

DryShips Inc.

4th Quarter Ended December 31, 2012
Earnings Presentation



NASDAQ: "DRYS"

March 7, 2013

Forward Looking Statements

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements reflect the Company's current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties, which have not been independently verified by the Company. Although DryShips Inc. believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, DryShips Inc. cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in DryShips Inc.'s operating expenses, including bunker prices, dry-docking and insurance costs, or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties that may affect our actual results are further described in reports filed by DryShips Inc. with the US Securities and Exchange Commission.

Information contained in this presentation (not limited to forward looking statements) speaks only as of the date of such information and the Company expressly disclaims any obligation to update or revise the information herein, except as required by law.



Agenda

Financial Highlights

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This presentation is primarily focused on our shipping segment's operations.

For additional information on our drilling segment, please refer to the Ocean Rig UDW Inc. 4th quarter presentation, available on www.ocean-rig.com



Consolidated¹ Q4 2012 Results

| <i>(in \$ million, except EPS)</i> | Q4 2012 | Q4 2012 EPS |
|---|---------------|---------------|
| GAAP Loss / EPS | (129.8) | (0.34) |
| Plus: 10-year class costs (Eirik Raude) | 43.9 | 0.12 |
| Plus: Loss on the sale of Esperona & Blanca | 41.3 | 0.11 |
| Adjusted Net Loss / EPS² | (59.9) | (0.15) |

| <i>(in \$ million)</i> | Q4 2012 | FY 2012 |
|---|---------|---------|
| Total Revenues | 282.9 | 1,210.1 |
| Adjusted EBITDA ³ | 109.5 | 500.5 |
| Net Cash Provided by Operating Activities | 23.8 | 237.5 |
| Repayment of Debt | 81.2 | 867.9 |

1) Consolidated includes operation of DryShips Inc. shipping segment and Ocean Rig UDW Inc.

2) The net result is adjusted for the minority interests of 35% not owned by DryShips Inc. common stockholders

3) Represents net income before interest, taxes, depreciation, drydocking and class survey costs, contract cancellations and amortization and gains or losses on interest rate swaps



Shipping Segment¹ Financial Summary

| <i>Shipping Segment</i> (in \$ million) | Q4 2012 | FY 2012 |
|---|---------|---------|
| Total Revenues | 53.1 | 268.2 |
| Adjusted EBITDA ⁽²⁾ | 9.5 | 104.2 |
| Net Cash used in Operating Activities | (37.0) | (27.9) |

| <i>Shipping Segment</i> | Q4 2012 | FY 2012 |
|---|----------|----------|
| Drybulk Segment Utilization | 100.0% | 99.8% |
| Tanker Segment Utilization | 100.0% | 100.0% |
| Drybulk Segment Time Charter Equivalent | \$10,547 | \$15,896 |
| Tanker Segment Time Charter Equivalent | \$10,062 | \$13,584 |

1) Showcases financial performance of shipping segment (drybulk and tanker segments) only

2) Represents net income before interest, taxes, depreciation and amortization, drydockings, contract cancellation fees and gains or losses on interest rate swaps



Shipping Operational Data for 2013

| Drybulk Segment | FY 2013 | |
|-----------------|--------------|---------------|
| | Spot Days | Calendar Days |
| Capesize Fleet | 917 | 4,873 |
| Panamax Fleet | 7,665 | 8,760 |
| Supramax Fleet | 730 | 730 |
| Total | 9,312 | 14,363 |

| Tanker Segment | FY 2013 | |
|----------------|--------------|---------------|
| | Spot Days | Calendar Days |
| Suezmax Fleet | 1,429 | 1,429 |
| Aframax Fleet | 2,167 | 2,167 |
| Total | 3,596 | 3,596 |

| | | |
|-----------------------|---------------|---------------|
| Total Shipping | 12,908 | 17,959 |
|-----------------------|---------------|---------------|

| TC Revenue (\$ million) | FY 2013 |
|-------------------------|--------------|
| Capesize Fleet | 102.7 |
| Panamax Fleet | 34.2 |
| Total TC Revenue | 136.9 |



Notes: FY 2013 Spot and Calendar days as of February 20th 2013



Drybulk Newbuilding Program

| <i>(in \$ thousands)</i> | <u>Expected Delivery</u> | <u>CIP</u> ¹ | <u>FY2013</u> | <u>FY2014</u> | <u>Remaining Capex</u> | <u>Total Capex</u> ¹ |
|--------------------------|--------------------------|-------------------------|----------------|----------------|------------------------|---------------------------------|
| VLOC #2 | 2013 | 21,810 | 46,290 | - | 46,290 | 68,100 |
| VLOC #3 | 2013 | 15,000 | 53,100 | - | 53,100 | 68,100 |
| VLOC #4 | 2013 | 11,880 | 47,520 | - | 47,520 | 59,400 |
| VLOC #5 | 2014 | 11,880 | - | 47,520 | 47,520 | 59,400 |
| Capesize #1 | 2013 | 13,542 | 40,622 | - | 40,622 | 54,164 |
| Capesize #2 | 2013 | 13,541 | 40,623 | - | 40,623 | 54,164 |
| Ice Class Panamax #1 | 2014 | 2,890 | 7,310 | 23,800 | 31,110 | 34,000 |
| Ice Class Panamax #2 | 2014 | 2,890 | 7,310 | 23,800 | 31,110 | 34,000 |
| Ice Class Panamax #3 | 2014 | 2,890 | 7,310 | 23,800 | 31,110 | 34,000 |
| Ice Class Panamax #4 | 2014 | 2,890 | 3,910 | 27,200 | 31,110 | 34,000 |
| Total | | 99,213 | 253,995 | 146,120 | 400,115 | 499,328 |

Optimization of newbuilding program still top priority

1) CIP and Capex as of 12/31/2012



Tanker Newbuilding Program

- Newbuilding tankers delivered in January 2013
- Yard delivery payments financed with \$10.9 million of equity and \$100.9 million of debt

| <i>(in \$ thousands)</i> | <u>Expected Delivery</u> | <u>CIP</u> ¹ | <u>Q1 2013</u> | <u>FY2013</u> | <u>Total Capex</u> ¹ |
|--------------------------|--------------------------|-------------------------|----------------|----------------|---------------------------------|
| Alicante | Jan-13 | 27,850 | 30,900 | 30,900 | 58,750 |
| Mareta | Jan-13 | 22,850 | 35,900 | 35,900 | 58,750 |
| Bordeira | Jan-13 | 24,750 | 45,000 | 45,000 | 69,750 |
| Total | | 75,450 | 111,800 | 111,800 | 187,250 |

