VIETNAM INVESTORS SERVICE

RATING ANNOUNCEMENT
25 November 2026

VIS Rating assigns first-time A+ issuer rating to PetroVietnam Drilling and Well Service Corporation, stable outlook

Hanoi, 25 November 2026 - Vietnam Investors Service and Credit Rating Agency Joint Stock Company (VIS Rating) has assigned an A+ long-term issuer rating to PetroVietnam Drilling and Well Service Corporation (short name: PV Drilling). The rating outlook for PV Drilling's A+ issuer rating is stable.

The ratings presented in this announcement are effective from the date of the announcement and remain in effect unless and until they are superseded by a subsequent rating action. Please visit https://visrating.com/rating-results to obtain the latest update on the rating.

RATING RATIONALE

PV Drilling's A+ long-term issuer rating reflects its 'Above-Average' standalone assessment, underpinned by its 'Strong' business profile, 'Strong' scale, 'Above-Average' profitability and efficiency, and 'Above-Average' leverage and coverage profile.

Established in 2001, PV Drilling is a leading offshore drilling and well technical services provider in Southeast Asia. It is the sole drilling arm of Vietnam National Industry–Energy Group (Petrovietnam), which holds a 50.46% stake in the company. The company also provides related oil and gas exploration and production (E&P) services, including drilling, well engineering, mechanical fabrication and maintenance, manpower supply, and oil spill response.

Its operations in the upstream oil and gas segment generated annual revenue of VND 9.3–10.9 trillion over 2024–2025, reflecting a 'Strong' scale, with drilling and well services accounting for approximately 60% and 30% of total revenue, respectively.

PV Drilling's 'Strong' business profile reflects our view of an 'Above-Average' industry profile for the oil and gas sector, along with its 'Strong' competitive position and diversification.

The oil and gas sector is characterized by a high barrier to entry, moderate competition, relatively high business volatility, and a positive growth outlook. Upstream oil and gas operations require substantial capital investment, advanced technical capabilities, and extensive operating experience, limiting the number of qualified operators. However, sector performance remains highly exposed to oil price fluctuations and geopolitical risks.

We expect a positive outlook for Southeast Asia's upstream oil and gas sector over the next 12–18 months, supported by high oil prices that are accelerating exploration and production activities. In the drilling segment, regional rig demand is forecast to increase from 40.0 jack-up rigs in 2026 to 44.9 in 2027, while newbuild supply remains limited. Given this demand-supply balance, we expect drilling day rates and rig utilization to remain above cycle average and broadly stable compared with current levels over the next 12–18 months.

We assess PV Drilling's competitive position and diversification as 'Strong', underpinned by its leading market position in Southeast Asia, well-established competitive advantages and a strong track record of operation.

As of October 2026, the company operates nine of the 41 contracted jack-ups in Southeast Asia, positioning it as the region's second-largest drilling contractor. Its market share is estimated at 25% in Malaysia and 20% in Indonesia, while it leads Vietnam with around 75% of drilling and 80–100% of key well services.

Among regional drilling peers, PV Drilling owns one of the largest rig fleets, including six operating jack-ups and one tender-assisted drilling rig. It also maintains significantly lower financial leverage, with an average Debt/Equity ratio of 22.4% in 2023–2025, compared with the peer average of 91%. In addition, PV Drilling continues to enhance its technical capabilities and cost competitiveness through an in-house technical workforce and integrated rig maintenance and well-service

facilities. As a result, the company can maintain lower daily rig operating and financing costs than its competitors, providing greater flexibility to compete on pricing.

In addition to its technical capabilities and cost advantage, PV Drilling's close linkage to Petrovietnam positions it as a primary beneficiary of Vietnam's accelerating E&P cycle. The revised Petroleum Law and Petrovietnam's US$14.2 billion E&P investment plan for 2026–2030 (2.3x the 2021–2025 level) provide a domestic tailwind that further reinforces PV Drilling's dominant position in domestic drilling and well services.

In regional markets, PV Drilling has continuously built a strong operating track record, underpinned by multiple technical qualifications and extensive incident-free drilling experience recognized by the International Association of Drilling Contractors (IADC) and the American Petroleum Institute (API). Its PV DRILLING II and PV DRILLING VI rigs hold IADC-certified records of more than 10 years of operation without a lost-time incident. This track record helps the company win multi-year contracts with major regional oil companies such as Pertamina, Petronas and Brunei Shell Petroleum.

