

NOBLE CLEAN FUELS LIMITED

UK Registered Number: 06810620

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022



NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

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NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

COMPANY INFORMATION

DIRECTORS

Matthew Philip Hopkins
Vesselina Shaleva Daswani

COMPANY SECRETARY

Chee Ying Lim

INDEPENDENT AUDITOR

MHA
6th Floor
2 London Wall Place
London
EC2Y 5AU
United Kingdom

REGISTERED OFFICE

Tricor Suite, 4th Floor,
50 Mark Lane, London
EC3R 7QR, United Kingdom

NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

STRATEGIC REPORT

The directors present their Strategic Report of Noble Clean Fuels Limited (the “Company”) for the year ended 31 December 2022.

BUSINESS REVIEW

The principal activity of the Company is trading in energy commodities. The Company trades in refined oil products and liquefied natural gas and it trades physical commodities directly with other trading companies.

The Company’s immediate parent is Noble Netherlands B.V..

The Company incurred income after tax of \$ 17.0m in December 31, 2022 mainly from the reversal of ECL allowances on loans to related party. Currently, the Company trades in refined oil products for which it earns a fee from a related company. In addition, it earns income for services rendered and interest income on loans provided to subsidiaries of Noble Resources (*refer to Note 1*).

On 19th December, the Company decided to reduce the nominal value of 10,000,000 preference shares (held by Noble Netherlands B.V.), issued and allotted at par, from \$1.00 to nil and cancel these shares. In addition, reduce the nominal value of 20,000,000 preference shares (held by Noble Netherlands B.V) issued and allotted at a premium, by \$0.99 and reduce the associated share premium by \$3.01. The Company transferred its receivables due from Noble Trading Co Limited to Noble Netherlands B.V. as a consideration for this reduction of capital totalling to \$ 90m. Following the Reduction of Capital the Company shall have 20,000,000 issued preference shares with a nominal value of \$0.01 each.

As at 31 December 2022, the Company has recorded net current assets of US\$17.1m (2021: net current assets of US\$91.8m) and net assets of US\$16.7m (2021: net assets of US\$91.8m).

The Company’s business activities, together with the factors likely to affect its future development and its financial position are described in the principal risks and uncertainties section of the Strategic Report and note 25 of the financial statements.

The Directors are of the opinion that the Company will be able to meet its financial obligations as they fall due for the foreseeable future, and accordingly, are satisfied that it is appropriate to prepare these financial statements on a going concern basis.

KEY PERFORMANCE INDICATORS

The Companies Act 2006 requires directors to disclose the Company’s key performance indicators (KPIs). Overall NCFL KPIs are as follows:

	2022 US\$'000	2021 US\$'000
Revenue	-	77,337
Profit/(loss) before taxation	17,052	(7,048)
Equity	16,725	91,828

The Company incurred profit after tax of \$17.0m in 2022 compared to net loss after tax in 2021 of \$7.1m. This is mainly on account of the reversal of ECL allowances on loans to related party. In addition to its normal business operations, the Company currently earns income for services rendered and interest income on loans provided to related parties.

PRINCIPAL RISKS AND UNCERTAINTIES

The activity of trading is centred upon entering into and managing market, credit, operating and liquidity risks. Trading teams in the Company are authorised to enter into levels of risk depending on their skills and level of experience.

The leadership of the Company monitors the levels of risk on a daily basis and intervenes whenever necessary. Further details on the nature of the risks faced by the Company are disclosed in note 25 to the financial statements.

STRATEGIC REPORT (continued)

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires directors to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of stakeholders as a whole. In doing so, the directors must have regard (among other matters) to:

- The likely consequences of any decision in the long term.
- The interest of the Company's employees.
- The need to foster business relationships with producers, clients and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly towards all stakeholders of the Company.

The Company's day to day operations and decision-making is carried out by the Directors of the Company with the support from the Noble Resources and its Directors.

The Directors of the Company and Noble Resources determine the strategic objectives and policies of the Company to best support the delivery of long-term value, providing overall strategic direction within an appropriate framework of rewards, incentives and controls.

The Directors of the Noble Resources, which the Company is a part of, are committed to maintaining high standards of corporate governance which establishes and maintains a legal and ethical environment in which we can preserve all the stakeholder's best interests. The Directors of the Noble Resources, which the Company is a part of, constructively challenge and help develop proposals on strategy, review the senior management team's performance in meeting agreed goals and objectives, and monitor the reporting of performance. We manage our business in a responsible way and believe sustainability and integrity are important to our operations.

The Directors of the Noble Resources, together with the Directors of the Company, are committed to a high standard of ethical conduct. It has implemented a policy where employees may, in confidence, raise concerns about possible corporate improprieties in matters of unlawful activity, policy or practices, suspected fraud, corruption, dishonest practices or other matters. There are also arrangements in place for an independent investigation of such matters, and for appropriate follow up action where necessary.

Directors of the Company are accountable in the areas of human rights, labour standards, environmental protection and the fight against corruption. Directors of the Company work with our stakeholders to empower communities, and positively impact the environment through our operations and the supply chains we can influence.

Directors of the Company have a comprehensive cyber-security framework that underlines our robust risk management procedures and ensures the safety and security of our customers' and employees' data.

The Noble Resources also publishes Sustainability Report that outlines material sustainability criteria and our progress, and in accordance with the Global Reporting Initiatives GRI Standards, Directors of the Company demonstrate their commitment to greater transparency and accountability. Today, companies need to show they are fit for a cleaner and more inclusive future.

Directors of the Company believe in running a business that operates in the best interests of our stakeholders which is key to the Company's long-term success.

Approved by board and signed on its behalf by:



Matthew Philip Hopkins
Director
June 30, 2023

Registered office:
Tricor Suite, 4th Floor,
50 Mark Lane, London
EC3R 7QR, United Kingdom

NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

DIRECTORS' REPORT

The directors present their Directors' Report and the financial statements of Noble Clean Fuels Limited for the year ended 31 December 2022.

DIRECTORS' AND THEIR INTERESTS

The directors of the Company who served during the year are as listed on page 3.

None of the directors had any interest in the shares of the Company during the year ended 31 December 2022 or the year ended 31 December 2021.