Korean Yards & Banks: Proactive & Supporting

1) CIP and remaining Capex as of 12/31/2012; vessels delivered to DRYS in January 2013



Secured Debt Profile

Drybulk Debt Outstanding as of 31/12/12

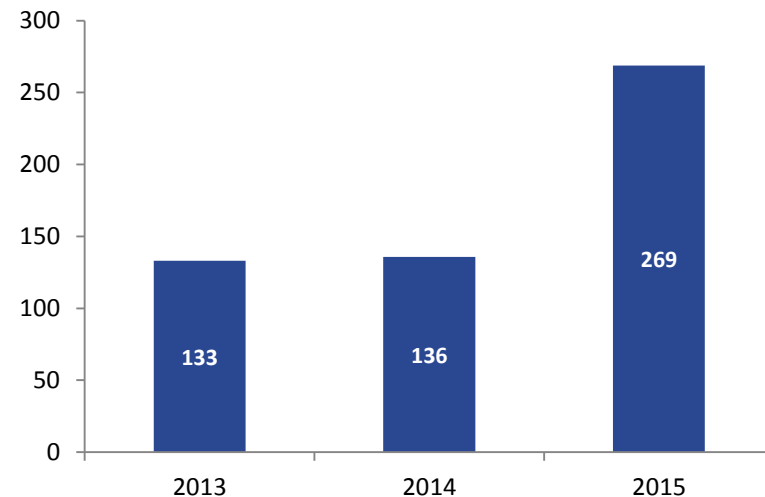
| Facility | Amortizing | Balloon | Total | Maturity |
|--------------------------------|--------------|--------------|--------------|----------|
| \$628.8m facility | 159.6 | 112.0 | 271.6 | Q2 2016 |
| \$35m facility | 6.5 | 11.0 | 17.5 | Q4 2016 |
| \$125m facility | 20.6 | 6.9 | 27.5 | Q2 2016 |
| \$90m facility | 8.5 | 48.5 | 57.0 | Q4 2015 |
| \$130m facility | 5.3 | 27.6 | 32.9 | Q1 2015 |
| \$126.4m facility | 60.9 | 2.9 | 63.8 | Q3 2018 |
| \$47m facility | 6.0 | 12.0 | 18.0 | Q4 2015 |
| \$90m facility | 18.0 | 24.0 | 42.0 | Q4 2015 |
| \$103.2m facility | 11.3 | 16.0 | 27.3 | Q3 2016 |
| \$325m facility | 79.6 | 23.5 | 103.1 | Q4 2015 |
| \$87.7m facility | 8.7 | 9.5 | 18.2 | Q1 2020 |
| \$122.6m facility | 37.6 | 0.0 | 37.6 | Q3 2024 |
| Total Drybulk bank debt | 422.6 | 293.9 | 716.5 | |

Tankers Debt Outstanding as of 31/12/12 pro forma for financing of newbuildings

| Facility | Amortizing | Balloon | Total | Maturity |
|--------------------------------|--------------|----------------|----------------|----------|
| \$70m facility | 15.2 | 46.7 | 61.9 | Q1 2016 |
| \$32.3m facility | 9.7 | 19.4 | 29.1 | Q2 2017 |
| \$141.35m facility | 68.6 | 65.5 | 134.1 | Q2 2019 |
| \$107.67m facility | 50.4 | 50.4 | 100.8 | Q1 2019 |
| Total Tankers bank debt | 143.9 | 182.0 | 325.9 | |
| \$700m Convertible Bond | 0.0 | 700.0 | 700.0 | Q4 2014 |
| Total Debt | 566.5 | 1,175.9 | 1,742.4 | |

Scheduled Debt Amortization

in USD million



| | 2013 Debt Amortization (\$mIn) | 2013 Daily Debt Amortization per Vessel |
|--------------------|--------------------------------|---|
| Drybulk Segment | 111 | \$7,748 |
| Tanker Segment | 22 | \$6,080 |
| Total Fleet | 133 | \$7,415 |



Shipping Segment Surplus Value (31/12/12)

| FMV of Assets (in \$ million) | | Liabilities (in \$ million) | |
|---------------------------------|----------------|-----------------------------|----------------|
| Cash ⁽¹⁾ | 202.7 | Shipping Bank Debt | 932.3 |
| Restricted Cash | 130.8 | Convertible Bond | 700.0 |
| Ocean Rig Shares ⁽²⁾ | 1,174.5 | MtM Liability on IRS | 71.3 |
| Fleet Market Value | 1,001.0 | | |
| Total | 2,509.0 | Total | 1,703.6 |

| ORIG Shares Held by DRYS (in million) | | |
|---|-------------|---------------|
| (1) Pledged to lending syndicate | 7.8 | 10.0% |
| (2) To be pledged to lender | 7.6 | 9.7% |
| (3) To be pledged under seller's credit | 1.6 | 2.0% |
| (4) Other unpledged | 61.3 | 78.3% |
| Total ORIG shares | 78.3 | 100.0% |

(1) Proforma for net sale proceeds of \$123.2 million as a result of secondary sale of 7.5 million ORIG shares in February 2013

(2) ORIG common shares held by DRYS of 78.3 (proforma for the ORIG shares sale) at share price of \$15.00



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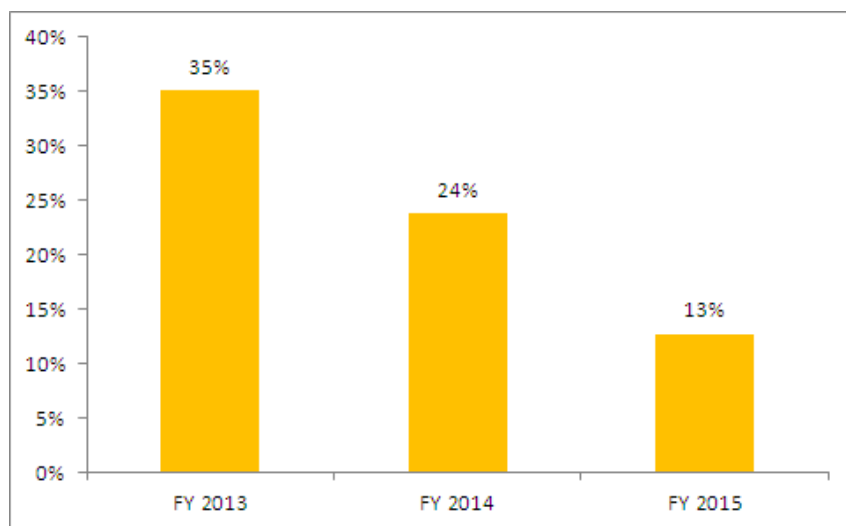
Recent Highlights

