

DryShips Inc.

NASDAQ: "DRYS"

George Economou, CEO



Jefferies & Co.

4th Annual Shipping Conference,
New York, 25-26 September, 2007

Forward Looking Statements



Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements reflect our 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 our 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.



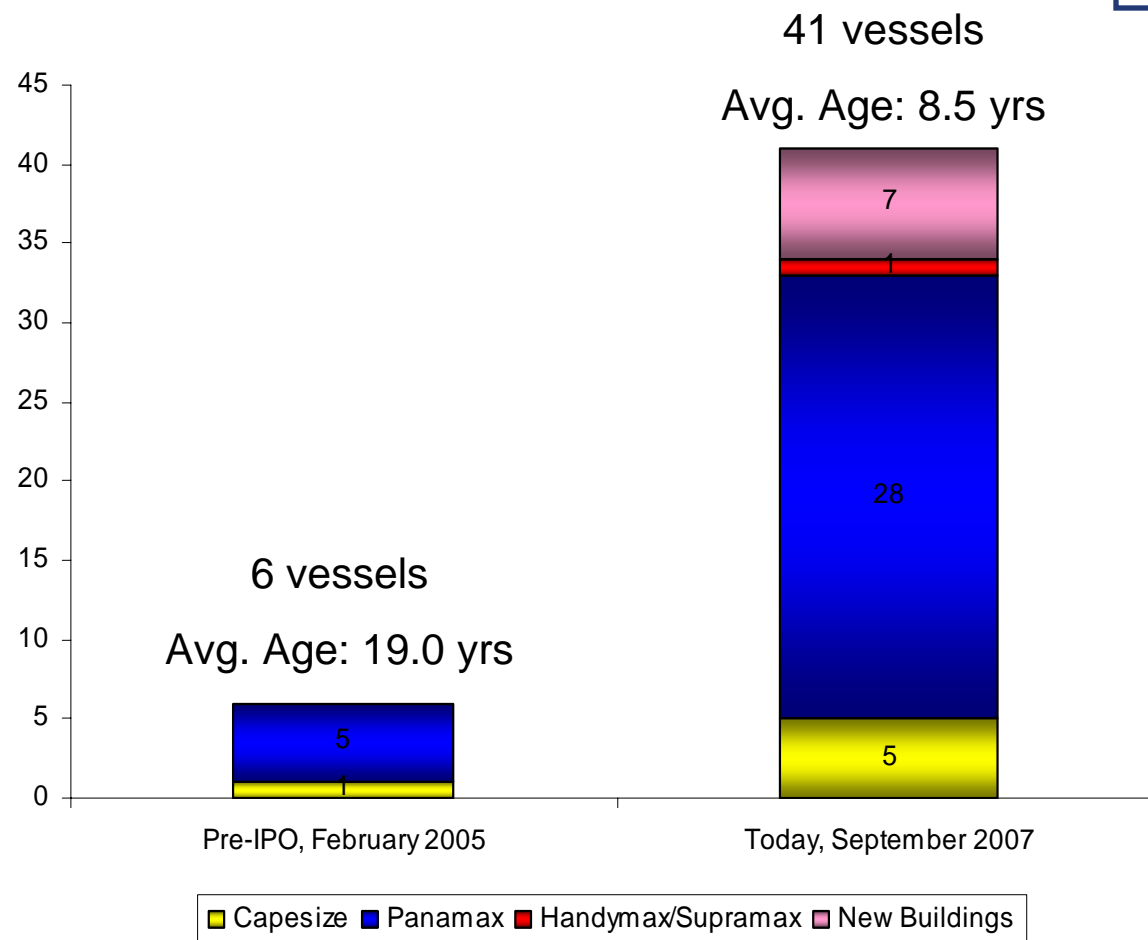
IPO Vision



- Build a premiere drybulk company
- ⚓ Capitalize fundamental industry change over next 3-4 years
- ⚓ Exposure to high spot charter rate employment
- ⚓ Consolidate sector; maintain average fleet age 10-20 years
- ⚓ Acquisition Criteria based on financial returns and market outlook
- ⚓ Use financial leverage and amortize with debt repayments
- ⚓ Maintain efficient vessel and company operations
- ⚓ Dividend policy of 20 cents per quarter
- ⚓ Adhere to S&O corporate governance standards



30 months after the IPO



The “Experts” Opinion



“The spectacle of a room full of portfolio managers being led like lambs to slaughter.”