DIVIDENDS

The Company has not declared any dividends during the current or prior year. The directors do not propose the payment of a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are disclosed in the Strategic Report and note 25 of the financial statements.

DIRECTORS' INDEMNITY

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006.

POLICY AND PRACTICE WITH RESPECT TO PAYMENT OF SUPPLIERS

It is the Company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the Company and its suppliers, provided that all relevant trading terms and conditions have been complied with.

The average creditor payment period policy for the year ended 31 December 2022 for the Company was 31 days (2021: 31 days).

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

APPOINTMENT OF AUDITOR

The Company has reappointed MHA as the auditor for the year ended 31 December 2022.

FUTURE DEVELOPMENTS

The Company will continue to trade in refined oil products. In addition, it will continue to earn income for services rendered and interest income on loans provided to related parties.

POLITICAL DONATIONS

The Company did not make any political donations during the year (2021: US\$ nil)

NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

DIRECTORS' REPORT (continued)

DIRECTORS STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were members of the board at the time of approving the Directors' Report are listed on page 3. Having made enquiries of fellow directors and the Company's auditor, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is information needed by the auditors in connection with preparing their report) of which the Company's auditor is unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors' Report comprising on page 6 and 7 including the sections of the financial statements referred to in these pages, has been approved by the Board and signed on its behalf by:



Matthew Philip Hopkins
Director
June 30, 2023

Registered office:
Tricor Suite, 4th Floor,
50 Mark Lane, London
EC3R 7QR, United Kingdom

RESPONSIBILITIES OF THE DIRECTORS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the United Kingdom ("UK adopted IFRS") and also in accordance with the applicable requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the loss for that period. In preparing these financial statements, the directors are required to:

- Present fairly the financial position, financial performance and cash flows of the Company;
- Select suitable accounting policies and apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- State whether International Financial Reporting Standards as adopted for use in the United Kingdom ("UK adopted IFRS") and also in accordance with the applicable requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the requirements; have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.



Matthew Philip Hopkins
Director
June 30, 2023

Registered office:
Tricor Suite, 4th Floor,
50 Mark Lane, London
EC3R 7QR, United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE CLEAN FUELS LIMITED

Opinion

We have audited the financial statements of Noble Clean Fuels Limited (the 'Company') for the year ended 31 December 2022 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted for use in the United Kingdom ("UK adopted IFRS") in conformity with the requirements of the Companies Act 2006

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted IFRSs in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE CLEAN FUELS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, reviewing accounting estimates for bias and where appropriate, evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing minutes of meetings of those charged with governance
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

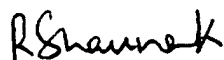
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE CLEAN FUELS LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rakesh Shaunak FCA (Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor

London, United Kingdom

Date: June 30, 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	2022 US\$'000	2021 US\$'000
Revenue	4	-	77,337
Cost of sales	5	(108)	(78,489)
Gross profit/(loss)		(108)	(1,152)
Reversal of impairment of joint venture		142	-
Foreign exchange gain		2,022	-
Reversal /(provision) for expected credit losses	16	14,209	(6,041)
Selling, administrative and operating expenses	6	(2,383)	(2,574)
Other income	10	1,151	996
Operating profit/(loss) before interest and taxation		15,033	(8,771)
Finance income	11	2,466	2,215
Finance costs	11	(447)	(492)
Profit/(loss) before taxation		17,052	(7,048)
Income tax expense	12	(37)	(22)
Profit/(loss) for the year		17,015	(7,070)
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		-	-
Other comprehensive income for the year		-	-
Total comprehensive profit/(loss) for the year		17,015	(7,070)

Total comprehensive profit /(loss) for the year is attributable to the owners of the parent company.

The notes on pages 16 to 41 are an integral part of these financial statements.

NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

		2022	2021
		US\$'000	US\$'000
Assets	Notes		
Non-current assets			
Investment in joint venture	18	-	-
Total non-current assets		-	-
Current assets			
Prepayments	15	-	11
Trade and other receivables	16	68,824	119,921
Derivative financial instruments	24	1,611	-
Net investment in lease	14	-	1,969
Short term investments held for sale	19	257	350
Cash & cash equivalents	17	21,275	331
Total current assets		91,967	122,582
TOTAL ASSETS		91,967	122,582
Equity and liabilities			
Share capital	20	2,066	31,866
Share premium	20	597,983	658,183
Retained earnings	21	(583,324)	(600,339)
Foreign currency translation reserve		-	2,118
Equity attributable to shareholders of the Company		16,725	91,828
Non-current liabilities			
Accruals		400	-
Lease liabilities	13	-	-
Total non-current liabilities		400	-
Current liabilities			
Trade and other payables	22	74,842	27,250
Lease liabilities	13	-	3,504
Total current liabilities		74,842	30,754
Total liabilities		75,242	30,754
TOTAL EQUITY AND LIABILITIES		91,967	122,582

These financial statements were approved by the Board of Directors on June 30, 2023.

Signed on behalf of the Board of Directors


Matthew Philip Hopkins
Director

The notes on pages 16 to 41 are an integral part of these financial statements.

NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Notes	2022 US\$'000	2021 US\$'000
Cash flows from operating activities			
Profit/(loss) before taxation		17,052	(7,048)
Adjustments to reconcile loss for the year to net cash flow from (used in) operating activities:			
Finance income	11	(2,466)	(2,215)
Finance cost	11	447	492
Lease modification	5	-	335
Foreign exchange gain		(2,167)	(421)
Gain on short-term investments measured at FVTPL	20	93	(268)
Dividend income		-	(201)
Movement in expected credit loss allowance	16	(14,209)	6,041
Depreciation of property, plant and equipment	6	-	122
Working capital adjustments:			
(Increase)/decrease in derivative assets	24	(1,611)	8,297
Decrease in prepayments	15	11	67
(Increase) in trade and other receivables	16	(23,349)	(29,375)
Increase/(decrease) in trade and other payables	22	47,556	(9,984)
Increase/(decrease) in accruals		400	-
Increase in accruals		-	-
Interest paid		-	(5)
Interest received		35	18
Withholding tax paid		-	(22)
Net cash used in operating activities		21,792	(34,167)
Cash flows from investing activities			
Proceeds from sale of short-term investment	19	-	1,860
Dividend proceeds from short term investment		-	74
Dividend proceeds from interest in subsidiary		-	127
Disposal of interest in subsidiary		-	35
Repayment of loans to related parties		830	-
Loan to related parties		-	(19,832)
Net cash flows (used in)/ from investing activities		830	(17,736)
Cash flows from financing activities			
Lease payments	13, 14	(1,678)	(4,455)
Net cash flows used in financing activities		(1,678)	(4,455)
Net increase/ (decrease) in cash and cash equivalents		20,944	(56,358)
Net exchange differences		-	-
Cash and cash equivalents at the beginning of the year		331	56,689
Cash and cash equivalents at the end of the year		21,275	331
Analysis of balances of cash and cash equivalent			
Bank balance	17	21,275	331
Cash & cash equivalents		21,275	331

