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News Release

EDC 2010 First Quarter Update

MOSCOW, May 18, 2010 -Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL) today released its operational and financial update for the three months period ending March 31, 2010.

THREE MONTHS 2010 FINANCIAL HIGHLIGHTS:

- Top line revenue was US\$ 388 million for the first quarter 2010, compared to US\$ 307 million earned during first three months of 2009;
- EBITDA margin was 22.8% for the three months period ended March 31, 2010, which is 4.8% above EBITDA margin for same period in 2009 (first quarter 2009 EBITDA margin was 18%);
- Net cash position (cash reduced by all debt) was US\$ 206 million as of March 31, 2010;
- We paid dividends for the year ended December 31, 2009 in the amount of \$ 0.25 per share;
- Capital expenditures for property, plant and equipment for three months ended March 31, 2010 were US\$ 21 million compared to US\$ 23 million for corresponding period of 2009;
- The average exchange rate experienced in the first quarter of 2010 was 29.9 Rubles per US Dollar compared to 33.9 Rubles per US Dollar during the 2009 first quarter.

Mr. W. Richard Anderson, EDC's Chief Financial Officer, commented,

"Our first quarter 2010 financial performance continues our string of strong quarterly results. We expect this trend to continue for the foreseeable future as all our business segments are performing at or above expectations."

THREE MONTHS 2010 OPERATIONAL HIGHLIGHTS:

- Drilling output for the first quarter 2010 was 854,718 meters, 5% below the output achieved in the same period of 2009 (903,305 meters),but above our internal budgeted expectations;
- Remained active in the Caspian Sea, as the *ASTRA* jack-up rig was fully utilized during first quarter of 2010 drilling in Turkmen waters, one directional production well was drilled and completed;
- During first quarter of 2010 we drilled two wells on Lukoil's Yuri Korchagin field platform in the Caspian Sea; and
- We completed drilling two wells in Kazakhstan during the first quarter of 2010.

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

"We are pleased with our first quarter results, despite severe winter conditions that affected our first quarter 2010 drilling volumes. We are confident we will outperform during the balance of the year. I am also happy to announce that this week we ordered five new drilling rigs to be constructed for operations outside of Russia and two new drilling rigs for our recently signed contract with TNK BP."



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Conference Call Details

EDC will host a conference call for investors and analysts on Wednesday, May 19, 2010 at 3:00 pm BST (London time) to discuss the first quarter results. Equivalent times for other locations: 4:00 p.m. Central Europe, 6:00 p.m. Moscow, 10 a.m. New York.

Participants can dial in on the day of the call on UK Tel: +44 (0) 20 7190 1596 or US Tel +1 480 629 9692 and quote the Conference ID, which is 4303882, Conference title which is "Eurasia Drilling 1Q10 Results Conference Call" and Speaker's name to access the call.

Replay of the conference call audio will be available on UK Tel: +44 (0) 207 154 2833 or US Tel +1 303 590 3030 through Monday, June 2, 2010 (until midnight, BST). Access code to all the replay numbers is 4303882#.

EDC is the largest independent provider of onshore drilling services in Russia, as measured by the number of meters drilled, providing onshore integrated well construction services and workover services. In addition, the Company provides offshore drilling services in the Caspian Sea. 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. The Company is traded on the London Stock Exchange under the symbol "EDCL".

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May 18, 2010

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