

DryShips Inc.

4th Quarter Ended December 31, 2014
Earnings Presentation



NASDAQ: "DRYS"

February 26, 2015

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

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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 and FY 2014 Results

Adjusted Q4 Net Income of \$14.1m or \$0.02 per share

| <i>(in \$ million, except EPS)</i> | Q4 2014 | FY 2014 |
|--|---------|---------|
| Total Revenues | 598.4 | 2,185.5 |
| Adjusted EBITDA ² | 298.7 | 1,048.3 |
| Interest and Finance Cost, net | (87.7) | (398.9) |
| U.S. GAAP Net loss ³ | (24.0) | (47.5) |
| Add: Vessel Impairment Charge on M/V Galveston | 38.1 | 38.1 |
| Add: Non-cash and other refinancing costs | - | 54.6 |
| Adjusted Net Income/(Loss) | 14.1 | 23.0 |
| Adjusted EPS | 0.02 | 0.05 |

Q4 results include \$14.8m interest expense relating to 5% convertible notes which have been refinanced

1) Consolidated results include operations of DryShips Inc. shipping segment and Ocean Rig UDW Inc.

2) Represents net income before interest, taxes, depreciation and amortization, drydocking and class survey costs, vessel impairments and gains or losses on interest rate swaps

3) The net result is adjusted for the minority interests of 40.7% not owned by DryShips Inc. common stockholders



Shipping Segment¹ Financial Summary

| <i>(in \$ million)</i> | Q4 2014 | FY 2014 |
|--------------------------------|---------|---------|
| Total Revenues | 99.0 | 368.4 |
| Adjusted EBITDA ⁽²⁾ | 22.0 | 85.8 |
| | | |
| Drybulk Segment Utilization | 99.1% | 98.4% |
| Tanker Segment Utilization | 100.0% | 100.0% |
| Drybulk Segment Daily TCE | 12,974 | 12,354 |
| Tanker Segment Daily TCE | 26,003 | 21,835 |

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



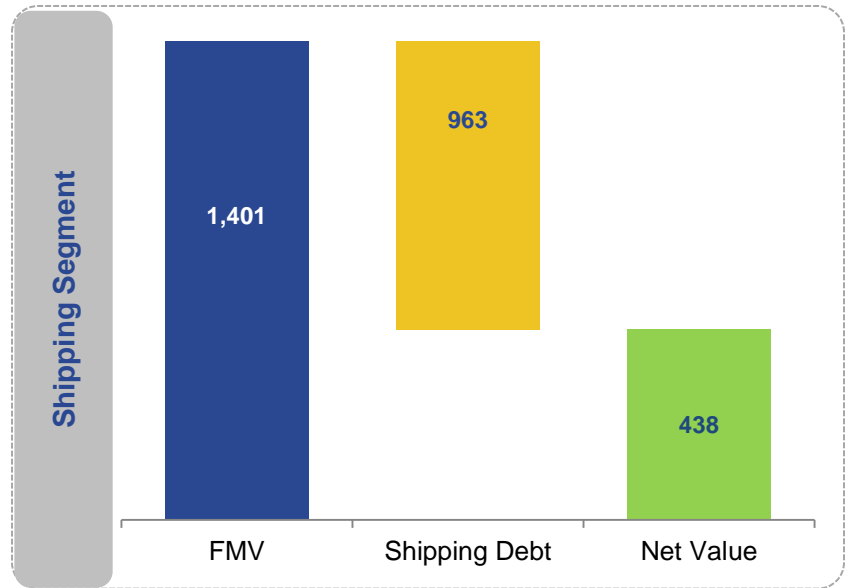
Dryships: Recapitalized and Ready to Sail!

Vessel Types

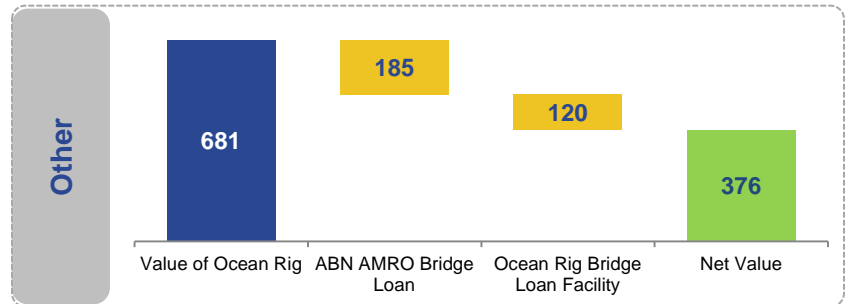


Shipping Segment
(Drybulk / Tankers)