The notes on pages 16 to 41 are an integral part of these financial statements:

NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

		Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Total
	Notes	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2021		31,866	658,183	(593,269)	2,118	98,898
Loss for the year	21	-	-	(7,070)	-	(7,070)
Other comprehensive income for 2021		-	-	-	-	-
Total comprehensive income for the year		-	-	(7,070)	-	(7,070)
Balance as at 1 January 2022		31,866	658,183	(600,339)	2,118	91,828
Profit for the year	21	-	-	17,015	-	17,015
Reduction of Capital	20	(29,800)	(60,200)	-	-	(90,000)
Reversal of translation reserve		-	-	-	(2,118)	(2,118)
Other comprehensive income for 2022		-	-	-	-	-
Total comprehensive income for the year		-	-	17,015	-	17,015
Balance as at 31 December 2022		2,066	597,983	(583,324)	-	16,725

The notes on pages 16 to 41 are an integral part of these financial statements.

NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. General information

Noble Clean Fuels Limited (the “Company”) is a private company limited by shares domiciled in the United Kingdom. The Company’s registration number is 06810620. The Company is a wholly owned subsidiary of Noble Netherlands B.V., a company registered in the Netherlands.

The largest parent of the group, for which group accounts are drawn up, and of which the Company is a member, is Noble Resources Trading Holdings Limited (“Noble Resources”), a company incorporated in British Virgin Islands.

The Company’s registered office is located at Tricor Suite, 4th Floor, 50 Mark Lane, London EC3R 7QR, United Kingdom.

The principal activity of the Company is commodity trading.

The financial statements were prepared by the Board and authorised for issue on June 30, 2023. Neither the Company’s owners nor others have powers to amend the financial statements after issue.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of certain financial instruments which have been measured at fair value. The financial statements are presented in US dollars (US\$), the functional currency of the Company, and all financial information has been rounded to the nearest thousand dollars (US\$’000) except when otherwise indicated.

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted for use in the United Kingdom (“UK adopted IFRS”) and also in accordance with the applicable requirements of the Companies Act 2006.”

Group accounts are not submitted as the Company is exempt from the obligation to prepare group accounts under Section 400 (1) of the Companies Act 2006. The results of subsidiary and associated undertakings are included within the consolidated accounts of the largest parent undertaking, Noble Resources Trading Holdings Limited, a company incorporated in British Virgin Islands. These accounts present information about the Company as an individual undertaking. Copies of Noble Resources Trading Holdings Limited’s financial statements can be obtained from the Noble Resources’s head office at 8th Floor 8 Queen’s Road East, Hong Kong Admiralty, Hong Kong 21845.

The financial statements of the Company have been prepared on a going concern basis.

a) New and amended standards adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2022. The adoption of these standards did not have any effect on the financial performance or position of the Company.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****2. Basis of preparation (continued)****a) New and amended standards adopted by the Company (continued)***Reference to the Conceptual Framework – Amendments to IFRS 3*

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities (Annual improvements 2018 - 2020)

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2022 and not early adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The directors do not anticipate, in light of the circumstances prevailing at the date of approval of these financial statements, that the adoption of these standards and interpretations in future periods will have a material impact on the reported profit or net assets of the Company in the period of initial application although the manner in which certain information is presented in the financial statements may change.

IAS 8.30 IAS 8.31(d) IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****2. Basis of preparation (continued)**

- b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2022 and not early adopted (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice.

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The amendments to IAS 12 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022**3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Foreign currency translation

Items included in the financial statements are measured using the functional currency of the Company, US dollars, which is also the Company's presentation currency.

Transactions in currencies other than US dollars are initially recorded at the rate which closely approximates to the rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Statement of Financial Position date. Foreign exchange gains and losses on settlement of foreign currency transactions translated at the rate prevailing at the date of the transactions, or the translation of monetary assets and liabilities at year end exchange rates, are taken to the Income Statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction.

The assets and liabilities of foreign operations are translated into US Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation of foreign operations are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(b) Trade and other receivables

Trade and other receivables are carried at original invoice price (which is the fair value of the consideration receivable) less provision made for impairment of these receivables. The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits held on call or with maturities less than three months, highly liquid investments that are readily convertible into known amounts of cash (which are subject to insignificant risk of changes in value), and bank overdrafts.

(d) Revenue recognition**Net oil trading income**

Net trading income is attributable to the Company's oil trading business. The Company undertakes significant activities which, for the purposes of disclosure in the financial statements of the Company have been classified as 'trading'.

All commodity contracts and derivative financial instruments entered into by the Company as part of its bulk oil trading activities are recognised in the financial statements on the date of trading. Net trading income includes realised gains/(losses) on all settled contracts. All open contracts are included at fair value and unrealised gains and loss are recognised in the net trading income

LNG trading revenue recognition

The Company is in the business of the commodity trading in which it earns revenue through the physical delivery of commodity cargoes, marketing services and fuel management services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. On 30 June 2021, the Company discontinued the LNG business.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control and risk and rewards of ownership is transferred to the customer, generally on delivery of the goods in accordance with terms. The typical credit terms are 30 to 120 days.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****3. Summary of significant accounting policies (continued)****(d) Revenue recognition (continued)**

The Company considers whether there are other obligations in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

(e) Finance costs and finance income

Finance costs comprises interest expense on intercompany borrowing, bank overdraft, and the accumulation of interest on provisions. All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. Finance income comprises interest income on intercompany lending, and bank interest.

