



WHEREAS: Moody's has warned that "Carbon transition poses significant risks for the oil and gas industry," and Wood Mackenzie writes that "oil companies risk being left behind."

Chief among these threats is the risk of peak demand for fossil fuels driven by technological innovation, regulation and changes in consumer behavior. The International Energy Agency forecasts that electrification of transport will play a critical role in achieving required greenhouse gas reductions, and Statoil has described electric cars as an "existential threat."

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. Shell's CEO has said that "we have to have projects that are resilient in a world where oil has peaked."

Investors are increasingly focused on the need for robust climate disclosure, including scenario analysis. In June 2017, the Financial Stability Board's Taskforce on Climate-related Financial Disclosures finalized its guidelines for reporting on climate risk, recommending that companies in the energy sector evaluate the potential impact of different scenarios, including a 2°C scenario, on the organization's businesses, strategy, and financial planning.

Investors representing over \$25 trillion in assets publicly endorsed the Taskforce recommendations.

Noble admits in its financial filings that changes in "climate policy could have a significant impact on our operations and profitability" and that "we are currently in a period of increasing uncertainty."

A recent analysis by CarbonTracker suggested that 30-40% of Noble's future capital spending is potentially at risk in a low-carbon transition.

As long-term shareholders in Noble Energy, we would like to understand how our company is managing this uncertainty and planning for the risks and opportunities associated with climate change.

A 2-degree scenario analysis of Noble Energy's future plans will generate a more complete picture of current and future risks and opportunities than business-as-usual planning. We are not asking the company to make predictions about the distant future. Scenario analysis simply allows a company to consider multiple potential futures, and design a strategy that is resilient in a world of increasing uncertainty. This report will help Noble identify both vulnerabilities and opportunities for its business, and reassure investors that Noble is poised to manage and take advantage of future regulatory, technological and market changes.

¹ <https://corpgov.law.harvard.edu/2015/08/05/corporate-investment-in-esg-practices/>

² <https://feedingourselfthirsty.ceres.org>



AS YOU SOW

2018 Shareholder Resolution

Noble Energy

Request: Report on Carbon Asset Risk, 2-degree Scenario

Lead filer: Presbyterian Church USA

BE IT RESOLVED: Shareholders request that by 2019, Noble Energy publish, with board oversight, an assessment of the long-term portfolio impacts of scenarios consistent with the internationally recognized goal of limiting the global increase in temperature to 2 degrees Celsius. The assessment should outline the impacts of multiple, fluctuating demand and price scenarios on the company's existing reserves and resource portfolio and explain how capital planning and business strategies incorporate analyses of the financial risks of a low-carbon transition. The report should be done at reasonable cost and omit proprietary information.