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News Release

EDC's 2013 Outlook

MOSCOW, January 23, 2013 - 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 2012 and activity outlook for calendar year 2013, which includes revenue and EBITDA margin guidance. It is the Company's intention to continue disclosing this additional guidance in future years. The financial data is based on management's assessment and has not been reviewed by external auditors.

Update for 2012

- 2012 was another record year for the Company, reflecting our leadership position in attractive rapidly growing markets. We drilled a record of 6.051 million metres, compared to 4.777 million metres drilled in 2011, a 26.6% increase.
- The significant growth in metres drilled was underpinned by strong performance in both our legacy operations and the drilling assets acquired from Schlumberger late in April 2011, results of which were consolidated on a full year basis in 2012.
- In 2012 horizontal metres drilled were slightly below our initial expectations, but remained at elevated levels. We drilled 862 thousand horizontal metres in 2012 versus 879 thousand metres in 2011, a 1.9% decrease.
- Total revenues for the year were approximately US\$ 3.2 billion with an EBITDA margin of about 24.3%.
- Full year audited results with accompanying Management's Discussion and Analysis will be released in early April 2013.

Summary 2013 financial guidance

- We expect total revenues for the full year 2013 to be in excess of US\$ 3.6 billion.
- The Company's EBITDA margin for the full year 2013 should be approximately 24.8%.

Onshore Drilling and Workover Services 2013 Outlook in Russia

- EDC currently expects 2013 onshore drilling volumes to be slightly up from 2012. This estimate assumes an increase in horizontal drilling of up to 50% as we continue to see increased demand from our customers for more complex drilling.
- In 2013, we will continue to work with existing customers and add several new clients in Russia. Based on the current services mix, we expect Lukoil's share in our total metres drilled to be approximately 55% in 2013. Rosneft, our second largest customer, is expected to account for a quarter of our total drilling volumes.
- Workover and sidetracking activities are expected to be strong contributors to revenue in 2013 as we continue to expand our operations on a solid platform built through a series of successful acquisitions in prior years.

Onshore Drilling Services 2013 Outlook in Iraq

- Following the acquisition of two rigs in Iraq in July 2012, in late 2012 EDC acquired a third onshore drilling rig and purchased a new fourth rig from an international vendor in Houston.
- In 2013 the Company will have four rigs under contract working for large independent oil companies.



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Offshore Drilling Services 2013 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 9, 2013.
- The *ASTRA* jack-up drilling rig is currently committed to a full twelve-month program in 2013, and is scheduled to operate in the Russian and Kazakh sectors of the Caspian Sea at attractive day-rates.
- We will continue to provide drilling services on Lukoil's Yu. Korchagin field ice-resistant platform throughout the year, drilling complex extended reach wells.
- Our third jack-up rig, new-build *NEPTUNE*, is currently being assembled in a shipyard in the Caspian Sea, with the rig expected to begin operations in the third quarter of 2013.
- Construction of our fourth jack-up drilling rig, new-build *MERCURY*, is proceeding as planned with expected completion near the end of 2014. The first rig component shipments are expected to start at the end of 2013.

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

"2013 is shaping up to be another record-breaking year for EDC. The Company's management team continues to strengthen its ties with our key customers. This affords us a unique ability to forecast client demands for new equipment and drilling techniques to meet their evolving needs. Our back-log has never been higher. We think our employees are the best in the business as evidenced by their constantly improving service delivery. We are excited about the prospect of drilling tight oil reservoirs in future years pursuant to the recently executed Memorandum on Tight Oil with Lukoil. "

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

"Based on our current expectations we will have positive free cash flow this year even though our capex spend will stay a high level. The average age of our drilling rig fleet will continue to decline in 2013. Our projected margin expansion is driven by a variety of factors, including the expectation that more third-party-costs for horizontal drilling will be absorbed by our clients than has been the case in the recent past."

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. 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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