DryShips Inc.

1st Quarter Ended March 31, 2014
Earnings Presentation



NASDAQ: “DRYS”

May 23, 2014

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**
- Company Update
- Industry Overview
- Closing Remarks
- Q&A

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. 1st quarter presentation, available on www.ocean-rig.com

Consolidated[1] Q1 2014 Results

(in $ million, except EPS)	Q1 2014	Q1 2014 EPS
U.S GAAP Net Loss / EPS	(34.6)	(0.08)
Plus: One-time items associated with the full refinancing of ORIG's 9.5% senior unsecured notes due 2016	32.6	0.08
Adjusted Net Loss / EPS[2]	(15.2)	(0.04)

(in $ million)	Q1 2013	Q1 2014
Total Revenues	319.7	457.5
Adjusted EBITDA [3]	112.0	201.2
Net Cash Provided by Operating Activities	106.3	35.4

1) Consolidated results include operations of DryShips Inc. shipping segment and Ocean Rig UDW Inc.
2) The net result is adjusted for the minority interests of 40.6% not owned by DryShips Inc. common stockholders
3) Represents net income before interest, taxes, depreciation and amortization, drydocking and class survey costs, vessel impairments and gains or losses on interest rate swaps

Shipping Segment[1] Financial Summary

(in $ million)	Q4 2013	Q1 2014
Total Revenues	85.9	96.7
Adjusted EBITDA (2)	16.1	25.7
Loan Principal Payments	81.5	22.0

	Q4 2013	Q1 2014
Drybulk Segment Utilization	97.6%	97.6%
Tanker Segment Utilization	100.0%	100.0%
Drybulk Segment Daily TCE	13,303	13,564
Tanker Segment Daily TCE	12,963	24,781

1) Showcases financial performance of shipping segment (drybulk and tanker segments) only
2) Represents net income before interest, taxes, depreciation and amortization, drydocking costs, vessel impairment, contract cancellation fees and gains or losses on interest rate swaps

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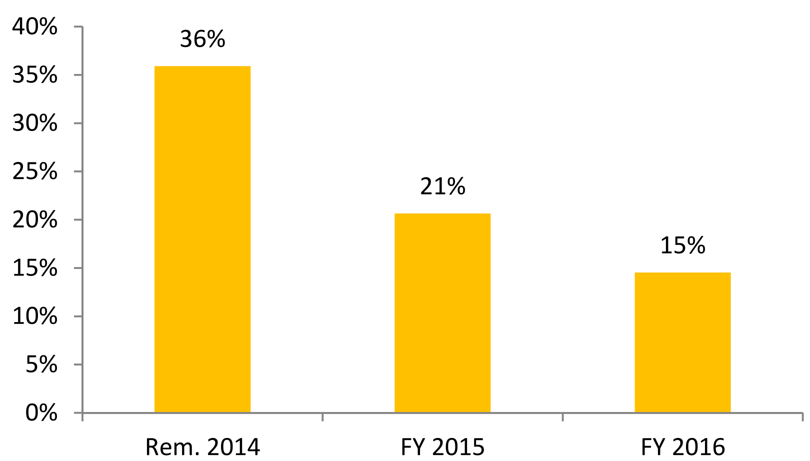
Recent Developments

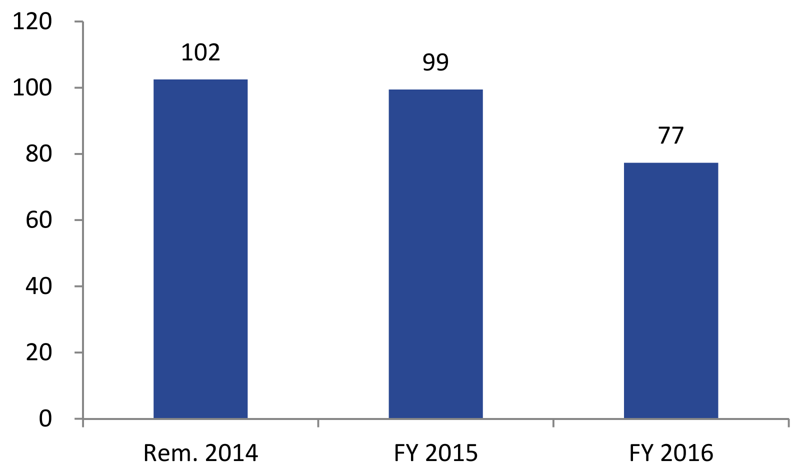
- On May 8, 2014, Ocean Rig declared a quarterly cash dividend with respect to the quarter ended March 31, 2014 of $0.19 per common share.
- On April 8, 2014, Ocean Rig entered into two contracts to construct two 7th generation new integrated design drillships at SHI for delivery in February 2017 and June 2017 respectively. The drillships will be capable to drill in water depths of 12,000ft and include advanced technical features.
- On April 8, 2014, Ocean Rig deferred the delivery of the Ocean Rig Santorini from late 2015 to mid 2016
- In connection with the previously announced LOA, Ocean Rig was awarded from Total E&P Angola a six year contract for drilling operations offshore Angola for the Ocean rig Skyros, which is subject to signing of final documentation.
- On March 26, 2014, Ocean Rig, closed an offering of 7.25% senior notes due 2019 in the amount of $500.0 million in order to repurchase and redeem the 9.5% senior unsecured notes due 2016.
- On March 24, 2014, Ocean Rig took delivery of the Ocean Rig Athena and drew down $450.0 million under its $1.35 billion syndicated secured term loan facility.
- On March 18, 2014 the Company concluded a MOA with unaffiliated third party to acquire the second hand Capesize vessel, Raiatea (ex. Conches), for a purchase price of $53.0 million. The vessel was delivered on April 24, 2014.
- On December 31, 2013, we resumed sales under our previously announced $200 million ATM program. During the first quarter of 2014, 22,209,844 common shares were issued and sold at an average share price of $4.14 per share, resulting in net proceeds of $90.0 million.