(f) Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items charged or credited directly to equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. Estimates are made in determining the provision for taxes at the Statement of Financial Position date. Where the final tax is different from the amounts that were initially estimated and recorded, such differences will impact the income tax expense, the tax liabilities and deferred tax liabilities of the period in which the final tax is agreed with the tax authorities.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. Temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss, are not provided for.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Significant accounting estimates and assumptions

The preparation of the financial statements in conformity with UK adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Taxation

The computation of the Company's income tax expense and liability involves the interpretation of applicable tax laws and regulations. The resolution of tax positions taken by the Company, through negotiations with relevant tax authorities or through litigation, can take several years to complete and in some cases it is difficult to predict the ultimate outcome.

In addition, the Company has carry-forward tax losses and tax credits that are available to offset against future taxable profit. However, deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilized. Management judgement is exercised in assessing whether this is the case. The carrying amount of the unrecognized deferred tax asset is disclosed in note 12.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

3. Summary of significant accounting policies (continued)

(g) Significant accounting estimates and assumptions (continued)

To the extent that actual outcomes differ from management's estimates, income tax charges or credits, and changes in current and deferred tax assets or liabilities, may arise in future periods.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, some over-the-counter derivatives) is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(h) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Financial assets at amortised cost (debt instruments)
- ii. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- iii. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- iv. Financial assets at fair value through profit or loss

Financial assets at amortised cost

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- i. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the year ended 31 December 2022

3. Summary of significant accounting policies (continued)

(h) *Financial instruments – initial recognition and subsequent measurement (continued)*

Financial assets at amortised cost are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- i. The rights to receive cash flows from the asset have expired; or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****3. Summary of significant accounting policies (continued)****(h) Financial instruments – initial recognition and subsequent measurement (continued)****Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-

month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

ii. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****3. Summary of significant accounting policies (continued)****(h) Financial instruments – initial recognition and subsequent measurement (continued)****Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(i) Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss in the income statement.

(j) Investment in subsidiary

The investment in subsidiary is stated at cost less accumulated impairment losses, if any. A reversal of an impairment loss on a subsidiary is recognised as it arises provided the increased carrying value does not exceed cost. The investment in subsidiary has been voluntarily dissolved with effect from 22 December 2021.

(k) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When the Company acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Company allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022**3. Summary of significant accounting policies (continued)****(k) Leases (continued)**Company as a lessee

Leases that transfer substantially all the risks and rewards incidental of ownership of an underlying assets to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The lease payments also include payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Company has an enforceable right to extend the lease term and the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(l) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and non-current assets held-for-sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or CGU's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money, fair value less costs to sell and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

NOBLE CLEAN FUELS LIMITED

Registered number: 06810620

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022**4. Revenue**

	2022 US\$'000	2021 US\$'000
Revenue from contracts with customers		
- Third parties	-	77,337
Total revenue	-	77,337

5. Cost of Sales

	2022 US\$'000	2021 US\$'000
Realized cost of sales physical	(16)	79,041
Net realized gain on commodity contracts	-	(1,104)
Lease modification	-	335
Loss/(gain) on fair value adjustment on short term investments held for sale	93	(268)
Foreign exchange loss	226	387
Related party recharges on fronting agreements	(195)	98
Total cost of sales	108	78,489

6. Selling, administrative and operating expenses

	2022 US\$'000	2021 US\$'000
Employee salaries and associated costs (<i>refer to note 7</i>)	2,133	1,555
Information services expenses	13	245
Depreciation – Property, plant and equipment	-	4
Depreciation - Right-of-use assets - Office premises	-	118
Professional expenses	157	998
Other expenses	80	164
Foreign exchange gain	-	(510)
Total selling, administrative and operating expenses	2,383	2,574

7. Employee information

As at 31 December 2022, the average number of employees, including directors, was 4 (2021:6).

	2022 US\$'000	2021 US\$'000
Employee salaries	1,956	998
Other staff costs	31	35
Taxes and social security costs	111	240
Pension contributions (defined contributions)	35	58
Severance payments	-	224
Total employee cost	2,133	1,555

8. Directors' remuneration

No director received any fees or emoluments in respect of their services rendered to the Company during the year ended 31 December 2022.

NOBLE CLEAN FUELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022**9. Auditor's remuneration**

	2022 US\$'000	2021 US\$'000
Fee for audit services		
- Current year	87	208
- Prior year	-	103
Total fee for audit services	87	311
- Fee for non-audit services	-	-
Total audit remuneration	87	311

10. Other income

	2022 US\$'000	2021 US\$'000
Dividend income	-	201
Recharges to related parties	1,151	795
Total other income	1,151	996

11. Finance income and costs

	2022 US\$'000	2021 US\$'000
Finance income		
Interest income	35	18
Interest income on loans to related parties	2,176	1,924
Interest income on net investment in lease	255	273
Total finance income	2,466	2,215
Finance costs		
Interest expense on banks	-	(5)
Interest expense on lease liabilities	(447)	(487)
Total finance cost	(447)	(492)

Interest income and Interest expense is on financial assets that are measured at amortized cost.

The Company used a weighted average incremental borrowing rate of the Noble Trading Co Limited's bonds of 9.24% in computing for the net present value of its lease liabilities.

12. Income tax

Major components of the income tax expense for the year are presented below:

	2022 US\$'000	2021 US\$'000
Income tax		
Current income tax expense	37	-
Withholding tax expense on dividend income	-	22
Total income tax expense	37	22

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NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****12. Income tax (continued)**

A reconciliation of the income tax expense applicable to the accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the periods presented is as follows:

	2022 US\$'000	2021 US\$'000
Income tax		
Profit/ (Loss) before taxation	17,052	(7,048)
At statutory income tax rate of 19.00% (2021: 19.00%)	3,240	(1,339)
Expenses not deductible	1	1,139
Income not taxable	(3,000)	(38)
Corporate interest restriction	(384)	(329)
Withholding tax expense on dividend income	-	22
Utilization of previously unrecognized tax losses	180	567
Total income tax expense	37	22

The Company is subject to corporation tax in the United Kingdom on its taxable profits at the rate of 19.00% (2021: 19.00%). The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse. A deferred tax asset amounting to US\$128,123k (2021: US\$128,486k) has not been recognised in respect of timing differences relating to brought forward tax losses as there is insufficient evidence that the asset will be recovered in the foreseeable future.