We note that PV Drilling has sustainably improved its rig utilization from an average of 83% in 2019–2022 to 90–100% in 2023–1H2026, outperforming the peer average of 83% in 2025. Going forward, management plans to continue to prioritize long-term contracts for its owned rigs and allocate leased rigs to short-term domestic drilling campaigns to maintain high rig utilization and operating resilience.

Over 2026–2028, we expect PV Drilling to achieve projected EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) margins of around 20–22% and average annual revenue growth of more than 10%, indicating 'Above-Average' profitability and efficiency. We believe the company can maintain rig utilization above 90% and day rates of USD 80–90 thousand to support profit margins, while the commencement of PV DRILLING IX (Q2/2026) and PV DRILLING X (expected Q2/2027) will drive capacity and revenue growth.

We assess PV Drilling's leverage and coverage as 'Above-Average', reflecting its 'Very Strong' leverage and 'Average' coverage.

The company's leverage, indicated by Debt/EBITDA, is forecast to remain stable at an average of 2.3x over 2026–2028, as earnings growth broadly keeps pace with debt increases for fleet expansion. Over 2023–2025, PV Drilling also maintained significantly lower leverage, debt growth rate, and short-term debt reliance than A-rated companies despite a larger revenue base, indicating conservative borrowing policies. Management also notes that PV Drilling's debt consists mainly of long-term loans, which typically carry interest rates below prevailing market rates.

We expect PV Drilling's interest coverage, measured by EBIT (Earnings before Interest and Taxes)/Interest expense, to weaken slightly to around 4.4x over 2026–2028 from 5.1x in 2023–2025, as interest expense rises with higher borrowings for new rigs. However, we expect the company to maintain solid operating cash flow (CFO) from its long-term drilling contracts, supporting an average CFO/Debt ratio of around 19% over 2026–2028. Its coverage metrics also remain higher than those of A-rated companies.

We assess PV Drilling's liquidity risks over the next 12–18 months as well managed, supported by solid operating cash flow, sizable cash balances, and long-standing financing facilities from multiple domestic and international banks. At end-September 2026, PV Drilling's cash and short-term deposits of VND 2.7 trillion covered around 2.4x its short-term borrowings, and it also had about VND 2.0 trillion of unused credit lines.

We do not incorporate any affiliate support uplift or government support uplift in PV Drilling's issuer rating.

The outlook on PV Drilling's long-term issuer rating is stable, reflecting our view that its credit fundamentals will remain stable over the next 12–18 months.

Factors that could lead to an upgrade

PV Drilling's A+ issuer rating could be upgraded if the company sustainably improves its profitability, leading to stronger coverage metrics, for example, EBIT/Interest above 9.1x or CFO/Debt above 35%.

Factors that could lead to a downgrade

PV Drilling's A+ issuer rating could be downgraded if the company's profitability weakens significantly due to a prolonged oil price downturn or weak rig re-contracting, leading to materially lower day rates, rig utilization, and profit margins. Key downgrade triggers include Debt/EBITDA sustained above 5.8x, EBIT/Interest falling below 2.1x or CFO/Debt falling below 5.6%.