Drybulk Employment Status[1]

% Charter coverage



Drybulk gross fixed revenue ($m)



Average daily fixed rate

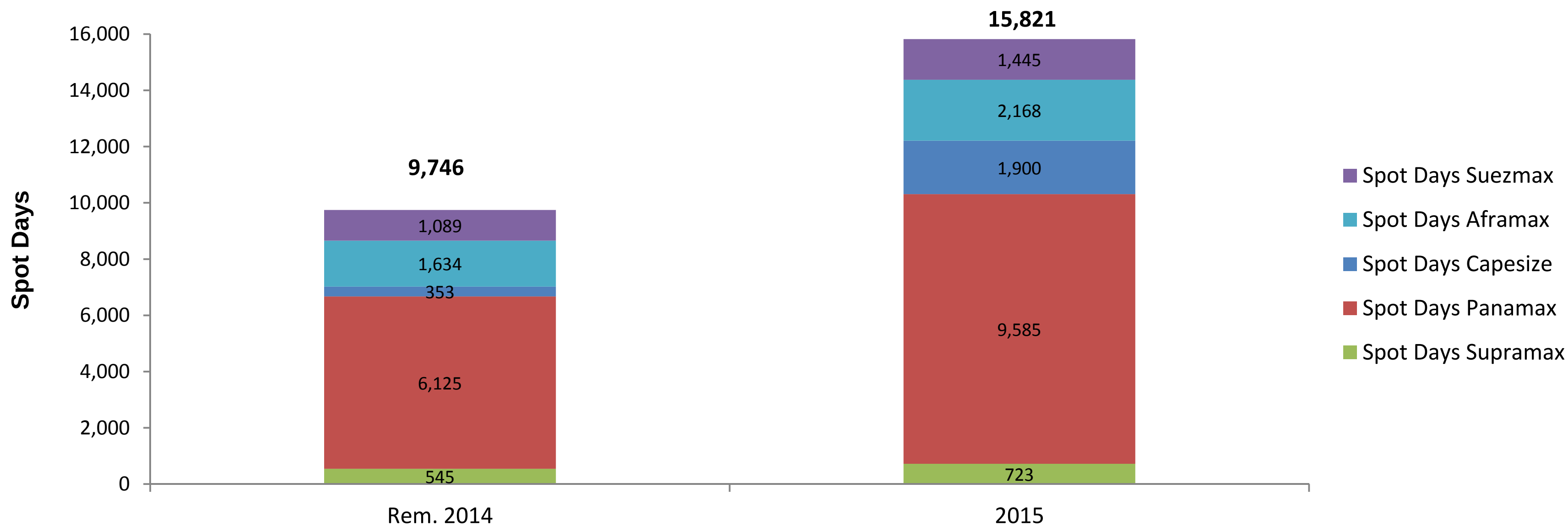
$25,501	**$30,692**	**$33,813**

➢ **Total contracted backlog through 2016 is approximately $278 million**

[1] As of March 31st 2014

Earnings Power of Our Shipping Fleet

Shipping Segment Projected Spot Days[1]



- **Potential additional EBITDA/ free cashflow generation:**

(in million)	Rem. 2014	FY2015
+$5,000 to market spot rates	$48.7	$79.1
+$10,000 to market spot rates	$97.5	$158.2
+$15,000 to market spot rates	$146.2	$237.3
+$20,000 to market spot rates	$194.9	$316.4

[1] Projected spot days for the remaining 2014 post scheduled dry-dock days and net of utilization