Kathryn M. Welling, Streebeat February 2005

“... some of the offerings look likely to discredit the industry.”

March 18, 2005 Tradewinds

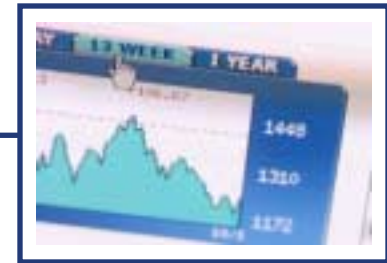
“...in any other business Economou would be dismissed as a disgraced junk bond salesman trying to float a bag of old ships...”

Kathryn M. Welling, Streebeat February 2005

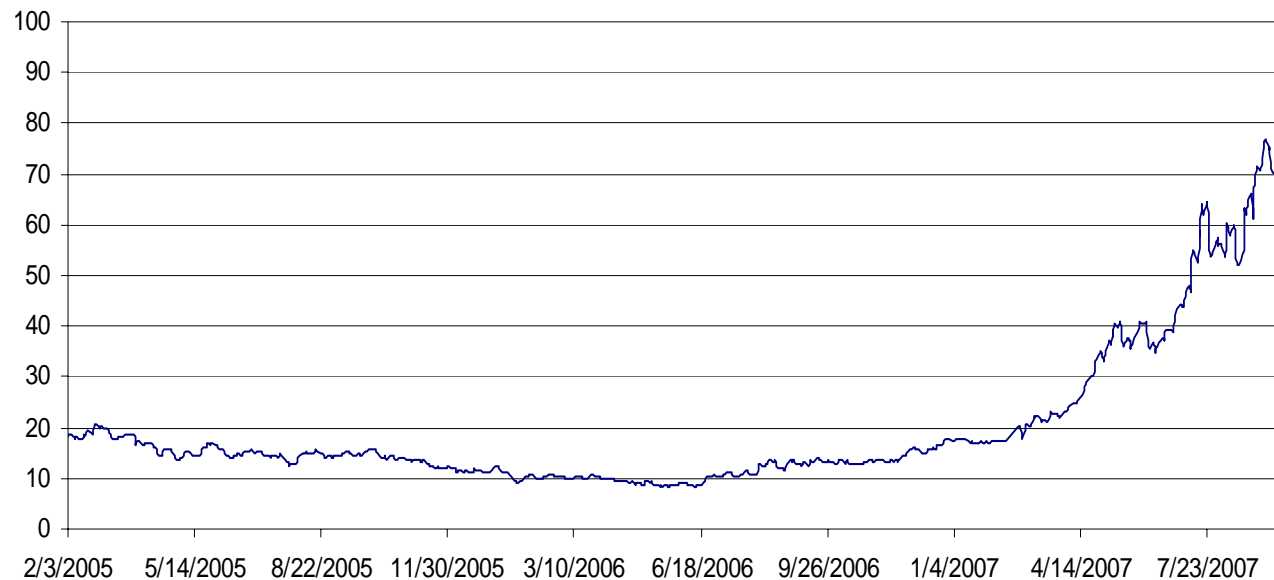


And for the Investors Who Did Not Listen?

DryShips shares are up 386% since the IPO i.e. from \$18 to \$87.6 per share.



NASDAQ: "DRYS" - Stock Performance since IPO



***Initial
shareholders and
management own
about 47.5% of
the Company and
have not sold a
single share since
the IPO.***



But the “Experts” had to say more...



“It does not take a rocket scientist to see that it is the private Economou family companies, again, that are making money in the deal by locking in profits on ships”

“Among the first vessels DryShips planned to buy with the offering proceeds were six owned by Mr. Economou’s sister” “... in a business where the only real profits historically have come not from operations, but from timely asset sales!”

