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News Release

EURASIA DRILLING COMPANY LIMITED

Financial information for the 12 month period ended December 31, 2007

EurasiaDrilling Company Limited ("EDC") is the largest independent provider of onshore drilling services in Russia, providing onshore integrated well construction and workover services. In addition, EDC provides offshore drilling services in the Caspian Sea.

EDC offers onshore integrated well construction services and workover services to local and international oil and gas companies primarily in Russia and offshore drilling services to Russian and international oil and gas companies in the Russian, Kazakh and Turkmen sectors of the Caspian Sea.

EDC successfully completed their Initial Public Offering in November 2007 raising USD 783 mm, of which USD 514mm (including USD 64mm from exercise of Greenshoe) was in the form of new shares issued.

The FY07 results presentation can be found under the following link:

<http://www.eurasiadrilling.com/shareholder-presentations.html>

FINANCIAL HIGHLIGHTS:

Top line revenue growth of 37.2% to USD 1,492mm (2006: USD 1,088mm)

- EBITDA increased 77.8% to USD 295mm (2006: USD 166mm)
- EBITDA margin increased from 15.3% in 2006 to 19.8% in 2007
- Operating profit increased 72.5% to USD 255mm (2006: USD 148mm)
- Earnings per share increased from USD 0 .76 in 2006 to USD 1.31 in 2007

OPERATIONAL HIGHLIGHTS:

- Meters drilled increased 31.0% to 3.3mm meters (2006: 2.5mm meters)
- Increased total number of crews to 263 (2006: 216)
- Increased total number of drilling rigs to 195 at the end of 2007 (2006: 178)
- Secured future rig capacity via assembly and fabrication plant in Kaliningrad
- Further diversified customer base with non-LUKOIL business increasing from 18% (or 0.45mm meters drilled) in 2006 to 24% (or 0.80mm meters drilled) in 2007
- Efficiency gains, including EDC drilling its first million meters in 125 days (2006: 154 days)



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Mr Alexander Djaparidze, Chief Executive Officer of Eurasia Drilling Company, commented,

“EDC has increased its overall onshore drilling market share in Russia from 20.3% in 2006 to 22.4% in 2007 and expects 2008 to be an equally positive year. The combination of strong expected demand from E&P producers together with EDC’s leading market position should allow for significant further growth and expansion in 2008 and beyond.”

Reminder: Conference call to discuss 2007 results on Tuesday, May 27, 2008, at 2:00 p.m. GMT (London time) 3:00 p.m. Central Europe, 5:00 p.m. Moscow, 9:00 a.m. New York.

Participants can dial in on the day of the call on +44 (0) 207 162 0025, but are encouraged to pre-register for the call using the link below. Pre-registered participants will avoid any queues on the day of the call.

<https://eventreg1.conferencing.com/webportal3/reg.html?Acc=752103&Conf=156671>

Each participant will be allocated the conference call number, a participant user PIN, conference PIN and instructions on how to join the conference call. For security purposes, participants are advised not to give out their conference details for others to use. All participants must register individually if they wish to join the call.

Replay of the conference call audio will be available on Tel: +44 (0) 207 031 4064 (Access Code: 795672) through Tuesday, June 3, 2008 (until midnight, London time).

Revenues

Revenues increased by USD 405 million, or 37.2%, to USD 1,492 million for 2007 from USD 1,088 million in 2006. The key component driving revenue growth was increased demand with EDC having drilled 3,268,564 meters in 2007 compared to 2,495,405 meters in 2006. CEO Alexander Djaparidze commented that “2007 was an excellent year in terms of building dramatically on our existing platform, and delivering the results promised during our IPO. This increased demand was met by adding drilling crews, improving the productivity of our existing drilling crews and utilizing a greater number of drilling rigs”. The number of drilling rigs increased from 178 in 2006 to 195 in 2007.

Cost of Services

Cost of services increased by USD 243mm, or 30.1%, to USD 1,050mm for 2007 (USD 807mm in 2006). The cost of services for 2007 was primarily affected by a substantial increase in raw material expenses as well as increased labour costs. However cost of services as a percentage of total revenue decreased from 74.2% for 2006 to 70.4% for 2007. In addition to an increase in revenue, the margin improvement was primarily attributable to a concerted effort by management to minimise cost inflation and improve the cost efficiency associated with the overall drilling process.

Net Income

As a result of the foregoing factors, net income increased by USD 86 million, or 85.7%, to USD 169 in 2007 as compared to USD 91 million in 2006.



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Capital Expenditures

EDC's business is capital intensive and expenditures are primarily required to **(1)** purchase new drilling rigs and equipment; **(2)** upgrade and modernize the existing drilling rigs and equipment; and **(3)** sustain existing equipment. In 2007 total capital expenditures was USD 273 million compared to USD 96 million in 2006 (excluding acquisitions). In response to an extremely tight rig supply market EDC has, together with Le Tourneau, commenced production at its assembly and fabrication plant in Kaliningrad. CFO Ron Harris commented "The facility is expected to provide for all of EDC's internal rig requirements from 2010 onwards. The first rig is due for delivery in Q4 2008 and will be purpose built to EDC's specifications and drilling requirements utilising the manufacturing expertise of Le Tourneau's engineers and supervisors and EDC's long standing experience in deploying rigs tailor made to Russian conditions."

Company website: www.eurasiadrilling.com

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Please note that some of the views expressed in this document constitute "forward looking statements" that involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Consolidated full year financial information as of and for the 12 months ended December 31, 2007

The following set of tables comprises an Income Statement, Balance Sheet, Cash Flow Statement and Statement of Changes in Stockholders' Equity and Comprehensive Income. All figures are in US\$'000s unless otherwise indicated.

[Consolidated full year financial information as of and for the 12 months ended December 31, 2007](#)

27 May 2008