



NEWS RELEASE
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Q1, 2011 Financial and Operating Results
Operating Results and Construction on Plan

Earnings per share \$0.10; Cash Flow per share \$0.17
(all figures in United States dollars unless otherwise noted)

VANCOUVER, BC – Paul N. Wright, President and Chief Executive Officer of Eldorado Gold Corporation, (“Eldorado” the “Company” or “we”) is pleased to report on the Company's financial and operational results for the first quarter ended March 31, 2011. Eldorado reported net income attributable to shareholders of the Company of \$52.5 million for the period and generated \$91.7 million in cash from operating activities before changes in non-cash working capital.

“All of our mines performed in accordance with their operating plans in terms of production and operating costs to produce 148,577 ounces of gold at a cash operating cost of \$410 per ounce. During the quarter we also completed the Phase III expansion at Kisladag and a major overhaul of the primary crusher mainframe. Construction at Efemcukuru remains on schedule with first gold to be produced this quarter. With a strong start to the year, the Company retains its guidance of producing 715,000-770,000 ounces at cash operating cost of \$375-395/oz.” said Paul Wright, President and CEO of Eldorado Gold.

Q1 2011 Highlights

- Increased proven and probable gold reserves to 18.7 million ounces and measured and indicated resources to 22.9 million ounces
- Produced 148,577 ounces of gold at an average cash operating cost of \$410 per ounce (total cash cost \$462 per ounce)
- Sold 148,530 ounces of gold at an average realized price of \$1,397 per ounce
- Reported earnings of \$0.10 per share
- Generated \$91.7 million (\$0.17 per share) from operating activities before changes in non-cash working capital
- Paid dividend of \$0.05 to shareholders on record February 11, 2011

Financial Results

Eldorado's consolidated net income attributable to the shareholders of the Company for the first quarter of 2011 was \$52.5 million or \$0.10 per share compared to \$50.5 million or \$0.09 per share in the first quarter of 2010. The increase in profit for the period was the result of a higher gold price and a contributing profit from Vila Nova.

In the first quarter of the year, 148,530 ounces of gold were sold at an average price of \$1,397 per ounce compared to 163,446 ounces of gold at an average realized price of \$1,110 per ounce in the first quarter of 2010. In addition, 85,421 dry metric tonnes of iron ore were sold at an average price of \$124 per dry metric tonne.

Operating Performance

Kisladag

During the quarter, 2,341,635 tonnes of ore were placed on the leach pad at an average grade of 1.04 grams of gold per tonne. We produced 50,833 ounces of gold at a cash operating cost of \$386 per ounce, compared to record production of 82,240 ounces of gold at a cash operating cost of \$304 per ounce in the first quarter of 2010. Production was lower than the first quarter of 2010 in part due to the planned major overhaul of the primary crusher mainframe and integrating the Phase III expansion.

Tanjianshan("TJS")

TJS produced 28,493 ounces of gold at a cash operating cost of \$402 per ounce in Q1 2011, as compared to 25,423 ounces at a cash operating cost of \$420 per ounce in Q1 2010. Additional roaster feed provided by Qinglongtan concentrate has helped TJS to increase gold production while processing lower grade ore.

Jinfeng

The operation processed 384,400 tonnes of ore at a grade of 4.32 grams of gold per tonne and produced 48,564 ounces of gold at a cash operating cost of \$430 per ounce. Strip ratio fell at Jinfeng to 1.61:1 this quarter as a result of the planned mining at the bottom of the open pit during the quarter.

White Mountain

At our White Mountain mine, we processed 140,211 tonnes of ore at a grade of 5.70 grams of gold per tonne and produced 20,687 ounces of gold at a cash operating cost of \$438 per ounce. White Mountain achieved record production during the quarter was due to higher grade and improved recoveries.

Vila Nova

In the quarter, 138,114 tonnes of run-of-mine iron ore were mined. Two shipments, one of lump ore and another of sinter fines, totalling 85,421 dry metric tonnes were made during the quarter. Both of these shipments were sold into the Chinese spot market at prices averaging \$124 per dry metric tonne delivered to the Santana Port in Brazil. Total cash cost (including royalties, production taxes and shipping costs) were approximately \$53 per tonne.

Development

Efemcukuru

Dry commissioning of the concentrator plant continued during the quarter. The majority of the circuit was tested with the exception of the gold room which was reaching the final stages of completion. The high voltage power supply was tied into the plant in April. Wet commissioning of the plant is projected to take place in the second quarter. The remaining construction activity at site has focused on completion of the filtration and backfill plants. All mechanical equipment has been installed. Piping and electrical installations have been ongoing.

