

DryShips Inc.

INVESTOR UPDATE
CONFERENCE CALL



NASDAQ: "DRYS"

June 1, 2009

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 other than statements of historical facts.

The forward-looking statements in this release 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. 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 charterhire 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 are further described in reports filed by DryShips Inc. with the US Securities and Exchange Commission.



Agenda

- **Proactive Management during Financial Crisis**
- **Dry Bulk Operations Update**
- **Offshore Operations Update**
- **Planning for the Future**



DryShips' Proactive Management during Financial Crisis

➤ **Strengthened and delevered the balance sheet.**

- Raised equity by completed two ATM equity offerings (gross proceeds of about \$1 billion)
- Repaid the Primelead facility
- Improved liquidity position to \$1.78 billion

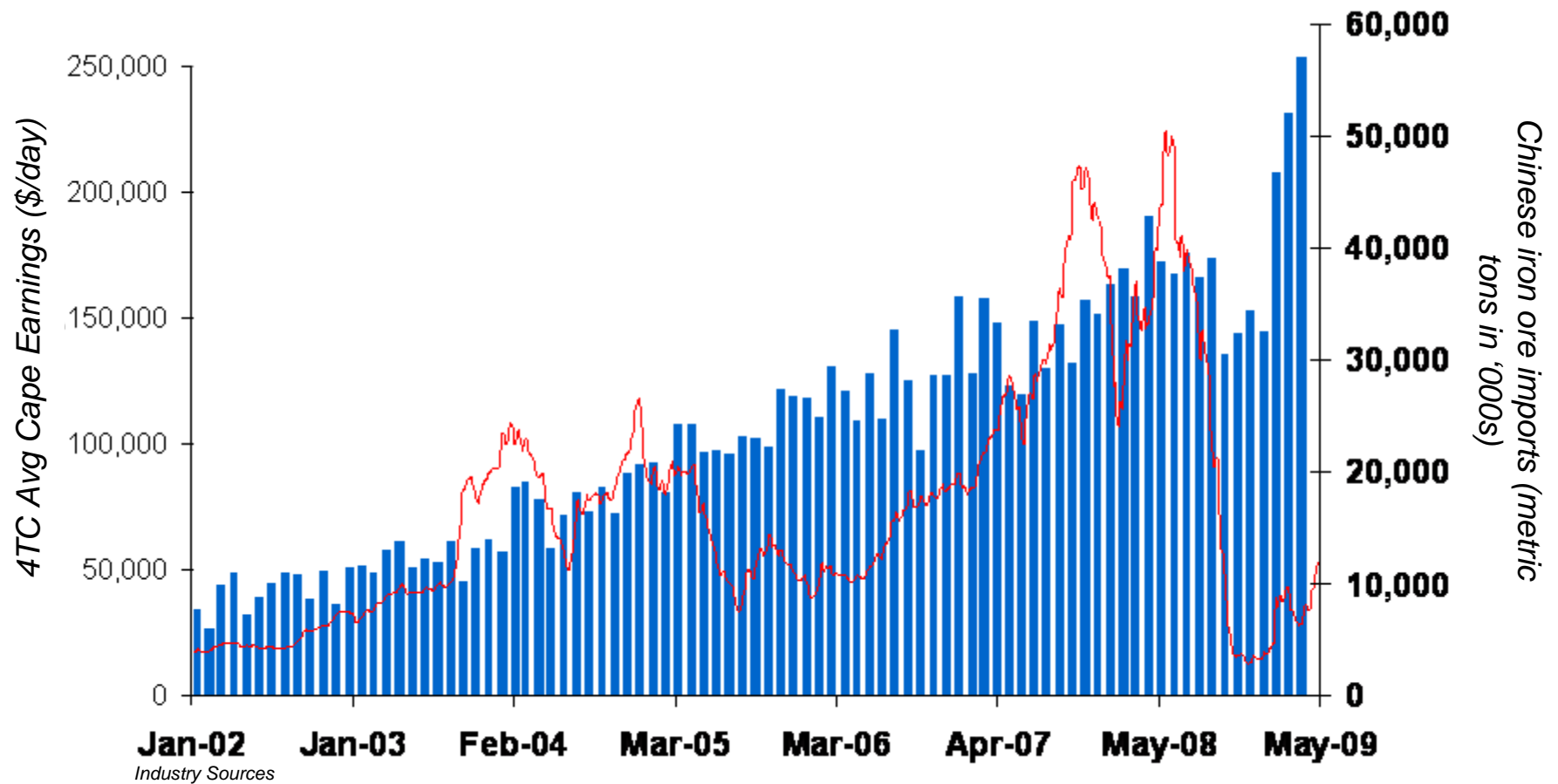
➤ **Reduced Capital Expenditures**

- Cancelled 17 drybulk newbuilding vessels
- Reduced dry bulk vessel newbuilding capital expenditures by \$2 billion

