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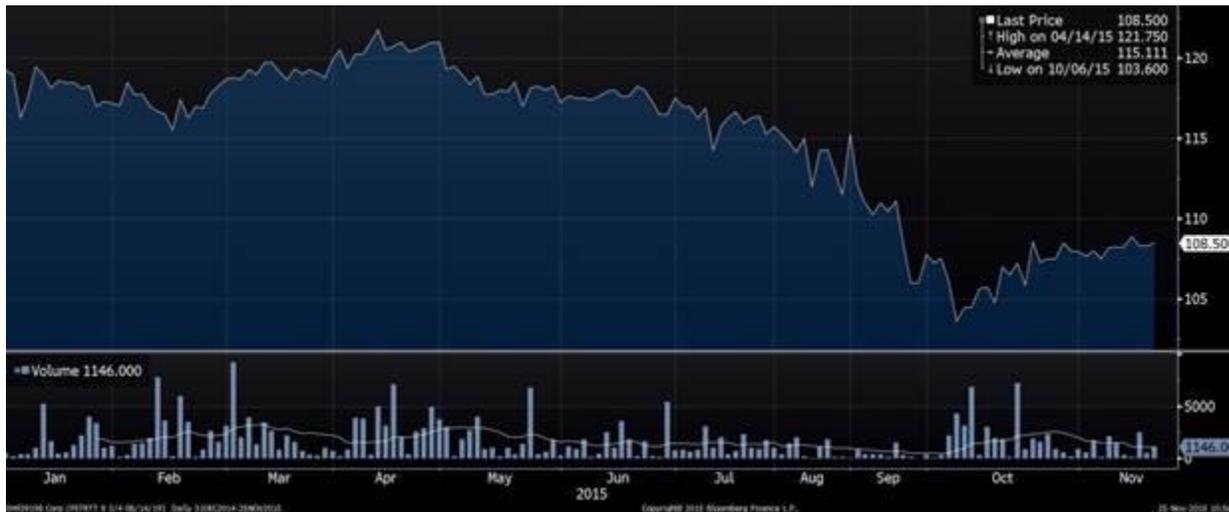
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S&P Downgrades Petrotrin's corporate credit rating to BB from BB+

- Trinidad and Tobago-based oil and gas company Petrotrin, was downgraded by Standard and Poor's based on credit metrics which are expected to weaken more than originally expected during the next 12-18 months due to recent revision of hydrocarbon price assumptions.
- S&P believes that the company's debt to EBITDA to return to less than 5.0x within the next few years.
- However, it is expected that Petrotrin will roll over its short-term loans because of its sound relationship with banks due to its government ownership.
- Petrotrin's ratings reflect weaker operating efficiency relative to its peers, primarily measured by utilization rates and the occurrence of downtime or outages. It also reflects the company's limited geographic diversification and asset concentration in refining and oil and gas exploration and production.
- However, the outlook remains stable, reflecting Petrotrin ability to stabilize the declining trend in its oil production through continued drilling and reactivation activities.
- In addition, refinery performance is forecasted to improve as utilization rates are expected to reach 70%-75% in the next few years.
- Moreover, the company is lowering the sulfur content in its diesel; by means of new ultra-low sulfur diesel plant that will allow it to boost volumes of higher quality diesel and gasoline.

