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News Release

EDC First Half 2012 Results

MOSCOW, August 28, 2012 -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, 2012.

The reviewed 2012 Interim Consolidated Financial Statements for the six months ended June 30, 2012, and the Management Report on 2012 Interim Period Results, can be found under the following link: http://www.eurasiadrilling.com/financial_information.html

1H 2012 FINANCIAL HIGHLIGHTS:

- Top line revenue up 24% to US \$1,564 million (1H 2011: US \$1,265 million);
- EBITDA increased 40% to US \$373 million (1H 2011: US \$267 million);
- EBITDA margin amounted to 23.9% (1H 2011: 21.1%);
- Net Income increased 24% to US \$187 million (1H 2011: US \$151 million);
- Earnings per share (basic/diluted) up 24% to US \$1.28 (1H 2011: US \$1.03);
- Capital expenditures were US \$282 million (1H 2011: US \$215 million);
- We paid dividends for the year ended December 31, 2011 in the amount of \$0.47 per share;
- Net debt as of June 30, 2012 was US \$350 million (December 31, 2011 net debt position was US \$244 million).

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

"Period after period we consistently deliver strong financial and operational results. Our first half 2012 results are no exception. Our revenues amounted to US \$1.5 billion for the period which is higher than revenues achieved for a full year of 2007. These results reflect our success in organic development, a targeted CAPEX programme and strategic acquisitions which has enabled us to meet the growing demand for drilling services in Russia and the CIS. Our focus on maintaining tight cost controls and an evolving mix of services provided lead to significant improvement in EBITDA margin. Our financial position is strong and we are confident that we will meet both our operational and financial targets for the year."

1H 2012 OPERATIONAL HIGHLIGHTS:

- Drilling output during the first half of 2012 was 2.871 million meters, 23% above the output achieved in the corresponding period of 2011 (2.325 million meters);
- Horizontal meters drilled during the first half of 2012 increased by 13% compared to the corresponding period of 2011 and amounted to 412 thousand meters;
- Sidetracking activity more than quadrupled and amounted to 102 wells sidetracked during the first six months of 2012, as compared to 24 wells sidetracked during the corresponding period of 2011;
- Our market share increased to 29% based on meters drilled onshore in Russia during the first six months of 2012, up from 25% in the corresponding period of 2011;
- The share of our largest customer, LUKOIL, increased slightly to 56% of our total meters drilled during the first half of 2012, as compared to 54% during the corresponding period of 2011; however LUKOIL drilling volumes increased by 29% period-over-period;



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- The share of Rosneft, our second largest customer, increased to 27% of our total meters drilled during the first six months of 2012 as compared to 20% during the corresponding period of 2011;
 - During the first half of 2012 our *ASTRA* jack-up rig was employed in Kazakh waters of the Caspian Sea, drilling on N Block;
 - During the first half of 2012 we drilled and completed four extended-reach horizontal development wells using 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; one well was drilled and three geological sidetracks were performed;
 - During the first half of 2012 the modules of our 3rd new-build jack-up rig were in the process of shipping to the Caspian Sea from Lamprell's shipyard in the UAE; and
 - In April 2012 we contracted Lamprell to build a 4th new-build jack-up drilling rig to add to our operations in the Caspian Sea.

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

"The Russian oil services market continues to demonstrate resilience to global market pressures. While total drilling volumes in Russia increased by 9% period-over-period, we were able to achieve industry-leading growth of 24% in our meters drilled. Consistent focus on execution, deep understanding of our customers' needs and the successful integration of our newly acquired businesses have all contributed to these favorable results. E&P companies are increasingly requiring more complex drilling and thanks to our investment in our fleet, we are well placed to efficiently provide them with advanced solutions. We are on track to achieve another record year by every measure. This year will be also marked as the year when we made our first foray outside the CIS with the acquisition of drilling rigs and crews in Iraq in July 2012."

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 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: 4560322

Conference title: Eurasia Drilling Company 2012 Interim 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) September 10, 2012 on:

UK Tel: +44 207 154 2833

US Tel: +1 303 590 3030

Access code to all the replay numbers: 4560322#

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



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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".

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