

Rating Action: Moody's reviews energy companies in the EMEA region for downgrade

Global Credit Research - 22 Jan 2016

London, 22 January 2016 -- Moody's Investors Service (Moody's) placed the ratings of 32 integrated oil, exploration and production (E&P), and oilfield services companies in the EMEA region on review for downgrade. A list of the companies and rating actions appears below.

RATINGS RATIONALE

Oil prices have deteriorated substantially in the past few weeks and have reached nominal price lows not seen in more than a decade. Moody's has adjusted its view downward for the likely range of prices. We see a substantial risk that prices may recover much more slowly over the medium term than many companies expect, as well as a risk that prices might fall further. Even under a scenario with a modest recovery from current prices, producing companies and the drillers and service companies that support them will experience rising financial stress with much lower cash flows.

Today's review for downgrade considers that much weaker industry fundamentals have potential to warrant rating changes for all companies covered in this press release. While this review focuses on companies rated in the range from A1 to B3, Moody's is also reevaluating higher and lower rated companies in the context of industry conditions. The higher rated companies on average are somewhat more resilient to low oil prices and Moody's has recently downgraded many of the lower rated companies.

As part of its ongoing assessment of energy markets, Moody's sharply reduced its oil price assumptions on January 21 in light of continuing oversupply in the global oil markets and demand growth that remains tepid. Iran is poised to add more than 500,000 barrels per day to global supply while OPEC and many non-OPEC oil producers continue to produce without restraint as they battle for market share. The addition of Iranian oil to the market this year will offset or exceed expected declines in US production of about 500,000 barrels per day. Increased production vastly exceeds growth in oil consumption, given modest growth in consumption from major consumers such as China, India and the US. Production now exceeds demand by about 2 million barrels per day, adding to already high global oil stocks. Our natural gas and natural gas liquids price assumptions are unchanged. Natural gas production in the US continues to increase while costs decline and producers generate cash returns at ever-lower prices, although in many cases these appear insufficient to service their debt.

Lower oil prices will further weaken cash flows for E&P companies and the upstream portion of integrated oil and gas companies. This will cause further deterioration in financial ratios, including deeper negative free cash flow. Most companies are unable to internally fund sustaining levels of capital spending at current market prices. Current industry conditions also reduce the value of assets offered for sale and have made accessing capital markets more expensive for some companies and unavailable for others. While integrated oil and gas companies benefit from the profitability of their downstream operations, the upstream operations represent a much larger part of the capital employed and cash flow for most of these companies.

Projected capex reductions by E&P and integrated oil companies will severely challenge the drilling and oilfield services (OFS) sector beyond what it had already experienced in 2015. Moody's expects OFS sector EBITDA to drop by another 25%-30% in 2016, testing the viability of the capital structures of many of these businesses. Even if commodity prices recover, OFS companies are unlikely to gain any pricing power because of the continued excess capacity across most OFS subsectors. As a result, Moody's expects credit quality to deteriorate for all OFS players in 2016. Smaller and more leveraged OFS companies in particular will struggle to comply with debt agreement covenants, service their debt and access the capital markets, raising their risk of default. Even large, diversified investment grade OFS companies will have less financial flexibility and increasing financial leverage. Drillers with significant contract expirations will also suffer material credit degradation as contracts are either not renewed or are renewed at rates that produce far less revenue.

Although all issuers in these sectors have been adversely affected by declining prices, severity varies substantially by issuer. Accordingly, the range of possible outcomes upon conclusion of the review for given issuers varies from possible confirmation of ratings to multi-notch downgrades. Multi-notch downgrades are

particularly likely among issuers whose activities are centered in North America, where natural gas prices have declined dramatically along with oil prices. Moody's expects to conclude a majority of the reviews by the end of the first quarter.

List of affected ratings:

On Review for Downgrade:

..Issuer: Ithaca Energy Inc.