Underground development continued on schedule with approximately 3,000 meters of development completed by the end of the quarter representing approximately 70% of the contract value. A portable crusher is on site to provide temporary crushing capacity of ore production during the commissioning of

the plant until the underground crusher installation has been completed, which is projected to be in the third quarter of 2011.

Eastern Dragon

During the quarter construction continued at the Eastern Dragon Project despite extreme weather conditions. We successfully advanced the winter works program schedule safely and efficiently through this difficult period. Currently we are focused on the civil and structural installations.

Perama Hill

The Ministry of Environment continues to review our Preliminary Environmental Impact Assessment. As part of our ongoing efforts to work with various levels of government and other stakeholders in regards to educating and providing a better understanding of best practises in modern gold mining, specifically in the European Union, arrangements were made to take stakeholders to visit mining operations in Finland. We continue our efforts with government officials to advance the permitting process and answer any questions they may have regarding the benefits the Perama Hill project can bring to Greece.

Tocantinzinho ("TZ")

Subsequent to the end of the quarter, the Company released a Positive Technical Study ("Study") on the 100% owned Tocantinzinho Gold Project located in Para state in Central Brazil. The Study highlighted an 11-year open pit mine that will operate with a production rate of 4.4 million tonnes per year producing an average of 159,000 ounces of gold annually at a cash operating cost of \$559 per ounce. Initial capital investment will be \$383.5 million.

Exploration

Turkey

During the first quarter, exploration in Turkey focused on drilling at Sayacik and AS and on fieldwork related to target definition at several other early-stage prospects. Exploration drilling at the Kisladag and Efemcukuru mine areas will commence during the second quarter.

At Sayacik, the final drill holes of the 2010 program that targeted the remaining untested geophysical anomalies on the property were completed. Both drill holes intersected altered volcanoclastic and intrusive rock sequences, but had no significant mineralization. All assay results have been received from the 2010 drilling program and no further work is planned at this time.

At the AS deposit, two drill holes tested surface geochemical anomalies, completing the planned 2010 program. The low-grade Cu, Mo, and Au values obtained from the program do not support further exploration on the property at this time. We also completed reconnaissance fieldwork, including mapping and soil geochemistry surveys on the early-stage Dogancilar and Atalan projects this winter.

Brazil

During the first quarter at TZ we drilled 11 diamond drill holes (3,691 meters) to test exploration targets peripheral to the main deposit area. These targets were defined by a combination of surface soil geochemical anomalies, chargeability or resistivity anomalies and areas of known mineralization based on garimpero workings or surface gold occurrences. Several of the drill holes encountered granitoid units with similar lithologic, alteration, and mineralisation character to that found in the TZ deposit, although gold assay results received from the first few drill holes have been limited to narrow, low grade intercepts.

Soil sampling programs during the quarter were initiated to extend the area of coverage both along and peripheral to the TZ trend. In addition, grid-based augur drilling commenced within areas containing broad gold geochemical anomalies in soil to more closely define targets for diamond drilling.

At Agua Branca where we hold an option, fieldwork this quarter focused on soil geochemical sampling aimed at defining targets for diamond drilling in the second and third quarter of 2011.

China

During the quarter we focused our exploration on projects in the Guizhou region. Three drill holes totalling 331 meters were completed at the Banna and Weiruo prospects in Jinlue Exploration License.

At the Jinfeng mine, we completed 3,607 meters of underground drilling from the 310 level mainly devoted to infill of the mineralized zones along the F2, F3, and F7 faults. We also completed reverse circulation drilling in the Rongban portion of the deposit to better define the continuity and extent of mineralized zones. We made progress on a revised structural/lithologic model for the deposit, directed towards refining our knowledge of controls on gold distribution, defining new drill targets, and helping constrain future resource estimates.

In the White Mountain, Eastern Dragon and TJS areas, field activities were limited by winter conditions but plans for the 2011 program were completed during the quarter.

Eldorado is a gold producing, exploration and development company actively growing businesses in Turkey, China, Greece, Brazil. With our international expertise in mining, finance and project development, together with highly skilled and dedicated staff, we believe that our company is well positioned to grow in value as we create and pursue new opportunities.

