

**TERMS OF REFERENCE
OF THE REMUNERATION AND NOMINATION COMMITTEE
Adopted by the Board of Directors January 29, 2008**

*Reference to "the Committee" shall mean the Remuneration and Nomination Committee.
Reference to "the Board" shall mean the Board of Directors of Eurasia Drilling Company Limited.*

1. Membership

- 1.1. The Committee shall be appointed by the Board and shall comprise of a Chairman and at least one other Director.
- 1.2. The Chairman of the Committee shall be an independent Director, as determined by the Board.
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief Financial Officer and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.4. Appointments to the Committee shall be for a period of up to three years, which may be extended.
- 1.5. The Board shall appoint the Committee Chairman who shall be an independent non-executive Director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2. Secretary

- 2.1. The Company Secretary or his designee shall act as the Secretary of the Committee.
- 2.2. In case the Company Secretary or his designee is not present at the meeting, a member of the Committee shall act as the Secretary of the Committee.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be one half of the then currently serving members of the Committee. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Meetings

- 4.1. The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require.
- 4.2. Meetings may be held by telephone or video conference.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

7. Annual General Meeting

- 7.1. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Remuneration Duties

The Committee shall:

- 8.1. determine and agree with the Board the framework or broad policy for the remuneration of the company's Chief Executive, Chairman, the executive Directors and such other members of the executive management as it is designated to consider. No Director or manager shall be involved in any decisions as to their own individual remuneration.
- 8.2. in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.
- 8.3. review the ongoing appropriateness and relevance of the remuneration policy;
- 8.4. approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes.

- 8.5. review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive Directors and other senior executives and the performance targets to be used.
- 8.6. within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive Officer as appropriate, determine the total individual remuneration package of each executive Director and other senior executives including bonuses, incentive payments and share options or other share awards.
- 8.7. in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the UK Listing Authority's Listing Rules and associated guidance.
- 8.8. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee: and to obtain reliable, up-to-date information about remuneration in other companies.

9. Nomination Duties

The Committee shall:

- 9.1. regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 9.2. give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- 9.3. be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 9.4. before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - use open advertising or the services of external advisers to facilitate the search, if the Committee deems advisable;
 - consider candidates from a wide range of backgrounds; and
 - consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- 9.5. keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

- 9.6. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 9.7. review annually the time required from non-executive Directors; and
- 9.8. ensure that on appointment to the Board, non-executive Directors execute a service contract setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

10. Reporting Responsibilities

- 10.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Committee shall produce an annual report of the company's remuneration policy and practices which will form part of the company's Annual Report and ensure each year that it is put to shareholders for approval at the Annual General Meeting.

11. Other

- 11.1. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12. Authority

- 12.1. The Committee is authorized by the Board to seek any information it requires from any employee of the company in order to perform its duties.
- 12.2. In connection with its duties the Committee is authorized by the Board to obtain, at the company's reasonable expense, any outside legal or other professional advice.