



Schlumberger backs Eurasia Drilling buyout

<http://www.ft.com/fastft/264142/schlumberger-backs-1.7bn-stake-eurasia-drilling>

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Oil services giant Schlumberger is backing a take private of Eurasia Drilling, a dominant supplier of oil rigs in the Caspian Sea, as plunging oil prices and Western sanctions take the shine off Russia-focused commodities groups.

Shareholders in Eurasia led by Russian tycoon Alexander Djaparidze plan to delist the business' London-traded GDRs at a value of \$22 per share.

Following that deal, Schlumberger, which is US-listed and last week announced 9,000 job cuts, will take a 46 per cent stake, valued at \$1.7bn.

Eurasia said:

The Merger Consideration represents a premium of 81.1% over the GDR price on 19 January 2015.

Shares in Eurasia Drilling have fallen 71 per cent in the past 12 months.

Roderick Peacock, Chairman of Xenon Capital Partners, advisor to Eurasia Drilling's core shareholders, said:

The sharp reduction in oil and gas prices over the last six months is likely to result in industry consolidation because of lower exploration and production activity.