ON BEHALF OF ELDORADO GOLD CORPORATION

“Paul N. Wright”

Paul N. Wright
President and Chief Executive Officer

Eldorado will host a conference call on Friday, May 6, 2011 to discuss the 2011 First Quarter Financial and Operating Results at 11:30 a.m. EDT (8:30 a.m. PDT). You may participate in the conference call by dialling 416-340-8527 in Toronto or 1-877-440-9795 toll free in North America and asking for the Eldorado Conference Call with Chairperson: Paul Wright, President and CEO of Eldorado Gold. The call will be available on Eldorado's website. www.eldoradoqgold.com. A replay of the call will be available until May 13, 2011 by dialling 905-694-9447 in Toronto or 1-800-408-3053 toll free in North America and entering the Pass code: 7200381.

Certain of the statements made herein may contain forward-looking statements or information within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information herein include, but are not limited to, the Company's Q1, 2011 Financial and Operating Results.

Forward-looking statements and forward-looking information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. We have made certain assumptions about the forward-looking statements and information and even though our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statement or information will prove to be accurate. Furthermore, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove

incorrect, actual results may vary materially from those described in forward-looking statements or information. These risks, uncertainties and other factors include, among others, the following: gold price volatility; discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries; mining operational and development risk; litigation risks; regulatory restrictions, including environmental regulatory restrictions and liability; risks of sovereign investment; currency fluctuations; speculative nature of gold exploration; global economic climate; dilution; share price volatility; competition; loss of key employees; additional funding requirements; and defective title to mineral claims or property, as well as those factors discussed in the sections entitled "Forward-Looking Statements" and "Risk Factors" in the Company's Annual Information Form & Form 40-F dated March 31, 2011

There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, you should not place undue reliance on the forward-looking statements or information contained herein. Except as required by law, we do not expect to update forward-looking statements and information continually as conditions change and you are referred to the full discussion of the Company's business contained in the Company's reports filed with the securities regulatory authorities in Canada and the U.S.

Eldorado Gold Corporation's common shares trade on the Toronto Stock Exchange (TSX: ELD) and the New York Stock Exchange (NYSE: EGO). Our Chess Depositary Interests trade on the Australian Securities Exchange (ASX: EAU).

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PRODUCTION HIGHLIGHTS

	First Quarter 2011	First Quarter 2010	Second Quarter 2010	Third Quarter 2010	Fourth Quarter 2010
<u>Gold Production</u>					
Ounces Sold	148,530	163,446	172,826	154,655	149,022
Ounces Produced	148,577	164,928	167,940	151,297	148,374
Cash Operating Cost (\$/oz) ^{1,3}	410	370	357	386	418
Total Cash Cost (\$/oz) ^{2,3}	462	397	410	431	460
Realized Price (\$/oz - sold)	1,397	1,110	1,195	1,231	1,373
<u>Kışladağ Mine, Turkey</u>					
Ounces Sold	50,832	83,974	69,197	66,113	59,741
Ounces Produced	50,833	82,240	70,451	62,086	59,815
Tonnes to Pad	2,341,635	2,898,199	2,686,284	2,767,179	2,021,057
Grade (grams / tonne)	1.04	1.12	1.12	0.98	1.00
Cash Operating Cost (\$/oz) ³	386	304	304	337	382
Total Cash Cost (\$/oz) ^{2,3}	408	307	345	359	354
<u>Tanjianshan Mine, China</u>					
Ounces Sold	28,493	18,947	38,261	28,847	30,710
Ounces Produced	28,493	25,423	28,884	28,847	30,710
Tonnes Milled	238,070	249,738	271,749	283,598	244,867
Grade (grams / tonne)	3.90	4.01	4.38	3.84	4.59
Cash Operating Cost (\$/oz) ³	402	420	387	391	349
Total Cash Cost (\$/oz) ^{2,3}	515	517	483	493	459
<u>Jinfeng Mine, China</u>					
Ounces Sold	48,518	49,674	48,623	45,447	38,282
Ounces Produced	48,564	45,615	52,659	46,116	37,560
Tonnes Milled	384,400	389,851	392,211	387,427	387,710
Grade (grams / tonne)	4.32	4.23	4.51	4.42	3.81
Cash Operating Cost (\$/oz) ³	430	422	381	425	486
Total Cash Cost (\$/oz) ^{2,3,4}	482	462	423	473	585
<u>White Mountain Mine, China</u>					
Ounces Sold	20,687	10,851	16,745	14,248	20,289
Ounces Produced	20,687	11,650	15,946	14,248	20,289
Tonnes Milled	140,211	130,643	167,981	154,125	169,669
Grade (grams / tonne)	5.71	4.09	3.78	4.01	4.06
Cash Operating Cost (\$/oz) ³	438	550	442	477	498
Total Cash Cost (\$/oz) ^{2,3}	475	589	474	507	536

¹ Cost figures calculated in accordance with the Gold Institute Standard.