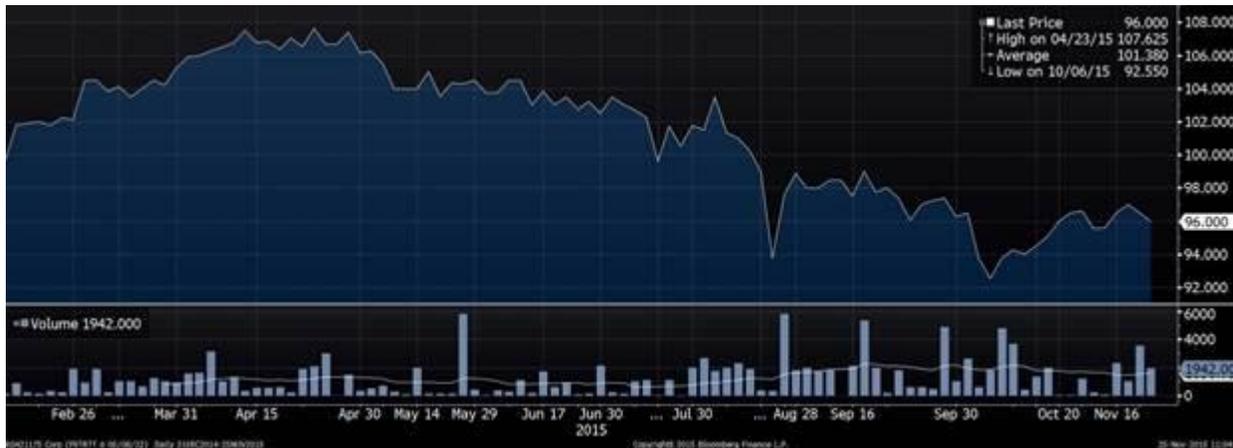
- S&P's rating action was based on assumptions such as:
 1. WTI oil prices of USD45 for the remainder of 2015, USD50 for 2016 and USD60 for 2017,
 2. A 30% fall in revenue as a result of a sharp decline in oil prices
 3. Need for additional debt to finance its main projects and fund its daily operations in the next few years.
 4. Negative working capital for the next few years.
 5. No dividend payments for the next few years.

Petrotrin 2019 bond price YTD



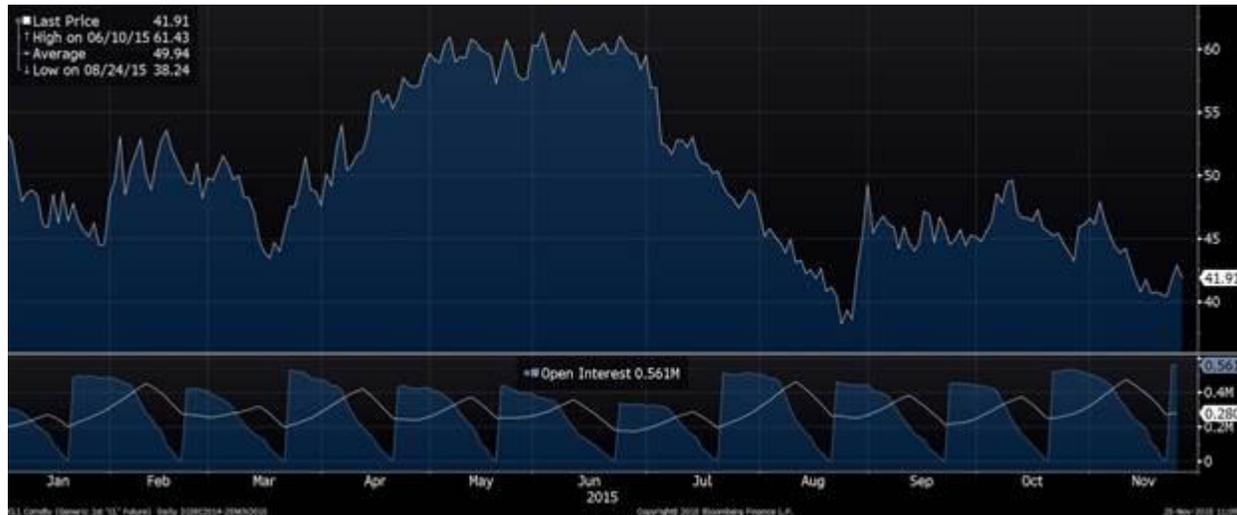
Source: Bloomberg

Petrotrin 2022 bond price YTD



Source: Bloomberg

Crude oil price YTD



Source: Bloomberg

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