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News Release

EDC Third Quarter 2012 Update

MOSCOW, October 30, 2012 - Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL), the leading onshore & offshore drilling service provider in the CIS, today announced its operational and financial update for the nine months ending September 30, 2012. The financial data is based on management assessment only and has not been reviewed by external auditors.

THIRD QUARTER AND NINE MONTHS 2012 FINANCIAL HIGHLIGHTS:

- **Top line revenue up 17% to US\$ 2,402 million for the first nine months of 2012 compared to US\$ 2,042 million for the corresponding period of 2011;**
- **EBITDA margin amounted to approximately 25.6% for the first nine months of 2012 compared to 21.9% for the corresponding period of 2011;**
- **Net debt position (all debt reduced by cash) was US\$ 321 million as of September 30, 2012;**
- **Capital expenditures for property, plant and equipment for the first nine months of 2012 were US\$ 436 million compared to approximately US\$ 262 million for the corresponding period of 2011;**
- **The average exchange rate for the first nine months of 2012 was 31.1 Rubles per US Dollar compared to 28.8 Rubles per US Dollar during the 2011 nine month period.**

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

"Exceptional execution has led to another set of strong results. We are pleased that we met or exceeded most of our financial key performance indicators. We achieved a record EBITDA margin for a full nine month period reflecting a strong demand for our services and our proven reputation as a reliable service provider. "

THIRD QUARTER AND NINE MONTHS 2012 OPERATIONAL HIGHLIGHTS:

- **Drilling output was up 25% to 4,582,644 metres for the first nine months of 2012 compared to 3,668,942 metres drilled for the corresponding period of 2011;**
- **Horizontal metres drilled in the first nine months of 2012 were up 2% to 660 thousand metres;**
- **Exploration drilling volumes were up 10% during the first nine months of 2012 compared to the same period in 2011;**
- **Our largest customer, LUKOIL, accounted for 56% of total drilling volumes, compared to 54% in the corresponding period of 2011;**
- **Our market share in terms of metres drilled onshore Russia was 29% for the nine month period ended September 30, 2012 based on CDU TEK data;**
- **During the first half of 2012 our ASTRA jack-up rig was employed in Kazakh waters of the Caspian Sea drilling on N Block; at the end of the second quarter of 2012 it sailed to Russian waters of the Caspian Sea where it completed one well and commenced drilling of the second during the third quarter of 2012;**
- **During the first nine months of 2012 we drilled and completed five extended reach horizontal development wells on LUKOIL's Yuri Korchagin field platform in the Caspian Sea; during the third quarter of 2012 we drilled one extended reach horizontal well of a total measured depth of 6.4 km; and**



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- Our **SATURN** jack-up rig continued its operations for **PETRONAS Carigali (Turkmenistan) Sdn Bhd (PETRONAS)** in Turkmen waters of the Caspian Sea; during the third quarter of 2012 one geological sidetrack was performed, while for the first nine month period four geological sidetracks were performed and one well was drilled.

THIRD QUARTER 2012 STRATEGIC HIGHLIGHTS:

- In September 2012 EDC signed a multi-year contract extension with **PETRONAS** for drilling offshore Turkmenistan, effective January 9, 2013;
- During third quarter of 2012 we acquired two onshore drilling rigs in Iraq with a commitment to purchase a third, which are currently under contract or being tendered to international customers.

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

"We continue to deliver industry-leading growth in metres drilled, with volume up 25% period-over-period. This performance in our core market and strong balance sheet enables us to pursue several strategic initiatives. I am pleased to report that the integration of the assets acquired in Iraq proceeds as planned. Longer term commitments from several of our customers allow us to continue to invest with confidence in enhancing our technological capabilities, which we think is one of the key requirements to assure future growth."

Conference Call Details

A conference call for investors and analysts hosted by senior management of the Company will be held on the same day at 2:00 p.m. GMT. Equivalent times for other locations: 3:00 p.m. Central Europe, 6:00 p.m. Moscow, 10:00 a.m. New York.

Participants dial-in details:

UK Tel: +44-207-153-2027

US Tel: +1-480-629-9822

Conference ID: 4571287

Conference title: Eurasia Drilling Company 3Q 2012 Results Update

Toll free numbers are also available:

UK: 0800-358-0886

USA: 1-877-941-6013

A replay of the conference call will be available until midnight (GMT) November 13, 2012 on:

UK Tel: +44 207 154 2833

US Tel: +1 303 590 3030

Access code to all the replay numbers: 4571287#

EDC will be hosting Capital Markets Days in London and New York to celebrate its 5th anniversary of listing on the London Stock Exchange. The London Capital Markets Day will take place on Wednesday, 14th November followed by New York on Thursday, 15th November. Senior Management will set out in detail the company's objectives, growth strategy and the broader dynamics of the Russian oil field services market.

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. In addition, the



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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".

For further information, please contact:

Kim L. Kruschwitz, VP Investor Relations
+44 (0) 207 717 9707
investors.relations@eurasiadrilling.com

Hudson Sandler

Andrew Hayes / Maria Ignatova / George Parker / Elena Kuza
+44 (0)20 7796 4133

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