13. Lease Liabilities

	2022 US\$'000	2021 US\$'000
Current	-	3,504
Non-current	-	-
	-	3,504

Set out below are the carrying amounts of the Company's lease liabilities and the movements during period:

	2022 US\$'000	2021 US\$'000
As at 1 January	3,504	13,043
Lease modification	-	327
Interest expense on lease liabilities	447	487
Payment of lease liabilities	(3,829)	(9,533)
Exchange differences	(122)	(820)
As at 31 December	-	3,504

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022**14. Net investment in lease**

In December 2017, the Company signed an agreement to sublease a storage warehouse for the period from 1 January 2018 to 29 March 2021. The sub-lease was then extended from 30 March 2021 to 30 May 2022 in December 2020, resulting in an increase to the net investment in lease balance. The sub-lease agreement is on the same terms and conditions as set out in the head lease, hence, it was classified as a finance lease.

	2022 US\$'000	2021 US\$'000
As at 1 January	1,969	7,173
Addition	-	-
Interest income on net investment in lease	255	273
Receipts	(2,150)	(5,078)
Exchange difference	(74)	(399)
As at 31 December	-	1,969

The maturity analysis of the Company's undiscounted lease payments receivable under the finance lease at the end of the reporting period is as follows:

	2022		2021	
	Undiscounted lease payments US\$'000	Present value of minimum lease payments US\$'000	Undiscounted lease payments US\$'000	Present value of minimum lease payments US\$'000
Amounts receivable:				
Within one year	-	-	2,223	1,969
In the second year	-	-	-	-
Total minimum finance lease payments	-	-	2,223	1,969
Unearned finance lease income	-		(254)	
Total net investment in lease	-		1,969	
Portion classified as current assets	-		(1,969)	
Non-current portion	-		-	

15. Prepayments

	2022 US\$'000	2021 US\$'000
Prepayments	-	11
Total prepayments	-	11

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022**16. Trade and other receivables**

	2022 US\$'000	2021 US\$'000
Trade receivables	-	14,575
Receivables from related parties	67,066	74,557
Loans to related parties	2,563	56,332
VAT receivable	39	3,992
Corporation tax receivable	780	873
	70,448	150,329
Less:		
Allowance for ECL	(1,624)	(30,408)
Total trade and other receivables	68,824	119,921

Allowance for ECL is mainly in respect of receivables and loans to related parties. The movement in the year is as follows:

	2022 US\$'000	2021 US\$'000
Expected Credit Loss		
As at 1 January	(30,408)	(24,367)
Write off	14,575	-
Reversal of/ (provision) for ECL	14,209	(6,041)
As at 31 December	(1,624)	(30,408)

Details of the terms and conditions of transactions with related parties are shown in note 24.

17. Cash and cash equivalents

	2022 US\$'000	2021 US\$'000
Bank balances	21,275	331
Total cash and cash equivalents	21,275	331

There are no undrawn borrowing facilities.

The carrying value of the Company's cash and cash equivalents as stated above is considered to be a reasonable approximation of their fair value.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022**18. Investment in joint venture**

On 1 April 2022, Watt Power declared to the Company a final distribution of £108.4k. The final accounts for Watt and Prime Energy (Watt Power's wholly owned subsidiary) were registered at Companies House in May 2022. In August 2022, both Watt and Prime Energy has been confirmed to be voluntarily liquidated and dissolved.

	2022 US\$'000	2021 US\$'000
As at 1 January	-	287
Impairment	-	(213)
Foreign currency translation reserve	-	11
Share of loss	-	(85)
As at 31 December	-	-

19. Investments

	2022 US\$'000	2021 US\$'000
Short term investments held for sale		
As at 1 January	350	1,942
Disposal of investment	-	(1,860)
Mark to market adjustment to fair value	(93)	268
As at 31 December	257	350

The short-term investments held for sale are NYMEX seats.

20. Share capital and share premium

The Company has two classes of shares: Ordinary shares of £1 each and redeemable shares of US\$0.01 each.

The ordinary shares carry full voting rights, rights to receive dividends and to participate in the surplus assets of the company following a winding up once the preference to the redeemable shares has been satisfied.

	2022 Number of shares	2021 Number of shares
Authorised, allotted and called up ordinary shares of GBP£1 par value each		
As at 1 January	1,250,000	1,250,000
Increase in authorised share capital	-	-
As at 31 December	1,250,000	1,250,000
	2022 US\$'000	2021 US\$'000
As at 1 January	1,866	1,866
Increase in allotted and called up share capital	-	-
As at 31 December	1,866	1,866

The redeemable shares carry no voting rights. The redeemable shares have a right to receive dividends. The shares are redeemable at the option of the Company. In the event of a liquidation, these shares will have preference over ordinary shares and are entitled to an amount equal to the nominal value together with a sum equal to any unpaid declared dividends.

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NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****20. Share capital and share premium (continued)**

On 19th December, the Company decided to reduce the nominal value of 10,000,000 preference shares (held by Noble Netherlands B.V.), issued and allotted at par, from \$1.00 to nil and cancel these shares. In addition, reduce the nominal value of 20,000,000 preference shares (held by Noble Netherlands B.V) issued and allotted at a premium, by \$0.99 and reduce the associated share premium by \$3.01. The Company transferred its receivables due from Noble Trading Co Limited to Noble Netherlands B.V. as a consideration for this reduction of capital totalling to \$ 90m.

