

Noble Energy Takes Proactive Steps Focused on Liquidity and Balance Sheet Strength

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[Noble Energy Inc.](#) (NASDAQ: NBL) (the "Company") today provided an update on actions it is taking in response to the COVID-19 pandemic and significant decline in oil and gas demand and prices.

Recent events have had an unprecedented and unpredictable impact on the global economy and the oil and gas industry, said David L. Stover, Noble Energy's Chairman and CEO. We are acting quickly and aggressively to confront today's economic challenges with a focus on Noble Energy's financial strength and to position the Company to improve shareholder value. Noble Energy benefits from a high-quality, low-decline portfolio, strong capital discipline, and an ability to flex spending as appropriate. The actions taken to date are expected to generate more than one billion dollars in annualized cash savings, and we will continue to remain agile to ensure the long-term success of the business.

In addition to previously communicated capital and cost initiatives, Noble Energy has:

- Reduced planned capital expenditures for 2020 by an additional \$350 million to now range from \$800 to \$900 million. As compared to original guidance, 2020 capital expenditures have been reduced 50% at the midpoint
- Identified an additional \$125 million in cash cost savings (from lease operating, production taxes, gathering and transportation, general and administrative, and asset retirement). These actions are anticipated to reduce cash outlay for 2020 by over \$175 million versus original plan
- Lowered executive leadership salaries by 10-20 percent and decreased cash retainer to directors by 25 percent through year-end 2020
- Implemented employee furlough and part-time programs to align the Company's workforce with near-term activity levels
- Cash-settled certain 2020 crude oil hedges that had reached maximum value, generating an additional \$145 million in realized gains in the first quarter, and added new downside oil hedge protection through the remainder of 2020
- Ensured ample cash on hand by drawing \$1 billion on the Company's unsecured \$4 billion revolving credit facility as of the end of March 2020
- Reduced the Company's quarterly cash dividend to an annualized per share amount of \$0.08

OPERATING UPDATE

With focus on capital discipline and returns, Noble Energy is reducing its planned 2020 capital expenditures by an additional \$350 million, such that total 2020 capital expenditures are now expected to range between \$800 and \$900 million. The incremental capital spending reductions are primarily in the U.S. onshore business, as the Company defers planned Delaware and DJ Basin activity until commodity prices improve. The Company's updated 2020 U.S. onshore capital allocation is estimated to be approximately \$600 million, with approximately \$250 million planned for international/offshore.

Following these activity adjustments, the Company plans to run 1 rig in the DJ Basin through the remainder of the year. Completion activities are being temporarily deferred, maintaining flexibility to resume completions late in the year based upon economic and commodity conditions.

ORGANIZATIONAL ADJUSTMENTS

Effective May 1, 2020, salaries for the CEO, Senior Officers, and Vice Presidents have been reduced 20 percent, 15 percent, and 10 percent, respectively. In addition, the Board of Directors has elected to reduce

their 2020 cash retainer by 25 percent.

The Company recently implemented an employee-based furlough program and part-time work status impacting more than 30% of the Company's U.S workforce. These actions were taken to align the workforce and costs with reduced activity levels. These programs are designed to be temporary until higher activity levels are justified.

FINANCIAL STRENGTH

As of the end of March 2020, the Company had \$4.4 billion in liquidity, including \$1.4 billion in cash and \$3.0 billion in available revolver capacity. In connection with its focus on financial flexibility, Noble Energy increased its cash balance by drawing \$1 billion from its revolving credit facility during the first quarter. The Company's revolving credit facility is unsecured, supported by 26 financial institutions, and provides committed access to \$4 billion through March 2023. The Company intends to maintain the cash on its balance sheet and may repay amounts borrowed at any time.

HEDGES

First quarter realized hedge gains totaled \$207 million, including \$145 million from the early settlement of certain oil hedges covering the remainder of 2020. Monetization of the early settlements was executed in March and consisted of 30 MBbl/d of three-way hedges, along with 24 MBbl/d of swaps and put options, the combination of which reached maximum value when WTI prices were lower than \$48 per barrel.

The Company added new hedge positions to protect further oil price downside in the near-term. For the second quarter of 2020, the Company has approximately 120 MBbl/d of swaps at an average price of approximately \$35.85 per barrel WTI. Second half swaps include 38 MBbl/d in the third quarter at an average price of \$36.80 per barrel WTI and 15 MBbl/d for the fourth quarter at an average price of approximately \$51.91 per barrel WTI. For the second half of the year, the Company also has 53 MBbl/d of three-way hedges with floor protection of \$25 per barrel WTI and a ceiling of \$37.25 per barrel.

DIVIDEND

Paying a dividend remains an important element of the Company's long-term strategy to deliver shareholder value. In light of the current unpredictable environment and with a focus on financial liquidity, Noble Energy's Board of Directors declared a quarterly cash dividend of \$0.02 per common share payable on May 26, 2020, to the shareholders of record at the close of business on May 11, 2020. At the annualized rate of \$0.08 per share, the reduction is anticipated to preserve approximately \$195 million in annualized cash flow. The Board of Directors will continue to review the dividend quarterly in context of market conditions.

GUIDANCE

As a result of the global uncertainty caused by COVID-19 and the current supply/demand imbalance for commodities, the Company is withdrawing its previously issued guidance for 2020. The Company intends to provide updated 2020 guidance at its first quarter 2020 conference call.

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

This news release contains certain "forward-looking statements" within the meaning of federal securities laws. Words such as "anticipates", "plans", "estimates", "believes", "expects",

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

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