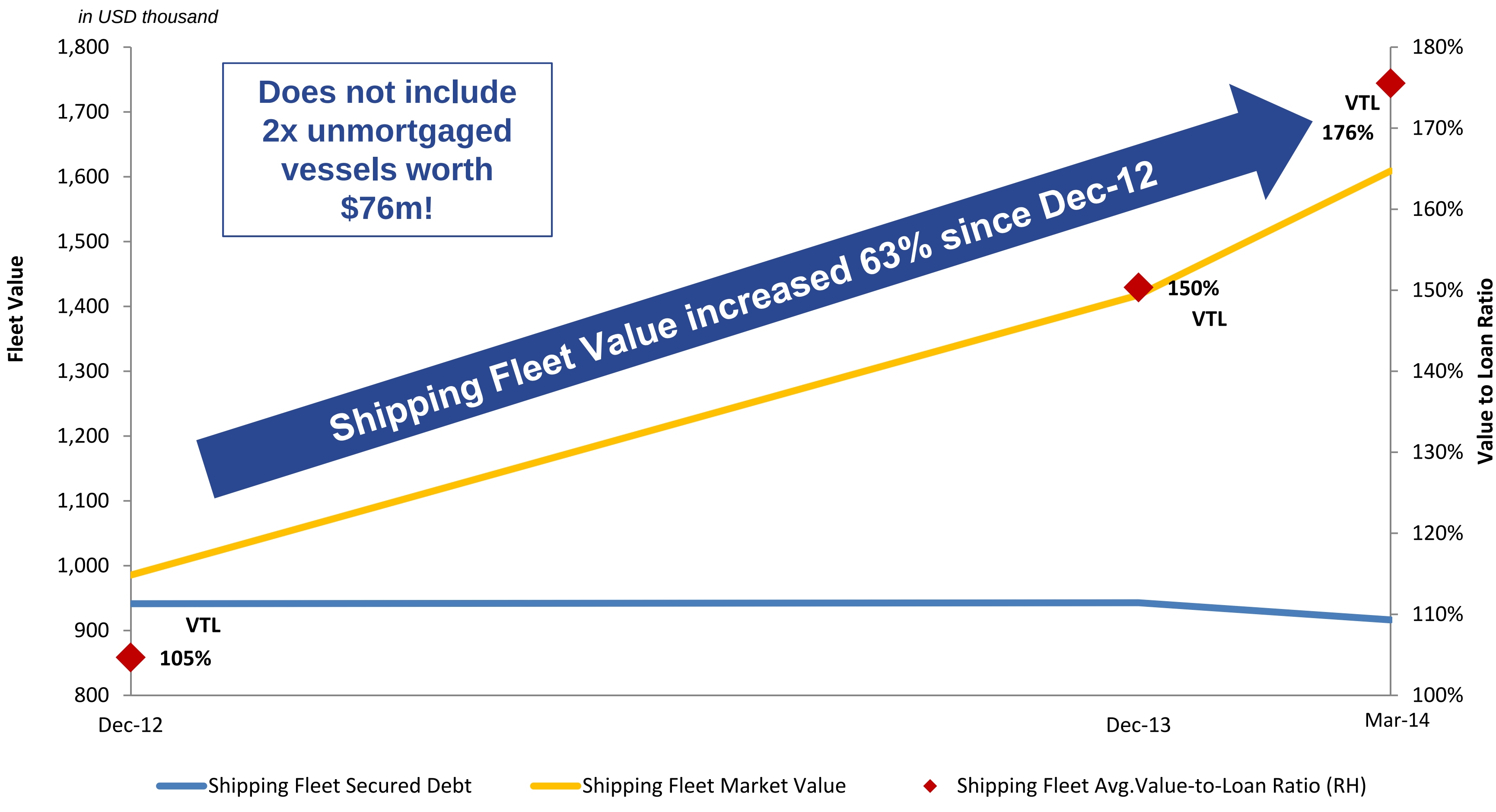
Banking Update

- On April 30, 2014, we reached an agreement with the lender under our $90.0 million and $130.0 million Senior Secured Credit Facilities.
  - VMC requirement waived until December 31, 2014
  - Certain financial covenants relaxed until maturity
  - Pledge over 3,800,000 ORIG shares, to be automatically released on December 31, 2014
  - Other

- As of today, other than the above, no shares of Ocean Rig have been pledged to any other lender under our secured credit facilities.

- We are in discussions with a certain lending syndicate to refinance an existing facility.

