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News Release

EDC 2012 First Quarter Update

MOSCOW, May 3, 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 three months ending March 31, 2012. The financial data are based on management assessment only and have not been reviewed by external auditors.

THREE MONTHS 2012 FINANCIAL HIGHLIGHTS:

- **Top line revenue up 50% to US\$ 746 million (Q1 2011: US\$ 498 million);**
- **EBITDA margin amounted to 20.3% (Q1 2011: 22.1%);**
- **Net debt position (all debt reduced by cash) was US\$ 272 million as of March 31, 2012;**
- **Dividend paid for the year ended December 31, 2011 amounted to \$ 0.47 per share;**
- **Capital expenditures for property, plant and equipment for three months ended March 31, 2012 were US\$ 105 million compared to US\$ 51 million for the corresponding period of 2011;**

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

"The solid first quarter has provided EDC with a strong foundation for the full year. Our impressive growth in revenue was mainly driven by our key business segment- well construction services, which has benefited from the consolidated Schlumberger assets that were acquired at the end of April 2011. All our other business segments have shown good progress as well. Our EBITDA margin was affected by regular seasonality and a higher component of horizontal drilling with a significant portion of third-party services, which largely pass through us. We are confident that we will reach our financial and operational targets for the year."

THREE MONTHS 2012 OPERATIONAL HIGHLIGHTS:

- **Drilling output was up 31% to 1,291,633 meters (Q1 2011: 985,137 meters);**
- **Horizontal meters drilled in the first quarter were up 39% to 213 thousand meters (Q1 2011: 153 thousand meters);**
- **Exploration drilling volumes were down 6% quarter-on-quarter;**
- **Sidetracking activity more than tripled and amounted to 44 wells in Q1 2012 as compared to 12 wells sidetracked in Q1 2011;**
- **Our largest customer accounted for 57% of total drilling volumes, compared to 59% in Q1 2011;**
- **During the first quarter of 2012 our ASTRA jack-up rig was employed in Kazakh waters of the Caspian Sea drilling on N Block;**
- **During the first quarter of 2012 we completed one extended reach horizontal development well on Lukoil's Yuri Korchagin field platform in the Caspian Sea;**
- **Our SATURN jack-up rig continued its operations for Petronas Carigali in Turkmen waters of the Caspian Sea; three geological sidetracks were performed; and**
- **During the first quarter of 2012 the modules of our 3rd new-build jack-up rig were preparing to ship to the Caspian Sea from Lamprell's shipyard in the UAE.**

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

"Compared to the Russian drilling market, which grew at 11% quarter on quarter, the growth in our drilling activity is a notable achievement. All our business segments performed at or above our expectations during the reported period. Our continued focus on efficient execution and a solid backlog for the current year provides us with the foundation and the confidence to continue to outperform the market and deliver on our objectives."



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Conference Call Details

A conference call for investors and analysts hosted by senior management of the Company, will be held later today at 3:00 p.m. BST. Equivalent times for other locations: 4:00 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: +1-480-629-9673

Conference ID: 4533296

Conference title: Eurasia Drilling Company 1Q 2012 Results

Toll free numbers are also available:

UK: 0800-358-0886

USA: 1-877-941-1469

A replay of the conference call will be available until midnight (BST) May 17, 2012 on:

UK Tel: +44 207 154 2833

US Tel: +1 303 590 3030

Access code to all the replay numbers: 4533296#

EDC is the largest 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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