

Source : **The Nation**

Date : **11 JAN 2018** Page : **23**

No :

Troubled Noble Group says goodbye to global oil trading

THE STRAITS TIMES
ASIA NEWS NETWORK
SINGAPORE

SINGAPORE'S Noble Group is closing down its London oil desk and winding down its Asia oil operations, sources familiar with the matter said, as heavy losses and high debt force what was once Asia's biggest commodities trader to restructure.

The closures follow the sale of its larger US oil trading business to Vitol, announced in October, and a nine-month loss of some US\$3 billion reported in November.

Since then, Noble has been wind-

ing down its remaining oil trading operations in London and Singapore, with many key traders leaving to join competitors.

"That (US oil business) comprised the material share of Noble's oil business. The rest ... has either closed or is in the final process of sale," a source familiar with the matter told Reuters.

A spokeswoman for Noble Group declined to comment.

The company, which had a market capitalisation of US\$6 billion in early February 2015, was plunged into crisis after a report by blogger Iceberg Research later that month

questioning its accounting.

Noble stood by its accounts and rejected the report's allegations but coupled with a major commodities downturn, the firm was unable to recover investor confidence. Its market value has shrunk to around US\$215 million.

The closure of its London and Singapore desks marks an effective exit from the oil trading business. In 2016, the number of employees at NCFL (Noble Clean Fuels Ltd) in London was 25, down from 35 the year before.

The Singapore-listed company, founded in 1986 by Richard Elman, is

returning to its roots as a hard commodities business in Asia, mainly involved in coal marketing, a business that is partly financed by Mercuria Group.

Traders said that they have not seen activity from the company in several months and its head of crude, Chris McAleese, left late last year.

He was hired about a year ago to rebuild the business during a brief upswing in the company's finances.

Noble's star gasoline trader in the United States, Dimitri Sinenko, was poached by Gunvor at the end of last year.