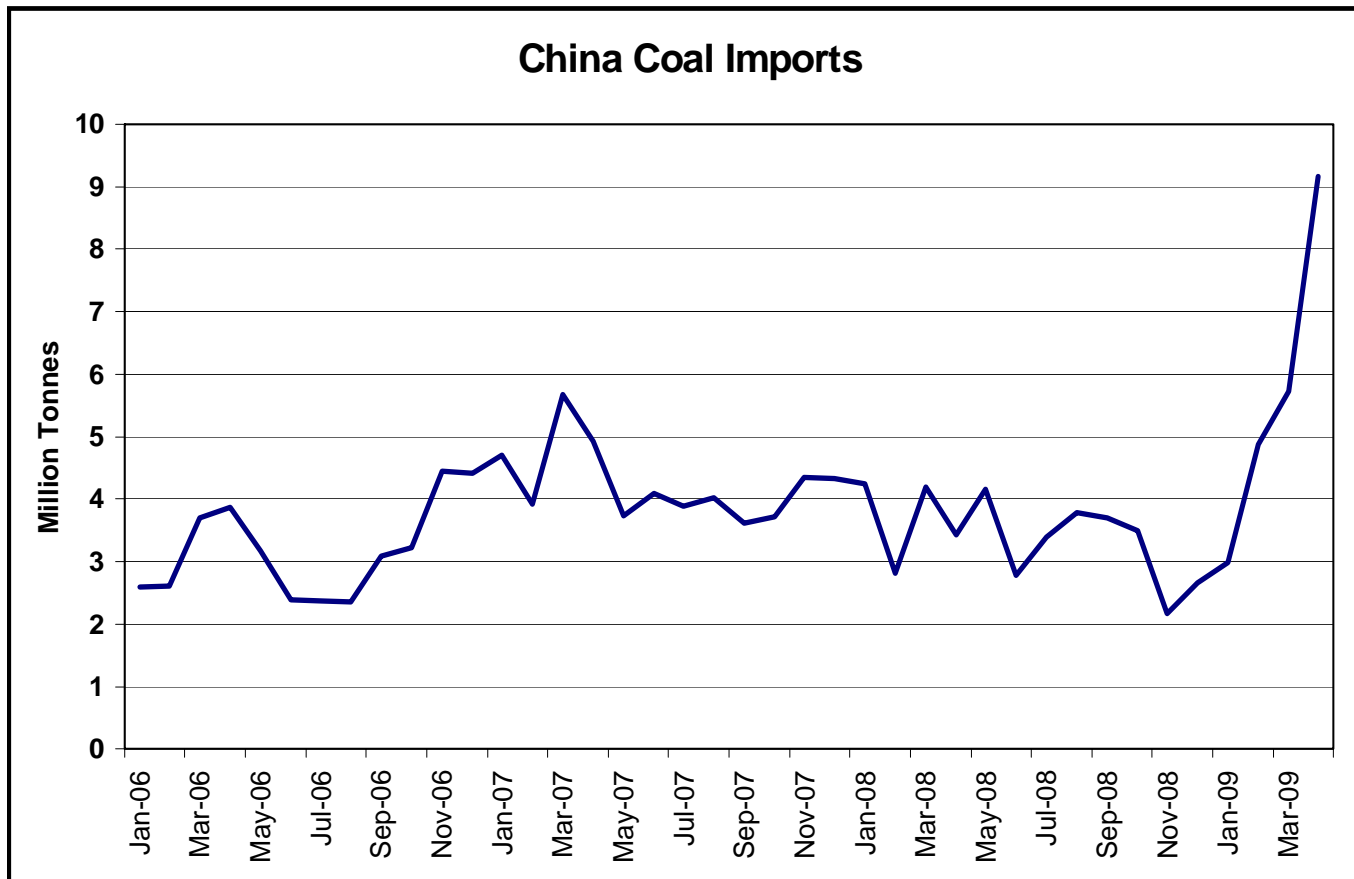
➤ **Secured additional fixed revenues by fixing the Leiv Eiriksson with Petrobras for 36 months (total contract value of about 630 \$million)**



