

EDC Reports 2012 Full Year Results

MOSCOW, April 2, 2013 -Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL), today announced its consolidated financial results for the year ended December 31, 2012, prepared in accordance with US GAAP.

The audited Consolidated Financial Statements for the twelve months ended December 31, 2012, including restated amounts for the years ended December 31, 2011 and 2010, and EDC's Management Report on its 2012 results, can be found at the following link:

http://www.eurasiadrilling.com/financial_information.html

2012 FINANCIAL HIGHLIGHTS:

- **Top line revenue up 17% to USD 3,237 million (2011 adjusted: USD 2,767 million);**
- **EBITDA increased 31% to USD 790 million (2011 adjusted: USD 603 million);**
- **EBITDA margin amounted to 24.4% (2011 adjusted: 21.8%);**
- **Net Income increased 35% to USD 382 million (2011 adjusted: USD 283 million);**
- **Diluted earnings per share up 34% to USD 2.59 (2011 adjusted: USD 1.93);**
- **Capital expenditures were USD 620 million (2011 adjusted: USD 400 million);**
- **Net debt as of December 31, 2012 was USD 395 million (December 31, 2011 adjusted: USD 243 million).**

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

"We are pleased to have delivered another record year of performance which was a result of exceptional execution. We achieved record Revenue, Net Income and EBITDA in 2012 on the back of strong demand for our services and our proven reputation as a reliable service provider. These results reflect our success in organic development, deployment of new equipment from our targeted CAPEX program and successful integration of strategic acquisitions targets. Our focus on maintaining tight cost controls in spite of an evolving mix of services, led to significant improvement in our EBITDA margin."

2012 OPERATIONAL HIGHLIGHTS:

- **Drilled 6.051 million metres onshore in 2012; 27% greater than 2011 (4.777 million metres) and a new record for the Company;**
- **Horizontal metres drilled in 2012 were down by about 2% to 862 thousand metres;**
- **Exploration drilling volumes were up 26% during 2012 compared to 2011;**
- **The share of our largest customer, LUKOIL, was 57% of our total metres drilled during 2012, as compared to 55% during the corresponding period of 2011; however, LUKOIL drilling volumes increased by 30% for the same period;**
- **The share of Rosneft, our second largest customer, was 24% of our total metres drilled during 2012 as compared to 19% during 2011;**
- **Our market share increased to approximately 29% based on metres drilled onshore in Russia during 2012, up from 25% in 2011;**

- During 2012 our ASTRA jack-up rig was employed in Russian and Kazakh waters of the Caspian Sea;
- Our SATURN jack-up rig continued its operations for PETRONAS Carigali (Turkmenistan) Sdn Bhd (PETRONAS) in Turkmen waters of the Caspian Sea; during 2012 four geological sidetracks were performed and two wells were drilled;
- We drilled and completed six wells on LUKOIL's Yuri Korchagin field platform in the Caspian Sea including five extended-reach horizontal development wells;
- Modules of our 3rd jack-up rig, the new-build NEPTUNE, were shipped to the Caspian Sea from Lamprell's shipyard in the UAE during 2012.

2012 STRATEGIC HIGHLIGHTS:

- In September 2012 EDC signed a multi-year contract extension with PETRONAS for drilling offshore in Turkmenistan, effective from January 9, 2013;
- In April 2012 we contracted Lamprell to build our 4th jack-up drilling rig, the MERCURY, for our operations in the Caspian Sea; and
- In July 2012 we acquired two onshore drilling rigs in Iraq and later in the year added two more rigs, which are contracted to international customers.

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

"Outstanding performance in all our business segments enabled us to achieve another year of record financial and operational results in 2012. We continued to invest in technology and our people which allows us to provide continuously better services to our customers. In 2012 we achieved our highest rig fleet utilization rate ever and our crew's operating efficiency was the best in our history. In 2012 we completed several strategic initiatives to strengthen our onshore and offshore businesses. We enter 2013 with a solid backlog and strong financial resources that will allow us to capitalize on the opportunities that the industry we operate in offers."