.... Probability of Default Rating, Placed on Review for Downgrade, currently B3-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently B3

....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Caa2

..Issuer: EnQuest plc

.... Probability of Default Rating, Placed on Review for Downgrade, currently B3-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently B3

....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Caa2

..Issuer: Tullow Oil plc

.... Probability of Default Rating, Placed on Review for Downgrade, currently B2-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently B2

....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Caa1

..Issuer: Nostrum Oil & Gas Plc

.... Probability of Default Rating, Placed on Review for Downgrade, currently B2-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently B2

..Issuer: Zhaikmunai LLP

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently B2

..Issuer: OAO Novatek

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1

..Issuer: Novatek Finance Limited

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1

....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1

..Issuer: RussNeft

.... Probability of Default Rating, Placed on Review for Downgrade, currently B2-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently B2

..Issuer: Borets Finance Limited

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently B1

..Issuer: Borets International Ltd

.... Probability of Default Rating, Placed on Review for Downgrade, currently B1-PD
.... Corporate Family Rating, Placed on Review for Downgrade, currently B1
..Issuer: C.A.T. Oil AG

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba3
..Issuer: IG Seismic Services Plc

.... Probability of Default Rating, Placed on Review for Downgrade, currently B2-PD
.... Corporate Family Rating, Placed on Review for Downgrade, currently B2
..Issuer: Neftserviceholding LLC

.... Probability of Default Rating, Placed on Review for Downgrade, currently B1-PD
.... Corporate Family Rating, Placed on Review for Downgrade, currently B1
..Issuer: KCA Deutag Alpha Ltd

.... Probability of Default Rating, Placed on Review for Downgrade, currently B3-PD
.... Corporate Family Rating, Placed on Review for Downgrade, currently B3
....Senior Secured Bank Credit Facility, Placed on Review for Downgrade, currently B3
..Issuer: Globe Luxembourg SCA

....Senior Secured Regular Bond/Debenture, Placed on Review for Downgrade, currently B3
..Issuer: KCA DEUTAG UK Finance plc

....BACKED Senior Secured Regular Bond/Debenture, Placed on Review for Downgrade, currently B3
..Issuer: Petroleum Geo-Services ASA

.... Probability of Default Rating, Placed on Review for Downgrade, currently B1-PD
.... Corporate Family Rating, Placed on Review for Downgrade, currently B1
....Senior Secured Bank Credit Facility, Placed on Review for Downgrade, currently B1
....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently B1
..Issuer: Bibby Offshore Services Plc

....BACKED Senior Secured Regular Bond/Debenture, Placed on Review for Downgrade, currently B3
..Issuer: Bibby Offshore Holdings Ltd

.... Probability of Default Rating, Placed on Review for Downgrade, currently B3-PD
.... Corporate Family Rating, Placed on Review for Downgrade, currently B3
..Issuer: Welltec A/S

.... Probability of Default Rating, Placed on Review for Downgrade, currently B1-PD
.... Corporate Family Rating, Placed on Review for Downgrade, currently B1
....Senior Secured Regular Bond/Debenture, Placed on Review for Downgrade, currently B1
..Issuer: Seadrill Partners LLC

.... Probability of Default Rating, Placed on Review for Downgrade, currently B2-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently B2

..Issuer: Seadrill Operating LP

....BACKED Senior Secured Bank Credit Facility, Placed on Review for Downgrade, currently B2

....BACKED Senior Secured Bank Credit Facility, Placed on Review for Downgrade, currently Ba2

..Issuer: Shelf Drilling Midco, Ltd.

.... Probability of Default Rating, Placed on Review for Downgrade, currently B1-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently B1

....Senior Secured Bank Credit Facility, Placed on Review for Downgrade, currently B2

..Issuer: Shelf Drilling Holdings, Ltd.

....Senior Secured Regular Bond/Debenture, Placed on Review for Downgrade, currently B1

..Issuer: Topaz Energy and Marine Limited

.... Probability of Default Rating, Placed on Review for Downgrade, currently B2-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently B2

..Issuer: Topaz Marine S.A.

....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently B3

..Issuer: Gazprom, PJSC

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1

..Issuer: Gaz Capital S.A.

....Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)Ba1

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1

....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1

..Issuer: OOO Gazprom Capital

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1

..Issuer: Gazprom Neft PJSC

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1

..Issuer: GPN Capital S.A.

....BACKED Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)Ba1

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1

..Issuer: OJSC Oil Company Rosneft

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD

... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1
..Issuer: Rosneft Finance S.A.

...BACKED Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)Ba1
...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1
..Issuer: Rosneft International Finance Limited

...BACKED Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)Ba1
...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1
..Issuer: Rosneft International Holdings Limited

... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD
... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1
..Issuer: Bashneft

... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD
... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1
..Issuer: KazMunayGas NC JSC

... Issuer Rating, Placed on Review for Downgrade, currently Baa3
...Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)Baa3
...Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Baa3
..Issuer: KazMunaiGaz Finance Sub B.V.

...BACKED Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)Baa3
...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Baa3
..Issuer: State Oil Company of the Azerbaijan Republic

... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD
... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1
...Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1
..Issuer: Tatneft PJSC

... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD
... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1
..Issuer: LUKOIL International Finance B.V.

...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1
..Issuer: Lukoil, PJSC

... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD
... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1
..Issuer: BP p.l.c.

... Issuer Rating, Placed on Review for Downgrade, currently A2

...BACKED Senior Unsecured Revenue Bonds supported by BP p.l.c., Placed on Review for Downgrade, currently A2

...BACKED Senior Unsecured Revenue Bonds supported by BP p.l.c., Placed on Review for Downgrade, currently VMIG 1

...BACKED Senior Unsecured Revenue Bonds supported by BP p.l.c., Placed on Review for Downgrade, currently P-1

...BACKED Revenue Bonds supported by BP p.l.c., Placed on Review for Downgrade, currently A2

...BACKED Revenue Bonds supported by BP p.l.c., Placed on Review for Downgrade, currently P-1

..Issuer: Atlantic Richfield Company

...Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently A2

...BACKED Revenue Bonds supported by Atlantic Richfield Company, Placed on Review for Downgrade, currently A2

...BACKED Senior Unsecured Revenue Bonds supported by Atlantic Richfield Company, Placed on Review for Downgrade, currently A2

...BACKED Senior Unsecured Revenue Bonds supported by Atlantic Richfield Company, Placed on Review for Downgrade, currently VMIG 1

...BACKED Senior Unsecured Revenue Bonds supported by Atlantic Richfield Company, Placed on Review for Downgrade, currently P-1

..Issuer: BP AMI Leasing, Inc.

...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently A2

..Issuer: BP Capital Markets America Inc

...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently A2

..Issuer: BP Capital Markets plc

...BACKED Senior Unsecured Commercial Paper, Placed on Review for Downgrade, currently P-1

...BACKED Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)A2

...BACKED Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)P-1

...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently A2

...BACKED Senior Unsecured Shelf, Placed on Review for Downgrade, currently (P)A2

..Issuer: BP Corporation North America, Inc.

... Issuer Rating, Placed on Review for Downgrade, currently Baa1

...BACKED Senior Unsecured Commercial Paper, Placed on Review for Downgrade, currently P-1

