

PRESS RELEASE

Petro Welt Technologies AG's Ba3 rating confirmed by Moody's

- Competitive business model with its primary focus on the high quality of service, use of modern technology, and long-standing relationship with Russian and Kazakhstan oil majors provides secure long term development.
- Solid financial position proven by conservative financial policy and efficient corporate economy.
- Company's relatively small size face to the international players operating in the same market niches and its concentrated client base limit rating.

Vienna, May 28, 2018 – In its annual update Moody's Investors Service (Moody's) confirmed its Ba3 corporate family rating (CFR) with stable outlook for Petro Welt Technologies AG.

Petro Welt Technologies AG's Ba3 rating, Moody's summary points out, reflects the proven resilience of demand for oilfield services in Russia to the extended period of volatility in the global oil sector over 2015–2017. The Company keeps a necessary flexibility to weather risks related to difficult market conditions and its sizeable exposure to the Russian ruble and Kazakh tenge volatility due to its strong market position in the core niche segments based on advanced technologies, successful historical financial performance and sound liquidity profile. Moody's expects Petro Welt Technologies AG to maintain its adjusted debt/EBITDA below the threshold of 2.0x. The rating takes into account the Company's continuous adherence to its traditionally conservative financial policy and prudent approach to development strategy.

On the other hand, the rating is constrained by (1) the Company's small size compared to its global peers; (2) the Company's highly concentrated customer base; (3) the intensifying price pressure from its clients; and (4) Petro Welt Technologies exposure to Russia's less-developed regulatory, political and legal framework. The rating also incorporates the inherent volatility of the oilfield services industry and its dependence on potential changes in oil and gas market conditions, including the oil price fluctuations, which create some uncertainty over its future development, despite improvements through 2017 and the first quarter of 2018.

Outlook

The stable rating outlook reflects Moody's expectation that Petro Welt Technologies AG will continue to demonstrate healthy operating and financial results and maintain a strong liquidity profile and conservative financial policy, with adjusted debt/EBITDA below 2.0x.

Source: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1122519

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