- Ocean Rig signed definitive documentation for the \$1.35 billion syndicated senior secured term loan facility.
- Ocean Rig signed a Letter of Award for a three year drilling contract with a major oil company for drilling in offshore West Africa for the Ocean Rig Apollo or similar vessel. We expect to commence drilling operations in the first quarter of 2015.
- Ocean Rig entered into a contract with Lukoil for drilling offshore West Africa for the Eirik Raude. We expect to commence drilling operations in the second half of 2013.
- Ocean Rig entered into a contract with Exxonmobil for drilling offshore Ireland for the Eirik Raude. The contract commenced on March 3, 2013.
- We sold two tankers, the Esperona and Blanca, to an unrelated third party.
- We reached an agreement with the lender under our \$90 million and \$130 million senior secured credit facilities dated October 5, 2007 and March 13, as 2008, as amended respectively, to waive the VMC shortfalls among other things. We expect to pledge 7.6 million Ocean Rig shares as security under this agreement.
- We reached an agreement with a Far East shipyard for a \$12.5 million seller's credit. We expect to pledge 1.6 million Ocean Rig shares as security under this agreement.

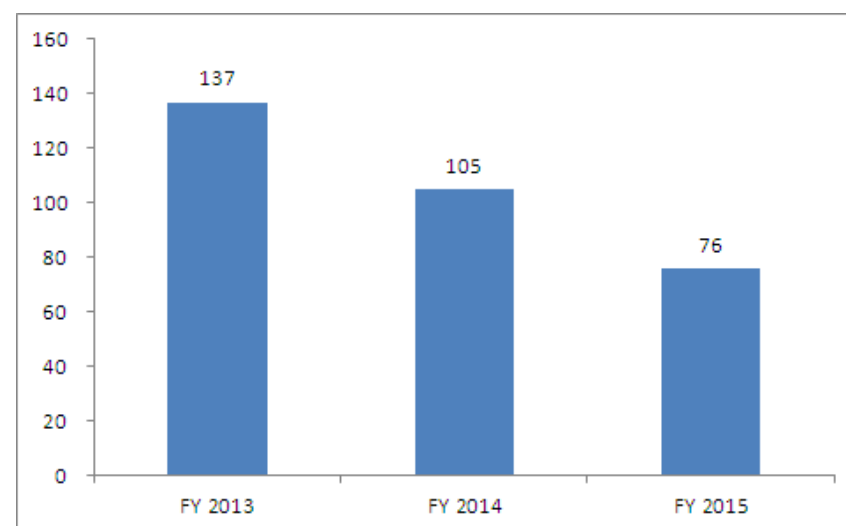


Drybulk Employment Status¹

% Charter coverage



Drybulk gross fixed revenue (\$m)



Average daily fixed rate

\$27,102

\$27,543

\$35,449

➤ **Total contracted backlog through 2015 is approximately \$318 million**

¹ As of December 31st 2012



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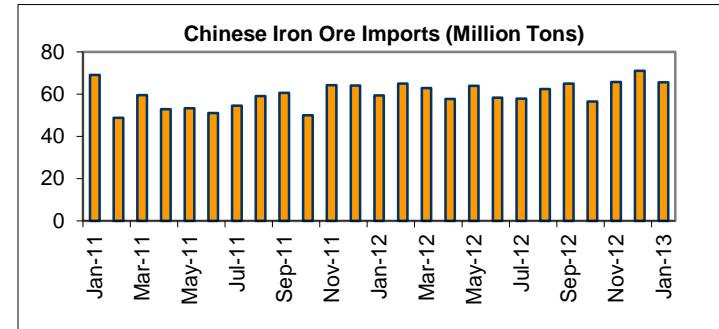
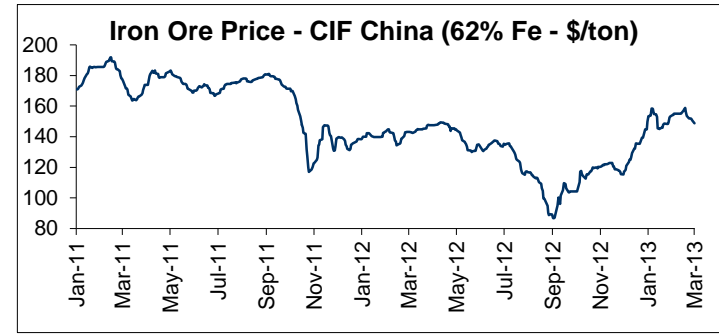
Q&A



Robust dry demand, or are we entering a soft patch?

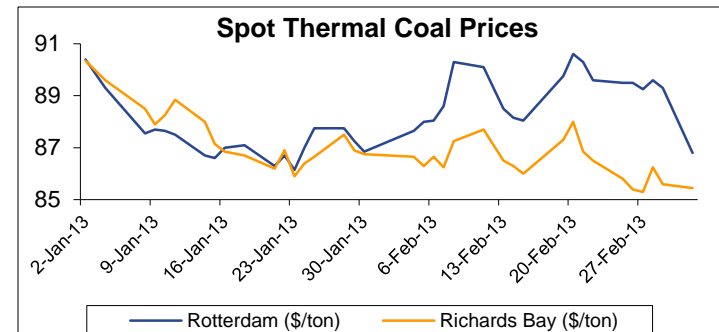
Iron Ore:

- Iron Ore prices seem to have topped out for now.
- Chinese officials committed to cool down the real estate market.
- Chinese PMI for January shows a slower expansion rate than Dec 2012.
- Bearish interpretation in terms of iron ore demand?