	2022	2021
	Number of shares	Number of shares
Issued redeemable shares of US\$0.01 par value each		
As at 1 January	30,000,000	30,000,000
Reduction of Capital	(10,000,000)	-
As at 31 December	20,000,000	30,000,000
	US\$'000	US\$'000
As at 1 January	30,000	30,000
Reduction of Capital	(29,800)	-
As at 31 December	200	30,000

The Company has an authorized redeemable number of shares totalling to 30,000,000 as at December 31, 2022 (30,000,000 shares in December 31, 2021)

Share premium

	2022	2021
	US\$'000	US\$'000
As at 1 January	658,183	658,183
Reduction of Capital	(60,200)	-
As at 31 December	597,983	658,183

21. Retained earnings

	2022	2021
	US\$'000	US\$'000
As at 1 January	(600,339)	(593,269)
Profit/(loss) for the year	17,015	(7,070)
As at 31 December	(583,324)	(600,339)

22. Trade and other payables

	2022	2021
	US\$'000	US\$'000
Trade and other accruals	944	1,827
Related party payables	73,815	25,386
Other liabilities	83	37
Total trade and other payables	74,842	27,250

Details of the terms and conditions of transactions with related parties are shown in note 23.

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NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

23. Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties represent associated companies, shareholders, directors and key management personnel of the Company of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management. During the period, the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	2022 US\$'000	2021 US\$'000
Amounts due from fellow subsidiaries of the ultimate parent	67,066	74,557
Amounts due from fellow subsidiaries of the ultimate parent-borrowings	2,563	56,332
Amounts due to fellow subsidiaries of the ultimate parent	(73,815)	(25,386)
	(4,186)	105,503
Less:		
Allowance for ECL	(1,625)	(15,833)
	(5,811)	89,670
	2022 US\$'000	2021 US\$'000
Transactions with fellow subsidiaries of the ultimate parent	1,895	9,955

(a) Amounts due from fellow subsidiaries of the ultimate parent

The amounts due from fellow subsidiaries of the ultimate parent includes receivables for trading activities with PT Energy Coal Prima for supply of gasoil cargo amounting to US\$66.9m in 2022 (US\$37.5m in 2021) and a balance of US\$0.1m (US\$36.9m in 2021) of receivables from Noble Trading Co Limited.

(b) Amount due from fellow subsidiaries of the ultimate parent-borrowing

The amount due from fellow subsidiaries of the ultimate parent-borrowing is related to the revolving loan facility agreement with Noble Trading Co Limited amounting to US\$2.6m in 2022 (US\$56.3m in 2021). It is an interest-bearing loan at 4% per year. Refer to note 20 for further information on the settlement of the loan.

(c) Amounts due to fellow subsidiaries of the ultimate parent

The amounts owed to fellow subsidiaries of the ultimate parent include US\$73.5m in December 2022 (US\$24.5m in 2021) related to trading activities and gross profit transfers with Noble Resources International Pte Ltd.

(d) Transactions with fellow subsidiaries of the ultimate parent

The transactions with fellow subsidiaries of the ultimate parent are presented net in the Statement of comprehensive income. The Company earns a fronting fee income of US\$0.2m related to trading activity transactions with P.T. Energi Coal Prima and Noble Resources International Pte Ltd same as last year.

The Company also earns interest income on loan receivables amounting to US\$2.2m (US\$1.9m in 2021) from Noble Trading Co Limited and service fee income recharges of US\$1.2m (US\$0.5m in 2021) from Noble Resources International Pte Ltd.

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NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****24. Financial instruments**

The accounting classification of each category of financial instruments and their carrying amounts, are set out below. There are no material differences between the carrying value of the Company's financial assets and liabilities and their fair value.

As at 31 December 2022

	Financial assets – loans and receivables US \$'000	Financial assets - at fair value through profit or loss US \$'000	Financial liabilities – measured at amortized cost US \$'000	Total US \$'000
Financial assets				
Trade and other receivables	68,824	-	-	68,824
Investments	-	257	-	257
Derivative financial instruments	-	1,611	-	1,611
Cash and cash equivalents	21,275	-	-	21,275
	90,099	1,868	-	91,967
Financial liabilities				
Trade and other payables	-	-	(74,842)	(74,842)
Lease liabilities	-	-	-	-
	-	-	(74,842)	(74,842)

As at 31 December 2021

	Financial assets – loans and receivables US \$'000	Financial assets - at fair value through profit or loss US \$'000	Financial liabilities – measured at amortized cost US \$'000	Total US \$'000
Financial assets				
Trade and other receivables	119,921	-	-	119,921
Investments	-	350	-	350
Derivative financial instruments	-	-	-	-
Cash and cash equivalents	331	-	-	331
	120,252	350	-	120,602
Financial liabilities				
Trade and other payables	-	-	(27,250)	(27,250)
Lease liabilities	-	-	(3,504)	(3,504)
	-	-	(30,754)	(30,754)

The change in fair value of derivative financial instruments is detailed as follows:

	Fair value as of 1st January US\$'000	Impact on income US\$'000	Settled contracts US\$'000	Fair value as of 31st December US\$'000
2022	-	1,611	-	1,611
2021	8,297	(8,297)	-	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****24. Financial instruments (continued)****Fair value through profit or loss**Derivative financial instruments

In 2022, the Company had active trading positions in commodity derivatives. All derivatives are recognised at fair value through profit or loss. Trading activities are undertaken by using a range of contract types in combination to create incremental gains by arbitraging prices between markets, locations and time periods. For derivative products valued using a valuation technique with market observable inputs the most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Investments

The Company holds listed equity investments. This is measured at fair value and any gains and losses are recorded through profit or loss.

Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2022

	Level 1 US \$'000	Level 2 US \$'000	Level 3 US \$'000	Total US \$'000
Financial assets				
Derivative financial instruments maturing within one year	-	1,611	-	1,611
Derivative financial instruments maturing after one year	-	-	-	-
At fair value through profit or loss maturing within one year	257			257
	257	1,611	-	1,868
	-	-	-	-
Financial liabilities	-	-	-	-

As at 31 December 2021

	Level 1 US \$'000	Level 2 US \$'000	Level 3 US \$'000	Total US \$'000
Financial assets				
Derivative financial instruments maturing within one year	-	-	-	-
Derivative financial instruments maturing after one year	-	-	-	-
Available-for-sale financial instrument maturing after one year	350	-	-	350
	350	-	-	350
	-	-	-	-
Financial liabilities	-	-	-	-

During the years ended 31 December 2022 and 2021, there were no transfers between levels of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****25. Financial risk management objectives and policies**

The Company will take and accept risk in the pursuit of its strategic objectives. All potential risks need to be identified and the following principles adhered to before risks are taken:

1. Risks will be taken within defined risk tolerance levels
2. Risks will be approved by defined accountable officers within an approved risk management governance process and framework
3. Risks should be monitored and managed on a regular basis

The Company is exposed to a number of financial risks due to its business activities including market risk, credit risk and liquidity risk.