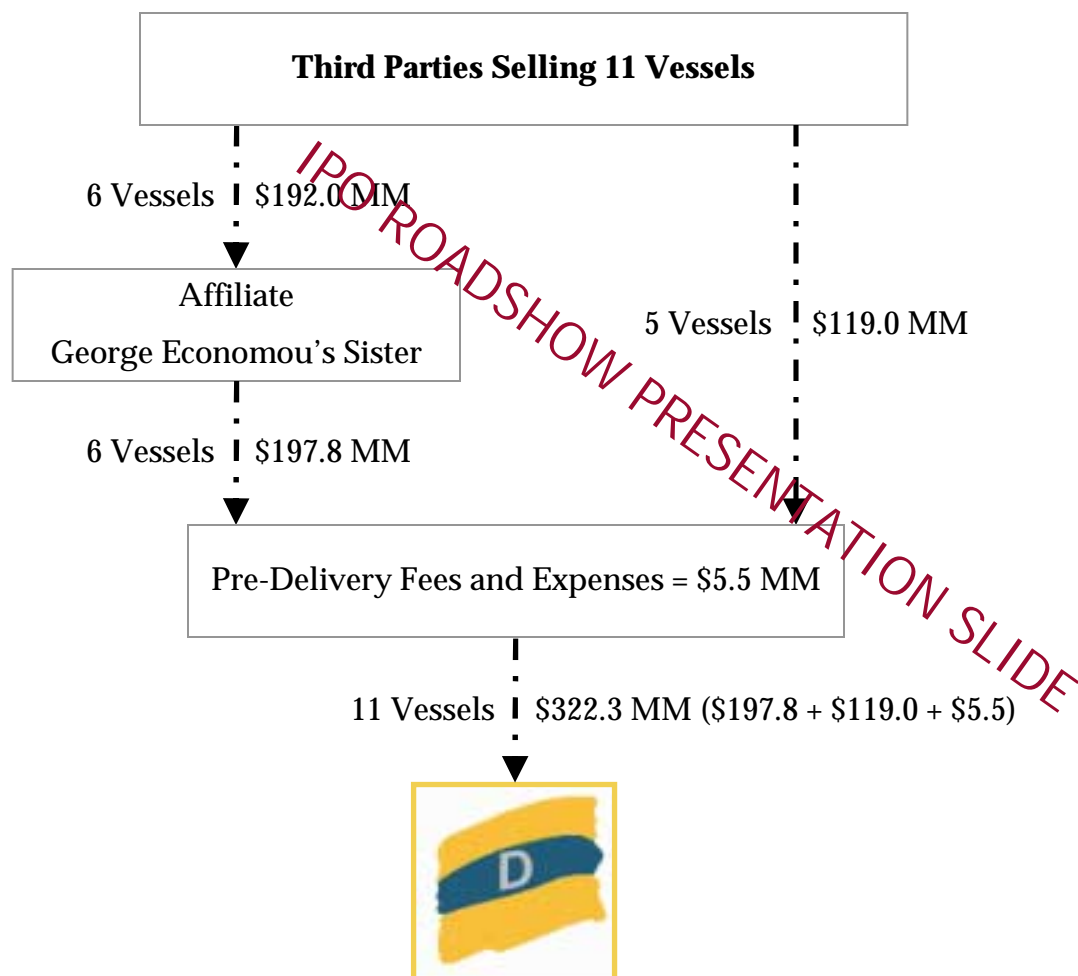
Kathryn M. Welling, Streebeat February 2005

“... how is this ... company ... going to operate the 20 plus ship fleet ...”

March 18, 2005 Tradewinds



Appendix – Acquisition of Identified Vessels



And the “Experts” went on!



“How can a company with 6 old vessels have a market capitalization of \$800 million?”

Public Company CEO March 2005

“... DryShips is especially risky, as a careful scrutinizing of the company's SEC filings should be enough to turn any investor's hair white.”

September 1, 2006 Motley Fool

“Reiterate Sell as Sustainability of Dividend is Questionable and Company Appears to be in Default of Bank Covenant?”

March 16, 2006 Retired Shipping Analyst



Market Cap



TEEKAY	\$4.52 billion
FRONTLINE	\$3.67 billion
DRYSHIPS	\$3.09 billion
OSG	\$2.50 billion
DANAOS	\$1.98 billion
GENCO	\$1.68 billion

Note: Closing prices as of 9/25/07



Some got it right!



