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News Release

EDC 2011 First Quarter Update

MOSCOW, May 18, 2011 -Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL), one of the leading onshore and offshore drilling services providers in the CIS, today released its operational and financial update for the three months period ending March 31, 2011.

THREE MONTHS 2011 FINANCIAL HIGHLIGHTS:

- Top line revenue was US\$ 498 million for the first quarter 2011, up 28% compared to US\$ 388 million earned during first three months of 2010;
- EBITDA margin was 22.1% for the three month period ended March 31, 2011, which is slightly below the EBITDA margin for the same period in 2010 (first quarter 2010 EBITDA margin was 22.8%);
- Net debt position (all debt reduced by cash) was US\$ 129 million as of March 31, 2011;
- 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 three months ended March 31, 2011 were US\$ 51 million compared to US\$ 21 million for the corresponding period of 2010;

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

"Our first quarter 2011 results are encouraging demonstrating 28% revenue growth quarter to quarter which gives us further comfort in reaching our financial objectives for the full year. I am pleased that we were able to maintain a high EBITDA margin for this quarter, despite a noticeable change in the mix of services provided. We have a strong balance sheet to support our growth. "

THREE MONTHS 2011 OPERATIONAL HIGHLIGHTS:

- Drilling output for the first quarter 2011 was 985,137 meters, 15.3% above the output achieved in the same period of 2010 (854,718 meters);
- Horizontal meters drilled during the first quarter 2011 doubled compared to the first quarter of 2010 and amounted to 153 thousand meters;
- Exploration drilling volumes were up 24% during the first quarter of 2011 compared to the corresponding period of 2010;
- In February 2011 we signed a Letter of Intent to purchased the development and exploration assets of OAO NGK Slavneft for a total consideration of US\$ 150 million;
- During the first quarter of 2011 our *ASTRA* jack up rig was on paid stand by and in the end of March mobilized to the Kazakh sector of the Caspian Sea for drilling operations starting in early April 2011;
- During the first quarter of 2011 we completed one well on Lukoil's Yuri Korchagin field platform in the Caspian Sea; and
- In February 2011 we acquired the *Trident XX* jack-up rig from Transocean for a total consideration of US \$260 million.



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

"We achieved strong growth in our drilling activity of 15.3% during the first quarter of 2011 compared to the corresponding period of 2010 supported by improved oil prices, favorable weather conditions, and our solid customer base. In the end of April 2011 we closed the transaction with Schlumberger and are very keen to consolidate this well managed and efficient business which will support our profitability and strengthen our position as the industry leader in Russia."

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:

International Tel: +44 (0)1452 555 566

Conference ID: 65764839

Conference title: Eurasia Drilling Company Q1 2011 Results Conference Call

Toll free numbers are also available:

UK: 0800694 0257

US: 1866966 9439

Russia: 810-8002-0972044

A replay of the conference call will be available until midnight (BST) June 1, 2011 on:

International Tel: +44 (0)1452 55 00 00

Toll free numbers:

UK: 0800953 1533

US: 1866247 4222

Access code to all the replay numbers: 65764839#

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".

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

+44 (0)20 7796 4133

May 18, 2011



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