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News Release

EDC Reports 2011 Full Year Results

MOSCOW, April 23, 2012 -Eurasia Drilling Company Limited ("EDC" or the "Company" - LSE: EDCL), the leading onshore and offshore drilling service provider in the CIS, today announced its Full Year 2011 Consolidated Financial Results, prepared in accordance with US GAAP.

The audited Consolidated Financial Statements for the twelve months ended December 31, 2011, and Management's Report on 2011 Results, can be found under the following link:

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

2011 FINANCIAL HIGHLIGHTS:

- Top line revenue up 52% to US \$2,752 million (2010: US \$1,812 million);
- EBITDA increased 37% to US \$597 million (2010: US \$436 million);
- EBITDA margin amounted to 21.7% (2010: 24.1%);
- Net Income increased 34% to US \$277 million (2010: US \$207 million);
- Diluted earnings per share up 31% to US \$1.89 (2010: US \$1.44);
- Capital expenditures were US \$400 million (2010: US \$284 million);
- Net debt as of December 31, 2011 was US \$244 million (December 31, 2010 net cash position was US \$225 million).

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

"We are pleased to have delivered another record year of performance in the high-growth Russian OFS market, where we constructed one of every four new wells drilled last year. As a result we achieved record revenues, net income and EBITDA in dollar terms. We have also achieved record operating cash flow, allowing us to generate free cash flow in 2011 despite a robust capital expenditure program. Drilling in Russia is evolving toward more complex well designs, which is modestly changing the structure of our costs. Our strong balance sheet and growth across all our operations gives us confidence we will continue to deliver efficient, high quality services to our customers as we enter 2012."

2011 OPERATIONAL HIGHLIGHTS:

- Drilled 4.8 million meters onshore in 2011; 16% greater than 2010 (4.1 million meters) and a new record for the Company;
- Horizontal meters drilled during 2011 more than doubled compared to 2010 and amounted to 879 thousand meters;
- Exploration drilling volumes were up 17% during 2011 as compared to 2010;
- Reliance on our largest customer decreased in 2011 with its share comprising 55% of our total drilling volumes compared to 57% in the corresponding period of 2010;
- The offshore jack-up rig *SATURN* (formerly *Trident 20*) was acquired from Transocean in February 2011 for our operations in the Caspian Sea - under EDC ownership the rig drilled two new exploration wells with 4 geological sidetracks, and performed 4 workovers;
- Our *ASTRA* jack-up rig was fully employed in Kazakh and Russian waters of the Caspian Sea - after a period of paid standby in Q1, three wells were drilled including an extended well test on one;



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- We continued operations on LUKOIL's Yu. Korchagin field platform in the Caspian Sea, drilling three horizontal development wells, performing one workover and drilling three top-holes for extended-reach wells;
- Construction of our new Super 116E jack-up drilling rig by Lamprell, to be used in our Caspian Sea operations, continues on schedule;

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

"Our focus continues to be on further developing our operational capabilities to deliver improved performance for our Russian and international customer base. This includes the sustainable enhancement of our operations through continuous investment in our rig fleet and our people as we believe that the Russian oil and gas industry will increasingly need modern and efficient equipment to meet the challenges of future oil field development. Our Strategic Alliance with Schlumberger brings additional service capabilities and competitive advantage when we bid for more and more complex well construction projects. EDC enters 2012 with a strong order book and a highly competent executive team able to deliver on our strategy and achieve our goals. Our strong and conservatively leveraged balance sheet leaves us room to pursue value-accretive opportunities for additional inorganic growth when identified."

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

	2011 (audited)	2010 (audited)
Revenues		
Drilling and related services	2,720	1,799
Other sales and services	32	13
Total revenues	2,752	1,812
Cost of services	(1,898)	(1,196)
Selling, general and administrative expenses	(144)	(107)
Taxes other than income taxes	(119)	(72)
Depreciation	(215)	(142)
(Loss) gain on disposal of property, plant and equipment	(1)	6
Impairment loss	(1)	(7)
Income from operating activities	374	294
Interest expense	(52)	(15)
Interest income	11	7
Currency transaction loss	(11)	(7)
Gain on business exchange transaction	32	1
Other income (expense)	6	(1)
Income before income taxes	360	279
Income Tax	(83)	(72)
Net income	277	207
Basic earnings per share of common stock (USD per share)	1.89	1.45
Diluted earnings per share of common stock (USD per share)	1.89	1.44



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

	2011 (audited)	2010 (audited)
Assets		
Current assets		
Cash and cash equivalents	510	629
Accounts receivable, net	348	235
Inventories	214	146
Other assets	81	67
Total current assets	1,153	1,077
Property, plant and equipment	1,286	765
Other non-current assets	159	112
Total assets	2,598	1,954
Liabilities and stockholder's equity		
Current liabilities		
Accounts payable and accrued liabilities	407	259
Short-term debt and current portion of long-term debt	175	117
Other current liabilities	78	75
Total current liabilities	660	451
Long-term debt	578	286
Other long-term liabilities	61	32
Total liabilities	1,299	769
Stockholder's equity		
Paid in capital & APIC less treasury stock	680	680
Retained earnings	787	579
Accumulated other comprehensive expense	(168)	(74)
Total stockholder's equity	1,299	1,185
Total liabilities and stockholder's equity	2,598	1,954



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

	2011 (audited)	2010 (audited)
Cash flows from operating activities		
Net income	277	207
Adjustments for non-cash items:		
Non- cash adjustments (Depreciation)	215	142
Changes in working capital	(66)	(27)
Net cash provided by operating activities	426	322
Cash flows from investing activities		
Purchases of property, plant and equipment	(400)	(284)
Acquisition of subsidiary, net of cash acquired	(560)	(43)
Disposal of subsidiary, net of cash disposed	95	-
Other investing activities	16	2
Net Cash used in investing activities	(849)	(325)
Cash flows from financing activities		
Net change in loans	398	215
Dividends paid	(45)	(213)
Purchase of treasury stock	(5)	204
Other financing activities	-	-
Net cash provided by financing activities	348	206
Effect of exchange rate changes on cash	(44)	(8)
Net (decrease)/increase in cash and cash equivalents	(119)	195
Cash and cash equivalents at beginning of period	629	434
Cash and cash equivalents at end of period	510	629

Non-US GAAP Measure

Reconciliation of Net Income to EBITDA (USD million)

	2011	2010
Net Income	277	207
Income Tax Expense	83	72
Loss (gain) on disposal of PP&E	1	(6)
Currency transaction losses	11	7
Gain on business exchange transaction	(32)	(1)
Impairment loss	1	7
Interest Expense	52	15
Interest Income	(11)	(7)
Depreciation	215	142
EBITDA	597	436



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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: +1-480-629-9726

Conference ID: 4531811

Conference title: Eurasia Drilling Company 2011 Results Conference Call

Toll free numbers are also available:

UK: 0800 358 0886

USA: 1-877-941-1469

Russia: 7-495-580-9543

A replay of the conference call will be available until midnight (BST) May 7, 2012 on:

UK Tel: +44 207 154 2833

US Tel: +1 303 590 3030

Access code to all the replay numbers: 4531811#

A full set of financial statements and Management discussion & analysis for 2011 will be available at

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

EDC is the largest 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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