Bank Compliance – Much Rosier Picture



Secured Bank Debt Profile (Shipping Segment)

Drybulk Debt Outstanding as of 03/31/14

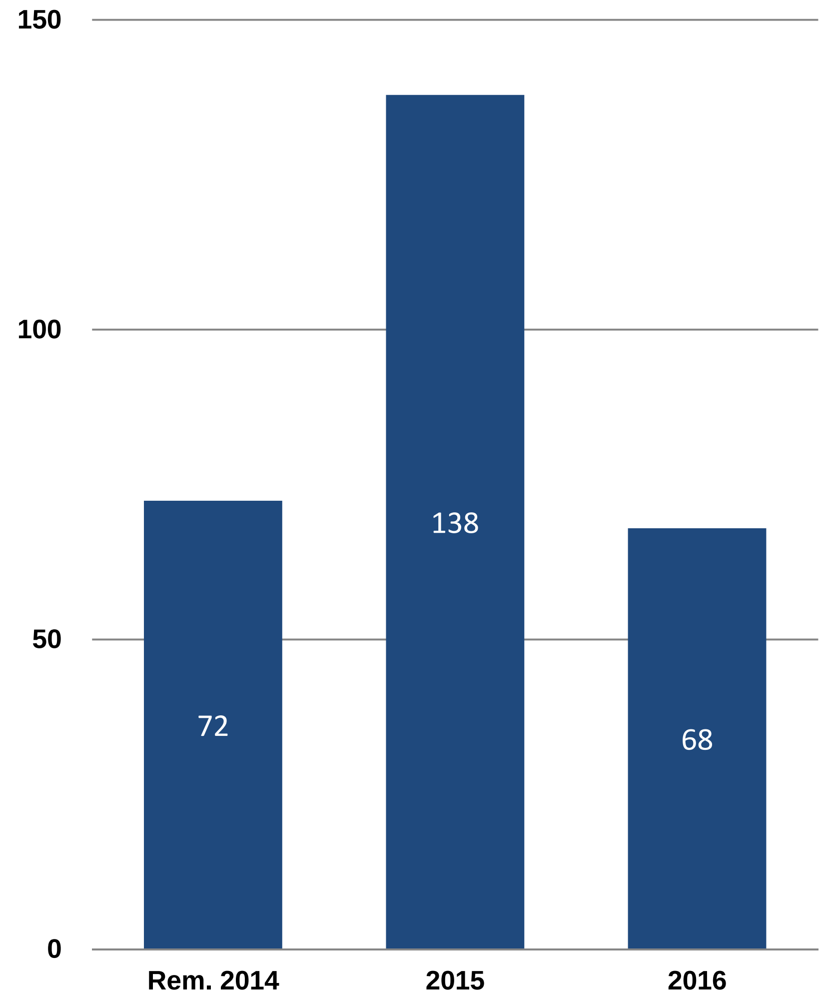
Facility	Amortizing	Balloon	Total	Maturity
$628.8m facility	62.4	112.0	174.4	Q2 2016
$35m facility	5.5	11.0	16.5	Q4 2016
$125m facility	13.3	6.9	20.2	Q2 2016
$90m facility	7.9	48.5	56.4	Q4 2015
$130m facility	2.7	27.6	30.3	Q1 2015
$126.4m facility	47.7	2.9	50.6	Q3 2018
$47m facility	3.5	12.0	15.5	Q4 2015
$90m facility	12.0	24.0	36.0	Q4 2015
$103.2m facility	7.5	16.0	23.5	Q3 2016
$325m facility	47.9	23.5	71.4	Q4 2015
$87.7m facility	7.1	9.5	16.6	Q1 2020
$122.6m facility	114.2	0.0	114.2	Q2 2025
Total Drybulk bank debt	**331.7**	**293.9**	**625.6**	

Tankers Debt Outstanding as of 03/31/14

Facility	Amortizing	Balloon	Total	Maturity
$70m facility	9.3	46.7	56.0	Q1 2016
$32.3m facility	7.0	19.4	26.4	Q2 2017
$141.35m facility	55.1	65.5	120.6	Q2 2019
$107.67m facility	42.0	50.4	92.4	Q1 2019
Total Tankers bank debt	**113.4**	**182.0**	**295.4**	
Total Debt	**445.1**	**475.9**	**921.0**	

Scheduled Debt Amortization (excluding balloons)

in USD million



Capital Structure

(in $ million)	**March 31, 2014**
Total cash[1]	887.6
Drybulk secured debt[2]	625.5
Tanker secured debt[2]	295.4
Ocean Rig debt[2]	4,510.0
Convertible bond[2]	700.0
Total debt	6,130.9
Total shareholder's equity	3,831.7
Total capitalization	**9,962.6**
Net debt	**5,243.3**
Net debt to capitalization	**52.6%**

Share Information (in '000)	
Share capital (31-Mar-14)	454,864
Less: Borrow facility[3]	(15,100)
Less: Treasury stock[3]	(21,000)
Adjusted Share Capital	418,764

1) Includes Restricted Cash
2) Gross of capitalized financing fees
3) Not typically included in EPS calculation

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Drybulk: Waiting for the Recovery

Q1-14 Dynamics:

