following news reports relating to the agent’s involvement in the Brazil investigation in connection with his activities with other companies, we conducted a review, which was substantially completed in 2017, of our relationship with the agent and with Petrobras. We have been in contact and cooperated with the Securities and Exchange Commission (“SEC”), the Brazilian federal prosecutor’s office and the U.S. Department of Justice (“DOJ”) about this matter, and in December 2018, the SEC and the DOJ each advised us that they had closed their file on this matter. We have remained in contact with the Brazilian federal prosecutor’s office, who is aware of our internal review, and continue to cooperate with any questions or requests they may have. To our knowledge, neither the agent, nor the government authorities investigating the matter, has alleged that the agent or Noble acted improperly in connection with our contracts with Petrobras.

Paragon Offshore.

On 1 August 2014, Noble-UK completed the Spin-off of a majority of its standard specification offshore drilling business through a pro rata distribution of all of the ordinary shares of its wholly-owned subsidiary, Paragon Offshore, to the holders of Noble’s ordinary shares. In February 2016, Paragon Offshore sought approval of a pre-negotiated plan of reorganisation (the “Prior Plan”) by filing for voluntary relief under Chapter 11 of the United States Bankruptcy Code. As part of the Prior Plan, we entered into a settlement agreement with Paragon Offshore (the “Settlement Agreement”). The Prior Plan was rejected by the bankruptcy court in October 2016.

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In April 2017, Paragon Offshore filed a revised plan of reorganisation (the “New Plan”) in its bankruptcy proceeding. Under the New Plan, Paragon Offshore no longer need the Mexican tax bonding that Noble-UK was to provide under the Settlement Agreement. Consequently, Paragon Offshore abandoned the Settlement Agreement as part of the New plan, and the Settlement Agreement was terminated at the time of the filing of the New Plan. On 2 May 2017, Paragon Offshore announced that it had reached an agreement in principle with both its secured and unsecured creditors to revise the New Plan to, among other things, create and fund a \$10.0 million. litigation trust to pursue litigation against us. On 7 June 2017, the revised New Plan was approved by the bankruptcy court and Paragon Offshore emerged from bankruptcy on 18 July 2017.

On 15 December 2017, the litigation trust filed claims relating to the Spin-off against us and certain of our current and former officers and directors in the Delaware bankruptcy court that heard Paragon Offshore’s bankruptcy. The complaint alleges claims of alleged actual and constructive fraudulent conveyance, unjust enrichment and recharacterisation of intercompany notes as equity claims against Noble and claims of breach of fiduciary duty and aiding and abetting breach of fiduciary duty against the officer and director defendants. The complaint states that the litigation trust is seeking damages of approximately \$1.7 billion from the Company, an amount equal to the amount borrowed by Paragon Offshore immediately prior to the Spin-off, as well as unspecified amounts in respect of the claims against the officer and director defendants, all of whom have indemnification agreements with us. We requested that the court dismiss the claims of breach of fiduciary duty, aiding and abetting breach of fiduciary duty and unjust enrichment, and require such claims to be arbitrated under the MSA entered into between Noble and Paragon Offshore at the time of the Spin-off, as well as stay the other proceedings during the pendency of the arbitration. The court ruled that the unjust enrichment claim be arbitrated, that the other claims proceed in bankruptcy court. We and the litigation trust have mutually agreed to drop our respective appeals of the arbitration ruling and now all matters will be heard in court, which will streamline the case. Discovery continues and the court has approved a litigation schedule, which could result in all pre-trial activity being completed by the end of 2019. A trial date has not yet been set.

We believe that Paragon Offshore, at the time of the Spin-off, was properly funded, solvent and had appropriate liquidity and that the claims brought by the litigation trust are without merit. We intend to defend ourselves vigorously. However, there is inherent risk and substantial expense in litigation, and the amount of damages the plaintiff is seeking is substantial. If any of the litigation trust’s claims are successful, or if we elect to settle any claims (in part to reduce or eliminate the ongoing cost of defending the litigation and eliminate any risk of a larger judgment against us), any damages or other amounts we would be required to or agree to pay could have a material adverse effect on our business, financial condition and results of operations. Because of our view of the merits of the claims and the significant discovery still to be conducted in the litigation, we are not currently able to make a reasonable estimation of the amount of possible loss we may incur, if any. Subsequent developments in the litigation may make such an estimation possible, in which case we may record a charge against our income when a loss is reasonably estimable. This may occur even though the litigation may still be ongoing. Any charge could be material and could have a material adverse effect on our financial condition and results of operations. It may also be materially different than any amount we are required to pay once the litigation is concluded.

We have directors’ and officers’ indemnification coverage for the officers and directors who have been sued by the litigation trust. The insurers have accepted coverage for the director and officer claims and we are continuing to discuss with them the scope of their reimbursement of litigation expenses. In addition, at the time of the Spin-off we had entity coverage, or “Side C” coverage, which was meant to cover certain litigation claims up to the coverage limit of \$150.0 million, including litigation expenses. We have made a claim for coverage of the litigation trust’s claims against Noble under such entity insurance. The insurers have rejected coverage for these claims. We cannot predict the amount of claims and expenses we may incur, pay or settle in the Paragon Offshore litigation that such insurance will cover, if any.

Prior to the completion of the Spin-off, Noble-UK and Paragon Offshore entered into the Separation Agreements to effect the separation and Spin-off and govern the relationship between the parties after the Spin-off, including the MSA and the TSA.

As part of its final bankruptcy plan, Paragon Offshore rejected the Separation Agreements. Accordingly, the indemnity obligations that Paragon Offshore potentially would have owed us under the Separation Agreements have now terminated, including indemnities arising under the MSA and the TSA in respect of obligations related to Paragon Offshore’s business that were incurred through Noble-retained entities prior to the Spin-off. Likewise, any potential indemnity obligations that we would have owed Paragon Offshore under the Separation Agreements, including those under the MSA and the TSA in respect of Noble-UK’s business that was conducted prior to the Spin-off through Paragon Offshore-retained entities, are now also extinguished. In the absence of the Separation Agreements, liabilities relating to the respective parties will be borne by the owner of the legal entity or asset at issue and neither party will look to an allocation based on the historic relationship of an entity or asset to one of the party’s business, as had been the case under the Separation Agreements.

The rejection and ultimate termination of the indemnity and related obligations under the Separation Agreements resulted in a number of accounting charges and benefits during the year ended 31 December 2017, and such termination may continue to affect us in the future as liabilities arise for which we would have been indemnified by Paragon Offshore or would have had to indemnify Paragon Offshore. We do not expect that, overall, the rejection of the Separation Agreements by Paragon Offshore will have a material adverse effect on our financial condition or liquidity. However, any loss we experience with respect to which we would have been able to secure indemnification from Paragon Offshore under one or more of the Separation Agreements could have an adverse impact on our results of operations in any period, which impact may be material depending on our results of operations during this down-cycle.

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During the year ended 31 December 2017, we recognised net charges of \$15.9 million, with a non-cash loss of \$1.5 million recorded in “Net loss from discontinued operations, net of tax” on our Consolidated Statement of Operations relating to Paragon Offshore’s emergence from bankruptcy.

Tax matters.

During 2014, the Internal Revenue Service (“IRS”) began its examination of our tax reporting in the U.S. for the taxable years ended 31 December 2010 and 2011. The IRS examination team has completed its examination of our 2010 and 2011 U.S. tax returns and proposed adjustments and deficiencies with respect to certain items that were reported by us for the 2010 and 2011 tax year. On 19 December 2016, we received the Revenue Agent Report from the IRS. We believe that we have accurately reported all amounts in our tax returns, and have submitted administrative protests with the IRS Office of Appeals contesting the examination team’s proposed adjustments. We intend to vigorously defend our reported positions, and believe the ultimate resolution of the adjustments proposed by the IRS examination team will not have a material adverse effect on our consolidated financial statements. During the third quarter of 2017, the IRS initiated its examination of our 2012, 2013, 2014 and 2015 tax returns.