China in Overdrive – China Iron Ore Imports



China in Overdrive – Commodity Rebound

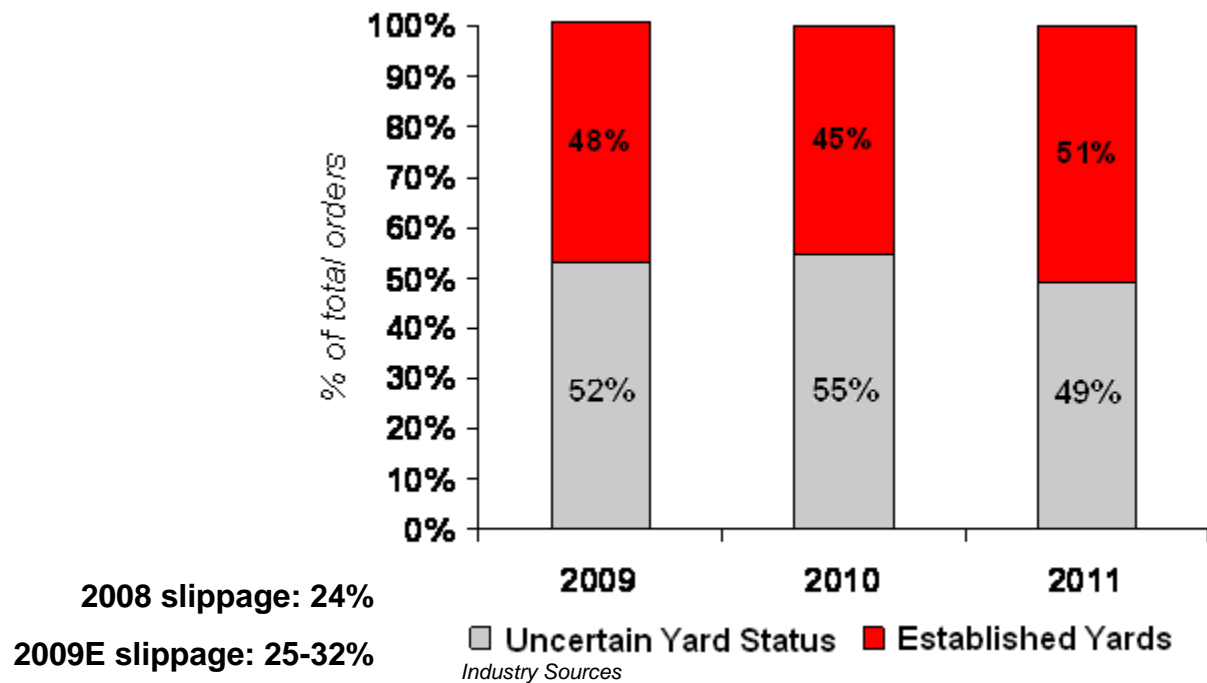


Industry Sources



Drybulk Orderbook Uncertainty

Severe lack of financing → delays & cancellation of orders
Yards cancelling greenfield and capacity additions



Dry Bulk – Upside from Acquisitions

Today

Fleet Mkt Value + Cash: \$ 1.5 bn

Debt Outstanding: \$ 1.3 bn

CAPEX: \$ 36.6 m

2009 Cash B/E: \$ 2,000^(*)

Secured Revenue: \$ 1.6 bn

Tomorrow

**Assume DRYS buys
10 Pmaxes for \$ 300 m**

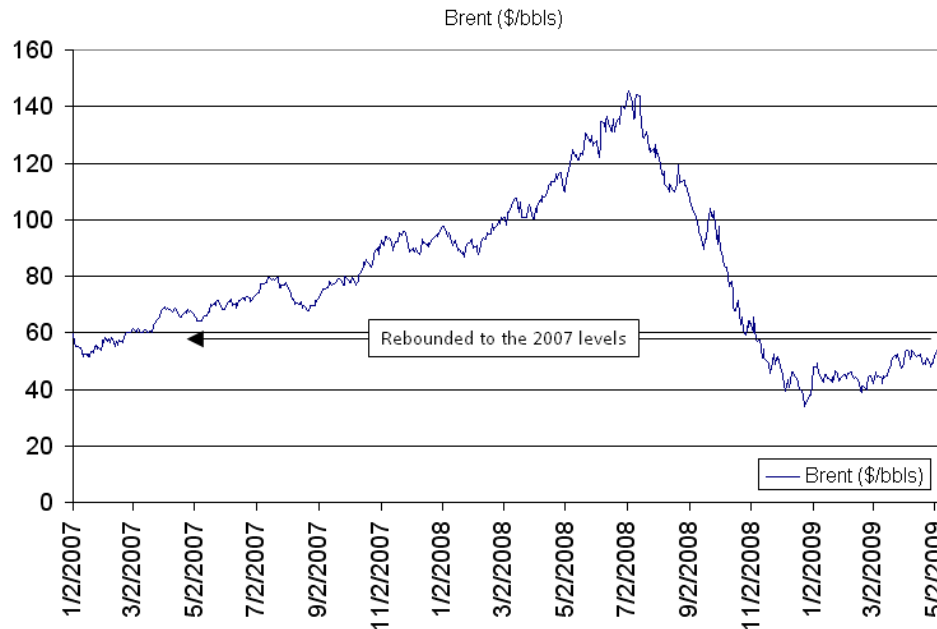
**Equity Valuation based on
EV/EBITDA Multiple per Share**