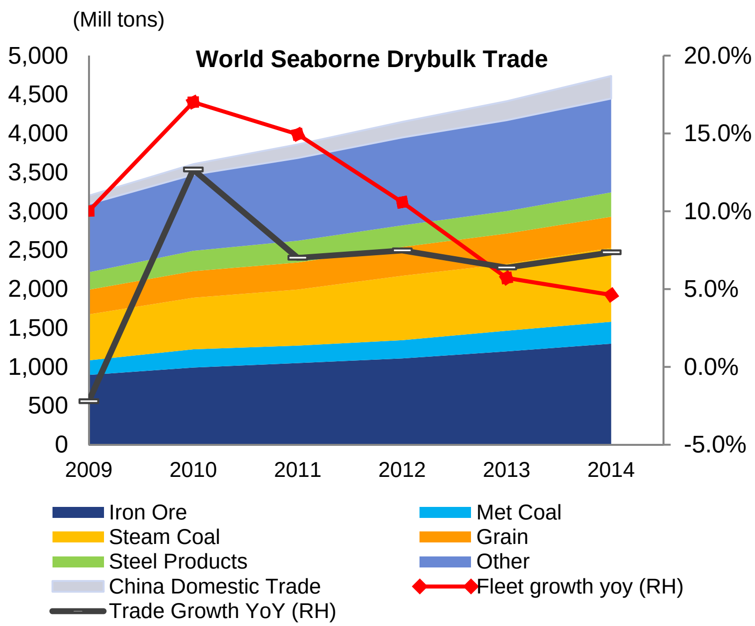
- BRA & AUS exports of iron ore increased by 20.2% in Q1-14 y-o-y, with Australian exports increasing by a substantial 28% y-o-y
- "Big 3" (China/Japan/Korea) iron ore imports increased by 16.8% in Q1-14 compared to Q1-13, with Chinese and Japanese imports increasing by 19.0% and 20.2% y-o-y respectively
- World steel production increased by 4.0% y-o-y during Q1-14 to reach about 404m tons, with China accounting for half of the production
- The expected Atlantic seasonal upturn in late March did not materialize, mostly due to S. American grain cargoes being delayed combined with an overhang of ballast vessels from the Pacific. However we have recently seen increased activity in the Atlantic and believe that once these delayed cargoes hit the market, they will offer some support, especially on the Panamax segment

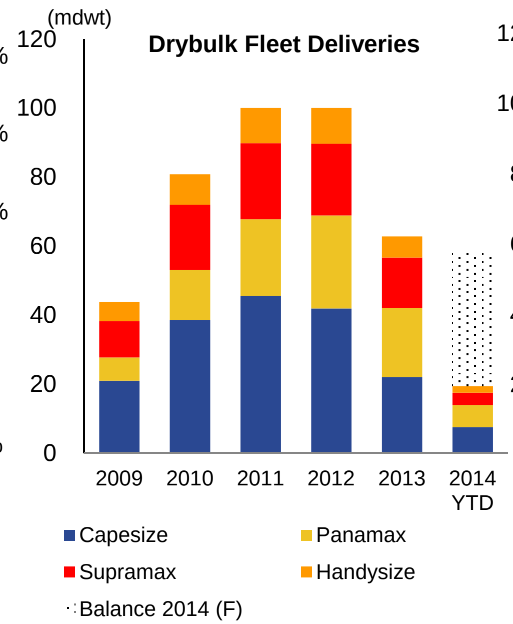
Factors to watch going forward:

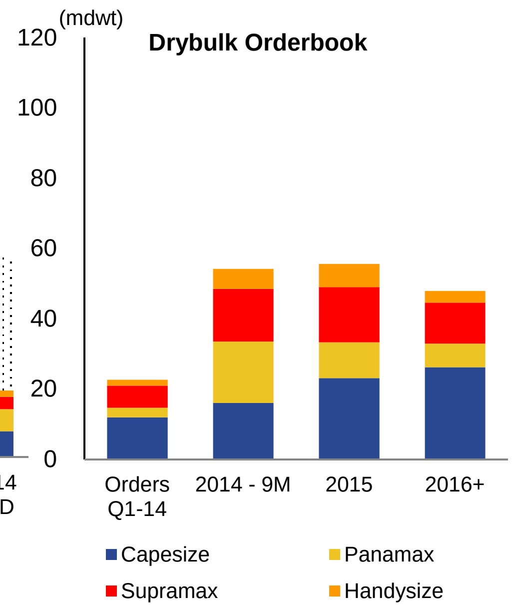
- (+) Expectation of increased chartering activity in the months to come, resulting in improved sentiment
- (+) Iron ore production coming on-line within the next 3 years will increase transportation demand, put pressure on iron ore prices and to some extent replace the domestic Chinese ore with cheaper/higher quality imported ore
- (+) Record-high steel output and good steel mill utilization, even though steel margins under pressure
- (+) The development of the Transatlantic coal trade as well as the delayed S. American grain season, which should positively affect the Panamax market
- (+/-) Despite fears of a Chinese slowdown, recent steps taken by the Chinese govt. to stimulate the economy through infrastructure project approvals are likely to support demand growth for drybulk commodities