² Cash Operating Costs, plus royalties and the cost of off-site administration.

³ Cash operating costs and total cash costs are non-GAAP measures. See the section "[Non-GAAP Measures](#)" of this Review.

Eldorado Gold Corporation

Unaudited Condensed Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	<i>Note</i>	March 31, 2011	December 31, 2010	January 1, 2010
ASSETS				
Current assets				
Cash and cash equivalents		294,116	314,344	265,369
Restricted cash	6	55,399	52,425	50,000
Marketable securities		6,864	8,027	13,951
Accounts receivable and other		34,123	42,437	26,434
Inventories		147,982	147,263	129,197
		<u>538,484</u>	<u>564,496</u>	<u>484,951</u>
Inventories		28,940	29,627	31,534
Investment in significantly influenced company	5	6,324	6,202	-
Deferred income tax assets		6,562	-	-
Restricted assets and other		19,741	19,328	13,759
Property, plant and equipment		2,742,579	2,699,787	2,527,567
Goodwill		365,928	365,928	324,935
		<u>3,708,558</u>	<u>3,685,368</u>	<u>3,382,746</u>
LIABILITIES & EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		148,490	145,695	153,036
Current debt	7	93,648	98,523	56,499
		<u>242,138</u>	<u>244,218</u>	<u>209,535</u>
Debt	7	63,596	68,140	134,533
Asset retirement obligations		33,632	33,228	26,995
Pension fund obligation		12,595	12,019	7,811
Deferred tax liabilities		329,537	330,512	355,425
		<u>681,498</u>	<u>688,117</u>	<u>734,299</u>
Equity				
Share capital	11	2,818,238	2,814,679	2,671,634
Treasury stock	12(b)	(5,870)	-	-
Contributed surplus		28,326	22,967	17,865
Accumulated other comprehensive income		(2,213)	(1,637)	2,227
Retained earnings (deficit)		149,953	125,221	(69,423)
Total equity attributable to shareholders of the Company		<u>2,988,434</u>	<u>2,961,230</u>	<u>2,622,303</u>
Attributable to non-controlling interests		<u>38,626</u>	<u>36,021</u>	<u>26,144</u>
		<u>3,027,060</u>	<u>2,997,251</u>	<u>2,648,447</u>
		<u>3,708,558</u>	<u>3,685,368</u>	<u>3,382,746</u>
Subsequent events	7(a)(d)			

Approved on behalf of the Board of Directors

(Signed) Robert Gilmore

Director

(Signed) Paul N. Wright

Director

See accompanying notes to consolidated financial statements.

Eldorado Gold Corporation

Unaudited Condensed Consolidated Income Statements

(Expressed in thousands of U.S. dollars)

For the quarter ended March 31	Note	2011	2010
Revenue			
Metal sales		218,073	181,479
Cost of sales			
Production costs		74,311	64,590
Depreciation and amortization		31,217	23,333
Total cost of sales		105,528	87,923
Gross profit		112,545	93,556
Exploration expenses		3,841	3,333
Mine standby costs		-	706
General and administrative expenses		21,034	10,418
Employee benefit expenses	8	423	211
Share based payments		7,352	6,947
Asset retirement obligation costs		366	513
Foreign exchange loss (gain)		647	(1,560)
Gain on disposal of assets		-	(1,506)
Operating profit		78,882	74,494
Gain on marketable securities		(635)	(1,112)
Other (income) expenses		(1,397)	(671)
Interest and financing costs		1,589	2,613
Profit before taxation		79,325	73,664
Income tax expense		20,625	20,356
Profit for the period		58,700	53,308
Attributable to:			
Shareholders of the Company		52,473	50,502
Non-controlling interests		6,227	2,806
Profit for the period		58,700	53,308
Weighted average number of shares outstanding			
Basic		548,320	538,009
Diluted		551,500	540,911
Earnings per share attributable to shareholders of the Company:			
Basic earnings per share		0.10	0.09
Diluted earnings per share		0.10	0.09

See accompanying notes to the consolidated financial statements.

