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News Release

EDC's 2014 Outlook

MOSCOW, January 28, 2014 - Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL), the leading onshore & offshore drilling service provider in the CIS, today released its update for 2013 and outlook for calendar year 2014. The financial data is based on management's assessment and has not been reviewed by external auditors.

Update for 2013

- 2013 was another record year for the EDC, reflecting our position as the industry leader in the growing markets in which we operate.
- We drilled a record 6.264 million metres, up 3.5% versus 2012.
- We drilled 1.296 million horizontal metres in 2013, up by 50% over 2012, and in line with our guidance issued in January 2012.
- Total revenues for the year were approximately US\$ 3.48 billion with an EBITDA margin of 26.7%.
- Full year audited results with accompanying Management's Discussion and Analysis will be released in late March 2014.

Summary 2014 financial guidance

- Positive trends in the drilling activity will continue in 2014. Horizontal metres drilled is expected to increase further though not at the very high 2012 growth rate.
- EDC expects total revenues for the full year 2014 to be in the range of US\$ 3.4 billion to US \$ 3.5 billion.
- The EBITDA margin for the full year 2014 should be at the level of 26.7% or more.

Onshore Drilling and Workover Services 2014 Outlook

- EDC's high quality rigs are increasingly in demand. EDC's customers are requesting more complex solutions.
- In 2014, EDC will continue to work with all of our existing customers, though we expect some changes in our customer market share mix. Our drilling activity with LUKOIL and GAZPROMNEFT will increase and negotiations with ROSNEFT are ongoing.
- Workover and sidetracking activities are expected to continue as strong contributors to revenue in 2014 as we continue to expand our capabilities.
- LUKOIL awarded EDC a 3 year contract for sidetracking in Western Siberia, starting in January 2014

Offshore Drilling Services 2014 Outlook

- The *SATURN* jack-up drilling rig continues operations in the Turkmen sector of the Caspian Sea for Petronas Carigali Sdn Bhd under a new three-year contract effective January 2013.
- The *ASTRA* jack-up drilling rig is signed up for a three year contract with LUKOIL to work in the Russian waters of the Caspian Sea effective January 2014.
- We will continue to provide drilling services on Lukoil's Yuri Korchagin field ice-resistant platform throughout the year, drilling complex extended reach wells.
- Our third jack-up rig, new-build *NEPTUNE*, is currently contracted to Dragon Oil and we are pleased to announce a 5-year contract with LUKOIL-led consortium for this jack-up rig once the contract with Dragon Oil is complete.
- Construction of our fourth jack-up drilling rig, new-build *MERCURY*, is proceeding as planned with expected completion near the end of 2014. The rig is contracted to Dragon Oil.
- Our offshore contract backlog is currently around US \$ 1.2 billion.



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

"2014 will to be another busy year for the Company as the market fundamentals continue to be excellent. Our customer mix is changing as some of our clients are rapidly adopting newer drilling technologies and completion techniques leading to reported increases in well productivity. Onshore, the demand from our customers for horizontal drilling is increasing apace. We expect to start at least one tight oil drilling project in Russia during 2014. We are on track with our rig fleet modernization program and will purchase more new high-spec rigs during 2014. Offshore we are very pleased to have recently signed two new long-term contracts for both the *ASTRA* and *NEPTUNE* jack-up drilling rigs. Our balance sheet is solid and we continue to actively screen for inorganic growth opportunities in the CIS. "

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

"For 2014 we have chosen to issue our revenue guidance within a range between US\$ 3.4 to 3.5 billion based on demand for our rigs by key customers and moderated by exchange rate uncertainties. We are confident in the guidance we are providing at this juncture even if current negotiations result in reduction of our activity with ROSNEFT. We expect our overall market share to be maintained with the strong demand for our services. Our EBITDA margin may be backend loaded for 2014, as has happened occasionally in the past, due to higher than average number of inter customer rig moves this winter. We are enthusiastic about our business and continue to invest in our rig fleet in 2014 - the most modern in the CIS."

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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