Capitalization (\$m)



Other assets
and liabilities

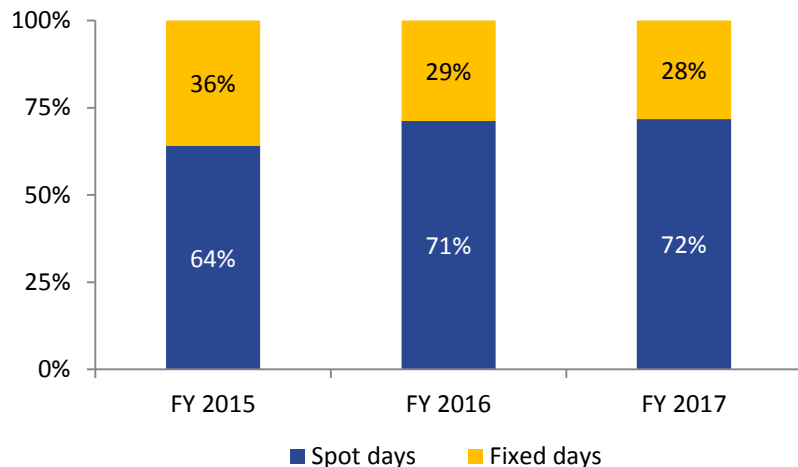


Notes: FMVs as per Broker Values (31.12.14); ORIG Value based on ORIG closing price of \$8.70 on 11.02.15; Debt as of 31.12.14, except for ABN AMRO bridge loan which is as of 25 February, 2015

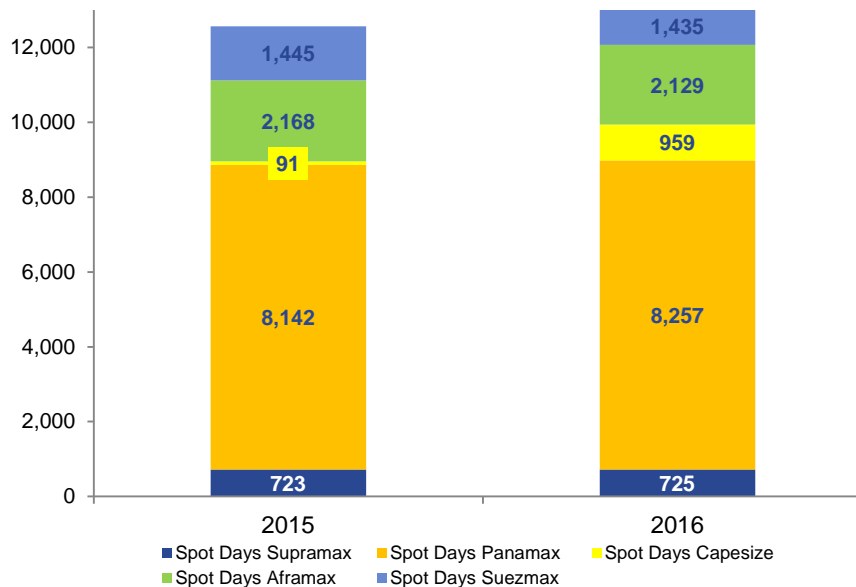


Well-positioned to Benefit From Shipping Recovery

Drybulk Fleet Employment Profile



Shipping Segment Projected Spot Days ⁽¹⁾



Average Daily Fixed Rate Drybulk Segment

| FY2015 | FY2016 | FY2017 |
|----------|----------|----------|
| \$27,932 | \$28,972 | \$29,437 |

Drybulk Gross Fixed Revenue (\$m)

| FY2015 | FY2016 | FY2017 |
|--------|--------|--------|
| \$143 | \$119 | \$118 |

EBITDA Sensitivities Tanker and Drybulk Fleets:

| Figures in \$ million | FY2015 | FY2016 |
|-----------------------------------|-------------|-------------|
| +/- \$5,000 to market spot rates | +/- \$62.8 | +/- \$67.5 |
| +/- \$10,000 to market spot rates | +/- \$125.7 | +/- \$135.1 |
| +/- \$15,000 to market spot rates | +/- \$188.5 | +/- \$202.6 |
| +/- \$20,000 to market spot rates | +/- \$251.4 | +/- \$270.1 |