Source: Clarksons

Drybulk Supply & Demand Growth Normalizing





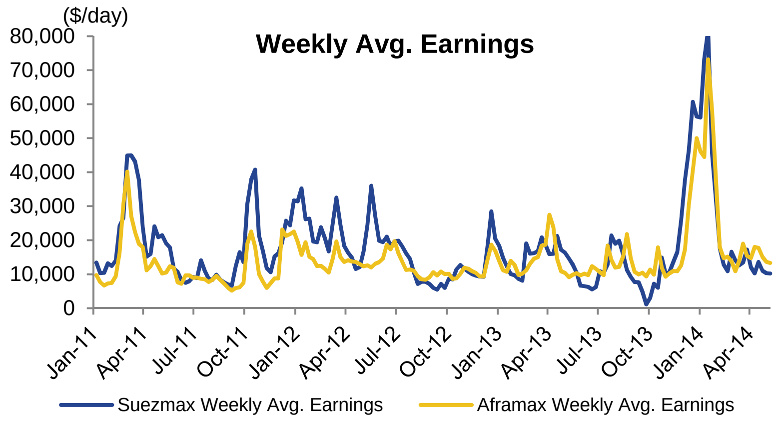


Key Items:

- **We expect drybulk fleet to grow by approx. 5% in 2014 with Cape and Panamax fleets increasing by 4% and 6% respectively, significantly lower than the 5 year run rate of 15% for Capes and 10% for Panamax**
- **The slowing trend in newbuilding deliveries is likely to persist, particularly during the 2015-2016 period, further tightening the supply/demand balance and in any case, the effect of any additions to the fleet should be mitigated by the increase in demand**
- **There is still considerable scrapping potential in the drybulk space as more than 8% of both Cape and Panamax fleets are over 20 years old and an additional 10% and 12% respectively are between 15-19 years old**

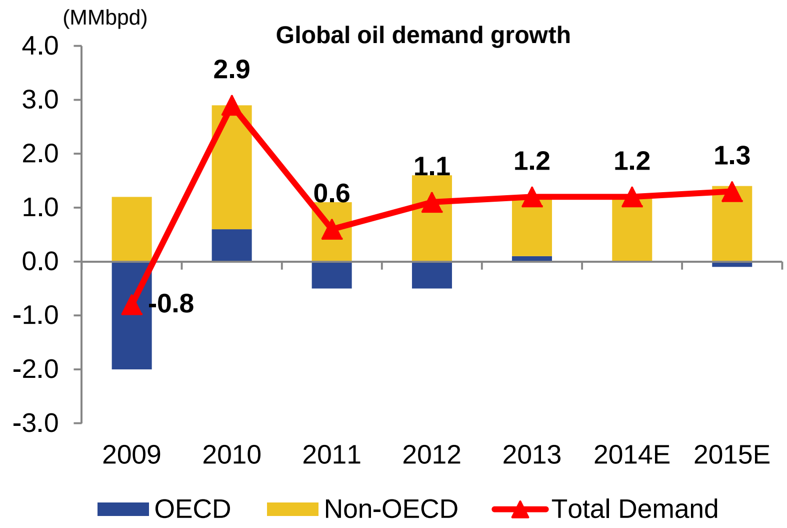
Source: Clarksons, Nordea Markets

Tankers: Better Rates, Improved Outlook



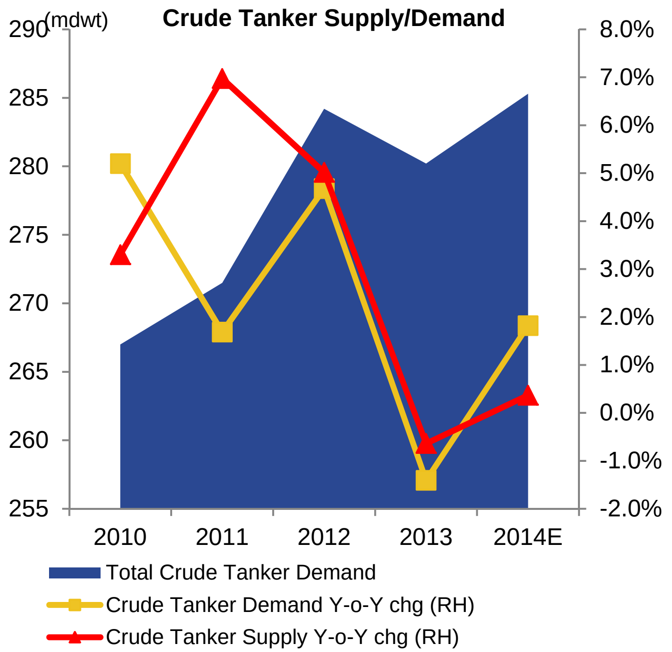
Suezmax and Aframax earnings during the quarter increased by approx. 113% and 119% y-o-y respectively. This increase is primarily attributed to the strong market during the beginning of the quarter due to increased Chinese and U.S demand, cold winter and weather disruptions