“I think what ‘s good about shipping is that you left the two bad decades of the 1980s and the 1990s behind; I think this is going to be a lot better.”

George Economou Chief Executive Officer, DryShips Inc. November 2005

“Capacity Shortages may be alleviated marginally but we believe they are here to stay for the foreseeable future.”

George Economou Chief Executive Officer, DryShips Inc. December 2005

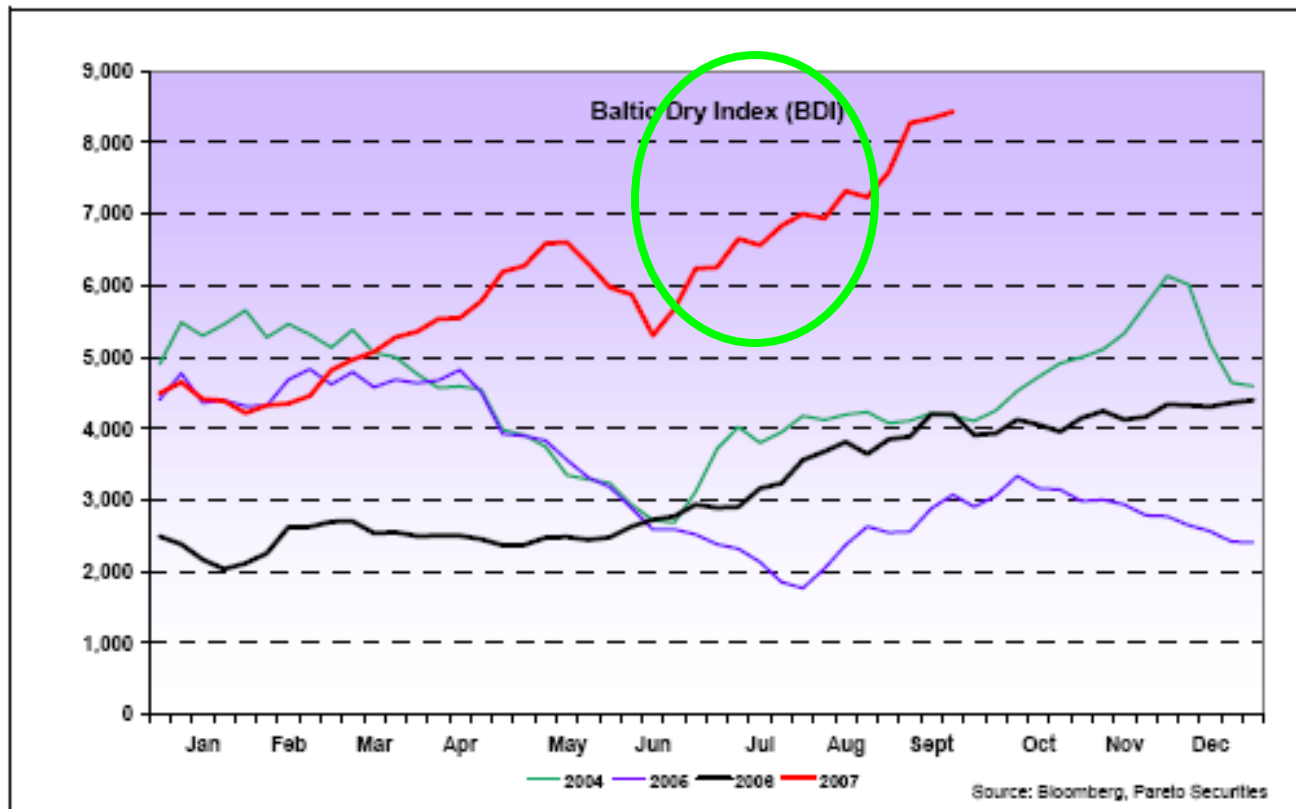
“China’s underlying growth is still firm and there is minimal risk that government initiatives will lead to an imminent slowdown.”