Income Statement for the years ended December 31, 2012, 2011 and 2010 (USD million)

	2012 (audited)	2011* (audited, adjusted)	2010* (audited, adjusted)
Revenues			
Drilling and related services	3,223	2,734	1,809
Other sales and services	14	32	13
Total revenues	3,237	2,766	1,822
Cost of services	(2,151)	(1,906)	(1,204)
Selling, general and administrative expenses	(161)	(145)	(107)
Taxes other than income taxes	(135)	(119)	(73)
Depreciation	(250)	(214)	(144)
Gain (loss) on disposal of property, plant and equipment	5	(1)	6
Impairment loss	-	(1)	(7)
Income from operating activities	545	380	293
Interest expense	(54)	(52)	(15)
Interest income	12	11	8
Currency transaction loss	1	(11)	(7)
Gain on business exchange transaction	-	32	1
Other income (expense)	-	7	(1)
Income before income taxes	504	367	279
Income Tax	(122)	(84)	(72)
Net income	382	283	207
Basic earnings per share of common stock (USD per share)	2.60	1.93	1.44
Diluted earnings per share of common stock (USD per share)	2.59	1.93	1.44

Balance Sheet as of December 31, 2012, 2011 and 2010 (USD million)

	2012 (audited)	2011* (audited, adjusted)	2010* (audited, adjusted)
Assets			
Current assets			
Cash and cash equivalents	305	510	629
Accounts receivable, net	529	379	253
Inventories	213	190	128
Other assets	52	79	67
Total current assets	1,099	1,158	1,077
Property, plant and equipment	1,768	1,287	765
Other non-current assets	168	159	112
Total assets	3,035	2,604	1,954
Liabilities and stockholder's equity			
Current liabilities			
Accounts payable and accrued liabilities	465	407	259
Short-term debt and current portion of long-term debt	258	175	118
Other current liabilities	99	79	74
Total current liabilities	822	661	451
Long-term debt	442	578	286
Other long-term liabilities	108	61	32
Total liabilities	1,372	1,300	769
Stockholder's equity			
Paid in capital & APIC less treasury stock	684	679	680
Retained earnings	1,072	793	579
Accumulated other comprehensive expense	(93)	(168)	(74)
Total stockholder's equity	1,663	1,304	1,185
Total liabilities and stockholder's equity	3,035	2,604	1,954

Cash Flow Statement for the periods ended December 31, 2012, 2011 and 2010 (USD million)

	2012 (audited)	2011* (audited, adjusted)	2010* (audited, adjusted)
Cash flows from operating activities			
Net income	382	283	207
Adjustments for non-cash items:			
Non-cash adjustments (Depreciation)	250	214	144
Changes in working capital	(40)	(71)	(29)
Net cash provided by operating activities	592	426	322
Cash flows from investing activities			
Purchases of property, plant and equipment	(620)	(400)	(284)
Acquisition of subsidiary, net of cash acquired	-	(559)	(43)
Disposal of subsidiary, net of cash disposed	-	95	1
Other investing activities	2	15	1
Net Cash used in investing activities	(618)	(849)	(325)
Cash flows from financing activities			
Net change in loans	(128)	398	215
Dividends paid	(69)	(45)	(213)
(Purchase) disposal of treasury stock	-	(6)	205
Other financing activities	-	-	(1)
Net cash provided by financing activities	(197)	347	206
Effect of exchange rate changes on cash	18	(43)	(8)
Net (decrease)/increase in cash and cash equivalents	(205)	(119)	195
Cash and cash equivalents at beginning of period	510	629	434
Cash and cash equivalents at end of period	305	510	629

*- In 2012 we changed our revenue recognition policy from units-of-delivery method to the percentage-of-completion method. This change was caused by our intention to convert from US GAAP to IFRS at some future date. Prior periods have been adjusted to conform to the 2012 period presentation. For full disclosure refer to our audited consolidated financial

statements as of December 31, 2012, 2011 and 2010 and for each of the years in three year period ended December 31, 2012 available on our web-site.

Non-US GAAP Measure

Reconciliation of Net Income to EBITDA (USD million)

	2012	2011 (adjusted)	2010 (adjusted)
Net income	382	283	207
Income Tax Expense	122	84	72
(Gain) Loss on disposal of PP&E	(5)	1	(6)
Currency transaction (gain) loss	(1)	11	7
Gain on business exchange transaction	-	(32)	(1)
Impairment loss	-	1	7
Interest income	(12)	(11)	(8)
Interest expense	54	52	15
Depreciation	250	214	144
EBITDA	790	603	437

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: 4608888

Conference title: Eurasia Drilling Company 2012 Results Conference Call

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) April 16, 2013 on:

UK Tel: +44 207 154 2833

US Tel: +1 303 590 3030

Access code to all the replay numbers: 4608888#

EDC is the largest provider of onshore drilling services in Russia, as measured by the number of metres drilled, providing onshore integrated well construction services and workover services. The Company also provides offshore drilling services in the Caspian Sea and is the largest provider of such services in the sectors where it operates based on the number of jack-up drilling rigs. 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. In addition, the Company provides onshore drilling services in Iraq. 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.

02 April 2013