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News Release

EDC Announces 2009 Earnings

MOSCOW, April 12, 2010 - Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL) today reports its 2009 unaudited financial statements, prepared in accordance with US GAAP, for the twelve month period ended December 31, 2009.

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

"2009 was a challenging year for us with low oil prices that led our largest customer to decrease its drilling volumes by 25% compared to 2008 volumes. Through our management team's efforts, along with outstanding performance of our field employees, we were able to compensate for this decline by gaining additional work and new contracts with other clients such that our overall drilling volumes were down by only 7% compared to 2008. This was accomplished while actually improving our productivity, leading to the best EBITDA margins we have ever had and strengthening our already solid financial position."

2009 FINANCIAL HIGHLIGHTS:

Financial results for 12 months period ended December 31, 2009 were mainly affected by two factors: a decrease in drilling volumes by 7% compared to 2008 and ruble devaluation that resulted in average RUR/USD exchange rate increase to 31.7 RUR/USD from 24.9 RUR/USD. Key 2009 financial indicators were as follows:

- **Top line revenue was USD 1,382 million (2008: USD 2,102 million)**
- **EBITDA was USD 320 million (2008: USD 453 million)**
- **EBITDA margin increased 1.7% to 23.2% (2008: 21.5%)**
- **Net income was USD 165 million for the period (2008: USD 221 million)**
- **Earnings per share were USD 1.22 in 2009 (2008: USD 1.51)**
- **Net cash provided by operating activities was a record of USD 406 million (2008: USD 310 million)**
- **Net cash position as of December 31, 2009 was USD 252 million (including both short and long term debt)**
- **Capital expenditures, excluding acquisitions of new businesses during 2009, were USD 105 million**

Mr. Richard Anderson, EDC's Chief Financial Officer, added,

"Even in turbulent markets, EDC continues to demonstrate strong financial results. We have preserved our ability to grow in the future along with client demand for our services, and to take advantage of the many inorganic growth opportunities available to us."

2009 OPERATIONAL HIGHLIGHTS:

- **Increased total number of drilling rigs to 209 from 202 at the beginning of 2009**
- **Drilling output decreased 7% to 3.7 million meters (2008: 4.0 million meters)**
- **Sustained market share (based on meters drilled) of approximately 26% of the drilling market at the end of 2009 (all organic growth)**
- **Signed 3-year Framework Agreement with Lukoil for 6.6 million meters**
- **Diversified our client base; our major customer accounts for 63% of total drilling volumes compared to 73% in 2008**
- **In November 2009 commenced drilling operations on Lukoil's Yu. Korchagin platform on the Caspian Sea, where we are the general drilling contractor**
- **Completed the acquisitions of a directional drilling business and a workover business in Western Siberia**



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Reminder:

EDC will host a conference call on Monday, April 12, 2010 at 3:00 pm BST (London time) to discuss full-year 2009 results. Equivalent times for other locations: 4:00 p.m. Central Europe, 6:00 p.m. Moscow.

Participants can dial in on the day of the call on UK Tel: **+44 (0) 208 515 2302** and quote the Conference ID, which is 4279970, Conference title (which is "Eurasia Drilling Earnings Call") and Speaker's name to access the call. Toll free numbers are also available: in the UK 0800 358 0857, or in Russia 810-8002-1984011.

Replay of the conference call audio will be available on UK Tel: **+44 (0) 207 154 2833** through Monday, April 26, 2010 (until midnight, BST). Toll free numbers are also available for the replay of the conference call audio in the UK 0800 358 3474. Access code to all the replay numbers is 4279970#.

Income Statement for the year ended December 31, 2009 (USD million)

	2009 (unaudited)	2008 (audited)
Revenues		
Drilling and related services	1,362	2,072
Other sales and services	20	30
Total revenues	1,382	2,102
Cost of services	(912)	(1,454)
Selling, general and administrative expenses	(95)	(122)
Taxes other than income taxes	(55)	(72)
Depreciation	(106)	(102)
Gain on disposal of property, plant and equipment	-	(5)
Income from operating activities	214	347
Interest expense	(14)	(27)
Interest income	11	10
Currency transaction loss	(4)	(33)
Gain on bargain purchase	2	-
Other expense	-	(1)
Income before income taxes	209	296
Income Tax	(44)	(75)
Net income	165	221
Basic earnings per share of common stock (USD per share)	1.22	1.51
Diluted earnings per share of common stock (USD per share)	1.22	1.51



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Balance Sheet as of December 31, 2009 (USD million)

	2009	2008
	(unaudited)	(audited)
Assets		
Current assets		
Cash and cash equivalents	434	279
Accounts receivable, net	192	230
Inventories	117	183
Other assets	52	61
Total current assets	795	753
Property, plant and equipment	683	609
Other non-current assets	44	83
Total assets	1,522	1,445
Liabilities and Member's equity		
Current liabilities		
Accounts payable and accrued liabilities	224	236
Short-term debt and current portion of long-term debt	32	92
Other current liabilities	95	54
Total current liabilities	351	382
Long-term debt	150	171
Long-term-Other	20	12
Total liabilities	521	565
Stockholder's equity		
Paid in capital & APIC less treasury stock	471	481
Retained earnings	595	464
Accumulated other comprehensive income/(expense)	(65)	(65)
Total Member's equity	1,001	880
Total liabilities and Member's equity	1,522	1,445



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Cash Flow Statement for the period ended December 31, 2009 (USD million)

	2009	2008
	(unaudited)	(audited)
Cash flows from operating activities		
Net income	165	221
Adjustments for non-cash items:		
Non- cash adjustments (Depreciation)	106	102
Changes in working capital	135	(13)
Net cash provided by operating activities	406	310
Cash flows from investing activities		
Purchases of property, plant and equipment	(105)	(327)
Acquisition of subsidiary, net of cash acquired	(23)	-
Other investing activities	4	3
Net Cash used in investing activities	(124)	(324)
Cash flows from financing activities		
Net change in loans	(81)	23
Dividends paid	(34)	-
Purchase of treasury stock	(18)	(40)
Other financing activities	(3)	(5)
Net cash provided by financing activities	(136)	(22)
Effect of exchange rate changes on cash	9	(28)
Net increase/(decrease) in cash and cash equivalents	155	(64)
Cash and cash equivalents at beginning of period	279	343
Cash and cash equivalents at end of period	434	279



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Non-USGAAP Measure

Reconciliation of Net Income to EBITDA (USD million)

	2009	2008
	(unaudited)	(audited)
Net Income	165	221
Income Tax Expense	44	75
Gain on bargain purchase	(2)	-
Gain on disposal of PP&E	-	5
Currency transaction losses	4	33
Interest Expense	14	27
Interest Income	(11)	(10)
Depreciation	106	102
EBITDA	320	453

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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Some of the views expressed in this document may 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.