Audit claims of approximately \$50.7 million attributable to income and other business taxes were assessed against Noble entities in Mexico related to tax years 2005 and 2007. We intend to vigorously defend our reported positions, and believe the ultimate resolution of the audit claims will not have a material adverse effect on our consolidated financial statements.

We operate in a number of countries throughout the world and our tax returns filed in those jurisdictions are subject to review and examination by tax authorities within those jurisdictions. We recognise uncertain tax positions that we believe have a greater than 50 percent likelihood of being sustained. We cannot predict or provide assurance as to the ultimate outcome of any existing or future assessments.

Other legal matters.

We have entered into agreements with certain of our executive officers, as well as certain other employees. These agreements become effective upon a change of control of Noble-UK (within the meaning set forth in the agreements) or a termination of employment in connection with or in anticipation of a change of control, and remain effective for three years thereafter. These agreements provide for compensation and certain other benefits under such circumstances.

We are a defendant in certain claims and litigation arising out of operations in the ordinary course of business, including personal injury claims, the resolution of which, in the opinion of management, will not be material to our financial position, results of operations or cash flows. There is inherent risk in any litigation or dispute and no assurance can be given as to the outcome of these claims.

Summary of Contractual Cash Obligations and Commitments

The following table summarises our contractual cash obligations and commitments at 31 December 2018:

	Payments Due by Period (\$'000)							
	Total	For the Years Ending 31 December						
		2019	2020	2021	2022	2023	Thereafter	Other
Contractual cash obligations								
Debt obligations	3,934,553	—	65,890	96,142	99,481	—	3,673,040	—
Interest payments	3,613,160	289,752	287,497	281,905	279,083	266,831	2,208,092	—
Operating leases ⁽²⁾	36,888	15,213	7,913	5,522	1,821	695	5,724	—
Pension plan contributions	147,609	12,128	12,692	17,054	13,371	14,098	78,266	—
Tax reserves ⁽¹⁾	183,786	—	—	—	—	—	—	183,786
Total contractual cash obligations	7,915,996	317,093	373,992	400,623	393,756	281,624	5,965,122	183,786

⁽¹⁾ Tax reserves are included in “Other” due to the difficulty in making reasonably reliable estimates of the timing of cash settlements to taxing authorities. See “Note 14— Interest Bearing Loans and Borrowings” to the Consolidated Financial Statements.

⁽²⁾ In February 2019, we amended the lease for our Sugar Land office to extend the lease for an additional ten years and reduced the rented space. The above table does not include this lease amendment.

We lease certain office space and warehouse facilities under cancellable and non-cancellable leases. Rent expense under these arrangements total \$7.5 million and \$8.3 million for the years ended 31 December 2018 and 2017, respectively.

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At 31 December 2018, we had other commitments that we are contractually obligated to fulfil with cash if the obligations are called. These obligations include letters of credit that guarantee our performance as it relates to our drilling contracts, tax and other obligations in various jurisdictions. These letters of credit obligations are not normally called, as we typically comply with the underlying performance requirement.

The following table summarises our other commercial commitments at 31 December 2018:

	Amount of Commitment Expiration Per Period (\$'000)						
	Total	2019	2020	2021	2022	2023	Thereafter
Total letters of credit and commercial commitments	14,655	9,437	1,535	—	—	8	3,675

Note 20— Dividends

Our most recent quarterly dividend payment to shareholders, totalling \$5.0 million (or \$0.02 per share), was declared on 22 July 2016 and paid on 8 August 2016 to holders of record on 1 August 2016. Our Board of Directors suspended our quarterly cash dividend of \$0.02 per share, beginning in the fourth quarter of 2016.

The declaration and payment of dividends require the authorisation of the Board of Directors of Noble-UK, provided that such dividends on issued share capital may be paid only out of Noble-UK's "distributable reserves" on its statutory balance sheet in accordance with U.K. laws. Therefore, Noble-UK is not permitted to pay dividends out of share capital, which includes share premiums. The payment of future dividends will depend on our results of operations, financial condition, cash requirements, future business prospects, the availability of sufficient distributable reserves, contractual and indenture restrictions and other factors deemed relevant by our Board of Directors.

Note 21— Segment Information

We report our contract drilling operations as a single reportable segment, Contract Drilling Services, which reflects how we manage our business. The mobile offshore drilling units comprising our offshore rig fleet operate in a, global market for contract drilling services and are often redeployed to different regions due to changing demands of our customers, which consist primarily of large, integrated, independent and government-owned or controlled oil and gas companies throughout the world. As at 31 December 2018, our contract drilling services segment conducts contract drilling operations in Canada, Far East Asia, the Middle East, the North Sea, Oceania, the Black Sea, South America and the U.S. Gulf of Mexico. The following table presents financial information by country based on the location of the service provided:

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	Revenues for Year Ended 31 December		Identifiable Assets as of 31 December	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Australia	—	12,262	130,805	138,621
Brazil	—	—	8,911	15,820
Brunei	3,080	45,450	—	73
Bulgaria	84,757	55,145	342,726	340,696
Canada	47,085	1,639	115,769	130,128
Curacao	—	—	39,629	250,073
Denmark	35,855	44,671	137,267	139,460
East Timor	33,733	—	—	—
Egypt	112,473	—	339,359	—
Gabon	—	—	8,065	8,378
Guyana	50,839	—	435,439	—
Malaysia	91,052	131,696	270,939	131,736
Mexico	—	—	27,542	27,391
Myanmar	16,572	—	143,328	—
Qatar	35,180	16,488	237,521	—
Saudi Arabia	156,989	140,453	238,369	290,575
Singapore	1,769	—	125,721	554,844
South Africa	—	48,228	—	—
Suriname	(3)	13,034	—	—
Tanzania	381	1,526	—	—
Turkey	—	(3)	—	—
United Arab Emirates	(17)	99,825	34,874	307,681
United Kingdom	194,602	209,338	1,388,522	790,284
United States	218,479	417,163	891,604	2,752,374
Total	1,082,826	1,236,915	4,916,390	5,878,134

Identifiable assets for this purpose consist of property, plant and equipment, and other assets.

A reporting entity is required to report a measure of liabilities for each reportable segment if such an amount is regularly provided to the chief operating decision maker (“CODM”). As we do not provide such an amount to our CODM on a regular basis, we have not reported a measure of liabilities for each segment.

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Note 22— Auditors' Remuneration

The following table presents the fees paid to PricewaterhouseCoopers LLP for services rendered during the years ended 31 December:

	2018	2017
	\$'000	\$'000
Group audit of IFRS consolidated and parent financial statements	460	462
Fees payable to company's auditors and its associates for other audit services	4,019	4,461
Audit-related fees ⁽¹⁾	121	121
Tax compliance fees	145	230
Tax consulting fees	303	198
All other fees	16	15
Total	5,064	5,487

⁽¹⁾ Represents fees for professional services rendered for benefit plans audits for 2018 and 2017.

Note 23— Employee Information

The following table illustrates our average employee numbers by functional area as at 31 December:

	2018	2017
Contract Drilling	2,123	2,066
Shorebased local administration	194	188
Corporate operational support	165	184
Corporate general and administration	110	110
Total	2,592	2,548

Employee benefit expenses for the Group during the years ended 31 December were as follows:

	2018	2017
	\$'000	\$'000
Employee benefit expense		
Wages and salaries	287,276	281,638
Social security costs	10,568	10,618
Share-based compensation	18,376	29,103
Pension costs - defined contribution plans	5,858	5,721
Pension costs - defined benefit plans	5,432	6,231
Total employee benefit expense	327,510	333,311

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Note 24— Related Party Transactions

Compensation of key management personnel

The remuneration of Directors and other key members of the management as at 31 December were as follows:

	2018	2017
	\$'000	\$'000
Compensation of key management personnel of the Group		
Short-term benefits and bonus	6,316	8,500
Termination benefits	3,750	—
Share-based compensation	6,071	5,287
Post-retirement benefits	(1,047)	1,145
Total compensation paid to key management personnel	15,090	14,932

Note 25— Financial Instruments

25.1—Financial Risk Management

We periodically enter into derivative instruments to manage our exposure to fluctuations in interest rates and foreign currency exchange rates. We have documented policies and procedures to monitor and control the use of derivative instruments. We do not engage in derivative transactions for speculative or trading purposes, nor are we a party to leveraged derivatives.

