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## News Release

### EDC's 2011 Outlook

MOSCOW, January 26, 2011 - Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL) today released its update for 2010 and activity outlook for calendar year 2011.

#### Update for 2010

- The 4th Quarter of 2010 was stronger than originally expected. EDC's Q4 2010 onshore drilling volume of 1,037,399 meters was 22% higher than the Q4 2009 total of 852,303 meters. For the calendar year, EDC drilled a record 4,102,510 meters onshore versus 3,752,612 meters in 2009, a 9.3% y-o-y increase.
- The Company expects total revenues for the year to be approximately US\$ 1.79 billion with an EBITDA margin of 24.1%.
- Full year results will be released in the second half of April.

#### Onshore Drilling and Workover Services Outlook:

- EDC's current onshore drilling volume forecast is approximately 4.8 million meters for 2011. This estimate includes both improvements in legacy output and a prorated contribution from the SGK drilling assets being acquired from Schlumberger (based on EDC's estimate of closing date).
- The Company's client mix in 2011 is expected to diversify further, with gains in drilling volumes for both TNK-BP and Rosneft. LUKOIL volumes are also expected to increase slightly in 2011 v. 2010, but due to gains with other clients, LUKOIL drilling is projected to account for approximately 54% of EDC's total drilling volume (in 2010 LUKOIL accounted for 57% of total EDC drilling volume).
- Workover and sidetracking activity are expected to be strong contributors to revenue in 2011 as the Company progresses integration of the workover assets acquired from LUKOIL in early 2010, and through the subsequent addition of the workover and sidetrack fleets being acquired from Schlumberger.
- Pricing in ruble terms for the year should be up slightly from 2010.
- By the end of 2011 EDC will be the largest provider of drilling, workover and sidetracking services in Russia.

#### Offshore Drilling Services Outlook:

- The *ASTRA* jack-up drilling rig is currently committed for a full 12 month program in 2011, and is scheduled to deploy in the Russian and Kazakh sectors of the Caspian Sea at attractive day-rates.
- Operations on Lukoil's Yu. Korchagin field ice-resistant platform, where EDC is the General Contractor for drilling services, are expected to continue throughout the year.
- In November 2010 EDC signed a contract with Lamprell Plc to build a new Super 116E jack-up drilling rig to be used in its Caspian Sea operations. Construction is proceeding as planned and the rig is expected to begin operations in early 2013.
- In January 2011 EDC announced that it is in negotiations with an affiliate of Transocean for the acquisition of the *TRIDENT XX* jack-up drilling rig presently operating in the Caspian Sea. If agreed, the acquisition from Transocean is anticipated to close by January 31, 2011 or shortly thereafter.
- With the addition of the *TRIDENT XX* to our fleet, by the end of the year the Company will have built a significant presence in the Caspian Sea.



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

"During the first quarter of 2011 we will be integrating two high-quality acquisitions into our operations which will provide, in both instances, accretive financial results in the short term while acting as strong platforms for future growth. We continue to evaluate other opportunities both within and outside Russia including our prospective entry into Iraq. Meanwhile, our historical businesses continue to perform well and grow with their markets. We expect 2011 to be an outstanding year for all our stakeholders."

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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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