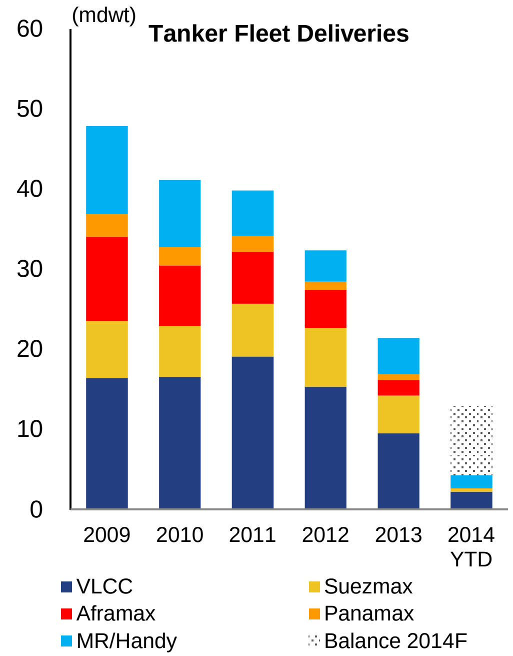
We expect the global economic recovery to continue and see it as the main driver behind oil demand growth. Once again, the majority of the increase in oil demand will stem from urbanization, income gains, population growth and overall higher energy needs of non-OECD countries. While U.S has become less reliant on imported seaborne oil to meet its energy needs, we believe that the development of longer-haul routes (i.e. Atlantic-Asia) will support ton-mile growth and act as a catalyst on tightening the supply-demand balance

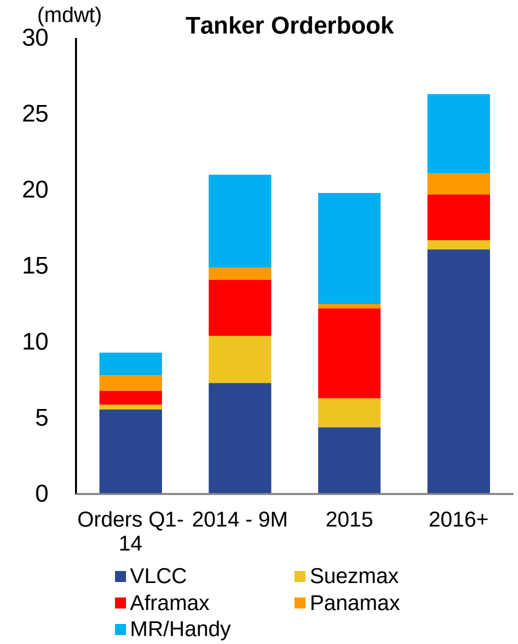


Source: Clarksons, Nordea Markets, IEA

Tankers: Healthy Supply / Demand Dynamics







Key Items:

- **Freight rates are likely to remain volatile for the balance of the year and on average end up above 2013 levels, with expectations for further improvement during the 2015-2016 period, where demand growth will likely continue to exceed supply growth**
- **Newbuilding deliveries have been declining steadily since 2009, due to the depressed freight environment and bleak outlook witnessed during recent years, which in turn led to a decrease in new vessel orders**
- **Nevertheless, we expect that the orderbook will begin to rise on the back of the improved market outlook and easier access to financing, however this will most likely not impact the market until the new orders start hitting the water**

Source: Clarksons, Nordea Markets

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Closing Remarks

- Dryships is a pure shipping company with primarily spot market exposure and a shareholding in Ocean Rig.

- Drybulk segment
  - Modern fleet – average age 8.2 years
  - Charter coverage – 36% in 2014, upside spot exposure going forward

- Tanker segment
  - Brand new fleet – average age 2.1 years
  - Employment – spot employment, upside spot exposure in 2014

- Shareholding in ORIG
  - Ocean Rig undervalued – stock trading at a significant discount to its peers
  - Value unlocking initiatives
    - $25 million quarterly dividend declared for Q1-14 operations and payable on May 30, 2014 (approx. $14.8m to DRYS)
    - Continuing Master Limited Partnership (MLP) IPO process

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APPENDIX

Fleet Profile (Shipping Segment)