	X5	X7	X10
\$15K	\$3.01	\$5.68	\$9.71
\$25K	\$4.76	\$8.14	\$13.22
\$45K	\$6.07	\$13.05	\$20.24

(*) Spot breakeven TCE for 2009 based on total expenses net of fixed revenues over spot voyage days.



Offshore Operations Update

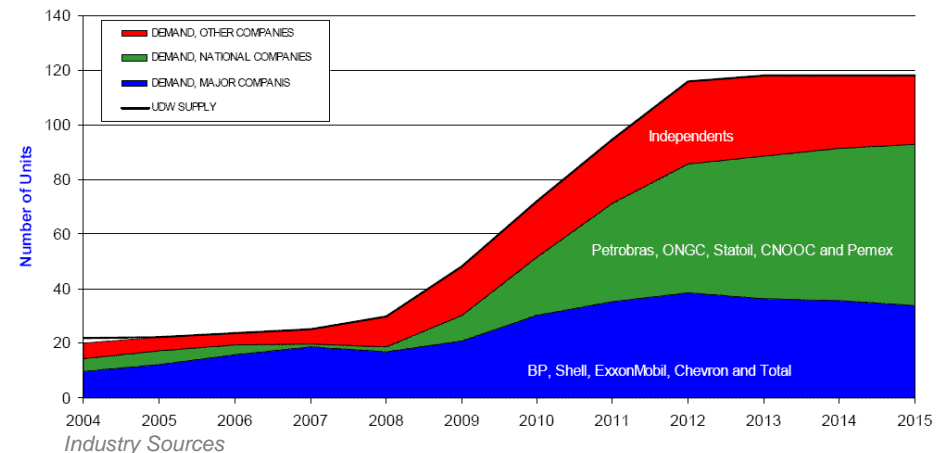


Industry Sources

Since the beginning of 2009 oil prices have rebounded from 4Q 2008 lows.

Prospects for the Ultra Deepwater exploration remain very promising.

Existing Contracts and New Expected Demand
Ultra Deepwater



DryShips Inc.



Offshore Drilling – Upside Potential for Shareholders

Today

Fleet Mkt Value^() + Cash: \$ 4.8 bn**

Debt Outstanding^(*): \$ 3.3 bn**

CAPEX: \$ 2.2 bn

Secured Revenue: \$ 1.1 bn

Tomorrow

Equity Valuation^(*) based on
EV/EBITDA Multiple per Share

Rates (\$/day)	X5	X8	X12
500K	10.53	18.75	29.70
550K	12.33	21.63	34.03
600K	14.14	24.52	38.35

(*) The above calculation is based on Primelead's current fleet of drilling units including 1837 and 1838. On 15 May 2009 we closed the previously announced acquisition of Drillships Holdings Inc. owners of units 1837 and 1838. As part of the transaction Primelead issued 25% of its shares to the Sellers which include companies affiliated with Mr. Economou, CEO and Chairman of DRYs.

(**) Assumes all units are delivered

(***) Assumes 2 billion additional debt that has not been drawn or secured yet



Investment Thesis

Low entry point in the commodity cycle – ride the rebound

- Oil prices rebounding – Capex will rise to quench energy thirst
- Resilient growth trend in China & India
- Dry bulk commodity demand set to grow once recession abates
- EPS Impact of drillship opportunities
- Shipping stocks oversold
- Leading consolidator – distressed opportunities
- Strong Management with long track record in Shipping, Ultra Deep Water Drilling & Capital markets



Company Strategy

- Continue working with our lenders to finalize covenant waivers already obtained
- Take advantage of freight market volatility (For 2009 and 2010, 38% and 41% of remaining operating days respectively are spot)
- Secure employment for drillships
- Secure finance for drillships

Standby to acquire distressed dry bulk assets
Leverage the commodity rebound

Prepare OceanRig for IPO when valuation is right



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