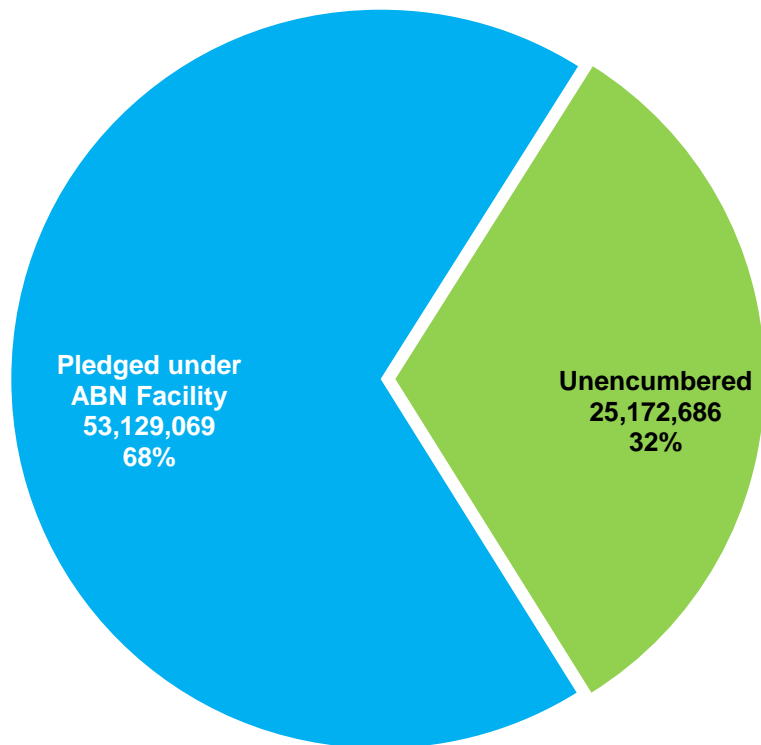
(1) Projected spot days for 2015 and 2016 post scheduled dry-dock days and net of utilization

(2) Data as of 31.12.2014



Investment in Ocean Rig

DRYS Holdings in ORIG



ORIG Share Ownership

| | Shares | % |
|--------------|--------------------|---------------|
| DRYS | 78,301,755 | 59.2% |
| Other | 54,015,423 | 40.8% |
| Total | 132,317,178 | 100.0% |



Value of Unencumbered shares basis ORIG at \$8.70:

approx. **\$219m**

- To date, cumulative cash dividends from Ocean Rig (including Q4-14 dividend) of approx. \$60m

1) ORIG shares outstanding as of 17.02.2015 of 132,317,178



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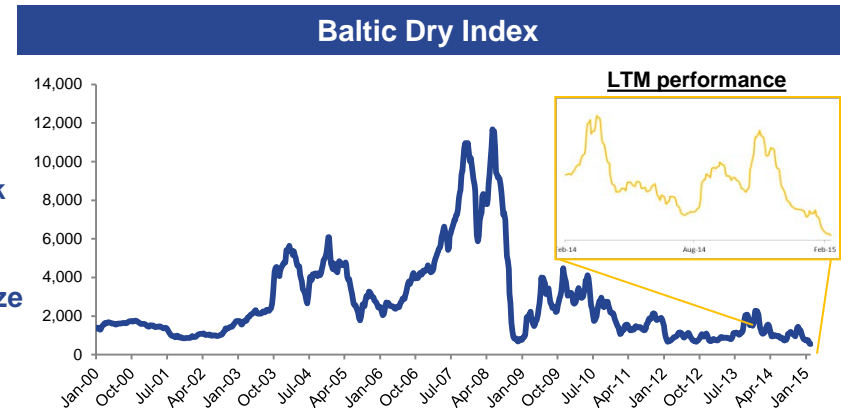
Drybulk: Let's look on the Bright Side

Q4 2014 dynamics at a glance:

- Brazil & Australia exports of iron ore up 11.3% y-o-y with both countries reaching an all time high in Dec-14 of 37.3m tons and 66.3m tons respectively
- Chinese iron ore imports up 7.8% y-o-y, reaching an all time high of 85.33m tons in Dec-14
- Chinese steel production up 5.6% y-o-y
- Chinese coal imports down 23% y-o-y, partly due China's efforts to curb pollution

Key Items:

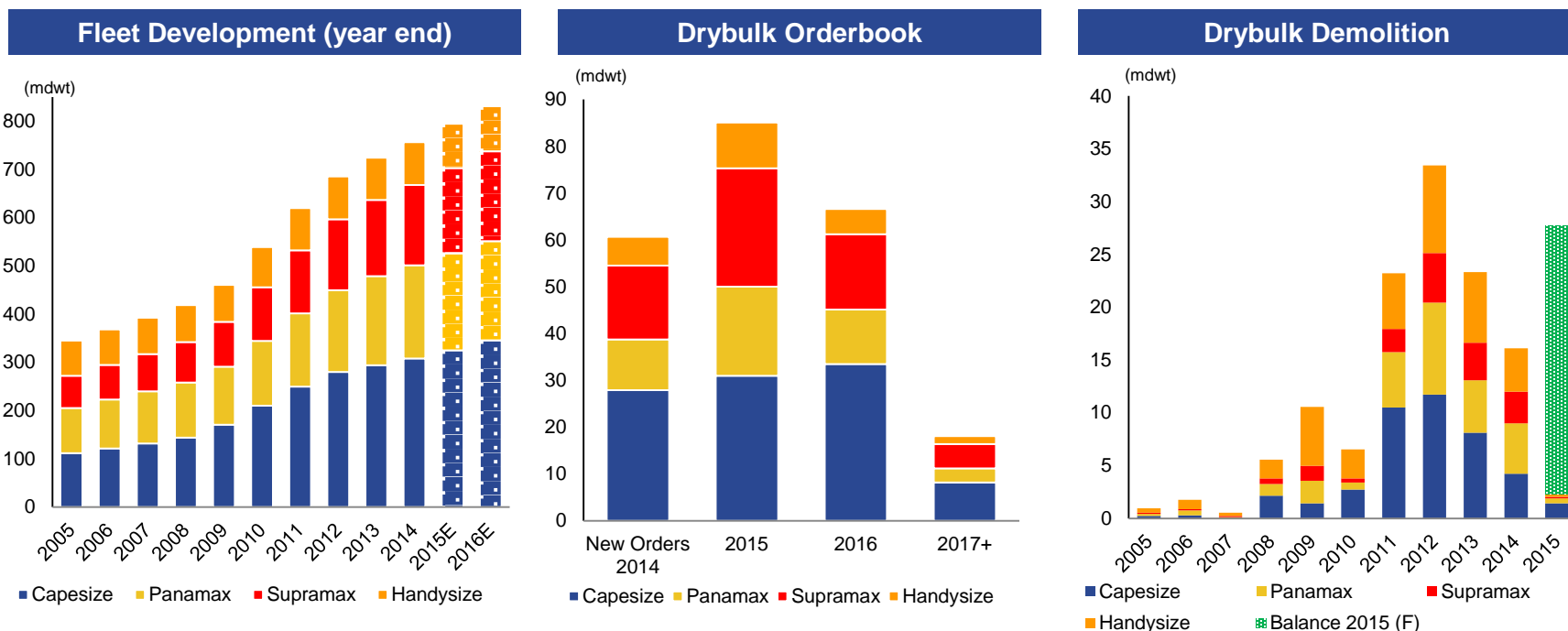
- Iron ore and coal shipments account for approx. 34% of dry-bulk tonmiles. As such, any meaningful increase in Chinese transportation demand, especially if the cargoes are sourced from afar (i.e Brazil), should help the overall demand for Capesize vessels, also lifting freight rates for smaller asset classes
- The low commodity price environment we are experiencing, coupled with the recently announced plan by the Chinese government to invest heavily in infrastructure projects in order to support growth, may result in additional demand, driving overall seaborne trade, utilization and rates higher



Source: Clarksons



Drybulk – Back to Overcapacity Mode



- Total drybulk fleet CAGR for the period 2005 to 2014 of 9.1% with fleet increasing by 4.4% y-o-y during 2014
- Fleet is expected to increase further by 5.1% and 4.6% in 2015 and 2016 respectively
- However, it is important to note that there is still considerable scrapping potential as approx. 9% of the fleet is 20 years or older and an additional 9% is between 15-19 years old. This, coupled with the depressed freight environment should boost demolition activity going forward, something that we already see materializing as witnessed from the increased scrapping during January
- Lastly, it is worth noting that slippage in 2014 ended up at approx. 36%, a trend which we expect to continue in 2015, as due to the negative freight outlook in combination with lack of financing, NB projects are being postponed or cancelled, providing some respite to the substantial drybulk orderbook