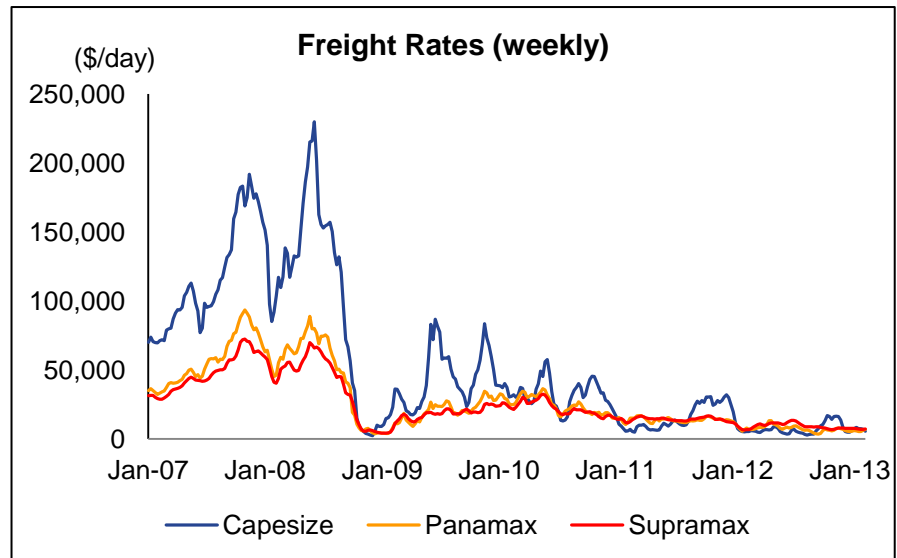
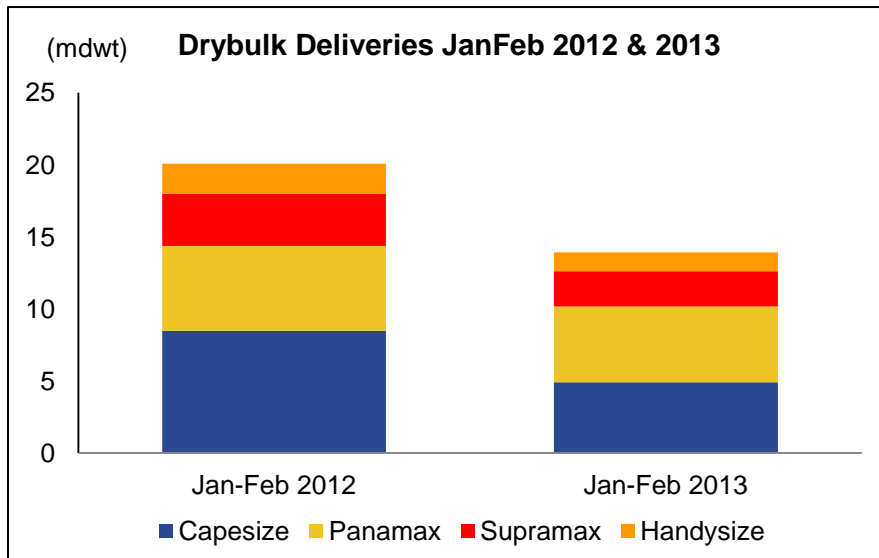
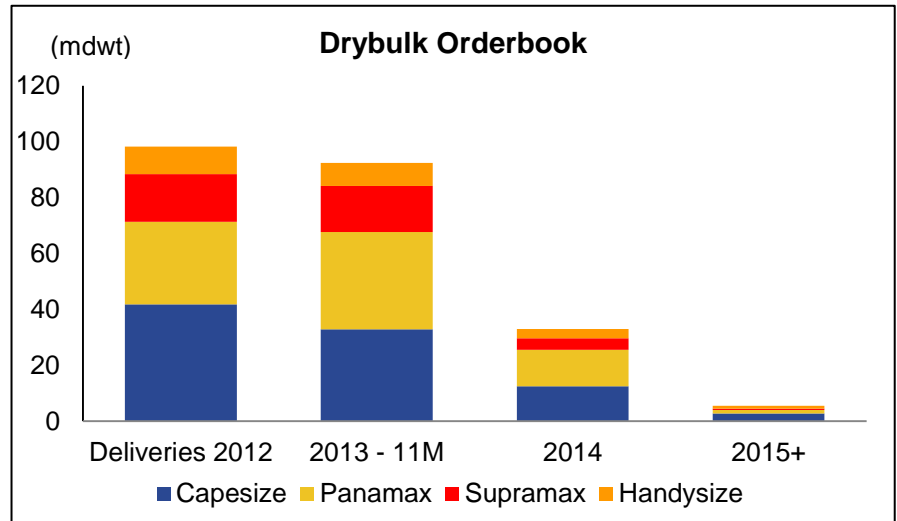
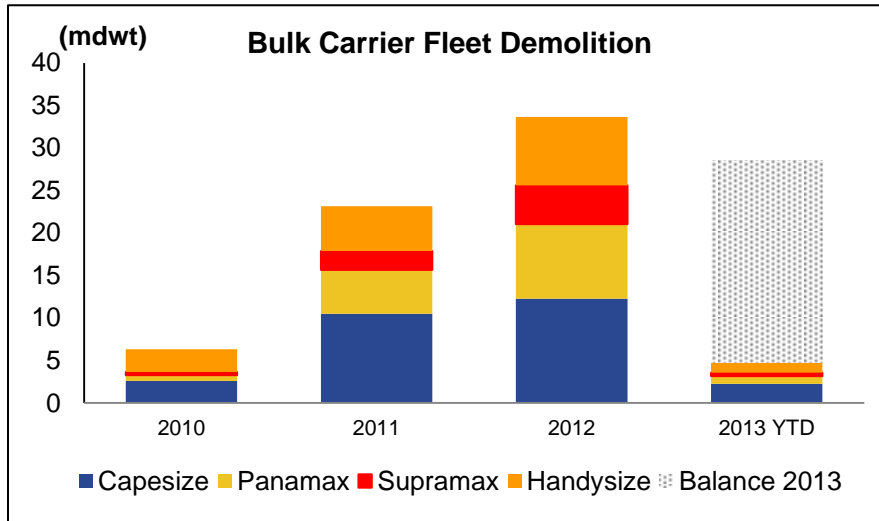


Thermal Coal:

- Colombian coal exports account for about 29% of European Imports.
- Since February 7th Colombian Miners have been on strike resulting in the halt of exports.
- Coal prices in Europe and S. Africa have not significantly reacted to this event.
- Bearish interpretation in terms of thermal coal demand?



