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## Noble Energy Sanctions Leviathan Project Offshore Israel

### First gas sales targeted for the end of 2019

Houston, Feb. 23, 2017 (GLOBE NEWSWIRE) -- Noble Energy, Inc. (NYSE: **NBL**) ("Noble Energy" or "the Company") announced today that it has sanctioned the first phase of the Leviathan natural gas project offshore Israel, with first gas targeted for the end of 2019. Noble Energy is the operator of the Leviathan Field, which contains 22 trillion cubic feet (Tcf) of gross recoverable natural gas resources.

David L. Stover, Noble Energy's Chairman, President and CEO, commented, "Leviathan marks our third major natural gas development offshore Israel. Bringing Leviathan online will expand Israel's supply of natural gas, further support the State's commitment to convert coal-fired power generation facilities to cleaner burning gas, and provide affordable energy resources to Israeli citizens and neighboring countries in the undersupplied region. Leviathan will provide a second source of natural gas for Israel through a separate tie-in location in northern Israel. Noble Energy's financial strength and capability, proven technical expertise, and phased Leviathan project development approach position us to commence first gas on schedule and within budget."

Stover concluded, "Sanction and development of Leviathan build on recent portfolio milestones and reinforce our focus on high-margin growth. Leviathan will generate robust project economics, have strong investment efficiency, and provide long-term cash flows. With 40 Tcf gross recoverable resources discovered by Noble Energy in the region, we can continue to grow our Eastern Mediterranean business for decades. This includes material additional development beyond phase one at Leviathan."

Leviathan's initial development will include four subsea wells, each capable of flowing more than 300 million cubic feet per day (MMcf/d) of natural gas. Initial Leviathan proved reserve bookings associated with this investment are 3.3 Tcf net (9.4 Tcf gross) and are expected to be recorded in 2017. This translates into approximately 550 million barrels of oil equivalent net, representing an increase of over 35 percent to total company reserves.

Production will be gathered at the field and delivered via two 73-mile flowlines to a fixed platform, with full processing capabilities, located approximately 6 miles offshore. The Leviathan platform will have an initial deck weight of 22,000 tons. Processed gas will connect to the Israel Natural Gas Lines Ltd. onshore transportation grid in the northern part of the country and to regional markets via onshore export pipelines. The approved development plan allows for significant future cost-effective expansion from its initial 1.2 billion cubic feet per day (Bcf/d) capacity to 2.1 Bcf/d.

The Company estimates gross capital for phase one of Leviathan development will be \$3.75 billion (\$1.5 billion net to Noble Energy), which includes approximately \$100 million spent in 2016 and approximately \$200 million pre-investment for future platform expansion. The Company can fund phase one of Leviathan through Tamar operating cash flows as well as Eastern Mediterranean portfolio proceeds. Regional portfolio proceeds received to-date total approximately \$575 million, net. The Company is also securing access to a financing facility for additional funding flexibility.

Front-end engineering and design are complete, the Company is currently finalizing major project contracts, and long lead materials procurement has begun. Noble Energy and partners anticipate drilling one to two Leviathan development wells in 2017. Completion activity for all four producer wells, including two previously drilled, is anticipated in 2018. The Company expects to complete project installation and initiate commissioning in the fourth quarter of 2019, with delivery of first gas targeted for the end of 2019.

Marketing progress has resulted in total volumes under firm gas sales agreements to date of up to 525 MMcf/d. Combined gross revenues for these contracts are estimated to be in excess of \$15 billion over the life of the agreements. Total quantities of the executed gas sales agreements, together with domestic and regional volumes under negotiation, now exceed 1 Bcf/d gross.

Leviathan blended sales price realizations for the domestic and regional markets are estimated between \$5.50 and \$6 per thousand cubic feet (Mcf) based on current Brent oil pricing. Pricing is protected in a low commodity price environment with firm floors and has upside potential linked to Brent oil price increases. Terms of the domestic pricing are responsive to the Natural Gas Regulatory Framework and reflect current market conditions.

The Company's targeted sales volumes are 1 Bcf/d gross at startup. Operating cash flow for the first year following startup

is projected to be at least \$650 million net and full project payout is expected within 3 years following startup at target volumes.

Noble Energy operates Leviathan with a 39.66 percent working interest. Other interest owners are Delek Drilling with 22.67 percent, Avner Oil Exploration with 22.67 percent, and Ratio Oil Exploration (1992) Limited Partnership with the remaining 15 percent.

A supplemental Leviathan presentation is accessible on the 'Investors' page at [www.nobleenergyinc.com](http://www.nobleenergyinc.com).

**Noble Energy (NYSE: NBL)** is an independent oil and natural gas exploration and production company with a diversified high-quality portfolio of both U.S. unconventional and global offshore conventional assets spanning three continents. Founded more than 80 years ago, the company is committed to safely and responsibly delivering our purpose: *Energizing the World, Bettering People's Lives®*. For more information, visit [www.nobleenergyinc.com](http://www.nobleenergyinc.com).

### **Forward Looking Statements**

*This news release contains certain "forward-looking statements" within the meaning of federal securities law. Words such as "anticipates", "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. They may include estimates of oil and natural gas reserves, 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 include, without limitation, the 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 business that are discussed in its most recent annual report on Form 10-K and in other reports on file with the Securities and Exchange Commission. These reports are also available from Noble Energy's offices or website, <http://www.nobleenergyinc.com>. 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 forward-looking statements should circumstances, management's estimates, or opinions change.*

*The Securities and Exchange Commission requires oil and gas companies, in their filings with the SEC, to disclose proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. The SEC permits the optional disclosure of probable and possible reserves, however, we have not disclosed the Company's probable and possible reserves in our filings with the SEC. We use certain terms in this news release, such as "gross recoverable natural gas resources" and "gross recoverable resources," which are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized. The SEC guidelines strictly prohibit us from including these estimates in filings with the SEC. Investors are urged to consider closely the disclosures and risk factors in our most recent annual report on Form 10-K and in other reports on file with the SEC, available from Noble Energy's offices or website, <http://www.nobleenergyinc.com>.*

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