Tradewinds 25 May2005



Baltic Dry Index

So far in 07 the index has surpassed all previous record levels



Port Congestion Remains High

Currently the combined Australian port delays are about 11 days.



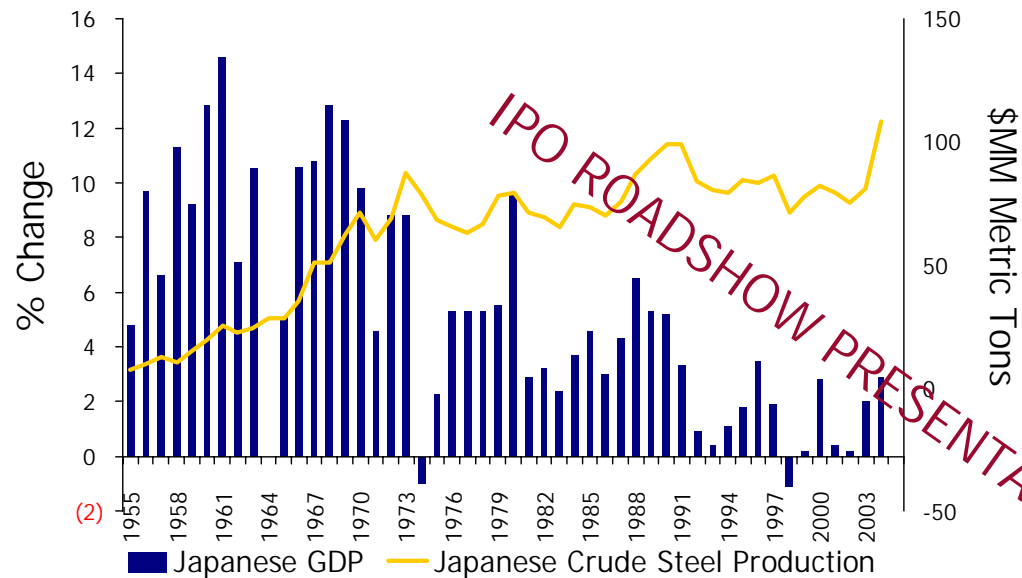
Source: Industry sources. Figures based on mid-month situation.



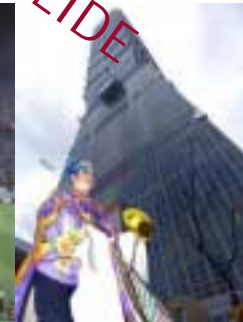
Is China a Bubble? Absolutely Not!



➤ "Soft" or "Hard" landing? "No" landing at all



(\$ in billions)	2003	2004E	2005P
GDP	1,319	1,431	1,545
% Change	9.1%	8.5%	8.0%
Net Change	110	112	114



Source: Clarksons Research Studies and International Monetary Fund



Chinese GDP Development



\$2.625 bln 2010 projection made in 04 was surpassed in 2006

From 6th largest global economy in 2004 poised to become 3rd in 2008 !!!

Country	2003	2004	2005	2006	2007F	2008F
United States	10,960	11,712	12,455	13,245	13,770	14,418
Japan	4,235	4,608	4,557	4,367	4,302	4,453
Germany	2,444	2,744	2,792	2,897	3,081	3,184
China	1,641 (6)	1,932 (6)	2,244 (4)	2,630 (4)	3,051 (4)	3,417 (3)
United Kingdom	1,815	2,155	2,231	2,374	2,661	2,823
France	1,805	2,060	2,127	2,232	2,401	2,513
Italy	1,510	1,729	1,773	1,853	1,994	2,076
Canada	868	994	1,132	1,269	1,266	1,334
Korea	608	681	792	888	943	1,001
India	543	618	712	797	871	942
Russia	431	592	764	979	1,167	1,345

