

EDC, Schlumberger Complete \$345.5M Asset Swap

By [The Moscow Times](#)

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Eurasia Drilling Company and Schlumberger have completed an asset swap deal valued at \$345.5 million.

Both companies signed an agreement in 2010, which foresaw a swap of drilling and servicing assets in Russia and the Commonwealth of Independent States.

Eurasia Drilling Company, or EDC, said in its report for the first half of 2011 that it acquired Siberian Geophysical Company and Samotlor Capital Well Repair from Schlumberger.

The transaction is made up of \$242.9 million in cash, while the remaining \$102.6 million are EDC assets. Schlumberger has acquired NTS, Tekhgeoservis and Megionskoye Tamponazhnoye Upravleniye. These companies carry out well drilling and repair operations in Western Siberia.

The agreement for swapping assets between Schlumberger and EDC foresaw the former company selling EDC all drilling units, including those designated for sidetracking operations and capital repairs of wells largely located in western Siberia. In addition, the drilling teams that provide services to these units will be transferred to EDC.

Eurasia Drilling, in turn, is selling its slant-directional drilling services to its partner, as well as repair, well-cementing and mud-treatment services, which ensure the operations of 80 EDC drilling units. The workers at these operations will be transferred to a Schlumberger division.

The transaction was earlier valued at about \$280 million. This amount was included in the funds that EDC will pay, as well as the assets being transferred to Schlumberger. In turn, Schlumberger is transferring the same amount of funds and assets to EDC.

At the same time, both companies have agreed on a strategic alliance through which Schlumberger within in five years will become the main supplier of services such as the servicing of all 200 drilling units currently operated by Eurasia Drilling.

EDC said the companies would work on joint projects for well development, although "each will control its parts of the operations independently."

Schlumberger said the asset swaps would assist the company in optimizing its operations in Russia as well as providing high quality services to its clients.

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