Source: Clarksons

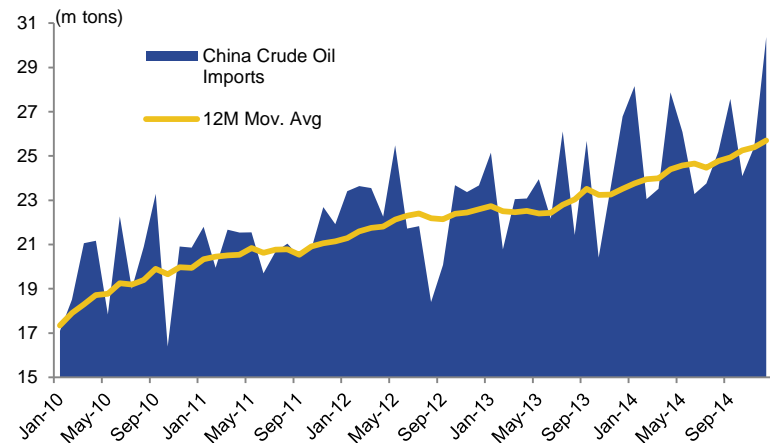
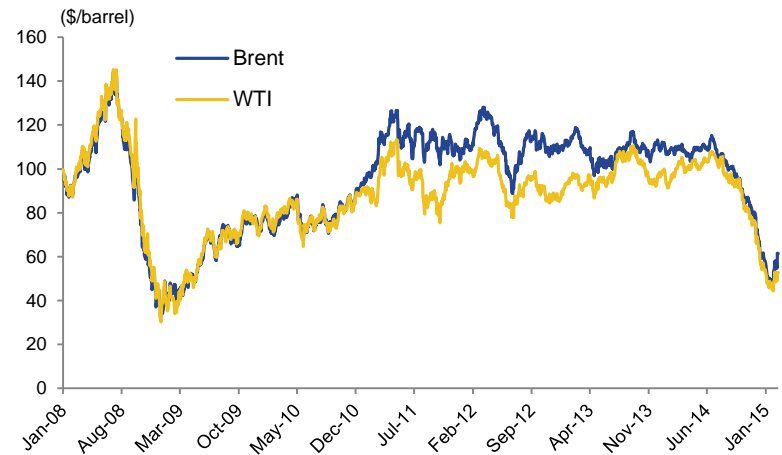


Tankers: Oil Price Creating Opportunities

During 2014, we witnessed a significant decline in oil prices. This decline is primarily attributed to:

- US shale growth
- Unexpected production spike by OPEC countries (Iraq, Iran, Nigeria and Libya) and Saudi Arabia refusing to reduce output
- Weak global GDP growth
- Long squeeze of hedged positions

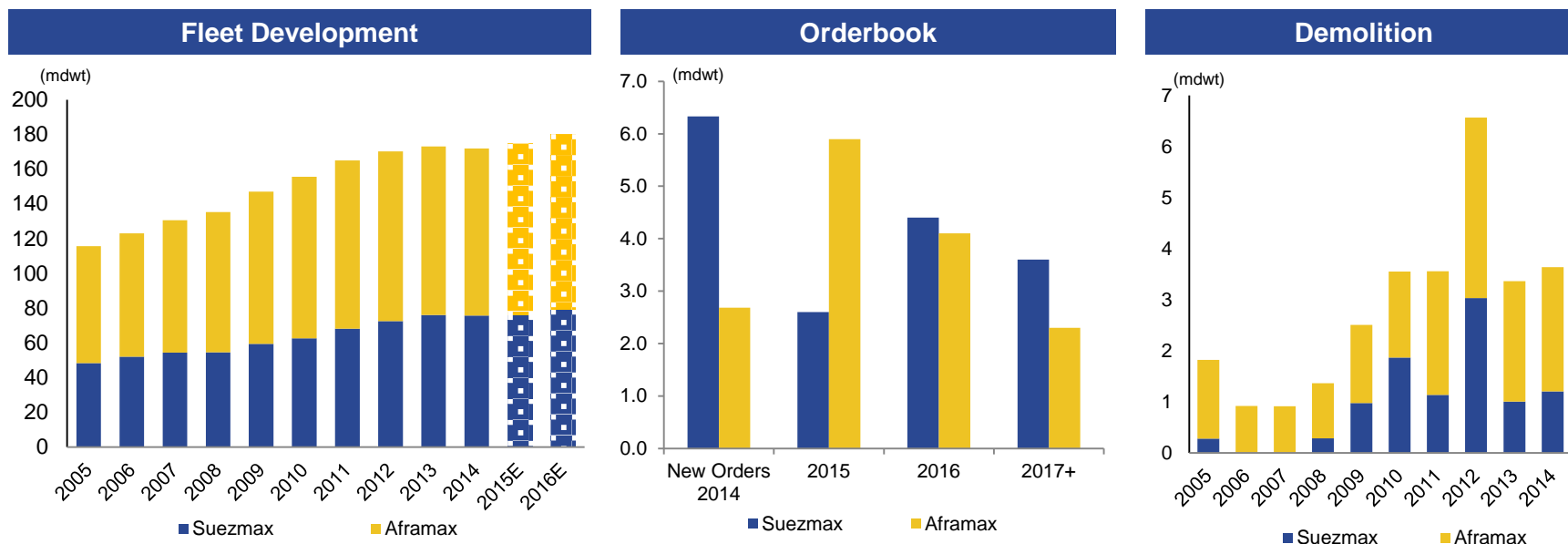
This steep drop in crude prices, sparked increased transportation demand due to strategic stock building, as well as demand for floating storage, further tightening the supply-demand balance and pushing freight levels higher