For foreign currency forward contracts, hedge effectiveness is evaluated at inception based on the matching of critical terms between derivative contracts and the hedged item. Any change in fair value resulting from ineffectiveness is recognised immediately in earnings.

On 10 May 2016, Freeport-McMoRan Inc. (“Freeport”), Freeport-McMoRan Oil & Gas LLC and one of our subsidiaries entered into an agreement terminating the contracts on the *Noble Sam Croft* and *Noble Tom Madden* (“FCX Settlement”), which were scheduled to end in July 2017 and November 2017, respectively. The FCX Settlement included two contingent payments, which are further discussed below. We accounted for these contingent payments as derivative instruments that did not qualify for hedge accounting treatment, and therefore, changes in fair values were recognised as a loss in our accompanying Consolidated Income Statement.

Cash Flow Hedges

Several of our regional shorebases have a significant amount of their cash operating expenses payable in local currencies. To limit the potential risk of currency fluctuations, we periodically enter into forward contracts, which have historically settled monthly in the operations’ respective local currencies. All of these contracts had a maturity of less than 12 months. There were no foreign currency forward contracts outstanding or entered into during the year ended 31 December 2018.

FCX Settlement

Pursuant to the FCX Settlement, Noble could have received contingent payments from the FCX Settlement on 30 September 2017, depending on the average price of oil over a 12-month period from 30 June 2016 through 30 June 2017. The average price of oil was calculated using the daily closing price of West Texas Intermediate crude oil (“WTI”) (CL1) on the New York Mercantile Exchange for the period of 30 June 2016 through 30 June 2017. If the price of WTI averaged more than \$50 per barrel during such period, Freeport would have paid \$25.0 million to Noble. In addition to the \$25.0 million contingent payment, if the price of WTI averaged more than \$65 per barrel during such period, Freeport would have paid an additional \$50.0 million to Noble. These contingent payments did not qualify for hedge accounting treatment under IFRS standards, and therefore, the change in fair value was recognised as a loss in our Consolidated Income Statements. These contingent payments are referred to as non-designated derivatives in the following tables and is classified as Level 3 of the valuation hierarchy.

The price of WTI did not average more than \$50 per barrel during the 12-month period. As of 30 June 2017, the fair value of these contingent payments was reduced to zero, as the period for earning the contingent payments had ended.

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Financial Statement Presentation

The following table summarises the gains/(losses) relating to cash flow hedges and non-designated derivatives through Other Comprehensive Income or as “contract drilling services” revenue or cost for the years ended 31 December 2018 and 2017:

	Unrealised loss recognised through OCI		(Gain)/loss reclassified from OCI to “contract drilling services” cost		Gain/(loss) recognised through “contract drilling services” revenue	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flow hedges						
Foreign currency forward contracts	—	(1,239)	—	—	—	1,239
Non-designated derivatives						
FCX Settlement	—	—	—	—	—	(14,400)

The following tables present the carrying amount and estimated fair value of our financial instruments recognised at fair value on a recurring basis:

	31 December 2018			
	Carrying Amount	Estimated Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		\$'000	\$'000	\$'000
Assets—				
Marketable securities	8,659	8,659	—	—
	31 December 2017			
	Carrying Amount	Estimated Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		\$'000	\$'000	\$'000

Our cash and cash equivalents, trade and other receivable (excluding prepayments), marketable securities and accounts payable are by their nature short-term. As a result, the carrying values included in the accompanying Consolidated Statement of Financial Position approximate fair value.

25.2 — Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to market risk exposure related to changes in interest rates on borrowings under the credit facility. Interest on borrowings under the credit facility is at an agreed upon percentage point spread over LIBOR, or a base rate stated in the agreement. At 31 December 2018, we had no borrowings outstanding under our credit facility.

In addition, our credit facility and certain of our senior notes have provisions which vary the applicable interest rates for borrowing based upon our debt ratings. The Group is not exposed to further interest rate increases for credit rating decline as we have already reached our maximum credit rating interest rate increase.

See “Note 14— Interest Bearing Loans and Borrowings,” to for more information on our interest bearing loans and interest rates.

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25.3 — Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Noble operates internationally and is subject to foreign exchange risks in future commercial transactions and the retranslation of the results of foreign subsidiaries.

To mitigate risks associated with future commercial transactions, Noble's policy is to hedge known and certain forecast transaction exposure based on historical experience and projections. These contracts are primarily accounted for as cash flow hedges. See “Cash flow hedges” above, for more details.

25.4 — Credit Risk Exposure

Any concentration of customers increases the risks associated with any possible termination or nonperformance of drilling contracts, failure to renew contracts or award new contracts or reduction of their drilling programs. Revenues from Royal Dutch Shell plc (“Shell”), Equinor ASA (“Equinor” formerly known as “Statoil ASA) and Saudi Arabian Oil Company (“Saudi Aramco”) accounted for approximately 38.8 percent, 15.5 percent, and 14.5 percent, respectively, of our consolidated operating revenues for the year ended 31 December 2018. Revenues from Shell, Equinor, and Saudi Aramco accounted for approximately 45.0 percent, 13.2 percent, and 11.4 percent, respectively, of our consolidated operating revenues for the year ended 31 December 2017. If any of these customers fail to perform their obligations under their contracts our financial condition and results of operations could be materially adversely affected.

Credit Rating	31 December 2018	31 December 2017
	\$'000	\$'000
Cash at bank, short-term bank deposits and money market funds		
AAA	138,873	298,579
AA	228,406	237,633
A	7,555	126,029
Ba	384	574
Cash in hand	14	14
Total cash and cash equivalents	375,232	662,829

25.5 — IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 *Financial Instruments* from 1 January 2018 resulted in changes in accounting policies with no material adjustments to amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

25.6 — Liquidity Risk Exposure

The Group maintains sufficient committed facilities to meet projected borrowing requirements based on cash flow forecasts. Additional headroom is maintained to protect against the variability of cash flows. Key ratios are monitored to ensure continued compliance with covenants contained in the Group’s principal credit agreements. The following table analyses the Group’s financial instruments by category:

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	31 December 2018	31 December 2017
	Amortised cost ⁽¹⁾	Loans and receivables ⁽¹⁾
	\$'000	\$'000
Cash and cash equivalents	375,232	662,829
Accounts receivable, net	200,721	204,695
Total	575,953	867,524

⁽¹⁾ The reclassification in 2018 is a result of the new classification requirements of IFRS 9. For further guidance see Note 2— Summary of Significant Accounting Policies “2.10 —Financial Assets”.

	31 December 2018	31 December 2017
	Other financial liabilities at amortised cost ⁽¹⁾	Other financial liabilities at amortised cost ⁽¹⁾
	\$'000	\$'000
Borrowings (excluding finance lease liabilities)	3,877,402	3,795,867
Trade and other payables excluding non-finance liabilities	275,686	236,870
Total	4,153,088	4,032,737

⁽¹⁾ For further guidance see Note 2— Summary of Significant Accounting Policies “2.10 —Financial Assets”

The amounts included in the table are the contractual undiscounted cash flows (see below). As a result, these amounts will not reconcile to the amounts disclosed on the balance sheet except for short-term payables where discounting is not applied.

Contractual Undiscounted Cash Flows	Less than 1yr	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2018					
Borrowings	—	65,860	195,623	3,673,040	3,934,523
Trade and other payables - current	333,929	—	—	—	333,929
As at 31 December 2017					
Borrowings	250,000	201,695	502,102	3,150,000	4,103,797
Trade and other payables - current	305,398	—	—	—	305,398

Note 26— Capital Management

For the purpose of the Company’s capital management, capital includes issued equity capital and equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

In order to achieve this overall objective, the Group’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

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The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio (debt to equity). This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position). The gearing ratios at 31 December 2018 and 2017 were as follows:

	31 December 2018	31 December 2017
	\$'000	\$'000
Total borrowings (Note 14)	3,914,538	4,075,433
Less: Cash and cash equivalents (Note 12)	375,232	662,829
Net debt	3,539,306	3,412,604
Total equity	378,460	1,178,236
Total capital	3,917,766	4,590,840
Gearing ratio	90.34%	74.34%

The increase in the gearing ratio is primarily attributed to further deterioration of the Group's rigs and capital spares carrying amount.