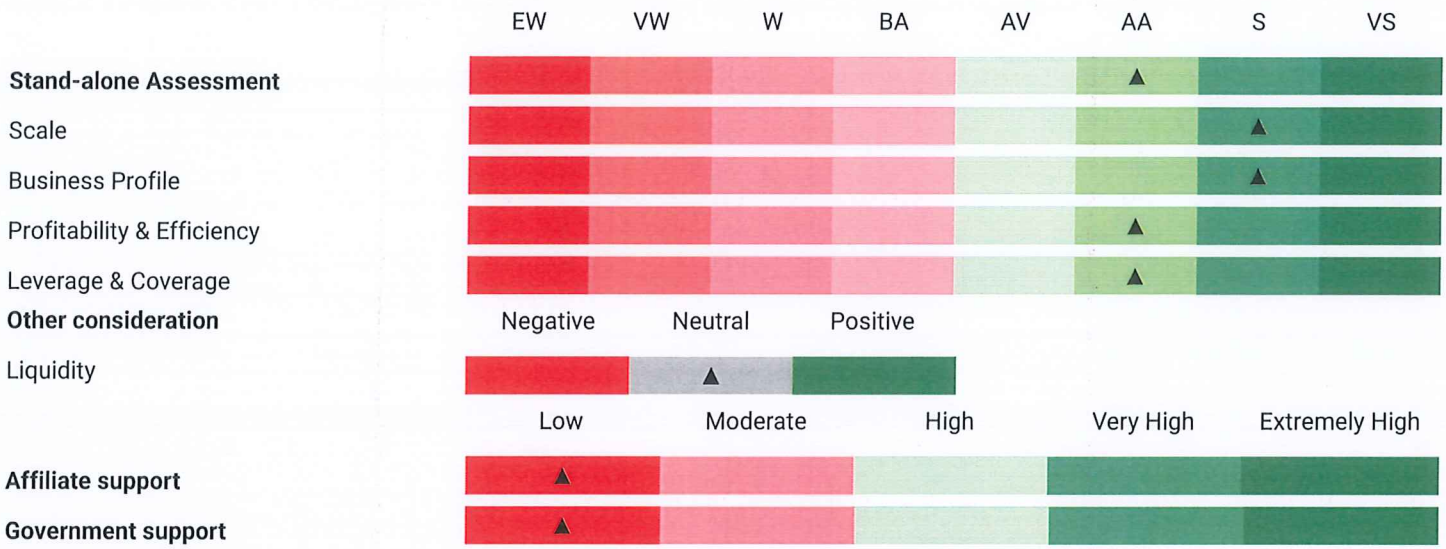
RATING METHODOLOGY

Rating Methodology: Non-Financial Corporates.

For detailed information, please see our full methodologies at:

https://visrating.com/how-to-get-rated/view/non-financial-corporates-rating-methodology.1

SUMMARY OF KEY FACTORS



Source: VIS Rating

Note: EW- Extremely Weak, VW- Very Weak, W- Weak, BA Below-Average, AV- Average, AA Above-Average, S- Strong, VS- Very Strong

CREDIT RATING HISTORY

Date	Rating type	Rating	Outlook	Action
25 November 2026	Long-term Issuer Credit Rating	A+	Stable	First-time assignment

RATING SCALE

Long-Term Rating

AAA	Issuers or debt instruments demonstrate the **strongest** creditworthiness relative to other domestic entities and transactions.
AA	Issuers or debt instruments demonstrate **very strong** creditworthiness relative to other domestic entities and transactions.
A	Issuers or debt instruments demonstrate **above-average** creditworthiness relative to other domestic entities and transactions.
BBB	Issuers or debt instruments demonstrate **average** creditworthiness relative to other domestic entities and transactions.
BB	Issuers or debt instruments demonstrate **below-average** creditworthiness relative to other domestic entities and transactions.
B	Issuers or debt instruments demonstrate **weak** creditworthiness relative to other domestic entities and transactions and may be approaching default, with strong recovery prospects.
CCC	Issuers or debt instruments demonstrate **very weak** creditworthiness relative to other domestic entities and transactions and are likely in or near default, typically with moderate recovery prospects.
CC	Issuers or debt instruments demonstrate **extremely weak** creditworthiness relative to other domestic entities and transactions and are typically in default, typically with poor recovery prospects.
C	Issuers or debt instruments demonstrate the **weakest** creditworthiness relative to other domestic entities and transactions and are typically in default, with very poor recovery prospects.

Note: VIS Rating appends the modifiers + and – to each generic rating classification from AA through CCC. The modifier + indicates that the obligation ranks in the higher end of its generic rating category; no modifier indicates a mid-range ranking; and the modifier – indicates a ranking in the lower end of that generic rating category

REGULATORY DISCLOSURES

For further specification of VIS Rating's Rating Symbols and Definitions, please see:
https://visrating.com/how-to-get-rated/

PV Drilling's ownership stake in VIS Rating: 0%

The ownership ratio of PV Drilling held by VIS Rating's staff: 0%

Cases in which analysts and credit rating council members cease their participation in the credit rating contract before the contract expires and the reason for the cessation: 0

VIS Rating adheres to a stringent independence policy by current regulations governing the provision of credit rating services in Vietnam. This commitment extends to compliance with our conflicts-of-interest policy, aiming to uphold objectivity and independence when expressing opinions on credit ratings.

The rating has been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

This rating is solicited.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see https://visrating.com for any updates on changes to the lead rating analyst and to the Vietnam Investors Service's legal entity that has issued the rating.

Please see the rating tab on the issuer/entity page on https://visrating.com for additional regulatory disclosures for each credit rating.