Source: Clarksons



Tankers: Positive Supply Fundamentals



- **Combined Suezmax and Aframax fleet CAGR for the period 2005 to 2014 of 4.5% with Suezmax and Aframax fleets contracting by 0.5% and 0.8% y-o-y respectively during 2014**
- **The Suezmax fleet is expected to increase by 0.6% and 4% in 2015 and 2016 respectively, whereas the Aframax fleet is expected to increase by 2.4% and 2.5% in the same period**
- **Lastly, approx. 11% and 12% of Suezmax and Aframax fleets is between 15-19 years old with 3% on both asset classes being more than 20 years old and hence potential scrapping candidates**

Source: Clarksons



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Steering DRYS Towards Success

- **Ocean Rig is Dryships most valuable investment and we firmly believe Ocean Rig is undervalued.**
 - **Backlog of \$5.2 billion**
 - **Operational efficiency of approx. 95% for Q4 2014**
 - **Net Income of \$87.5m for Q4 2014**
 - **Annual dividend payout of \$100 million to date**
 - **Cost-cutting initiatives underway**
 - **Managing CAPEX**

- **Continue to work with our commercial lenders to create a strong balance sheet**
 - **Continue to cure covenant breaches**
 - **Refinance balloons at attractive terms with shipping lenders**
 - **Diversify funding sources (ECAs, capital markets etc.)**
 - **Relax amortization profiles**

- **Evaluate various options to realize the hidden value in DRYS**
 - **Monetization of the tanker segment**



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APPENDIX



Fleet Profile (Shipping Segment)

| | Year | DWT | Type | Gross rate | Redelivery | | Year Built/or Scheduled Delivery | DWT | Type | Gross rate | Redelivery | |
|-----------------------------|-------|---------|----------|------------------|------------|---------|----------------------------------|-----|------|------------|------------|--------|
| | Built | | | Per day | Earliest | Latest | | | | Per day | Earliest | Latest |
| <u>Drvbulk fleet</u> | | | | | | | | | | | | |
| Capesize: | | | | | | | | | | | | |
| Rangiroa | 2013 | 206,026 | Capesize | \$23,000 | May-18 | Dec-23 | | | | | | |
| Negonego | 2013 | 206,097 | Capesize | \$21,500 | Mar-20 | Feb-28 | | | | | | |
| Fakarava | 2012 | 206,152 | Capesize | \$25,000 | Sept-15 | Sept-20 | | | | | | |
| Raiatea | 2011 | 179,078 | Capesize | \$23,500 | Oct-19 | Dec-19 | | | | | | |
| Mystic | 2008 | 170,040 | Capesize | \$52,310 | Aug-18 | Dec-18 | | | | | | |
| Robusto | 2006 | 173,949 | Capesize | \$23,500 | Jul-19 | Sept-19 | | | | | | |
| Cohiba | 2006 | 174,234 | Capesize | \$23,500 | Sep-19 | Nov-19 | | | | | | |
| Montecristo | 2005 | 180,263 | Capesize | \$23,500 | Jul-19 | Sept-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 | \$23,500 | Sep-19 | Nov-19 | | | | | | |
| Alameda | 2001 | 170,662 | Capesize | \$27,500 | Nov-15 | Jan-16 | | | | | | |
| Capri | 2001 | 172,579 | Capesize | \$20,000 | Jan-16 | May-16 | | | | | | |
| <u>Tanker fleet</u> | | | | | | | | | | | | |
| Suezmax: | | | | | | | | | | | | |
| Bordeira | 2013 | 158,513 | Suezmax | Spot | N/A | N/A | | | | | | |
| Petalidi | 2012 | 158,532 | Suezmax | Spot | N/A | N/A | | | | | | |
| Lipari | 2012 | 158,425 | Suezmax | Spot | N/A | N/A | | | | | | |
| Vilamoura | 2011 | 158,622 | Suezmax | Spot | N/A | N/A | | | | | | |
| Aframax: | | | | | | | | | | | | |
| Alicante | 2013 | 115,708 | Aframax | Spot | N/A | N/A | | | | | | |
| Mareta | 2013 | 115,796 | Aframax | Spot | N/A | N/A | | | | | | |
| Calida | 2012 | 115,812 | Aframax | Spot | N/A | N/A | | | | | | |
| Saga | 2011 | 115,738 | Aframax | Spot | N/A | N/A | | | | | | |
| Daytona | 2011 | 115,896 | Aframax | Spot | N/A | N/A | | | | | | |
| Belmar | 2011 | 115,904 | Aframax | Spot | N/A | N/A | | | | | | |
| <u>Panamax:</u> | | | | | | | | | | | | |
| Raraka | 2012 | 76,037 | Panamax | Spot | N/A | N/A | | | | | | |
| Woolloomooloo | 2012 | 76,064 | Panamax | Spot | N/A | N/A | | | | | | |
| 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 | | | | | | |
| <u>Supramax:</u> | | | | | | | | | | | | |
| Byron | 2003 | 51,118 | Supramax | Spot | N/A | N/A | | | | | | |
| Galveston | 2002 | 51,201 | Supramax | Spot | N/A | N/A | | | | | | |

