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News Release

EDC 2011 Interim Period Results

MOSCOW, August 25, 2011 -Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL), the leading onshore and offshore drilling service provider in the CIS, today released its Interim Consolidated Financial Results, prepared in accordance with US GAAP, for the six month period ended June 30, 2011.

The reviewed 2011 Interim Consolidated Financial Statements for the six months ended June 30, 2011, and the Management Report on 2011 Interim Period Results, can be found under the following link:

http://www.eurasiadrilling.com/financial_information.html

1H 2011 FINANCIAL HIGHLIGHTS:

- **Top line revenue was US\$ 1,265 million for the 2011 Interim period, up 47% compared to US\$ 862 million earned during the corresponding period of 2010;**
- **EBITDA was US\$ 267 million for the 2011 Interim period, up 29% compared to US\$ 206 million earned during the corresponding period of 2010;**
- **EBITDA margin was 21.1% for the 2011 Interim period, which is below the EBITDA margin for the same period in 2010, which was 23.9%;**
- **Net Income was US\$ 151 million for the 2011 Interim period, up 44% compared to US\$ 105 million earned during the 2010 Interim Period;**
- **We paid dividends for the year ended December 31, 2010 in the amount of \$ 0.31 per share;**
- **Capital expenditures for property, plant and equipment for the six months ended June 30, 2011 were US\$ 215 million compared to US\$ 119 million for the corresponding period of 2010;**

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

"We are delighted to have delivered such strong results with significant increases in revenues, EBITDA, net income and EPS. This reflects our leading position in the high growth Russian market where we deliver enhanced service and production efficiency. Although it involves higher levels of joint development with external partners, which affects EBITDA margins, the successful development of our horizontal drilling business provides an important strategic growth opportunity. We are delivering an excellent level of growth across our operations and we are, therefore, optimistic for the rest of the year and committed to delivering strong results in line with our expectations. "



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1H 2011 OPERATIONAL HIGHLIGHTS:

- Drilling output for the 2011 Interim Period was 2.325 million meters, 18% above the output achieved in the same period of 2010, which was 1.975 million meters;
- In April 2011 we completed the transaction with Schlumberger to exchange assets and to enter into a Strategic Alliance in the CIS;
- Drilling assets acquired from Schlumberger contributed 8 percentage points to the growth of our drilling volumes during the 2011 Interim period;
- Horizontal meters drilled during the first six months of 2011 more than doubled compared to the corresponding period of 2010 and amounted to 365 thousand meters;
- Exploration drilling volumes were up 9% during the Interim period of 2011 compared to the corresponding period of 2010;
- Reduced our reliance on our largest customer during the first six months of 2011 with its share comprising 54% of our total drilling volumes compared to 60% in the corresponding period of 2010;
- Construction of new jack-up drilling rig by Lamprell to be used in our Caspian Sea operations continues on schedule;
- Our *ASTRA* jack-up rig was fully employed in Kazakh and Russian waters of the Caspian Sea; two wells were drilled;
- Our *Trident 20* jack-up rig drilled one exploration well and performed one sidetrack operation for our client, Petronas Carigali, in Turkmen waters of the Caspian Sea;
- Continued operations on LUKOIL's Yu. Korchagin field platform in the Caspian Sea, drilling three horizontal development wells;

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

"The Russian onshore drilling market continues its rapid growth with 11% higher drilling volumes in the first half of 2011 compared to the same period in 2010. EDC is outpacing the market, showing 18% growth. In the offshore business the addition of the *Trident 20* jack-up rig and a good performance from our existing operations combined to double revenue in the segment during the period. EDC is uniquely positioned through its size, its cooperation with Schlumberger and financial strength, to support our customers in achieving their goals. This will become especially important as we enter the new tendering season for 2012. We will continue to follow our strategy of international expansion, pursuing value adding acquisitions where appropriate."



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Conference Call Details

A conference call for investors and analysts hosted by senior management of the Company, will be held on August 25, 2011 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:

International Tel: +44-20-7190-1596

Conference ID: 4465172

Conference title: Eurasia Drilling 1H 2011 Results Call

Toll free numbers are also available:

UK: +44-800-358-5271

US: 1-888-549-7750

A replay of the conference call will be available until midnight (BST) September 8, 2011 on:

International Tel: +44 207 154 2833

Toll free numbers:

UK: +44 800 358 3474

US: 1-800-406-7325

Access code to all the replay numbers: 7765172#

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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