Primary Analysts:
Do Le Thanh Dat – Associate Director – Senior Analyst – email: dat.do@visrating.com

Rating Committee Members:
Simon Chen, CFA – Committee Chairman – email: simon.chen@visrating.com
Duong Duc Hieu, CFA – Committee Member – email: hieu.duong@visrating.com
Phan Duy Hung, CFA – Committee Member – email: hung.phan@visrating.com
Nguyen Thi Kieu Hanh – Committee Member – email: hanh.nguyen@visrating.com
Hoang Thi Hien – Committee Member – email: hien.hoang@visrating.com

Vietnam Investors Service and Credit Rating Agency Joint Stock Company
Public Credit Rating Announcement No: VN0302495126-001-251126

M.S.D.N: 0109839192 - C.T.C.P
CÔNG TY CỔ PHẦN XẾP HẠNG TÍN NHIỆM ĐẦU TƯ VIỆT NAM
THÀNH PHỐ HÀ NỘI

Simon Chen, CFA
Head of Ratings and Research
25 November 2026

© 2026 Vietnam Investors Service And Credit Rating Agency Joint Stock Company ("Công Ty Cổ Phần Xếp Hạng Tín Nhiệm Đầu Tư Việt Nam" in Vietnamese) ("VIS Rating"). All rights reserved.

Moody's holds a 49% ownership stake in VIS Rating. A Technical Services Agreement is in place between the two companies, under which Moody's provides certain services, including technical assistance, to VIS Rating. However, Moody's is not involved in any particular VIS Rating credit rating or research processes. This report and the opinions expressed herein represent the independent views of VIS Rating and should not be attributed to any Moody's entities, directors, officers, or employees.

DISCLAIMER

CREDIT RATINGS ISSUED BY VIS RATING ARE OUR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, DEBT OR FINANCIAL OBLIGATIONS, DEBT SECURITIES, PREFERRED SHARES OR OTHER FINANCIAL INSTRUMENTS OR OF ISSUER OF SUCH DEBTS OR FINANCIAL OBLIGATIONS, DEBT SECURITIES, PREFERRED SHARES OR OTHER FINANCIAL INSTRUMENTS IN VIETNAM AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY VIS RATING (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. VIS RATING DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE VIS RATING'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY VIS RATING'S CREDIT RATINGS. APART FROM FUNDAMENTAL RISKS NEEDED TO BE ASSESSED AS REQUIRED UNDER THE VIETNAMESE LAW (INCLUDING DECREE 88/2014 DATED 26 SEPTEMBER 2014 OF THE GOVERNMENT) ON CREDIT RATING SERVICES FROM TIME TO TIME, CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN VIS RATING'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. VIS RATING'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE FOR REFERENCES ONLY AND DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND VIS RATING'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO INVEST INTO, CONTRIBUTE CAPITAL, PURCHASE, SELL, OR HOLD PARTICULAR DEBT INSTRUMENTS OR FINANCIAL INSTRUMENTS. VIS RATING'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. VIS RATING ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY OR DEBT INSTRUMENTS THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

VIS RATING'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY NON-PROFESSIONAL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR NON-PROFESSIONAL INVESTORS TO USE VIS RATING'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN (INCLUDING INFORMATION OF VIS RATING AND/OR THIRD PARTIES WHO LICENSE VIS RATING TO INCORPORATE THE INFORMATION HEREIN ("VIS RATING'S LICENSORS")) IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT PRIOR WRITTEN CONSENT OF VIS RATING OR VIS RATING'S LICENSORS. VIS RATING'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by VIS Rating from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. VIS Rating adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources VIS Rating considers to be reliable including, when appropriate, independent third-party sources. However, VIS Rating is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, VIS Rating and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if VIS Rating or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by VIS Rating.

To the extent permitted by law, VIS Rating and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, VIS Rating or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY VIS RATING IN ANY FORM OR MANNER WHATSOEVER.

VIS RATING MAY MAKE MODIFICATIONS AND/OR CHANGES TO ITS PUBLICATION AT ANY TIME, FOR ANY REASON. HOWEVER, VIS RATING UNDERTAKES NO OBLIGATION (NOR DOES IT INTEND) TO PUBLICLY SUPPLEMENT, UPDATE OR REVISE ITS PUBLICATION ON A GOING-FORWARD BASIS. YOU ASSUME THE SOLE RISK OF MAKING USE OF AND/OR RELYING ON VIS RATING's ASSESSMENTS, OTHER OPINIONS AND PUBLICATION.

VIS Rating maintains policies and procedures to address the independence of VIS Rating's credit ratings and credit rating processes. Information regarding, among others, entities holding more than 5% of the contributed charter capital of VIS Rating, any change to the shareholding ratios of entities holding more than 5% of the contributed charter capital of VIS Rating and a list of rated entities with a credit rating service charge accounting for over 5% of VIS Rating's total revenue from credit rating activities in the fiscal year prior to the time of information disclosure, are posted at https://visrating.com under the heading "Corporate Disclosure".