..Issuer: BP Finance Plc

... Issuer Rating, Placed on Review for Downgrade, currently A3

..Issuer: Standard Oil Company

...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently A2

..Issuer: eni finance international SA

...BACKED Senior Unsecured Medium-Term Note Program Placed on Review for Downgrade, currently (P)A3
...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently A3
..Issuer: ENI S.p.A.
.... Issuer Rating, Placed on Review for Downgrade, currently A3
...Senior Unsecured Medium-Term Note Program (Local Currency), Placed on Review for Downgrade, currently (P)A3
...Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently A3
..Issuer: Eni USA Inc.
...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Baa1
..Issuer: OMV AG
.... Issuer Rating, Placed on Review for Downgrade, currently A3
.... Issuer Rating, Placed on Review for Downgrade, currently A3
...Junior Subordinated Regular Bond/Debenture, Placed on Review for Downgrade, currently Baa3
...Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)A3
...Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently A3
..Issuer: Repsol S.A.
.... Issuer Rating, Placed on Review for Downgrade, currently Baa2
..Issuer: Repsol International Finance B.V.
...BACKED Junior Subordinated Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1
...BACKED Senior Unsecured Commercial Paper, Placed on Review for Downgrade, currently P-2
...BACKED Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)P-2
...BACKED Senior Unsecured Medium-Term Note Program, Placed on Review for Downgrade, currently (P)Baa2
...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Baa2
...BACKED Senior Unsecured Shelf, Placed on Review for Downgrade, currently (P)Baa2
..Issuer: Talisman Energy Inc.
...Multiple Seniority Shelf, Placed on Review for Downgrade, currently (P)Baa3
...Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Baa3
..Issuer: Intergas Central Asia
.... Issuer Rating, Placed on Review for Downgrade, currently Baa3
..Issuer: Intergas Finance B.V.
...BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Baa3
..Issuer: JSC KazTransGas
.... Issuer Rating, Placed on Review for Downgrade, currently Baa3

..Issuer: JSC KazTransOil

.... Issuer Rating, Placed on Review for Downgrade, currently Baa3

.... Corporate Family Rating, Placed on Review for Downgrade, currently Baa3

Affirmations:

..Issuer: eni finance international SA

....BACKED Senior Unsecured Commercial Paper, Affirmed P-2

..Issuer: Eni Finance USA Inc.

....BACKED Senior Unsecured Commercial Paper, Affirmed P-2

..Issuer: ENI S.p.A.

....Senior Unsecured Commercial Paper, Affirmed P-2

Outlook Actions:

..Issuer: Ithaca Energy Inc.

....Outlook, Changed To Rating Under Review From Negative

..Issuer: EnQuest plc

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Tullow Oil plc

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Nostrum Oil & Gas Plc

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Zhaikmunai LLP

....Outlook, Changed To Rating Under Review From Negative

..Issuer: OAO Novatek

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Novatek Finance Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: RussNeft

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Borets Finance Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Borets International Ltd

....Outlook, Changed To Rating Under Review From Stable

..Issuer: C.A.T. Oil AG

....Outlook, Changed To Rating Under Review From Stable

..Issuer: IG Seismic Services Plc
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Neftserviceholding LLC
...Outlook, Changed To Rating Under Review From Stable
..Issuer: KCA Deutag Alpha Ltd
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Globe Luxembourg SCA
...Outlook, Changed To Rating Under Review From Negative
..Issuer: KCA DEUTAG UK Finance plc
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Petroleum Geo-Services ASA
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Bibby Offshore Holdings Ltd
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Bibby Offshore Services Plc
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Welltec A/S
...Outlook, Changed To Rating Under Review From Stable
..Issuer: Seadrill Partners LLC
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Seadrill Operating LP
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Shelf Drilling Midco, Ltd.
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Shelf Drilling Holdings, Ltd.
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Topaz Energy and Marine Limited
...Outlook, Changed To Rating Under Review From Stable
..Issuer: Topaz Marine S.A.
...Outlook, Changed To Rating Under Review From Stable
..Issuer: Gazprom, PJSC
...Outlook, Changed To Rating Under Review From Stable
..Issuer: Gaz Capital S.A.

...Outlook, Changed To Rating Under Review From Stable
..Issuer: OOO Gazprom Capital

...Outlook, Changed To Rating Under Review From Stable
..Issuer: Gazprom Neft PJSC

...Outlook, Changed To Rating Under Review From Stable
..Issuer: GPN Capital S.A.

...Outlook, Changed To Rating Under Review From Stable
..Issuer: OJSC Oil Company Rosneft

...Outlook, Changed To Rating Under Review From Stable
..Issuer: Rosneft Finance S.A.

...Outlook, Changed To Rating Under Review From Stable
..Issuer: Rosneft International Finance Limited

...Outlook, Changed To Rating Under Review From Stable
..Issuer: Rosneft International Holdings Limited

...Outlook, Changed To Rating Under Review From Stable
..Issuer: Bashneft

...Outlook, Changed To Rating Under Review From Stable
..Issuer: KazMunayGas NC JSC

...Outlook, Changed To Rating Under Review From Stable
..Issuer: KazMunaiGaz Finance Sub B.V.