	Year Built	DWT	Type	Gross rate Per day	Redelivery Earliest	Latest
Drybulk fleet						
Capesize:						
Rangiroa	2013	206,000	Capesize	$23,000	Apr-18	Nov-23
Negonego	2013	206,000	Capesize	$21,500	Mar-20	Feb-28
Fakarava	2012	206,000	Capesize	$25,000	Sept-15	Sept-20
Raiatea (ex. Conches)	2011	179,078	Capesize	$26,000	May-14	Jan-15
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	$11,500	Jun-14	Oct-14
Alameda	2001	170,662	Capesize	$27,500	Nov-15	Jan-16
Capri	2001	172,579	Capesize	$20,000	Jan-16	May-16
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	Spot	N/A	N/A
Rapallo	2009	75,123	Panamax	T/C Index linked	Jul-16	Sep-16
Catalina	2005	74,432	Panamax	Spot	N/A	N/A
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	T/C Index linked	Sep-16	Nov-16
Bargara	2002	74,832	Panamax	T/C Index linked	Sep-16	Nov-16
Oregon	2002	74,204	Panamax	Spot	N/A	N/A
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	T/C Index linked	Aug-16	Oct-16
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	Spot	N/A	N/A
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

	Year Built/or Scheduled Delivery	DWT	Type	Gross rate Per day	Redelivery Earliest	Latest
Newbuildings						
Panamax:						
Newbuilding Ice –class Panamax 1	2014	75,900	Panamax	N/A	N/A	N/A
Newbuilding Ice –class Panamax 2	2014	75,900	Panamax	N/A	N/A	N/A
Newbuilding Ice –class Panamax 3	2014	75,900	Panamax	N/A	N/A	N/A
Newbuilding Ice –class Panamax 4	2014	75,900	Panamax	N/A	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 March 31, 2013	Three Months Ended March 31, 2014
REVENUES:		
Voyage revenues	$ 73,269	$ 96,722
Drilling revenues, net	246,444	360,764
	319,713	457,486
EXPENSES:		
Voyage expenses	25,497	29,143
Vessel operating expenses	24,110	28,063
Drilling rigs operating expenses	120,759	151,515
Depreciation and amortization	82,660	107,277
Vessel impairments and other, net	75,340	-
General and administrative expenses	36,247	49,091
Legal settlements and other, net	(15)	1,604
Operating income/(loss)	(44,885)	90,793
OTHER INCOME / (EXPENSES):		
Interest and finance costs, net of interest income	(56,862)	(114,251)
Gain/ (Loss) on interest rate swaps	396	(2,775)
Other, net	678	(104)
Income taxes	(14,164)	(8,791)
Total other expenses, net	(69,952)	(125,921)
Net loss	(114,837)	(35,128)
Net (income)/ loss attributable to Non controlling interests	(1,798)	577
Net loss attributable to Dryships Inc.	$ (116,635)	$ (34,551)
Loss per common share, basic and diluted	$ (0.30)	$ (0.08)
Weighted average number of shares, basic and diluted	382,657,244	409,609,554

Unaudited Condensed Consolidated Balance Sheets

(Expressed in Thousands of U.S. Dollars)	December 31, 2013	March 31, 2014
ASSETS		
Cash, cash equivalents and restricted cash (current and non-current)	$ 739,312	$ 887,616
Other current assets	494,887	597,559
Advances for vessels and drillships under construction and related costs	679,008	352,575
Vessels, net	2,249,087	2,218,886
Drilling rigs, drillships, machinery and equipment, net	5,828,231	6,515,413
Other non-current assets	133,167	141,366
Total assets	10,123,692	10,713,415
LIABILITIES AND STOCKHOLDERS' EQUITY		
Total debt	5,568,003	5,976,270
Total other liabilities	723,991	848,549
Total stockholders' equity	3,831,698	3,888,596
Total liabilities and stockholders' equity	$ 10,123,692	$ 10,713,415

Summary Operating Data

(Dollars in thousands, except average daily results)

Drybulk	Three Months Ended March 31,	
	2013	2014
Average number of vessels[1]	36.0	38.0
Total voyage days for vessels[2]	3,240	3,338
Total calendar days for vessels[3]	3,240	3,420
Fleet utilization[4]	100.0%	97.6%
Time charter equivalent[5]	$11,396	$13,564
Vessel operating expenses (daily)[6]	$5,051	$6,325

Tanker	Three Months Ended March 31,	
	2013	2014
Average number of vessels[1]	9.4	10.0
Total voyage days for vessels[2]	848	900
Total calendar days for vessels[3]	848	900
Fleet utilization[4]	100.0%	100.0%
Time charter equivalent[5]	$12,792	$24,781
Vessel operating expenses (daily)[6]	$9,134	$7,144

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

Drybulk	Three Months Ended March 31,	
	2013	2014
Voyage revenues	$ 45,482	$ 53,408
Voyage expenses	(8,558)	(8,132)
Time charter equivalent revenues	$ 36,924	$ 45,276
Total voyage days for fleet	3,240	3,338
Time charter equivalent TCE	$ 11,396	$ 13,564

Tanker	Three Months Ended March 31,	
	2013	2014
Voyage revenues	$ 27,787	$ 43,314
Voyage expenses	(16,939)	(21,011)
Time charter equivalent revenues	$ 10,848	$ 22,303
Total voyage days for fleet	848	900
Time charter equivalent TCE	$ 12,792	$ 24,781

(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, and are 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.