The roles and responsibilities for risk management across at the Noble Resources level which applies to the Company are defined under a three lines of defence model as follows:

1. First Line of Defence – the businesses and functions engaged in or supporting revenue-generating activities that generate the risks that Noble is prepared to take and accept.
2. Second Line of Defence – the control functions independent of the first line of defence that provide oversight, approval and challenge of risk management. The second line of defence is responsible for the design and implementation of the risk management framework and processes of the Noble Resources.
3. Third Line of Defence – the independent assurance provided by Internal Audit on the effectiveness of processes and controls that support the first and second line activities. Its role is defined and overseen by the Audit Committee of the Board.

First Line of Defence

Day-to-day risk taking by the businesses and functions engaged in or supporting revenue-generating activities within a defined risk management framework and in consultation with the Second line of Defence control functions is the key to effective financial risk management in the Noble Resources

Second Line of Defence

Under the Second Line of Defence, the Board and its relevant sub-Committee have assigned responsibility and accountability for ensuring effective management of the identified financial risks to accountable executives in control functions and management committees.

Third Line of Defence

The Internal Audit function is outsourced to independent auditing firms. As required, these firms perform periodic reviews of the effectiveness of the various risk management frameworks and independently assesses the adequacy of the design of controls and their operating effectiveness.

a) *Market risk*

The Board of Directors of Noble Resources Trading Holdings Limited has established limits for the level of acceptable market risk. Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The Company is exposed to market prices movements including oil, oil products, gas, power and other commodity prices (commodity price risk) and foreign currency exchange rates that could adversely affect the value of the Company's financial assets, liabilities or future cash flows.

Noble Resources Trading Holdings Limited manages these risks primarily through Value at Risk (VaR). VaR is a statistical estimate of the potential one day loss at a 95% confidence interval on Noble's positions and inventories due to adverse market moves. Certain commodity price risk is not suitable for VaR treatment due to lack of observable and independent pricing and liquidity. The Noble Resources uses complementary quantitative measures including stop loss limits on trading activities and absolute stress test on trading positions. Qualitative management of commodity price risk is key to the Noble Resources's risk management ethos. The Noble Resources has established a Group Risk Committee whose responsibility is to review on a weekly basis the trading activities covering past performance and the near-term outlook.

Noble Resources Trading Holdings Limited manages the VaR methodology for Noble Clean Fuels Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022
25. Financial risk management objectives and policies (continued)
i) Interest rate risk

The Company is subject to risk due to fluctuations in the prevailing levels of market interest rates. Any excess of cash or cash equivalents are invested at short-term interest rates.

The Company's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Any reasonably possible change in interest rates would be expected to have an immaterial effect on the income statement.

ii) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Majority of Company's transactions and activities are denominated in USD. However, part of the cost base (office leases, salaries, etc.) are paid for in local currency. There are some products where the buying and selling currencies are different or a currency exposure is created through the difference in the physical flow and a financial hedge.

Some of the net assets of the Company are denominated in currencies other than USD, the Company's functional currency, with the effect that the Statement of Financial Position and Income Statement can be significantly affected by currency movements.

A 15% strengthening of the currencies in the table below against the USD at 31 December 2022 and 2021 would have increased/(decreased) loss before tax and equity by the amounts shown below. The analysis assumes that all other variables remain constant. The exposure as at 31 December 2022 is as follows:

Currency	Cash and cash equivalents US\$'000	Other net assets US\$'000	Total US\$'000
EUR	2,644	-	2,644
GBP	421	741	1,162
ZAR	-	(242)	(242)
Total	3,065	499	3,564

The exposure as at 31 December 2021 is as follows:

Currency	Cash and cash equivalents US\$'000	Other net assets US\$'000	Total US\$'000
EUR	3	1,966	1,969
GBP	159	(2,689)	(2,530)
HKD	-	(2)	(2)
ZAR	-	(257)	(257)
Total	162	(982)	(820)

The following tables demonstrate the sensitivity to a reasonably possible change in the USD against the other foreign currency exchange rates with all other variables held constant, of the Company's profit/loss before tax (due to foreign exchange translation of monetary assets and liabilities).

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NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2022****25. Financial risk management objectives and policies (continued)****a) Market risk (continued)****As at 31 December 2022:**

Currency	Gain/(loss) if exchange rate increased by 15%	Gain/(loss) if exchange rate decreased by 15%
	US\$'000	US\$'000
EUR	397	(397)
GBP	174	(174)
HKD	-	-
ZAR	(36)	36

As at 31 December 2021:

Currency	Gain/(loss) if exchange rate increased by 15%	Gain/(loss) if exchange rate decreased by 15%
	US\$'000	US\$'000
EUR	295	(295)
GBP	(379)	379
HKD	-	-
ZAR	(39)	39

iii) Commodity price risk

Commodity price risk is the risk or uncertainty arising from possible price movements and their impact on the future performance of a business. The Company is exposed to commodity price movements including oil, oil products, gas, power and other commodity prices that could adversely affect the value of the Company's financial assets, liabilities or future cash flows. The Company manages these risks primarily through Value at Risk ("VaR"). VaR is a statistical estimate of the potential one day loss at a 95% confidence interval on the Company's positions and inventories due to adverse market moves.

b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Exposure to credit risk arises as a result of transactions in the Company's ordinary course of business and is applicable to all financial assets. Counterparties are assessed prior to, during, and after the conclusion of transactions to ensure exposure to credit risk is limited to an acceptable level. The maximum exposure with respect to credit risk is represented by the carrying amount of each financial asset on the Statement of Financial Position.

