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News Release

EDC 2015 Interim Results

MOSCOW, August 20, 2015 -Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL), the leading onshore & offshore drilling service provider in the CIS, today releases its Interim Consolidated Financial Results, prepared in accordance with US GAAP, for the six month period ended June 30, 2015.

The reviewed 2015 Interim Consolidated Financial Statements for the six months ended June 30, 2015, and Management's Report on 2015 Interim Period Results, can be found at the following link: http://www.eurasiadrilling.com/financial_information.html

1H 2015 FINANCIAL HIGHLIGHTS:

- Top line revenue was US \$923 million, 40% lower than revenue of US \$1,549 million in 1H 2014;
- EBITDA was US \$225 million, 44% lower than EBITDA of US \$402 million in 1H 2014;
- EBITDA margin was 24.4% compared to EBITDA margin of 26.0% in 1H 2014;
- Net income was US \$91 million, 55% lower than Net Income of US \$201 million in 1H 2014;
- Earnings per share was US \$0.63 compared to US \$1.37 earnings per share in 1H 2014;
- Capital expenditure was US \$125 million compared to US \$222 million during 1H 2014;
- Cash flow from operations was US \$202 million compared to US \$255 million in 1H 2014;
- Dividend paid for the year ended December 31, 2014 amounted to US \$1.00 per share, a 31% increase year on year and was paid in December 2014;
- The average exchange rate for the first half of 2015 was 57.4 Rubles per US Dollar compared to 34.98 Rubles per US Dollar during the corresponding period of 2014;

Taleh Aleskerov, EDC's Chief Financial Officer, commented:

"Overall we are satisfied with our first half 2015 results which are in line with our expectations and were negatively affected by; a much weaker Ruble, the challenging market of low oil price, and a significant decrease in activity by our largest customer. The reported US dollar results were reduced by 39% due to the much weaker ruble, which, on average, devalued by approximately 64% period-over-period. Our EBITDA margin was 24.4%. This is 1.6 percentage points lower than the first half of 2014 mainly due to reduced activity combined with largely unchanged pricing. Activity was down by 13% based on total metres drilled. This overall reduction in activity was partially mitigated by a 23% increase in horizontal drilling."

1H 2015 OPERATIONAL HIGHLIGHTS:

- EDC drilled 2.388 million metres in 1H 2015, 13% below the output achieved in 1H 2014 (2.754 million metres);
- Horizontal metres drilled during 1H 2015 were up 23% compared to 1H 2014 and accounted for 31% of total metres drilled, versus 22% in 1H 2014;
- Exploration drilling volumes increased by 1% during 1H 2015 when compared to 1H 2014;
- The share of our largest customer, LUKOIL, decreased to 56% of our total metres drilled during 1H 2015, as compared to 63% during 1H 2014;
- The share of GAZPROMNEFT, our second largest customer, increased to 32% of our total metres drilled during 1H 2015, as compared to 18% during 1H 2014;



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- The share of ROSNEFT decreased to 1% of our total metres drilled during 1H 2015, as compared to 11% during 1H 2014;
 - Our rig moving crew count decreased by 25% period-over-period;
 - Our market share was approximately 22% based on metres drilled onshore in Russia during 1H 2015. This 6 percentage point drop was due to significant reduction in Lukoil's activity against growth in the rest of the market;
 - Our *ASTRA* jack-up rig drilled a well for N Operating Company in Kazakhstan followed by a well for Lukoil in the Russian Sector;
 - Our *SATURN* jack-up rig drilled two wells for PETRONAS Carigali (Turkmenistan) Sdn Bhd (Petronas) in the Turkmen waters of the Caspian Sea;
 - We drilled and completed three wells on LUKOIL's Yuri Korchagin field platform in the Caspian Sea;
 - *NEPTUNE* jack-up rig drilled 3 wells for Dragon Oil in the Turkmen waters of the Caspian Sea;
 - Our fourth new-build jack-up, *MERCURY*, mobilized to Turkmen waters and awaits certification & license to drill/permits, currently delayed by customers' change of drilling plans.

1H 2015 STRATEGIC HIGHLIGHTS:

- In Jan 2015, EDC and Schlumberger announced a plan of merger whereby Schlumberger will take a 46.65% minority share in EDC with an option to purchase the remainder as of 3 to 5 years from closing the deal. The proposed merger is awaiting approval from the Russian Federal Antimonopolies Service and the Commission for the Monitoring of Foreign Investment in Russia.
- EDC signed an inaugural agreement with BASHNEFT for the supply of drilling & workover rigs.
- EDC awarded a contract with ROSNEFT to provide 6 drilling rigs.

Dr. Alexander Djaparidze, EDC's Chief Executive Officer, added:

"The first six months of 2015 were as challenging as we expected with a weaker ruble and low oil price. We also experienced a significant reduction in activity by our largest customer which we partially mitigated by continued expansion of our customer base, reduction of work force, control of internal & third party costs and management of our rig fleet. Nonetheless, our US\$ Net income for the first half of 2015 was 44% below the same period in 2014 due to the aforementioned challenging market conditions, plus increased depreciation from investment in new rigs, increased costs for fuel and transportation and little or no price increases in the current market."

Conference Call Details

A conference call for investors and analysts hosted by senior management of the Company, will be held on the today at 3:00 p.m. BST. Equivalent times for other locations: 4:00 p.m. Central Europe, 5:00 p.m. Moscow, 10:00 a.m. New York.

Participants dial-in details:

UK Tel: 08444-933-800

US Tel: +1-631-510-7498

Russia Tel: 499-677-1036

International Tel: +44-1452-555566

Conference ID: 14917858

Conference title: Eurasia Drilling Company 2014 Interim Results

Toll free numbers are also available:

UK: 0800-694-0257



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USA: 1-866-966-9439

A replay of the conference call will be available from 18:30 (BST) August 20 to September 3, 2015 on:

UK Tel: 0844-338-6600

International: +44-1452-550000

Other numbers are also available:

UK: 0800-953-1533

USA: 1-866-247-4222

Russia: 499-677-1064

Access code to all the replay numbers: 14917858

EDC is the largest provider of onshore drilling services in Russia, as measured by the number of metres drilled, providing onshore integrated well construction services and workover services. The Company also provides offshore drilling services in the Caspian Sea and is the largest provider of such services in the sectors where it operates based on the number of jack-up drilling rigs. The Company offers its onshore integrated well construction services and workover services to local and international oil and gas companies primarily in Russia and its offshore drilling services to Russian and international oil and gas companies in the Russian, Kazakh and Turkmen sectors of the Caspian Sea. In addition, the Company provides onshore drilling services in Iraq. The Company is traded on the London Stock Exchange under the symbol "EDCL".

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