Eldorado Gold Corporation

Unaudited Condensed Consolidated Statements of Comprehensive Income

(Expressed in thousands of U.S. dollars)

For the quarter ended March 31	2011	2010
Profit for the period	58,700	53,308
Other comprehensive income (loss):		
Change in fair value of available-for-sale financial assets (net of taxes of \$nil and \$106)	(414)	1,459
Realized losses on disposal of available-for-sale financial assets transferred to net income	(162)	-
Actuarial losses on defined benefit pension plans	-	-
Total other comprehensive (loss) income for the period	(576)	1,459
Total comprehensive income for the period	58,124	54,767
Attributable to:		
Shareholders of the Company	51,897	51,961
Non-controlling interests	6,227	2,806
Total comprehensive income for the period	58,124	54,767

Eldorado Gold Corporation

Unaudited Condensed Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

Attributable to shareholders of the Company									
	Note	Share capital	Treasury stock	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January 1, 2011	11	2,814,679	-	22,967	(1,637)	125,221	2,961,230	36,021	2,997,251
Total comprehensive (loss) income for the quarter		-	-	-	(576)	52,473	51,897	6,227	58,124
Dividends declared to Non-controlling interests		-	-	-	-	-	-	(3,622)	(3,622)
Purchase of treasury stock		-	(5,870)	-	-	-	(5,870)	-	(5,870)
Shares issued upon exercise of share options, for cash		2,080	-	-	-	-	2,080	-	2,080
Estimated initial fair value of employee options exercised		813	-	-	-	-	813	-	813
Shares issued upon exercise of warrants, for cash		666	-	-	-	-	666	-	666
Options exercised, credited to share capital		-	-	(813)	-	-	(813)	-	(813)
Share based payments		-	-	6,172	-	-	6,172	-	6,172
Dividend paid to shareholders of the Company		-	-	-	-	(27,741)	(27,741)	-	(27,741)
Balance at March 31, 2011		2,818,238	(5,870)	28,326	(2,213)	149,953	2,988,434	38,626	3,027,060

Attributable to shareholders of the Company								
	Note	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total	Non-controlling interests	Total equity
Balance at January 1, 2010		2,671,634	17,865	2,227	(69,423)	2,622,303	26,144	2,648,447
Total comprehensive income for the quarter		-	-	1,459	50,502	51,961	2,806	54,767
Dividends declared to Non-controlling interests		-	-	-	-	-	(1,286)	(1,286)
Shares issued upon exercise of share options, for cash		5,594	-	-	-	5,594	-	5,594
Estimated initial fair value of employee options exercised		1,981	-	-	-	1,981	-	1,981
Share based payments		-	6,947	-	-	6,947	-	6,947
Stock-based compensation on Brazauro warrants & options		-	-	-	-	-	-	-
Options exercised, credited to share capital		-	(1,981)	-	-	(1,981)	-	(1,981)
Balance at March 31, 2010		2,679,209	22,831	3,686	(18,921)	2,686,805	27,664	2,714,469

Eldorado Gold Corporation

Unaudited Condensed Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

For the quarter ended March 31	Note	2011	2010
Cash flows generated from (used in):			
Operating activities			
Profit for the period		58,700	53,308
Items not affecting cash			
Provisions for asset retirement obligations		366	513
Depreciation and amortization		31,217	23,333
Unrealized foreign exchange loss		1,733	-
Deferred tax recovery		(7,494)	(776)
Gain on disposal of assets		-	(1,506)
Gain on marketable securities		(635)	(1,112)
Share based payments		7,352	6,947
Employee benefit expense		423	211
		<u>91,662</u>	<u>80,918</u>
Changes in non-cash working capital	13	<u>18,719</u>	<u>(18,479)</u>
		110,381	62,439
Investing activities			
Purchase of mining interests and property, plant and		(78,338)	(47,300)
Proceeds from the sale of mining interests and property, plant and		17	2,266
Proceeds from the sale of marketable securities		938	692
Investment purchases		(1,318)	-
Increase in restricted cash		(3,000)	(2,121)
Increase in restricted asset and other		-	(2,512)
		<u>(81,701)</u>	<u>(48,975)</u>
Financing activities			
Issuance of common shares for cash		2,746	5,594
Dividend paid to non-controlling interests		(6,873)	(1,286)
Dividend paid to shareholders		(27,741)	-
Purchase of treasury stock		(5,870)	-
Long-term and bank debt proceeds		1,757	-
Long-term and bank debt repayments		(12,927)	-
		<u>(48,908)</u>	<u>4,308</u>
Net (decrease) increase in cash and cash equivalents		<u>(20,228)</u>	<u>17,772</u>
Cash and cash equivalents - beginning of period		<u>314,344</u>	<u>265,369</u>
Cash and cash equivalents - end of period		<u>294,116</u>	<u>283,141</u>

See accompanying notes to the unaudited consolidated financial statements.

[Click here for the Unaudited Consolidated Financial Statements for the quarter ended March 31, 2011 in PDF.](#)