...Outlook, Changed To Rating Under Review From Stable
..Issuer: State Oil Company of the Azerbaijan Republic

...Outlook, Changed To Rating Under Review From Stable
..Issuer: Tatneft PJSC

...Outlook, Changed To Rating Under Review From Stable
..Issuer: LUKOIL International Finance B.V.

...Outlook, Changed To Rating Under Review From Stable
..Issuer: Lukoil, PJSC

...Outlook, Changed To Rating Under Review From Stable
..Issuer: BP p.l.c.

...Outlook, Changed To Rating Under Review From Positive
..Issuer: Atlantic Richfield Company

...Outlook, Changed To Rating Under Review From Positive

..Issuer: BP AMI Leasing, Inc.
...Outlook, Changed To Rating Under Review From Positive
..Issuer: BP Capital Markets America Inc
...Outlook, Changed To Rating Under Review From Positive
..Issuer: BP Capital Markets plc
...Outlook, Changed To Rating Under Review From Positive
..Issuer: BP Corporation North America, Inc.
...Outlook, Changed To Rating Under Review From Positive
..Issuer: BP Finance Plc
...Outlook, Changed To Rating Under Review From Positive
..Issuer: BP Company North America Inc.
...Outlook, Changed To Rating Under Review From Positive
..Issuer: Standard Oil Company
...Outlook, Changed To Rating Under Review From Positive
..Issuer: eni finance international SA
...Outlook, Changed To Rating Under Review From Stable
..Issuer: ENI S.p.A.
...Outlook, Changed To Rating Under Review From Stable
..Issuer: Eni USA Inc.
...Outlook, Changed To Rating Under Review From Stable
..Issuer: OMV AG
...Outlook, Changed To Rating Under Review From Stable
..Issuer: Repsol S.A.
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Repsol International Finance B.V.
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Talisman Energy Inc.
...Outlook, Changed To Rating Under Review From Negative
..Issuer: Intergas Central Asia
...Outlook, Changed To Rating Under Review From Stable
..Issuer: Intergas Finance B.V.
...Outlook, Changed To Rating Under Review From Stable
..Issuer: JSC KazTransGas

...Outlook, Changed To Rating Under Review From Stable

..Issuer: JSC KazTransOil

...Outlook, Changed To Rating Under Review From Stable

The principal methodology used in rating JSC KazTransOil was Global Midstream Energy published in December 2010. Other methodologies used include the Government-Related Issuers methodology published in October 2014.

The principal methodology used in rating JSC KazTransGas, Intergas Central Asia and Intergas Finance B.V. was Natural Gas Pipelines published in November 2012. Other methodologies used include the Government-Related Issuers methodology published in October 2014.

The principal methodology used in rating OJSC Oil Company Rosneft, Rosneft Finance S.A., Rosneft International Finance Limited, Rosneft International Holdings Limited, Gazprom, PJSC, Gaz Capital S.A., OOO Gazprom Capital, Bashneft, Tatneft PJSC, State Oil Company of the Azerbaijan Republic, KazMunayGas NC JSC and KazMunaiGaz Finance Sub B.V. was Global Integrated Oil & Gas Industry published in April 2014. Other methodologies used include the Government-Related Issuers methodology published in October 2014.

The principal methodology used in rating BP p.l.c., Atlantic Richfield Company, BP AMI Leasing, Inc., BP Capital Markets America Inc, BP Capital Markets plc, BP Corporation North America, Inc, BP Finance Plc, BP Company North America Inc., Standard Oil Company, Repsol S.A., Repsol International Finance B.V., Talisman Energy Inc., OMV AG, ENI S.p.A., Eni Finance USA Inc., Eni USA Inc, eni finance international SA, Gazprom Neft PJSC, GPN Capital S.A., Lukoil, PJSC and LUKOIL International Finance B.V. was Global Integrated Oil & Gas Industry published in April 2014.

