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## News Release

### EDC 2010 Nine Months Update

MOSCOW, November 10, 2010 - Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL) today released its operational and financial update for the nine months period ending September 30, 2010.

#### THIRD QUARTER AND NINE MONTHS 2010 FINANCIAL HIGHLIGHTS:

- Top line revenue was US\$ 491 million for the third quarter 2010 and US\$ 1,353 million for the nine months 2010, compared to US\$ 334 million for the third quarter 2009 and US\$ 1,007 million during the first nine months of 2009;
- EBITDA margin was approximately 24.5% for the nine month period ended September 30, 2010, (nine month 2009 EBITDA margin was slightly above 23%);
- We repaid debt according to its terms in the amount of US\$ 34 million during the nine months period ended September 30, 2009;
- Net cash position (cash reduced by all debt) was US\$ 253 million as of September 30, 2010;
- Capital expenditures for property, plant and equipment for the nine months ended September 30, 2010 were US\$ 170 million compared to US\$ 75 million for corresponding period of 2009;
- The average exchange rate for the first nine months of 2010 was 30.0 Rubles per US Dollar compared to 30.8 Rubles per US Dollar during the 2009 nine month period.

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

"Our results for the three and nine month periods ending September 30, 2010, were excellent. Our revenues and EBITDA margin were up over the corresponding periods of 2009 as our organic businesses all performed at or above expectations. These results underpin our confidence in our guidance. We expect that our recently announced transactions, once completed, will be both value and margin accretive."

#### THIRD QUARTER AND NINE MONTHS 2010 OPERATIONAL HIGHLIGHTS:

- Drilling output for the nine months 2010 was 3,065,111 meters, 6% above the output achieved in the same period of 2009 (2,900,309 meters);
- Reduced reliance on our largest customer in the first nine months of 2010 with its' share comprising 57% of our total drilling volumes versus 62% in the corresponding period of 2009;
- Began drilling operations for TNK-BP (a new client for us) in May 2010;

#### MAJOR EVENTS POST SEPTEMBER 30, 2010

- At the beginning of October 2010 we signed a Letter of Intent with Schlumberger whereby we will purchase their drilling, workover and side-track assets in Russia and simultaneously sell them our drilling services businesses (directional drilling, measurement-while-drilling, cementing, and drilling fluids services.) The letter of intent also contemplates that we will form a strategic alliance within the FSU in which Schlumberger will become our preferred supplier of drilling services for the next five years;



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- **In mid October 2010 we signed a Letter of Intent with Lamprell Plc to build a new jack-up drilling rig to be used in our Caspian Sea operations. The new jack-up rig will be a high-spec LeTourneau Super 116E design. The hull and related components are to be pre-fabricated by Lamprell in its Sharjah facility. The remaining component fabrication, final assembly and commissioning will be performed at a shipyard in the Caspian Sea. Construction is expected to be completed at the end of 2012.**

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

"Our drilling volumes for the nine months ended September 30, 2010 were up approximately 6% from the comparable period of 2009 as we continued to diversify our client base with our largest client now accounting for only 57% of such volumes. Management continued to successfully integrate our new workover business in Western Siberia while simultaneously negotiating letters of intent to acquire Schlumberger's drilling, side-track and workover assets in Russia and to build a new high-spec, jack-up drilling rig for our clients in the Caspian Sea. We hope to announce new initiatives in the next few months that will further enhance shareholder value."

#### **Conference Call Details Reminder**

EDC will host a conference call for investors and analysts on Wednesday, November 10, 2010 at 3:00 pm GMT to discuss the nine months results. Equivalent times for other locations: 4:00 p.m. Central Europe, 6:00 p.m. Moscow, 10 a.m. New York.

Participants can dial in on the day of the call on UK Tel: +44 (0) 20 7190 1595 or US Tel: +1-480-629-9725 and quote the Conference ID, which is 4380606, Conference title, which is Eurasia Drilling 3Q10 Results Conference Call and Speaker's name to access the call. Toll free numbers are also available: in the UK 0800 358 5263, in the US 1-877-941-2928 or in Russia +7 495 580 9543.

Replay of the conference call audio will be available on UK Tel: +44 (0) 207 154 2833 or US Tel: +1 303 590 3030 through Wednesday, November 24, 2010 (until midnight, GMT). Toll free numbers are also available for the replay of the conference call audio in the UK 0800 358 3474 or the US 1-800-406-7325. Access code to the replay of the conference call is 4380606#.

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EDC is the largest independent 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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