Increasing Drybulk Fleet still a supply concern



Source: Clarksons

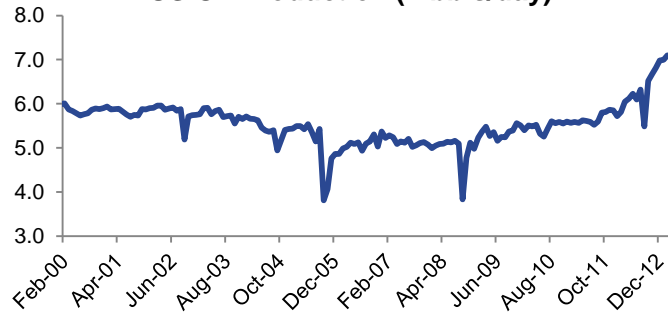


Consumers Digging for their own Oil

USA

- In Feb 2013 production reached about 7 mbbls/day
- Highest production rate since 2000
- Feb 2013 production increased 22% y-o-y
- In Feb 2013 oil imports declined 13% y-o-y

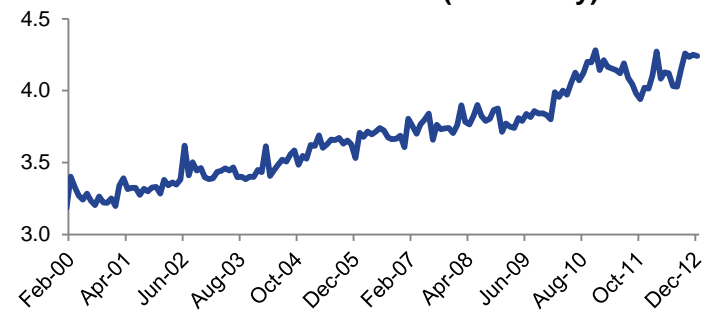
US Oil Production (mbbls/day)



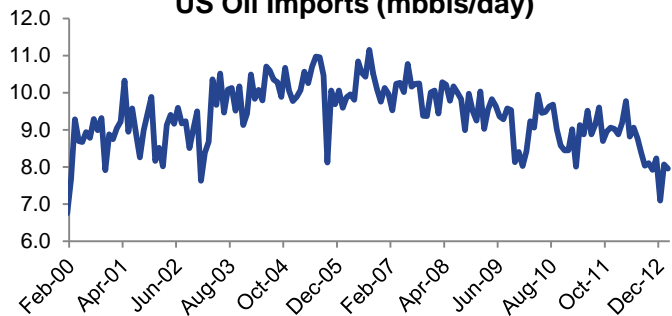
CHINA

- In Dec 2012 production was 4.2 mbbls/day
- Dec 2012's oil production increase was 6% y-o-y

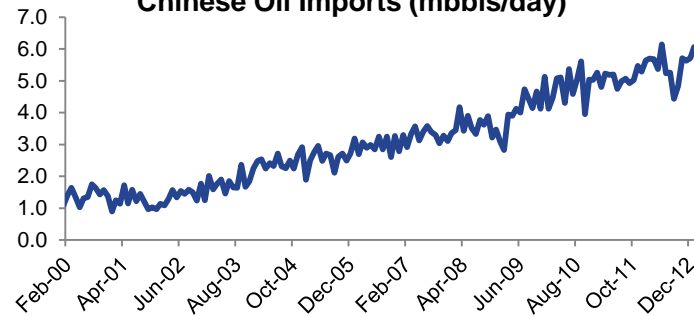
Chinese Oil Production (mbbls/day)



US Oil Imports (mbbls/day)



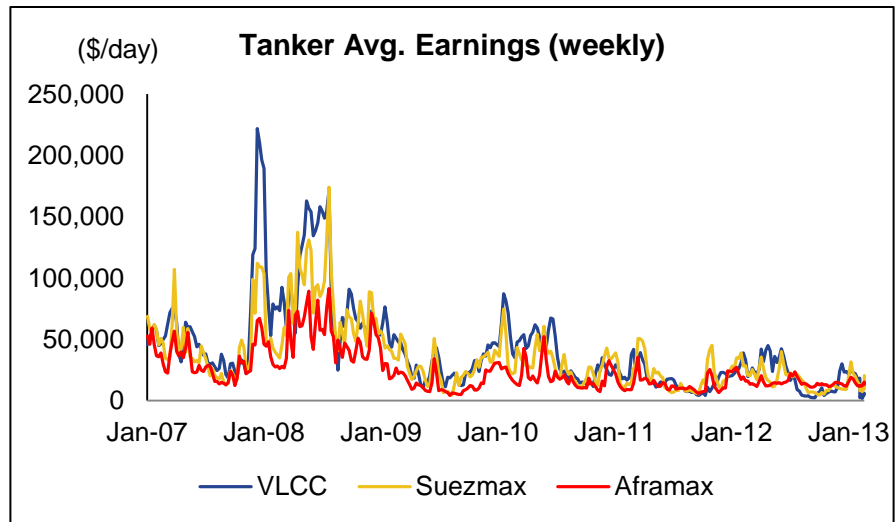
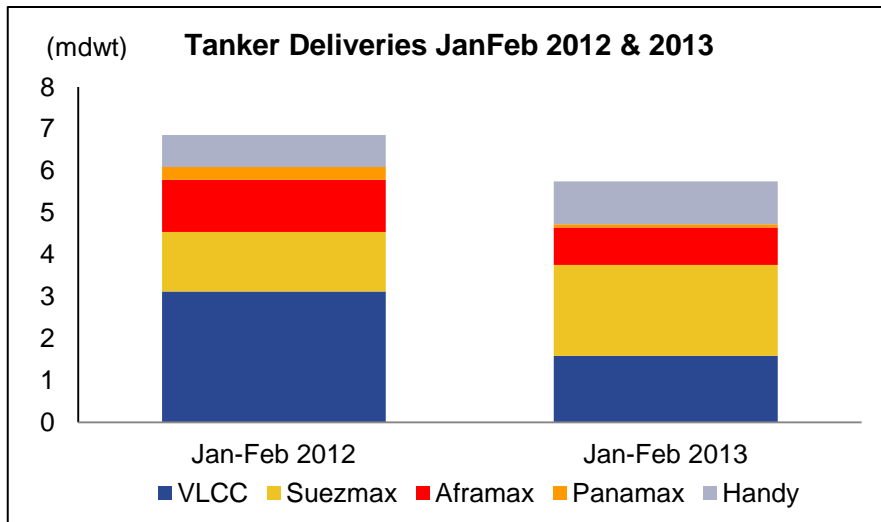
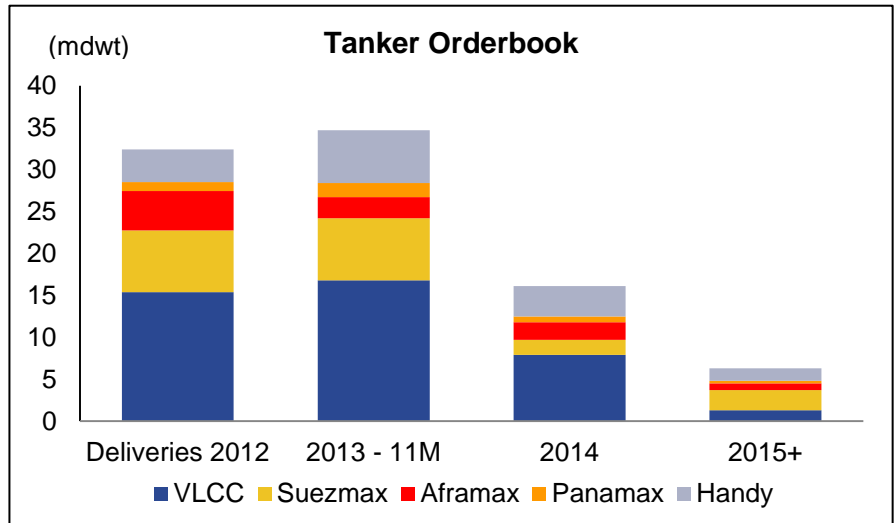
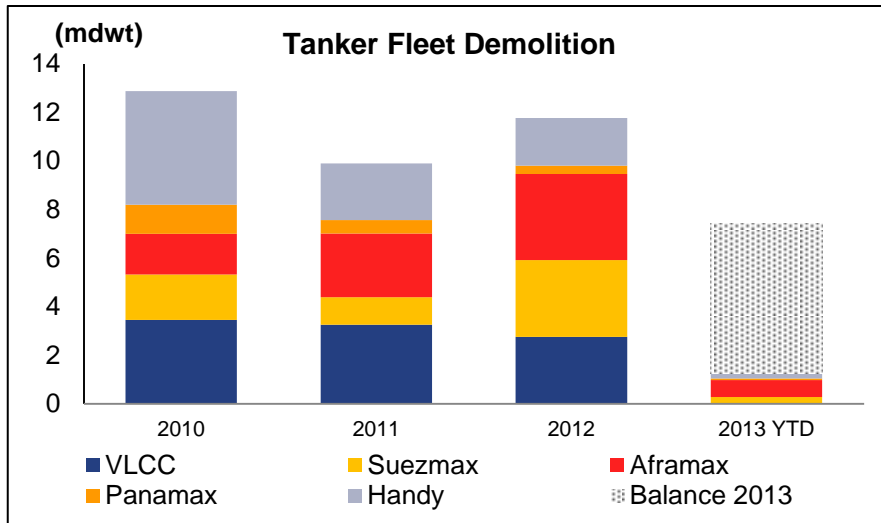
Chinese Oil Imports (mbbls/day)