Note 27— Cash Flow from Operations

	31 December 2018	31 December 2017 (as restated)
	\$'000	\$'000
Cash flows from operating activities		
Net loss for the year	(770,870)	(1,028,306)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortisation	294,526	368,662
Loss on impairment	648,483	883,175
Loss on extinguishment of debt	1,793	—
Deferred income tax provision	(80,947)	(5,355)
Share-based compensation expense	19,613	30,051
Long-term asset write-off	—	29,032
Other costs, net	12,384	—
Other changes in assets and liabilities:		
Trade and other receivables	87,644	126,192
Other assets	(4,701)	23,717
Accounts payable	14,955	(14,900)
Other current liabilities	(13,940)	118
Other liabilities	(37,089)	4,294
Net cash from operating activities	171,851	416,680

Note 28— Restatement of Prior Period Consolidated Statement of Cash Flows

During the preparation of our 2018 financial statements, we identified a computational error that resulted in misstatements of certain line items on the Consolidated Statement of Cash Flows for Noble Corporation plc for the year ended 31 December 2017.

We have revised the Consolidated Statement of Cash Flows for the year ended 31 December 2017. The impacts on the Consolidated Statement of Cash Flows and related notes to the financial statements are presented below:

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	31 December 2017	31 December 2017	31 December 2017
	As Reported	Adjustment	As Restated
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Accounts payable	22,363	(37,263)	(14,900)
Net effect of change in other changes in assets and liabilities	176,684	(37,263)	139,421
Net cash from operating activities	176,684	(37,263)	139,421
Cash flows from investing activities			
Capital expenditures	(157,970)	37,263	(120,707)
Net cash from investing activities	(157,970)	37,263	(120,707)

Note 29— Group Entities

The extent of the Group's ownership in its various subsidiaries, equity-accounted investees and their principal activities are as follows:

Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
Noble Corporation Holdings Limited	100% owned by Noble Eagle Corporation	Cayman Islands	Holding company	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Corporation	100% owned by Noble Corporation Holdings Limited	Cayman Islands	Holding company; finance company; borrower; guarantor	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Offshore (Ireland) Limited	100% owned by Noble Corporation	Ireland	Finance Company	32 Molesworth Street Dublin 2 Ireland
Noble Holding (U.S.) LLC	100% owned by Noble 2018-IV Guarantor LLC	Delaware	Holding company; Limited Partner of Cayman partnership; finance company; guarantor; issuer of senior notes	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Holding UK Limited	100% owned by Noble Corporation plc	United Kingdom	Holding company	10 Brook Street, Second Floor London England W1S1BG United Kingdom
Noble Finance Luxembourg Sarl	100% owned by Noble Holding UK Limited	Luxembourg	Dormant; financing entity	25B, Boulevard Royal Luxembourg L-2449 Luxembourg
Noble Eagle Corporation	100% owned by Noble Holding UK Limited	Delaware	Holding company	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Financing Services Limited	100% owned by Noble Corporation	Cayman Islands	Holder of Treasury shares	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands

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Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
Noble NDC Cayman Limited	100% owned by Noble Corporation	Cayman	Dormant	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Holding (Switzerland) GmbH	100% owned by Noble Corporation	Switzerland	Holding company	Dorfstrasse 19a 6340 Baar Switzerland
Noble (Servco) UK Limited (7)	50% owned by Noble Offshore (Ireland) Limited, 50% owned by Noble Finance Luxembourg S.à.r.l.	United Kingdom	Local office services; payroll	10 Brook Street, Second Floor London England W1S1BG United Kingdom
Triton Engineering Services Company	100% owned by Noble Holding (U.S.) LLC	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Drilling (U.S.) LLC	100% owned by Noble Holding (U.S.) LLC	Delaware	Holding company; contracting entity; operating entity; payroll, rig owner	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Drilling Services 3 LLC	100% owned by Noble Holding (U.S.) LLC	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Drilling Services 2 LLC	100% owned by Noble Holding (U.S.) LLC	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Maurer Technology Incorporated	100% owned by Noble Holding (U.S.) LLC	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Holding (U.S.) Eagle Corporation	100% owned by Noble Holding (U.S.) LLC	Delaware	Holding Company	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Drilling Services Inc.	100% owned by Noble Holding (U.S.) LLC	Delaware	Local office services; payroll; finance company; Partner of the Cayman Partnership	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble SCS Holding Limited	100% owned by Noble Corporation	Cayman	Partner of Cayman Partnership	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Downhole Technology Ltd.	100% owned by Noble Corporation	Cayman Islands	Dormant	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drilling (Cyprus) Limited	100% owned by Noble Corporation	Cyprus	Dormant Pending Dissolution	1 Lampousas Street Nicosia 1095 Cyprus

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Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
Noble Aviation GmbH i.L.	100% owned by Noble Holding (Switzerland) GmbH	Switzerland	Dormant In Liquidation	Dorfstrasse 19a 6340 Baar Switzerland
Noble Drilling (Luxembourg) S.à r.l	100% owned by Noble Holding (Switzerland) GmbH	Luxembourg	Holding company	25B, Boulevard Royal Luxembourg L-2449 Luxembourg
Noble Engineering & Development de Venezuela C.A.	100% owned by Noble Downhole Technology	Venezuela	Dormant	c/o Baker McKenzie Torre Edicamp, P.H. Ave. Francisco de Miranda con Tercera Ave. de Campo Alegre Caracas Venezuela
Triton International, Inc.	100% owned by Triton Engineering Services Company	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Triton Engineering Services Company S. A.	100% owned by Triton Engineering Services Company	Venezuela	Dormant	c/o Baker McKenzie Torre Edicamp, P.H. Ave. Francisco de Miranda con Tercera Ave. de Campo Alegre Caracas Venezuela
Triton International de Mexico S. A. De C.V.	100% owned by Triton International, Inc.	Mexico	Dormant	Calle Los Alfredos Ciudad del Carmen Estado Campeche Mexico C.P. 24120
Noble Drilling (Jim Thompson) LLC	100% owned by Noble Drilling (U.S.) LLC	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Johnnie Hoffman LLC	100% owned by Noble Drilling (U.S.) LLC	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble John Sandifer LLC	100% owned by Noble Drilling (U.S.) LLC	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Drilling Exploration Company	100% owned by Noble Drilling (U.S.) LLC	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble SCS Cayman LP (17)	5% Preferred plus 44.6482% Common Equity owned by Noble Drilling Services Inc.; 95% Preferred plus 1.7065% Common Equity owned by Noble Holding (U.S.) LLC; 53.6453% Common Equity owned by Noble SCS Holding Limited	Cayman	Cayman Partnership	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Holding International S.à r.l.	100% owned by Noble SCS Cayman LP	Luxembourg	Holding company; branch registration Pending Dissolution	25B, Boulevard Royal Luxembourg L-2449 Luxembourg
Noble Cayman SCS Holding Limited	100% owned by Noble SCS Cayman LP	Cayman Islands	Partner of Luxembourg Partnership	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands

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Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
Noble Holding International Limited	100% owned by Noble SCS Cayman LP	Cayman Islands	Holding company; finance company; guarantor; issuer of senior notes; foreign maritime entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Holding SCS	100% Preferred plus 49.4633% Common Equity owned by Noble SCS Cayman LP; 50.5367% Common Equity owned by Noble Cayman SCS Holding Ltd.	Luxembourg	Luxembourg Partnership In Liquidation	25B, Boulevard Royal Luxembourg L-2449 Luxembourg
Noble NBD GP Holding	100% owned by Noble Holding International Limited	Cayman	Partner of Cayman Partnership	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drilling NHIL LLC	100% owned by Noble 2018-III Guarantor LLC	Delaware	Rig owner; FME	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Drilling Services 6 LLC	100% owned by Noble 2018_III Guarantor LLC	Delaware	Holding company; issuer of senior notes; foreign managed entity; foreign maritime entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble NBD Cayman LP	100% Preferred plus 10% Common Equity owned by Noble NBD LP Holding; 0.0000119% Common Equity owned by Noble NBD GP Holding; 38.8850995% Common Equity owned by Noble 2018-II Guarantor LLC; 51.1148886% owned by Noble 2018-I Guarantor LLC.	Cayman	Cayman Partnership	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble BD LLC	100% owned by Noble NBD Cayman LP	Delaware	Rig owner; Guarantor to credit facility/senior notes; FME	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble NDC Holding (Cyprus) Limited	100% owned by Noble BD LLC	Cyprus	Holding Company; FME	1 Lampousas Street Nicosia 1095 Cyprus
Noble Drilling International GmbH	100% owned by Noble NDC Holding (Cyprus) Limited	Switzerland	Rig Owner; Guarantor to credit facility/senior notes; FME	Dorfstrasse 19a 6340 Baar Switzerland
Noble Drilling Holding GmbH i.L.	100% owned by Noble NDC Holding (Cyprus) Limited	Switzerland	Dormant In Liquidation	Dorfstrasse 19a 6340 Baar Switzerland
Noble NBD LP Holding	100% owned by Noble Drilling Services 6 LLC	Cayman	Limited partner of holding entity of Cayman Partnership	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Boudreaux Limited	100% owned by Noble Drilling Services 6 LLC	Cayman Islands	Holding Company	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands

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Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
Noble Leasing (Switzerland) GmbH	100% owned by Noble Boudreaux Limited	Switzerland	Rig owner; foreign maritime entity; payroll; local office services; guarantor to credit facility/senior notes	Dorfstrasse 19a 6340 Baar Switzerland
Noble Cayman Limited	100% owned by Noble Boudreaux Limited	Cayman Islands	Branch registration; payroll; borrower to credit facility	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble FDR Holdings Limited	100% owned by Noble Boudreaux Limited	Cayman Islands	Holding company; foreign maritime entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Earl Frederickson LLC	100% owned by Noble Cayman Limited	Delaware	Dormant; foreign managed entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Bill Jennings LLC	100% owned by Noble Cayman Limited	Delaware	Dormant; foreign managed entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Asset Mexico LLC	100% owned by Noble Cayman Limited	Delaware	Dormant; foreign managed entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Drilling Holding LLC	100% owned by Noble Cayman Limited	Delaware	Holding company; rig owner; contracting entity; issuer of senior notes; foreign maritime entity; foreign managed entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble International Services LLC	100% owned by Noble Cayman Limited	Delaware	Holding company; contracting entity; foreign managed entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Drilling Americas LLC	100% owned by Noble Cayman Limited	Delaware	Rig owner; contracting entity; foreign managed entity; foreign maritime entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble North Africa Limited	100% owned by Noble Cayman Limited	Cayman Islands	Dormant; foreign maritime entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble SA LLC	100% owned by Noble Cayman Limited	Delaware	Holding entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble SA Limited	100% owned by Noble SA LLC	Cayman Islands	Rig owner; FME; Guarantor to credit facility/senior notes	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drilling (TVL) Ltd.	100% owned by Noble SA Limited	Cayman Islands	Rig owner; foreign maritime entity; Guarantor to credit facility/senior notes	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands

NOBLE CORPORATION PLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
Noble Drillships Holdings, Ltd.	100% owned by Noble FDR Holdings Limited	Cayman Islands	Holding company	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drillships Holdings 2, Ltd.	100% owned by Noble FDR Holdings Limited	Cayman Islands	Holding company	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Frontier Driller, Ltd.	100% owned by Noble FDR Holdings Limited	Cayman Islands/ Luxemburg	Holding company	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Deepwater Ltd.	100% owned by Noble FDR Holdings Limited	Cayman Islands	Holding company	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drillships S.à r.l	100% owned by Noble Drillships Holdings, Ltd.	Luxembourg	Holding company	25B, Boulevard Royal Luxembourg L-2449 Luxembourg
Noble Drillships 2 S.à r.l	100% owned by Noble Drillships Holdings 2, Ltd.	Luxembourg	Holding company	25B, Boulevard Royal Luxembourg L-2449 Luxembourg
Frontier Drill Cayman, Ltd.	100% owned by Frontier Driller, Ltd.	Cayman Islands	Holding company	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Bully 1 (Switzerland) GmbH	Joint Venture - 50% owned by Noble Drillships, S.à r.l.	Switzerland	JV company; rig owner; foreign maritime entity	Dorfstrasse 19a 6340 Baar Switzerland
Bully 2 (Switzerland) GmbH	Joint Venture 50% owned by Noble Drillships 2, S.à r.l.	Switzerland	JV company; Rig owner; operating entity; foreign maritime entity	Dorfstrasse 19a 6340 Baar Switzerland
Frontier Driller Kft.	50% owned by Frontier Driller Cayman, Ltd.; 50% owned by Frontier Driller, Ltd.	Hungary	Holding company; rig owner; branch registration	H-2724 Ujlengyel Petofi Sandor utca 40 Hungary
Bully 1 (US) Corporation	100% owned by Bully 1 (Switzerland) GmbH	Delaware	Operating entity; contracting entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Frontier Driller, Inc.	100% owned by Frontier Driller Kft.	Delaware	Dormant	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
NE Drilling Servicos do Brasil Ltda.	99% owned by Noble Drilling Holding LLC, 1% owned by Noble International Services LLC	Brazil	Contracting entity; local office services; payroll; Owner of Blue Line warehouse	Avenida das Americas, 3500 Edificio Toronto 3000, Bloco 4 - Sala 522 Barra da Tijuca Rio de Janeiro RJ - CEP 22790-972 Brazil

NOBLE CORPORATION PLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
NE do Brasil Participacoes E Investimentos Ltda.	99% owned by Noble Drilling Holding LLC, 1% owned by Noble International Services LLC	Brazil	Rig guarantor	Avenida das Americas, 3500 Edificio Toronto 3000, Bloco 4 - Sala 522 Barra da Tijuca Rio de Janeiro RJ - CEP 22790-972 Brazil
Noble Deepwater (B) Sdn. Bhd.	JV - 42.5% owned by Noble Cayman Limited, 42.5% owned by Noble North Africa Limited	Brunei	Joint Venture - Contracting entity	c/o Tricor (B) Sdn Bhd Room 308B, 3rd Floor, Wisma Jaya, Jalan Pemancha Bandar Seri Begawan Negara Brunei Darussalam BS8811 Brunei Darussalam
Noble Drilling Holdings (Cyprus) Limited	100% owned by Noble Drilling Holding LLC	Cyprus	Holding company; foreign maritime entity	1 Lampousas Street Nicosia 1095 Cyprus
Noble Holding Land Support Limited	100% owned by Noble Drilling Holding LLC	U.K.	Holding company	Devonshire House, 1 Mayfair Place, London W1J 8AJ United Kingdom
Noble Mexico Services Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Dormant	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Mexico Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Operating company; branch registration; contracting entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Resources Limited	100% owned by Noble Cayman SCS Holding Ltd.	Cayman Islands	Contracting entity; payroll; guarantor to credit facility/senior notes; FME	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Services International Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Contracting entity; payroll; branch registration; foreign maritime entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble International Finance Company	100% owned by Noble Drilling Holding LLC	Cayman Islands	Finance company; foreign maritime entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drilling (Carmen) Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Dormant	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Gene Rosser Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Dormant	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands

NOBLE CORPORATION PLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
Noble Campeche Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Dormant	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Offshore Mexico Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Dormant	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Offshore Contracting Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Dormant	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Dave Beard Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Rig owner; foreign maritime entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drilling (Paul Wolff) Ltd.	100% owned by Noble Drilling Holding LLC	Cayman Islands	Dormant; foreign maritime entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drilling Offshore (Labuan) Pte Ltd.	100% owned by Noble Drilling Holding LLC	Labuan, Malaysia	Contracting entity	c/o IFS Secretarial Services Sdn Bhd Unit 3(1) Main Office Tower Financial Park Labuan 87000 Jalan Merdeka Labuan Malaysia
Noble Drilling Offshore Limited	100% owned by Noble Drilling Holding LLC	Cayman Islands	Branch registration; rig owner; contracting entity; foreign maritime entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drilling Singapore Pte. Ltd.	100% owned by Noble Drilling Holding LLC	Singapore	Contracting entity	1 Raffles Place #18-61, One Raffles Place Tower 2 Singapore 048616 Singapore
Noble Drilling (Nederland) II B.V.	100% owned by Noble Drilling Holdings (Cyprus) Limited	Netherland	Operating entity; local office services; purchasing company	Paleiskade 100 1781 AR Den Helder Netherlands
Noble Contracting II GmbH	100% owned by Noble Drilling Holdings (Cyprus) Limited	Switzerland	Contracting entity; branch registration	Dorfstrasse 19a 6340 Baar Switzerland
Noble Holding Europe S.à r.l.	100% owned by Noble Drilling Holdings (Cyprus) Limited	Luxembourg	Holding company; rig owner; foreign maritime entity	25B, Boulevard Royal Luxembourg L-2449 Luxembourg
Noble Drilling (Land Support) Limited	100% owned by Noble Holding Land Support Limited	Scotland	Logistics/support for North Sea Ops; local office services; payroll; contracting entity; purchasing company	Wellheads Road Farburn Industrial Estates Dyce Aberdeen Scotland AB21 7HG United Kingdom

NOBLE CORPORATION PLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
Noble Drilling Services (Canada) Corporation	100% owned by Noble Contracting II GmbH	Nova Scotia, Canada	Active	Purdy's Wharf Tower 1100-1959 Upper Water Street Halifax NS B3J 3N2 Canada
Noble Drilling Mexico, S. De R.L. De C.V.	99% owned by Noble Contracting II GmbH, 1% owned by Noble Holding Europe Sarl	Mexico	Operating entity	c/o Ramírez, Gutiérrez-Azpe, Rodríguez-Rivero y Hurtado, S.C. Galileo No. 55 1st floor Col. Polanco Mexico City 11560 Mexico
Noble Offshore Services de Mexico, S. de R.L. de C.V.	99% owned by Noble Contracting II GmbH, 1% owned by Noble Holding Europe Sarl	Mexico	Local office services	Calle Sierra Candela, numero 111 piso 401,402 y 403 colonia Lomas de Chapultepec I Seccion Delegacion Miguel Hidalgo Federal District CP 11000 Mexico
Noble Drilling (Norway) AS	100% owned by Noble Holding Europe S.à r.l	Norway	Operating entity; purchasing company	c/o Advokatfirmaet Simonsen Vogt Wiig AS Hinna Park Jåttåvågveien 7, Bygg B, P.O. Box 370, Stavanger 4067 Norway
Noble Holding (Luxemboug) Sarl	100% owned by Noble Drilling (Land Support) Limited	Luxembourg	Holding company; local office supplies; payroll; FME	25B, Boulevard Royal Luxembourg L-2449 Luxembourg
Noble Leasing III (Switzerland) GmbH	100% owned by Noble Holding (Luxembourg) S.à r.l	Switzerland	Rig owner; branch registration; foreign maritime entity	Dorfstrasse 19a 6340 Baar Switzerland
Noble Offshore (North Sea) Ltd.	100% owned by Noble Drilling (Carmen) Limited	Cayman Islands	Dormant; operating entity	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drilling Egypt LLC	50% owned by Noble Services International Limited and 50% owned by Noble North Africa Limited	Egypt	Dormant; contracting entity	Flat No. B2, Bldg No.179 Zone 3/4, Fourth District, Fifth Settlement, New Cairo Egypt
Sedco Dubai LLC	Joint venture - 49% owned by Noble Drilling Holding LLC	Dubai, UAE	JV company; contracting entity	Al Quoz Industrial Area Sheikh Zayed Road P.O. Box 9241 Dubai United Arab Emirates
Noble Drilling Doha LLC	Joint venture - 49% owned by Noble Drilling Holding LLC	Doha, Qatar	JV company; contracting entity	Salam Globex Business Centre, The Gate – Tower II, Office 841, 8th Level, PO Box 14023, West Bay, Doha Qatar
Noble Drilling Arabia Company Ltd.	Joint Venture - 50% owned by Noble Drilling Holding LLC	Saudi Arabia	JV company; contracting entity	c/o Al Rushaid Petroleum Investment Company Box 31685 Dhahran Airport - 31952 Saudi Arabia
Noble Drilling West Africa Limited	99.50% owned by Noble Drilling Holding LLC, 0.50% owned by Noble Cayman Limited	Nigeria	Dormant	c/o Adcax Nominees Limited 9th floor, St. Nicholas House Catholic Mission Street Lagos Island Lagos Nigeria

NOBLE CORPORATION PLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
Noble Contracting Offshore Drilling (M) Sdn Bhd	99% owned by Noble Drilling Holding LLC; 1% owned by Noble Cayman Limited	Malaysia	Contracting entity	c/o Tricor Corporate Services Sdn Bhd Unit 30-01, Level 30, Tower A, Vertical Business Suite, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Malaysia
Noble Drilling Arabia Services LLC	100% owned by Noble Drilling Arabia Company Ltd.	Delaware	Contracting entity	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble 2018-IV Guarantor LLC	100% Noble Corporation	Delaware	Guarantor to credit facility/ senior notes	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble 2018-I Guarantor LLC	100% Noble Corporation	Delaware	Guarantor to credit facility/ senior notes	The Corporation Trust Company 1209 Orange Street Wilmington DE 19801 United States
Noble Rig Holding 2 Limited	100% Noble Corporation	Cayman	Holding Company; finance company	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Rig Holding 1 Limited	100% Noble Corporation	Cayman	Holding Company; finance company	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble 2018-II Guarantor LLC	100% Noble Holding International Limited	Delaware	Guarantor to credit facility/ senior notes	The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801 United States
Noble Drilling (Ghana) Limited	65% Noble Cayman Limited	Ghana	Joint Venture	Trustee Services Limited No. 4 Momotse Avenue Ada Braka Accra, Ghana
Noble Cayman SCS Holding Ltd.	100% Noble Drilling Holding LLC	Cayman	Holding company; FME	c/o Maples Corporate Services Limited P.O. Box 309, Ugland House S. Church Street Grand Cayman KY1-1104 Cayman Islands
Noble Drilling (Myanmar) Limited	50% Noble Drilling Holding LLC 50% Noble Cayman Limited	Myanmar	Operator/operating entity	No. 134/A Than Lwin Road Golden Valley Ward (1) Bahan Township Yangon, Myanmar
Noble Drilling Contracting (Egypt) LLC	50% Noble Contracting II GmbH 50% Noble Drilling Holdings (Cyprus) Limited	Egypt	Operator/operating entity	Building 179-B2 - the Ground Floor Zone ¼ - Fourth District, Fifth Settlement New Cairo Cairo Egypt
Noble 2018-III Guarantor LLC	100% Noble Holding International Limited	Delaware	Guarantor to credit facility/ senior notes	The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801 United States
Noble Drilling (Guyana) Inc.	100% Noble Drilling (Land Support) Limited	Guyana	Operator	62 Hadfield & Cross Streets Werk-en-Rust Georgetown Demerara Guyana

NOBLE CORPORATION PLC AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name	Ownership Interest	Country of incorporation	Nature of business	Registered Address
NE Jersey Limited	Noble Corporation plc	Jersey Channel Islands	Finance company	3 rd floor 44 Esplanade St. Helier Jersey JE4 9WG

Note 30— Post-Balance Sheet Events

Purchase of Noble Joe Knight

On 28 February 2019, we purchased another GustoMSC CJ46 rig, the *Noble Joe Knight*. We paid \$83.8 million for the rig, with \$30.2 million paid in cash and the remaining \$53.6 million of the purchase price financed by the seller, Pax Ocean Group.