The principal methodology used in rating Ithaca Energy Inc., Tullow Oil plc, EnQuest plc, RussNefit, OAO Novatek, Novatek Finance Limited, Nostrum Oil & Gas Plc, Zhaikmunai LLP was Global Independent Exploration and Production Industry published in December 2011.

The principal methodology used in rating Petroleum Geo-Services ASA, KCA Deutag Alpha Ltd, Globe Luxembourg SCA, KCA DEUTAG UK Finance plc, Bibby Offshore Services Plc, Bibby Offshore Holdings Ltd, Welltec A/S, Seadrill Partners LLC, Seadrill Operating LP, Topaz Energy and Marine Limited, Topaz Marine S.A., Shelf Drilling Midco, Ltd., Shelf Drilling Holdings, Ltd., Neftserviceholding LLC, Borets International Ltd, Borets Finance Limited, C.A.T. Oil AG and IG Seismic Services Plc was Global Oilfield Services Industry Rating Methodology published in December 2014.

Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

The local market analyst for Topaz Energy and Marine Limited, Topaz Marine S.A., Shelf Drilling Midco, Ltd. and Shelf Drilling Holdings, Ltd. ratings of is Julien Haddad, 9714-237-9539.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

The person who approved Bibby Offshore Services Plc, Bibby Offshore Holdings Ltd, Welltec A/S, Seadrill

Partners LLC, Seadrill Operating LP, Ithaca Energy Inc., Tullow Oil plc, EnQuest plc, BP p.l.c., Atlantic Richfield Company, BP AMI Leasing, Inc., BP Capital Markets America Inc, BP Capital Markets plc, BP Corporation North America, Inc, BP Finance Plc, BP Company North America Inc., Standard Oil Company, Repsol S.A., Repsol International Finance B.V., Talisman Energy Inc., OMV AG, ENI S.p.A., Eni Finance USA Inc., Eni USA Inc and eni finance international SA credit ratings is Anke Richter, Associate Managing Director, Corporate Finance Group, Journalists 44 20 7772 5456, Subscribers 44 20 7772 5454.

The person who approved Neftserviceholding LLC, Borets International Ltd, Borets Finance Limited, C.A.T. Oil AG, IG Seismic Services Plc, RussNefit, OAO Novatek, Novatek Finance Limited, Nostrum Oil & Gas Plc, Zhaikmunai LLP, OJSC Oil Company Rosneft, Rosneft Finance S.A., Rosneft International Finance Limited, Rosneft International Holdings Limited, Gazprom, PJSC, Gaz Capital S.A., OOO Gazprom Capital, Gazprom Neft PJSC, GPN Capital S.A., Bashneft, Tatneft PJSC, Lukoil, PJSC, LUKOIL International Finance B.V., State Oil Company of the Azerbaijan Republic, KazMunayGas NC JSC, KazMunaiGaz Finance Sub B.V. , JSC KazTransGas, Intergas Central Asia, Intergas Finance B.V. and JSC KazTransOil credit ratings is Victoria Maisuradze, Associate Managing Director, Corporate Finance Group, Journalists 44 20 7772 5456, Subscribers 44 20 7772 5454.

The person who approved Petroleum Geo-Services ASA, KCA Deutag Alpha Ltd, Globe Luxembourg SCA and KCA DEUTAG UK Finance plc credit ratings is Peter Firth, Associate Managing Director, Corporate Finance Group, Journalists 44 20 7772 5456, Subscribers 44 20 7772 5454.

The person who approved Topaz Energy and Marine Limited, Topaz Marine S.A., Shelf Drilling Midco, Ltd. and Shelf Drilling Holdings, Ltd. credit ratings is David Staples, MD-Corporate Finance, Corporate Finance Group, Journalists 44 20 7772 5456, Subscribers 44 20 7772 5454.

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at www.moodys.com, for each of the ratings covered, Moody's disclosures on the lead analyst and the Moody's legal entity that has issued the ratings.

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