

2017 Noble Energy Resolution on Climate Change

WHEREAS:

Climate change, and actions to mitigate and adapt to it, will meaningfully affect the demand for, and costs associated with, carbon-based fuels.

Global action on climate change is accelerating. In November 2016 the Paris Agreement entered into force and its goal of keeping global temperature rise well below 2 degrees Celsius is already shaping national policy decisions.

Action to address climate change is likely to have a negative impact on demand for oil. According to the International Energy Agency (IEA), transportation accounts for more than one fifth of global carbon dioxide emissions, requiring rapid adoption of new technologies to keep temperatures within limits.

The IEA forecasts that electrification of transport will play a critical role in achieving required greenhouse gas reductions. In October 2016, Fitch Ratings described electric cars as a “resoundingly negative” threat to the oil industry and urged energy companies to plan for “radical change.”

In June 2016, the credit rating agency Moody's indicated that it would begin to analyze carbon transition risk based on scenarios consistent with the Paris Agreement, and noted the high carbon risk exposure of the energy sector.

The prolonged downturn in oil prices has underscored the risks associated with investing in complex, high cost projects like the deepwater projects Noble is counting on for growth. The uncertainty around future demand growth in light of climate change has led competitors like ConocoPhillips to test capital planning decisions against multiple carbon-constrained scenarios to avoid the risk of stranded assets.

The increasing likelihood of public policy action and viability of technological advancements aimed at addressing climate change make it vital that Noble provide investors with more detailed analyses of the potential risks to its business under a range of scenarios. While Noble's website notes that climate policy “could have a significant impact on our future operations and reduce demand for our products” it has not presented sufficiently detailed information to allow investors to assess the resilience of our company's portfolios under various carbon-constrained scenarios.

RESOLVED: Shareholders request that by 2018 Noble Energy publish an assessment of long term portfolio impacts of public climate change policies, at reasonable cost and omitting proprietary information. The assessment can be incorporated into existing reporting and should analyze the impacts on Noble Energy's oil and gas reserves and resources under a scenario in which reduction in demand results from carbon restrictions and related rules or commitments adopted by governments consistent with the globally agreed upon 2 degree target. The reporting should assess the resilience of the company's full portfolio of reserves and resources through 2040 and beyond and address the financial risks associated with such a scenario.