Tender Offers

On 25 February 2019, Noble commenced cash tender offers (the “Tender Offers”) by NHIL, a Cayman Islands exempted company and an indirect, wholly-owned subsidiary of Noble-U.K. and Noble-Cayman, for up to an aggregate principal amount that will not result in an aggregate purchase price that exceeds \$400 million of NHIL’s outstanding 4.90% of the 2020 Notes, 4.625% 2021 Notes, 3.95% 2022 Notes, 7.75% 2024 Notes, 5.95% Senior Notes due 2025 (for which the interest rate has been increased to 7.95%) and 5.25% 2042 Notes (collectively, the “Notes”). In connection with certain of the Tender Offers, NHIL is also soliciting consents from holders of certain series of Notes to amend certain provisions of the applicable indenture with respect to such series of Notes.

Noble Corporation plc
Parent Company Financial Statements
Registered number 08354954
31 December 2018

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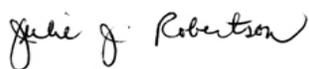
**PARENT COMPANY
STATEMENT OF FINANCIAL POSITION**

		<u>As at 31 December 2018</u>	<u>As at 31 December 2017</u>
	Note	\$'000	\$'000
Fixed assets			
Investments	5	1,162,960	1,453,281
		1,162,960	1,453,281
Current assets			
Trade and other receivables	4	691	670
Cash and cash equivalents	4	52	20
		743	690
Creditors - amounts falling due within one year	6	109,762	66,488
Net current liabilities		109,019	65,798
Net assets		1,053,941	1,387,483
Equity			
Called up share capital: ordinary shares	7	2,468	2,450
Called up share capital: deferred shares (GBP 50,000)	7	78	78
Other reserves ⁽¹⁾	8	1,051,395	1,384,955
Total shareholders' funds		1,053,941	1,387,483

⁽¹⁾ As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own income and loss account for the year. During the years ended 31 December 2018 and 2017 the Company reported a loss of \$349.7 million and loss of \$1.4 billion, respectively. In addition, the Company has taken advantage of the legal dispensation contained in Section 408 of the Companies Act 2006 allowing it not to publish a separate statement of comprehensive income.

The notes, beginning on page 123, are an integral part of these financial statements

The financial statements, beginning on page 121, were approved by the Board of Directors on 8 March 2019 and were signed on its behalf by:



Director
8 March 2019

Registered number: 08354954

PARENT COMPANY
STATEMENT OF CHANGES IN EQUITY

	Called up share capital: ordinary shares (Note 7)	Called up share capital deferred shares (Note 7)	Share premium	Other reserves (Note 8)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2017	2,432	78	—	2,775,698	2,778,208
Issuance of shares	18	—	—	(4,353)	(4,335)
Share-based compensation cost	—	—	—	30,066	30,066
Dividends	—	—	—	(33)	(33)
Loss for the year	—	—	—	(1,416,423)	(1,416,423)
At 31 December 2017	2,450	78	—	1,384,955	1,387,483
Issuance of shares	18	—	—	(3,506)	(3,488)
Share-based compensation cost	—	—	—	19,613	19,613
Dividends equivalents ⁽¹⁾	—	—	—	80	80
Loss for the year	—	—	—	(349,747)	(349,747)
At 31 December 2018	2,468	78	—	1,051,395	1,053,941

⁽¹⁾ Activity associated with dividend equivalents, which are related to 2016 performance awards to be paid upon vesting.

PARENT COMPANY
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2018

Note 1— Corporate Information

Noble Corporation plc, a public limited company incorporated under the laws of England and Wales (“Noble,” “Noble-UK,” the “Company,” “we,” “our” and words of similar import), is a holding company on the New York Stock Exchange (“NYSE”), engaged in the management of companies which provide offshore drilling contract services for the oil and gas industry. The address of the registered office is 10 Brook Street, Second Floor, London, England, W1S1BG.

Noble Corporation, a Cayman Islands company (“Noble-Cayman”) is an indirect, wholly-owned subsidiary of Noble-UK. Noble-UK’s principal asset is all of the shares of Noble-Cayman. Noble-Cayman has no public equity outstanding. The consolidated financial statements of Noble-UK include the financial statements of Noble-Cayman, and Noble-UK conducts substantially all of its business through Noble-Cayman and its subsidiaries.

Note 2— Summary of Significant Accounting Policies

The principal accounting policies, which have been applied consistently throughout the periods presented, are set out below.

2.1 —Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, “Reduced Disclosure Framework” (FRS 101). The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in “Note 3— Critical Accounting Judgements, Estimates and Assumptions.”

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, “Share-based payment” (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, “Financial Instruments: Disclosures”
- Paragraphs 91 to 99 of IFRS 13, “Fair value measurement” (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, “Balance sheet” comparative information requirements in respect of:
 - 10(d) (statement of cash flows),
 - 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third balance sheet), and
 - 111 (cash flow statement information) and 134-136 (capital management disclosures)
- IAS 7, “Statement of cash flows”
- Paragraph 30 and 31 of IAS 8 “Accounting policies, changes in accounting estimates and errors” (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, “Related party disclosures” (key management compensation)
- The requirements in IAS 24, “Related party disclosures” to disclose related party transactions entered into between two or more members of a group.

2.2 —Going concern

As described in “Note 2.02 —Going Concern” to the consolidated financial statements, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The stand-alone parent company does not conduct significant trade and is in a net current liabilities position based on intercompany payables due to a subsidiary entity, Noble Corporation - Cayman. Noble Corporation - Cayman has provided the Company with an undertaking that it will, for at least 12 months from the date of approval

PARENT COMPANY
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2018

of these financial statements, continue to provide financial support to the Company as is necessary and therefore, Noble-UK continues to adopt the going concern basis in preparing its Company financial statements.

2.3 — Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The functional currency of the Company is the U.S. Dollar. The financial statements are presented in U.S. Dollars (“\$”), which is also the Company’s functional currency.

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the respective transaction. Monetary assets and liabilities, denominated in foreign currencies at the balance sheet date, are reported at the rates of exchange prevailing at that date. Exchange differences on retranslating monetary assets and liabilities are recognised in the income and loss account.

2.4 — Investment in subsidiaries

Investments in subsidiary undertakings are shown at cost, plus incidental expenses less any provision for impairment.

2.5 — Impairment of non-financial assets

Annually, the Directors consider whether any events or circumstances have occurred which indicate that the carrying value of fixed asset investments may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the recoverable amount, being the higher of fair value less costs of disposal or value in use. If this is the case, an impairment charge is recorded to reduce the carrying value of the related investment. The value in use is defined as the present value of the future cash flows expected to be derived.

2.6 — Financial Instruments

The Company has the following types of financial instruments: cash on hand, amounts due from debtors and amounts to which we are creditors.

The Company classifies its financial instruments in the following categories: loans and receivables and financial liabilities measured at amortised cost.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Financial assets are recognised on the trade date and derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Following initial recognition, loans and receivables are subsequently carried at amortised cost.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.7 — Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks and all highly liquid investments with original maturities of three months or less. Our cash, cash equivalents and short-term investments are subject to potential credit risk, and certain of our cash accounts carry balances greater than the federally insured limits. Cash and cash equivalents are primarily held by major banks or investment firms. Our cash management and investment policies restrict investments to lower risk, highly liquid securities and we perform periodic evaluations of the relative credit standing of the financial institutions with which we conduct business.

2.8 — Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current receivables.

2.9 — Treasury shares

The consideration paid for own shares, including any incremental directly attributable costs, is recorded as a deduction from shareholders’ equity. When such shares are sold any consideration received, net of any directly attributable costs, is recorded within shareholders’ equity. When shares are cancelled, the nominal amount is recorded to the capital redemption reserve.

PARENT COMPANY
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2018

2.10 —Creditors

Creditors are amounts due to vendors for goods and services obtained in the ordinary course of business. If payment is expected to be in one year or less, they are classified as current liabilities. If not, they are presented as non-current liabilities. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 —Taxation

Current taxation is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised.