Source: Bloomberg



Tanker Fleet growth still a supply concern



Source: Clarksons



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Closing Remarks

- **Dryships is a pure shipping company with spot market exposure and a shareholding in Ocean Rig. Dryships has no access to Ocean Rig's capital. The latter is completely ring fenced from Dryships**
- **Drybulk segment**
 - **Modern fleet – average age 6.3 years, but vessel values at historic lows**
 - **Charter coverage – 35% in 2013, charter rates expected to remain weak**
 - **Newbuild program –significant capex requirements, challenging bank financing**
- **Tanker segment**
 - **Brand new fleet**
 - **Employment – spot employment, charter rates expected to remain weak**
 - **Newbuild program – completed in January 2013**
- **Shareholding**
 - **Ocean Rig undervalued – stock trading at a significant discount to its peers**

Significant cash gap, but smaller than market believes...



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APPENDIX



Fleet Profile (Shipping Segment)

| | Year | DWT | Type | Gross rate | Redelivery | | | Year | DWT | Type | Gross rate | Redelivery | |
|-----------------------------|-------|---------|----------|------------|------------|---------|--|-------|---------|----------|------------|------------|--------|
| | Built | | | Per day | Earliest | Latest | | Built | | | Per day | Earliest | Latest |
| <u>Drybulk fleet</u> | | | | | | | | | | | | | |
| Capesize: | | | | | | | | | | | | | |
| Fakarava | 2012 | 206,000 | Capesize | \$25,000 | Sept-15 | Sept-20 | | | | | | | |
| Mystic | 2008 | 170,040 | Capesize | \$52,310 | Aug-18 | Dec-18 | | | | | | | |
| Robusto | 2006 | 173,949 | Capesize | \$26,000 | Aug-14 | Apr-18 | | | | | | | |
| Cohiba | 2006 | 174,234 | Capesize | \$26,250 | Oct-14 | Jun-19 | | | | | | | |
| Montecristo | 2005 | 180,263 | Capesize | \$23,500 | May-14 | Feb-19 | | | | | | | |
| Flecha | 2004 | 170,012 | Capesize | \$55,000 | Jul-18 | Nov-18 | | | | | | | |
| Manasota | 2004 | 171,061 | Capesize | \$30,000 | Jan-18 | Aug-18 | | | | | | | |
| Partagas | 2004 | 173,880 | Capesize | \$10,000 | Jun-13 | Aug-13 | | | | | | | |
| Alameda | 2001 | 170,662 | Capesize | \$27,500 | Nov-15 | Jan-16 | | | | | | | |
| Capri | 2001 | 172,579 | Capesize | \$10,000 | Nov-13 | Mar-14 | | | | | | | |
| Panamax: | | | | | | | | | | | | | |
| Raraka | 2012 | 76,037 | Panamax | \$7,500 | Jan-15 | Mar-15 | | | | | | | |
| Woolloomooloo | 2012 | 76,064 | Panamax | \$7,500 | Dec-14 | Feb-15 | | | | | | | |
| Amalfi | 2009 | 75,206 | Panamax | \$39,750 | Jul-13 | Sep-13 | | | | | | | |
| Rapallo | 2009 | 75,123 | Panamax | Spot | N/A | N/A | | | | | | | |
| Catalina | 2005 | 74,432 | Panamax | \$40,000 | Jun-13 | Aug-13 | | | | | | | |
| Majorca | 2005 | 74,477 | Panamax | Spot | N/A | N/A | | | | | | | |
| Ligari | 2004 | 75,583 | Panamax | Spot | N/A | N/A | | | | | | | |
| Saldanha | 2004 | 75,707 | Panamax | Spot | N/A | N/A | | | | | | | |
| Sorrento | 2004 | 76,633 | Panamax | \$24,500 | Aug-21 | Dec-21 | | | | | | | |
| Mendocino | 2002 | 76,623 | Panamax | Spot | N/A | N/A | | | | | | | |
| Bargara | 2002 | 74,832 | Panamax | Spot | N/A | N/A | | | | | | | |
| Oregon | 2002 | 74,204 | Panamax | \$9,650 | Sept-13 | Nov-13 | | | | | | | |
| Ecola | 2001 | 73,931 | Panamax | Spot | N/A | N/A | | | | | | | |
| Samatan | 2001 | 74,823 | Panamax | Spot | N/A | N/A | | | | | | | |
| Sonoma | 2001 | 74,786 | Panamax | Spot | N/A | N/A | | | | | | | |
| Capitola | 2001 | 74,816 | Panamax | Spot | N/A | N/A | | | | | | | |
| Levanto | 2001 | 73,925 | Panamax | Spot | N/A | N/A | | | | | | | |
| Maganari | 2001 | 75,941 | Panamax | Spot | N/A | N/A | | | | | | | |
| Coronado | 2000 | 75,706 | Panamax | Spot | N/A | N/A | | | | | | | |
| Marbella | 2000 | 72,561 | Panamax | Spot | N/A | N/A | | | | | | | |
| Redondo | 2000 | 74,716 | Panamax | \$9,250 | Sept-13 | Nov-13 | | | | | | | |
| Topeka | 2000 | 74,716 | Panamax | Spot | N/A | N/A | | | | | | | |
