

Humbled Noble Group seeks to rebuild LNG, energy businesses: sources



SINGAPORE (Reuters) – Noble Group Holdings (Noble Holdings) plans to rebuild its liquefied natural gas (LNG) and core energy businesses and develop rare earths as it seeks new life as a niche, Asia-focused commodity trader, sources aware of the matter said.

“We have enough credit lines to expand the LNG business. In our restructuring, we made sure we had ample credit facilities, so we could build the business that we lost,” said one senior executive with the company, which took over assets of the under-liquidation Noble Group Ltd (NOBG.SI).

Noble Holdings has now set up a Singapore desk for LNG by hiring a former trader from Australia’s Origin Energy (ORG.AX), expanding its four-person LNG team in London,

industry sources told Reuters.

“The company has always had an LNG team but activities were wound down for a while and are now starting back up,” one of the sources said, declining to be named as the person was not authorized to speak with the media.

Three LNG traders including two co-heads of the team had left Noble in 2016 to join rival Glencore (GLEN.L). It also sold its U.S. gas and power business to another rival, Mercuria.

The new Singapore LNG desk will focus on trading, the source said. The restart of the desk has not been previously reported.

“We’ve been in a process to prove to the market that Noble is a viable enterprise and can continue to fulfill contracts,” the company executive said, using a 3-year trade finance facility of \$700 million secured as part of its restructure.

Noble, once Asia’s biggest commodity trader, saw its market value all but wiped out from \$6 billion in February 2015 after Iceberg Research issued reports accusing it of inflating its assets.

To rescue itself, Noble sold billions of dollars of assets, took hefty writedowns and cut hundreds of jobs over the last few years, although it defended its accounting practices.

As Noble faced insolvency protection, shareholders approved a \$3.5 billion debt restructuring deal that completed in December and left them owning just 20 percent, with creditors taking majority control.

Noble Holdings, whose portfolio comprises a trading division dealing in energy coal, LNG, base metals and other products, declined comment. Another division houses its investments in alumina company Jamalco and U.S. based oil and gas producer Harbour Energy and other businesses.

The company is also recruiting for roles including analysts for base metals and coke, and a sales trader to market energy products in Japan, sources said.

Technology metals or rare earths are expected to be a focus area for Noble Holdings, which through its subsidiary took a small stake in ambitious Australian rare earths developer Arafura Resources (ARU.AX) this year. The executive said Noble Holdings is eyeing other opportunities in the sector.

In the first half of 2019, Noble Holdings reported a net profit of \$46.4 million. Employing about 280 staff, it has been gradually building up its trading teams by hiring in Singapore and Hong Kong.

In December, Singapore authorities blocked the listing of the restructured company amid a regulatory probe.

<https://www.reuters.com/article/us-noble-group-strategy-exclusive/exclusive-humbled-noble-group-seeks-to-rebuild-lng-energy-businesses-sources-idUSKCN1VB0VF>