2.12 —Distributions from group entities

Distributions from group entities are recorded at the time of the transaction at fair value. For non-cash distributions, the fair value is determined based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date.

2.13 —Share based payments

For equity-settled awards, the fair value of an award is measured at the date of grant and reflects any market-based vesting conditions. Non market-based vesting conditions are excluded from the fair value of the award. At the date of grant, the Company estimates the number of awards expected to vest as a result of non-market-based vesting conditions and the fair value of this estimated number of awards is recognised as an expense to the income and loss account on a straight-line basis over the vesting period. At each balance sheet date, the Company revises its estimate of the number of awards expected to vest as a result of non-market based vesting conditions and adjusts the amount recognised cumulatively in the income and loss account to reflect the revised estimate. Proceeds received, net of directly attributable transaction costs, are credited to share capital and share premium.

For cash-settled awards, the total amount recognised is based on the fair value of the liability incurred. The fair value of the liability is re-measured at each balance sheet date with changes in the fair value recognised in the income and loss account for the period.

The grant by the Company of options over its equity instruments to employees of subsidiary undertakings is treated as a capital contribution. The fair value of the awards made are recognised, over the vesting period, as an increase in investment in subsidiary undertakings, with a corresponding credit in the income and loss reserve.

2.14 —Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. The borrowings are payable on demand.

2.15 —Capital instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are deducted from the proceeds recorded in equity.

2.16 —Dividends

Dividends to be received are recognised as soon as the Company acquires the right to them. Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved.

Note 3— Critical Accounting Judgements, Estimates and Assumptions

3.1 —Impairment of Subsidiaries

Consistent with our policy stated in "Note 2.5 —Impairment of non-financial assets", we continue to evaluate investments in subsidiaries for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. As part of our impairment analysis, we make assumptions and estimates regarding future market conditions, including rig utilization, resource utilisations,

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contract margins, contract awards and discount rate by rig. To the extent actuals results do not meet our estimated assumptions, for a given rig or piece of equipment, we may take an impairment loss in the future. If impairment triggers are present at year end, we perform an analysis based on the fair value and/or value in use models. Fair value is generally calculated by examining the market capitalisation plus a control premium acceptable for accounting purposes, which is a management estimate. The key estimates within the value in use model are: control premium, the discounted cash flow of the rigs using estimates of dayrates, rig utilisation, and operating costs.

3.2 — Financial instruments

The Company has no financial instruments measured at fair value through income and loss.

Note 4— Financial Instruments

Financial instruments by category are as follows:

	31 December 2018	31 December 2017
Note	\$'000	\$'000
Assets per balance sheet		
Trade and other receivables ⁽¹⁾	691	670
Cash and cash equivalents ⁽¹⁾	52	20
Total	743	690
Liabilities per balance sheet		
Creditors : amounts falling due within one year	6 109,762	66,488
Total	109,762	66,488

⁽¹⁾ Due to the short-term nature of these accounts, we believe that the book value for each of these categories approximates the fair value. No amounts listed above are currently past due. Our management reviews these items on a regular basis to ensure collectability or recoverability, and will write-off any items that it deems uncollectible.

Note 5— Investments

	\$'000
At 1 January 2017	4,283,149
Investment in Noble Holding UK Limited	301,444
Share-based compensation costs	29,047
Internal tax restructuring	(1,786,778)
Impairment of investment in subsidiaries	(1,373,581)
At 31 December 2017	1,453,281
Return of capital	(1,997)
Share-based compensation costs	19,565
Impairment of investment in subsidiaries	(307,889)
At 31 December 2018	1,162,960

Share-based compensation costs for both 2018 and 2017 in the table above are for awards granted to current and former employees of subsidiaries of Noble-UK.

In connection with our annual impairment analysis conducted for the years ended 31 December 2018 and 2017, we recognised an impairment charge of \$307.9 million and \$1.4 billion, respectively, on our investment in subsidiaries. The impairment is the result of the market conditions in the offshore drilling industry.

The Company's 100 percent directly owned subsidiary at 31 December 2018 in the share capital of companies is Noble Holding UK Limited, which is a private limited company and is incorporated and domiciled in England. The nominal share capital at 31 December 2018 was \$1,000.

The Directors believe that the carrying value of the investments is supported by their underlying net assets or expected cash generation.

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All subsidiaries are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

We maintain a 50 percent interest in two joint ventures, each with a subsidiary of Royal Dutch Shell plc (“Shell”), that own and operate the two *Bully*-class drillships. We have determined that we are the primary beneficiary of the joint ventures. Accordingly, we consolidate the entities in our Group financial statements after eliminating intercompany transactions. Shell’s equity interests are presented as non-controlling interests on our Group Balance Sheet.

A list of all subsidiaries is included in “Note 29— Group Entities” in the Noble Corporation plc U.K. Annual Report and Financial Statements.

Note 6— Creditors: Amounts falling due within One Year

	31 December 2018	31 December 2017
	\$'000	\$'000
Trade creditors	308	303
Other creditors	1,168	963
Amounts owed to group undertakings	108,286	65,222
Total	109,762	66,488

As at 31 December 2018 included in amounts owed to group undertakings relates to intercompany payables of approximately \$108.3 million related primarily to Noble-Cayman, which are unsecured, interest free and are repayable on demand.

Note 7— Called up Share Capital

	As of 31 December	
	2018	2017
	Nominal value (\$'000)	Nominal value (\$'000)
<i>Ordinary shares traded, allotted and fully paid</i>		
246.8 million and 244.7 million ordinary shares as at 31 December 2018 and 2017, respectively	2,468	2,450

Deferred Shares

50,000 deferred shares as at both 31 December 2018 and 2017, respectively

At our 2018 Annual General Meeting, shareholders approved a proposal to allow our Board of Directors to increase share capital through the issuance of up to 82.2 million ordinary shares. The right of our directors to allot shares will expire at the end of our 2019 Annual General Meeting unless we seek an extension from shareholders at that time. No shares were allotted during the year ended 31 December 2018.

During the years ended 31 December 2018 and 2017, Noble-UK issued approximately 1.8 million shares and 1.5 million shares, respectively. In 2018 and 2017, these share issuances solely related to vestings of restricted share based compensation shares.

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Note 8— Other Reserves

	<u>Merger reserves</u>	<u>Capital redemption reserves</u>	<u>Share-based payments reserves</u>	<u>Income and loss deficit</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
At 1 January 2017	7,857,860	130	106,897	(5,189,189)	2,775,698
Share-based compensation cost	—	—	30,066	—	30,066
Issuance of share-based compensation shares	—	—	(4,353)	—	(4,353)
Dividends	(33)	—	—	—	(33)
Loss for the year	—	—	—	(1,416,423)	(1,416,423)
At 31 December 2017	7,857,827	130	132,610	(6,605,612)	1,384,955
Share-based compensation cost	—	—	19,613	—	19,613
Issuance of share-based compensation shares	—	—	(3,506)	—	(3,506)
Dividends equivalents ⁽¹⁾	80	—	—	—	80
Loss for the year	—	—	—	(349,747)	(349,747)
At 31 December 2018	7,857,907	130	148,717	(6,955,359)	1,051,395

⁽¹⁾ Activity associated with dividend equivalents, which are related to 2016 performance awards to be paid upon vesting.

On 20 November 2013, pursuant to the Merger Agreement dated as of 30 June 2013 between Noble-Swiss, and Noble-UK, Noble-Swiss merged with and into Noble-UK, with Noble-UK as the surviving company. On 4 December 2013, Noble-UK completed the capital reduction and created distributable reserves, which may be utilised in the future to pay dividends to shareholders, which comprised all of the “merger reserve” created at the time of the change in place of incorporation.

Note 9— Other Information

9.1 —Directors' remuneration

Details of the remuneration paid to the directors of the Company has been presented in “Directors' Remuneration Report & Policy” in the Noble Corporation plc U.K. Annual Report and Financial Statements.

9.2 —Auditor remuneration

Details of the remuneration paid for the audit of the Company has been presented in “Note 22— Auditors' Remuneration” in the Noble Corporation plc U.K. Annual Report and Financial Statements.