| Ocean Crystal | 1999 | 73,688 | Panamax | Spot | N/A | N/A | | | | | | | |
| Helena | 1999 | 73,744 | Panamax | Spot | N/A | N/A | | | | | | | |
| Supramax: | | | | | | | | | | | | | |
| Byron | 2003 | 51,118 | Supramax | Spot | N/A | N/A | | | | | | | |
| Galveston | 2002 | 51,201 | Supramax | Spot | N/A | N/A | | | | | | | |
| Newbuildings | | | | | | | | | | | | | |
| Capesize: | | | | | | | | | | | | | |
| | | | | | | | | 2014 | 206,000 | Capesize | Spot | N/A | N/A |
| | | | | | | | | 2013 | 206,000 | Capesize | Spot | N/A | N/A |
| | | | | | | | | 2013 | 206,000 | Capesize | Spot | N/A | N/A |
| | | | | | | | | 2013 | 206,000 | Capesize | Spot | N/A | N/A |
| | | | | | | | | 2013 | 176,000 | Capesize | Spot | N/A | N/A |
| | | | | | | | | 2013 | 176,000 | Capesize | Spot | N/A | N/A |
| Panamax: | | | | | | | | | | | | | |
| | | | | | | | | 2014 | 75,900 | Panamax | Spot | N/A | N/A |
| | | | | | | | | 2014 | 75,900 | Panamax | Spot | N/A | N/A |
| | | | | | | | | 2014 | 75,900 | Panamax | Spot | N/A | N/A |
| | | | | | | | | 2014 | 75,900 | Panamax | Spot | N/A | N/A |
| Tanker fleet | | | | | | | | | | | | | |
| Suezmax: | | | | | | | | | | | | | |
| Bordeira | 2013 | 158,300 | Suezmax | Spot | | | | | | | | N/A | N/A |
| Petalidi | 2012 | 158,300 | Suezmax | Spot | | | | | | | | N/A | N/A |
| Lipari | 2012 | 158,300 | Suezmax | Spot | | | | | | | | N/A | N/A |
| Vilamoura | 2011 | 158,300 | Suezmax | Spot | | | | | | | | N/A | N/A |
| Aframax: | | | | | | | | | | | | | |
| Alicante | 2013 | 115,200 | Aframax | Spot | | | | | | | | N/A | N/A |
| Mareta | 2013 | 115,200 | Aframax | Spot | | | | | | | | N/A | N/A |
| Calida | 2012 | 115,200 | Aframax | Spot | | | | | | | | N/A | N/A |
| Saga | 2011 | 115,200 | Aframax | Spot | | | | | | | | N/A | N/A |
| Daytona | 2011 | 115,200 | Aframax | Spot | | | | | | | | N/A | N/A |
| Belmar | 2011 | 115,200 | Aframax | Spot | | | | | | | | N/A | N/A |



Unaudited Condensed Consolidated Statements of Operations

(Expressed in Thousands of U.S. Dollars
except for share and per share data)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|------------------------------------|------------------|----------------------------|------------------|
| | 2011 | 2012 | 2011 | 2012 |
| REVENUES: | | | | |
| Voyage revenues | \$ 90,524 | \$ 53,115 | \$ 378,013 | \$ 268,236 |
| Revenues from drilling contracts | 237,658 | 229,751 | 699,649 | 941,903 |
| | <u>328,182</u> | <u>282,866</u> | <u>1,077,662</u> | <u>1,210,139</u> |
| EXPENSES: | | | | |
| Voyage expenses | 5,240 | 11,702 | 20,573 | 30,012 |
| Vessel operating expenses | 26,517 | 21,337 | 91,289 | 86,139 |
| Drilling rigs operating expenses | 93,056 | 173,092 | 281,833 | 563,583 |
| Depreciation and amortization | 82,280 | 84,843 | 274,281 | 335,458 |
| Vessel impairments and other, net | 27,142 | 41,517 | 116,779 | 42,518 |
| General and administrative expenses | 36,660 | 39,460 | 123,247 | 145,935 |
| Legal settlements and other | - | (5,912) | - | (9,360) |
| | <u>57,287</u> | <u>(83,173)</u> | <u>169,660</u> | <u>15,854</u> |
| Operating income/(loss) | | | | |
| OTHER INCOME / (EXPENSES): | | | | |
| Interest and finance costs, net of interest income | (48,181) | (53,456) | (129,598) | (205,925) |
| Gain/(loss) on interest rate swaps | 2,298 | (4,582) | (68,943) | (54,073) |
| Other, net | 1,441 | (1,891) | 9,023 | (492) |
| Income taxes | (9,872) | (11,354) | (27,428) | (43,957) |
| | <u>(54,314)</u> | <u>(71,283)</u> | <u>(216,946)</u> | <u>(304,447)</u> |
| | <u>2,973</u> | <u>(154,456)</u> | <u>(47,286)</u> | <u>(288,593)</u> |
| Net income/(loss) | | | | |
| Net income/(loss) attributable to Non controlling interests | (9,193) | 24,608 | (22,842) | 41,815 |
| | <u>(6,220)</u> | <u>(129,848)</u> | <u>(70,128)</u> | <u>(246,778)</u> |
| Net loss attributable to Dryships Inc. | | | | |
| Loss per common share, basic and diluted | \$ (0.02) | \$ (0.34) | \$ (0.21) | \$ (0.65) |
| Weighted average number of shares, basic and diluted | 375,495,260 | 380,179,472 | 355,144,764 | 380,159,088 |