As of February 24th 2015



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, | |
|---|------------------------------------|------------------|-------------------------|------------------|
| | 2013 | 2014 | 2013 | 2014 |
| REVENUES: | | | | |
| Voyage revenues | \$ 85,894 | \$ 99,045 | \$ 311,764 | \$ 368,447 |
| Revenues from drilling contracts | 345,458 | 499,366 | 1,180,250 | 1,817,077 |
| | <u>431,352</u> | <u>598,411</u> | <u>1,492,014</u> | <u>2,185,524</u> |
| EXPENSES: | | | | |
| Voyage expenses | 28,577 | 28,998 | 103,211 | 117,165 |
| Vessel operating expenses | 28,430 | 30,537 | 104,808 | 116,428 |
| Drilling rigs operating expenses | 138,311 | 194,815 | 504,957 | 727,832 |
| Depreciation and amortization | 96,506 | 116,254 | 357,372 | 449,792 |
| Vessel impairments and other, net | - | 38,148 | 76,783 | 39,455 |
| General and administrative expenses | 57,144 | 54,610 | 184,722 | 193,686 |
| Legal settlements and other, net | (581) | (3,454) | 4,585 | (2,013) |
| | <u>82,965</u> | <u>138,503</u> | <u>155,576</u> | <u>543,179</u> |
| Operating income | | | | |
| OTHER INCOME / (EXPENSES): | | | | |
| Interest and finance costs, net of interest income | (75,785) | (87,679) | (319,631) | (398,875) |
| Gain/ (loss) on interest rate swaps | (3,467) | (7,683) | 8,373 | (15,528) |
| Other, net | (2,483) | 4,237 | 2,245 | 7,067 |
| Income taxes | (9,492) | (35,950) | (44,591) | (77,823) |
| | <u>(91,227)</u> | <u>(127,075)</u> | <u>(353,604)</u> | <u>(485,159)</u> |
| Total other expenses, net | | | | |
| | <u>(8,262)</u> | <u>11,428</u> | <u>(198,028)</u> | <u>58,020</u> |
| Net income/(loss) | | | | |
| Net income attributable to Non controlling interests | (16,107) | (35,425) | (25,065) | (105,532) |
| | <u>(24,369)</u> | <u>(23,997)</u> | <u>(223,093)</u> | <u>(47,512)</u> |
| Net loss attributable to Dryships Inc. | | | | |
| Net loss attributable to Dryships Inc. common stockholders | | | | |
| | <u>(24,429)</u> | <u>(24,161)</u> | <u>(223,149)</u> | <u>(48,209)</u> |
| Loss per common share, basic and diluted | \$ (0.06) | \$ (0.04) | \$ (0.58) | \$ (0.11) |
| Weighted average number of shares, basic and diluted | 388,083,468 | 586,693,626 | 384,063,306 | 456,031,628 |