The Noble Resources has a Credit Risk Policy & Process applied by the Company that mandates the approval of all credit limits to allow the following exposures:

- Settlement Limits – trade receivables from the sale of commodities that are delivered prior to payment
- Pre-Finance Exposure – loans or prepayments of cash for commodities yet to be delivered
- Mark to Market – limits to capture potential price risk exposures and the cost of replacing a contract in the market should a counterparty not perform

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

25. Financial risk management objectives and policies (continued)

b) Credit risk (continued)

Credit risk relating to trade receivables and derivative financial instruments

The Company's exposure to credit risk is in respect of trade receivables and derivative financial instruments. Given the number and geographical spread of the Company's counterparties and the solvency of major counterparties, credit risk is managed by regularly monitoring its exposure to bad debts in order to minimise this exposure.

Counterparty credit risk is addressed by individual counterparty analysis and the creation of risk limits which are monitored on an ongoing basis. A high proportion of counterparties are either investment grade rated or the Company has received a letter of credit from an investment grade rated financial institution. The credit quality of the Company's significant counterparties is monitored on an on-going basis, and receivables that are neither past due nor impaired are considered of high credit quality. The lowest credit rating of a counterparty is B.

Cash is received prior to delivery and transfer of title of the goods for sales to certain counterparties. Sales to these counterparties are made under letters of credit which are obtained prior to delivery and transfer of title of the goods. Payment from customers is subject to provisional pricing and then final pricing adjustments. The Company is therefore exposed to the residual final pricing adjustment for each sales transaction although such amounts are not considered material.

Credit risk related to other financial instruments and cash deposits

Credit risk relating to the Company's other financial assets, comprising principally cash and cash equivalents and intercompany receivables, arises from the potential default of counterparties. Credit risk arising from balances with banks and financial institutions are managed by the Noble Resources's Treasury Committee in accordance with a Board approved Treasury Policy. Investments of cash and deposits are made only with approved counterparties of high credit worthiness and within credit limits assigned to each counterparty. These limits are reviewed on a regular basis to take account of developments in financial markets and updated accordingly. The limits are set to minimise the concentration of risks and therefore mitigate any financial loss through potential counterparty failure.

The receivables are from other group companies and the counterparty credit risk is mitigated by continued support from the parent company. There is exposure by virtue of the possible non-performance by group companies.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The table below shows the credit quality and maximum exposure to credit risk based on the Company's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2022. The amounts presented are gross carrying amounts for financial assets.

	2022 US\$'000	2021 US\$'000
Trade and other receivable due from external parties	-	14,575
Intercompany receivable	69,629	130,889
Cash and cash equivalents	21,275	331
	90,904	145,795

(ii) Impairment losses

As at 31 December 2022 and 31 December 2021, the analysis of external trade and other receivables that were past due date but not impaired is as follows:

	2022 US\$'000	2021 US\$'000
More than 90 days	-	-
Not yet due	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

25. Financial risk management objectives and policies (continued)

c) Liquidity risk

A constraint in trade and hedge facilities could prevent us from transacting when required. Insufficient cash funds could lead to payment delays.

Exposures and availability under trade and hedging facilities and the day-to-day management of available liquidity and funding for the Company are managed by the Noble Resources Treasury and the Chief Operating Officer. Before any transaction is undertaken, the Business Unit heads at the Noble Resources level need to obtain clearance from the Treasury and the Chief Operating Officer for any funding or other facility usage.

At the Weekly Management Committee meeting, the Business Unit heads discuss their forward-looking cash and other requirements.

The Company's financial liabilities are mostly due as at the Statement of Financial Position date and are generally payable over the next 3 months. The contractual undiscounted cash flow maturity of financial liabilities which is different from the carrying amount is included in the table below:

As at 31 December 2022

	Less than 12 months US\$'000	Greater than 12 months US\$'000	Total US\$'000
Trade and other payables	74,842	-	74,842
Lease liabilities	-	-	-
Total	74,842	-	74,842

As at 31 December 2021

	Less than 12 months US\$'000	Greater than 12 months US\$'000	Total US\$'000
Trade and other payables	27,250	-	27,250
Lease liabilities	3,504	-	3,504
Total	30,754	-	30,754

d) Capital management

The over-riding objectives of the Company's capital management policies are to safeguard and support the business as a going concern and to maintain an optimal capital structure with a view to maximising returns to the shareholder and benefits to other stakeholders by reducing the Company's cost of capital. There is no externally imposed capital requirement. At 31 December 2022, the Company had net assets amounting to US\$16,725k (2021: US\$91,828k).

The Company monitors the capital structure and seeks to adjust this as considered appropriate. The Company begins the 2022 financial year able to meet its capital management objective through utilisation of its existing cash balances and the funding from its parent company. There is no externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

25. Financial risk management objectives and policies (continued)

e) Borrowing facility

The Company is named as one of the borrowers/guarantors for below:

- i. New US\$350 million term loan facility entered into by Noble Resources Trading Limited, amongst others, following the completion of final stage of deleveraging and reorganisation on 4 April 2022, pursuant to which the Company is a guarantor;
- ii. The NTFF (trade finance and hedging support facilities) amounting to US\$450 million provided to Noble Trading Co Limited, amongst others, for a period until 20 June 2023 to support Trading Co Group's on-going trading operations, pursuant to which the Company is a borrower and guarantor. The NTFF is to be extended effective from 20 June 2023, on an uncommitted basis for a reduced amount of US\$400 million, to 20 March 2024 subject to finalising legal documentation.

The facilities have security amongst others, over:

- All assets of the Company together with assets of certain related companies which are directly financed by the NTFF. As at 31 December 2022, the amount utilised by the Company under Trade Finance Facility amounted to \$Nil (2021: US\$2.7 million).
- Share charge over all shares in the Company, assignment of all receivables owing by the Company to its immediate holding company, debenture over all assets of the Company, charge over bank accounts held in Hongkong and the United States (if any), and charge over all other material bank accounts.

26. Ultimate parent company

The Company is 100% owned by Noble Netherlands B.V..

The largest parent company that prepared consolidated financial statements during the year was Noble Resources Trading Holdings Limited ("Noble Resources"), a company registered in British Virgin Island.

Copies of Noble Resources Trading Holdings Limited's financial statements can be obtained from the Noble Resources' head office at 8th Floor 8 Queen's Road East, Hong Kong Admiralty, Hong Kong 21845.

27. Subsequent events

There have been no significant events subsequent to 31 December 2022.