Unaudited Condensed Consolidated Balance Sheets

(Expressed in Thousands of U.S. Dollars)

| | <u>December 31, 2011</u> | <u>December 31, 2012</u> |
|---|--------------------------------|--------------------------------|
| <u>ASSETS</u> | | |
| Cash and restricted cash (current and non-current) | \$ 656,709 | \$ 720,458 |
| Other current assets | 246,169 | 338,446 |
| Advances for vessels and rigs under construction and acquisitions | 1,027,889 | 1,201,807 |
| Vessels, net | 1,956,270 | 2,059,570 |
| Drilling rigs, drillships, machinery and equipment, net | 4,587,916 | 4,446,730 |
| Other non-current assets | <u>146,736</u> | <u>111,480</u> |
| Total assets | <u><u>8,621,689</u></u> | <u><u>8,878,491</u></u> |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| Total debt | 4,241,835 | 4,386,715 |
| Total other liabilities | 441,192 | 623,757 |
| Total stockholders' equity | <u>3,938,662</u> | <u>3,868,019</u> |
| Total liabilities and stockholders' equity | <u><u>8,621,689</u></u> | <u><u>8,878,491</u></u> |



Summary Operating Data

(Dollars in thousands, except average daily results)

| Drybulk | Three Months Ended December 31, | | Year Ended December 31, | |
|--|------------------------------------|----------|----------------------------|----------|
| | 2011 | 2012 | 2011 | 2012 |
| Average number of vessels ⁽¹⁾ | 36.1 | 36 | 35.8 | 35.7 |
| Total voyage days for vessels ⁽²⁾ | 3,226 | 3,312 | 12,831 | 13,027 |
| Total calendar days for vessels ⁽³⁾ | 3,325 | 3,312 | 13,068 | 13,056 |
| Fleet utilization ⁽⁴⁾ | 97.0% | 100.0% | 98.2% | 99.8% |
| Time charter equivalent ⁽⁵⁾ | \$25,306 | \$10,547 | \$26,912 | \$15,896 |
| Vessel operating expenses (daily) ⁽⁶⁾ | \$7,007 | \$5,124 | \$6,271 | \$5,334 |

| Tanker | Three Months Ended December 31, | | Year Ended December 31, | |
|--|------------------------------------|----------|----------------------------|----------|
| | 2011 | 2012 | 2011 | 2012 |
| Average number of vessels ⁽¹⁾ | 3.9 | 7.0 | 2.6 | 6.3 |
| Total voyage days for vessels ⁽²⁾ | 362 | 644 | 963 | 2,293 |
| Total calendar days for vessels ⁽³⁾ | 362 | 644 | 963 | 2,293 |
| Fleet utilization ⁽⁴⁾ | 100.0% | 100.0% | 100.0% | 100.0% |
| Time charter equivalent ⁽⁵⁾ | \$10,077 | \$10,062 | \$12,592 | \$13,584 |
| Vessel operating expenses (daily) ⁽⁶⁾ | \$8,895 | \$6,781 | \$9,701 | \$7,195 |

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our fleet during the period divided by the number of calendar days in that period.

(2) Total voyage days for fleet are the total days the vessels were in our possession for the relevant period net of dry-docking days.

(3) Calendar days are the total number of days the vessels were in our possession for the relevant period including dry-docking days.

(4) Fleet utilization is the percentage of time that our vessels were available for revenue generating voyage days, and is determined by dividing voyage days by fleet calendar days for the relevant period.

(5) Time charter equivalent, or TCE, is a measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE is consistent with industry standards and is determined by dividing voyage revenues (net of voyage expenses) by voyage days for the relevant time period. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as commissions. TCE revenues, a non-U.S. GAAP measure, provides additional meaningful information in conjunction with revenues from our vessels, the most directly comparable U.S. GAAP measure, because it assists our management in making decisions regarding the deployment and use of its vessels and in evaluating their financial performance. TCE is also a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods. Please see below for a reconciliation of TCE rates to voyage revenues.

(6) Daily vessel operating expenses, which includes crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs is calculated by dividing vessel operating expenses by fleet calendar days for the relevant time period.

(In thousands of U.S. dollars, except for TCE rate, which is expressed in Dollars, and voyage days)

| Drybulk | Three Months Ended December 31, | | Year Ended December 31, | |
|------------------------------------|------------------------------------|-----------|----------------------------|------------|
| | 2011 | 2012 | 2011 | 2012 |
| Voyage revenues | \$86,621 | \$ 40,754 | \$ 365,361 | \$ 227,141 |
| Voyage expenses | (4,985) | (5,821) | (20,047) | (20,064) |
| Time charter equivalent revenues | \$81,636 | \$ 34,933 | \$ 345,314 | \$ 207,077 |
| Total voyage days for fleet | 3,226 | 3,312 | 12,831 | 13,027 |
| Time charter equivalent (TCE) rate | \$25,306 | \$ 10,547 | \$ 26,912 | \$ 15,896 |

| Tanker | Three Months Ended December 31, | | Year Ended December 31, | |
|------------------------------------|------------------------------------|-----------|----------------------------|-----------|
| | 2011 | 2012 | 2011 | 2012 |
| Voyage revenues | \$3,903 | \$ 12,361 | \$ 12,652 | \$ 41,095 |
| Voyage expenses | (255) | (5,881) | (526) | (9,948) |
| Time charter equivalent revenues | \$3,648 | \$ 6,480 | \$ 12,126 | \$ 31,147 |
| Total voyage days for fleet | 362 | 644 | 963 | 2,293 |
| Time charter equivalent (TCE) rate | \$10,077 | \$ 10,062 | \$ 12,592 | \$ 13,584 |