Unaudited Condensed Consolidated Balance Sheets

(Expressed in Thousands of U.S. Dollars)

| | <u>December 31, 2013</u> | <u>December 31, 2014</u> |
|--|-----------------------------|-----------------------------|
| <u>ASSETS</u> | | |
| Cash, cash equivalents and restricted cash (current and non-current) | \$ 739,312 | \$ 658,936 |
| Other current assets | 494,887 | 568,341 |
| Advances for vessels and drillships under construction and related costs | 679,008 | 623,984 |
| Vessels, net | 2,249,087 | 2,141,617 |
| Drilling rigs, drillships, machinery and equipment, net | 5,828,231 | 6,259,747 |
| Other non-current assets | <u>133,167</u> | <u>118,978</u> |
| Total assets | <u>10,123,692</u> | <u>10,371,603</u> |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| Total debt | 5,568,003 | 5,517,613 |
| Total other liabilities | 723,991 | 563,602 |
| Total stockholders' equity | <u>3,831,698</u> | <u>4,290,388</u> |
| Total liabilities and stockholders' equity | <u>\$ 10,123,692</u> | <u>\$ 10,371,603</u> |



Summary Operating Data

(Dollars in thousands, except average daily results)

| Drybulk | Three Months Ended December 31, | | Year Ended December 31, | |
|--|---------------------------------|----------|-------------------------|----------|
| | 2013 | 2014 | 2013 | 2014 |
| Average number of vessels ⁽¹⁾ | 38.0 | 39.0 | 37.2 | 38.7 |
| Total voyage days for vessels ⁽²⁾ | 3,412 | 3,555 | 13,442 | 13,889 |
| Total calendar days for vessels ⁽³⁾ | 3,496 | 3,588 | 13,560 | 14,122 |
| Fleet utilization ⁽⁴⁾ | 97.6% | 99.1% | 99.1% | 98.4% |
| Time charter equivalent ⁽⁵⁾ | \$13,303 | \$12,974 | \$12,062 | \$12,354 |
| Vessel operating expenses (daily) ⁽⁶⁾ | \$6,251 | \$6,659 | \$5,796 | \$6,400 |

| Tanker | Three Months Ended December 31, | | Year Ended December 31, | |
|--|---------------------------------|----------|-------------------------|----------|
| | 2013 | 2014 | 2013 | 2014 |
| Average number of vessels ⁽¹⁾ | 10.0 | 10.0 | 9.9 | 10.0 |
| Total voyage days for vessels ⁽²⁾ | 920 | 920 | 3,598 | 3,650 |
| Total calendar days for vessels ⁽³⁾ | 920 | 920 | 3,598 | 3,650 |
| Fleet utilization ⁽⁴⁾ | 100.0% | 100.0% | 100.0% | 100.0% |
| Time charter equivalent ⁽⁵⁾ | \$12,963 | \$26,003 | \$12,900 | \$21,835 |
| Vessel operating expenses (daily) ⁽⁶⁾ | \$7,148 | \$7,222 | \$7,286 | \$7,138 |

(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, | |
|----------------------------------|---------------------------------|-----------|-------------------------|------------|
| | 2013 | 2014 | 2013 | 2014 |
| Voyage revenues | \$ 53,021 | \$ 54,037 | \$ 191,024 | \$ 205,630 |
| Voyage expenses | (7,630) | (7,913) | (28,886) | (34,044) |
| Time charter equivalent revenues | \$ 45,391 | \$ 46,124 | \$ 162,138 | \$ 171,586 |
| Total voyage days for fleet | 3,412 | 3,555 | 13,442 | 13,889 |
| Time charter equivalent TCE | \$ 13,303 | \$ 12,974 | \$ 12,062 | \$ 12,354 |

| Tanker | Three Months Ended December 31, | | Year Ended December 31, | |
|----------------------------------|---------------------------------|-----------|-------------------------|------------|
| | 2013 | 2014 | 2013 | 2014 |
| Voyage revenues | \$ 32,873 | \$ 45,008 | \$ 120,740 | \$ 162,817 |
| Voyage expenses | (20,947) | (21,085) | (74,325) | (83,121) |
| Time charter equivalent revenues | \$ 11,926 | \$ 23,923 | \$ 46,415 | \$ 79,696 |
| Total voyage days for fleet | 920 | 920 | 3,598 | 3,650 |
| Time charter equivalent TCE | \$ 12,963 | \$ 26,003 | \$ 12,900 | \$ 21,835 |

(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.