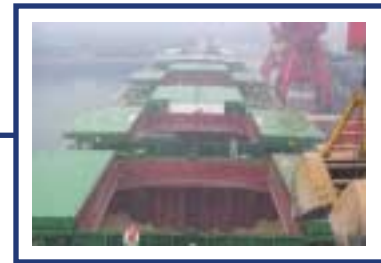
Source: IMF, April 2007



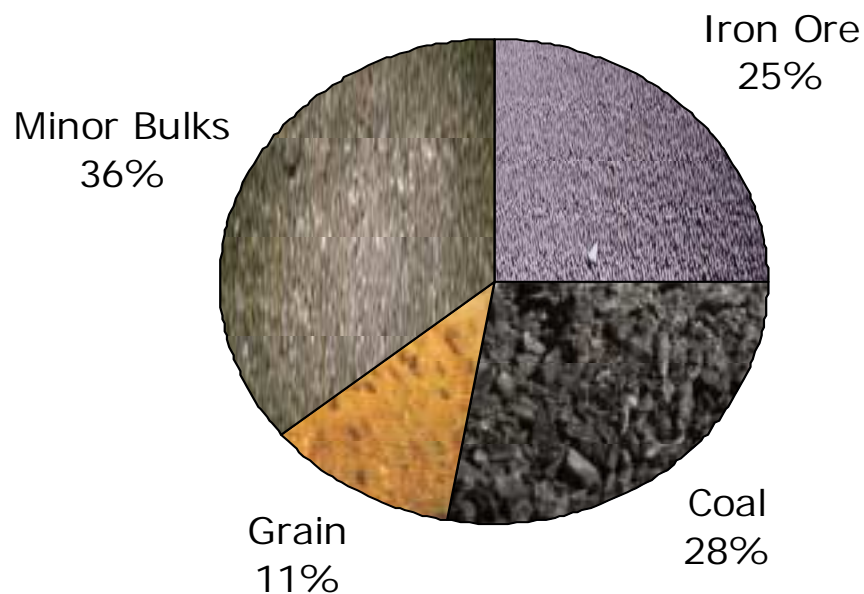
Seaborne Drybulk Trade – No “subprime” exposure

North America accounts account for only 4% of drybulk trade.

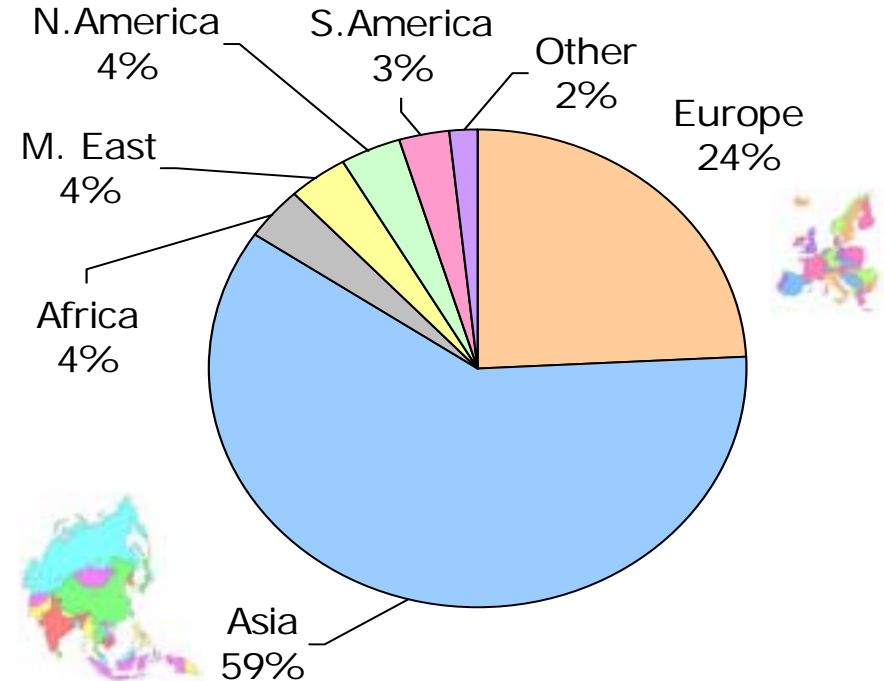
Asia accounts for 59% of drybulk imports.



Commodity Breakdown Trade



Regional Breakdown Imports



Minor Bulks include: Steel Products, Ferrous Metals, Scrap, Fertilizer, Metallic ores ,Bauxite/Alumina, Non Metallic Minerals (salt), Cement / pet coke, Agricultural goods, forest products.

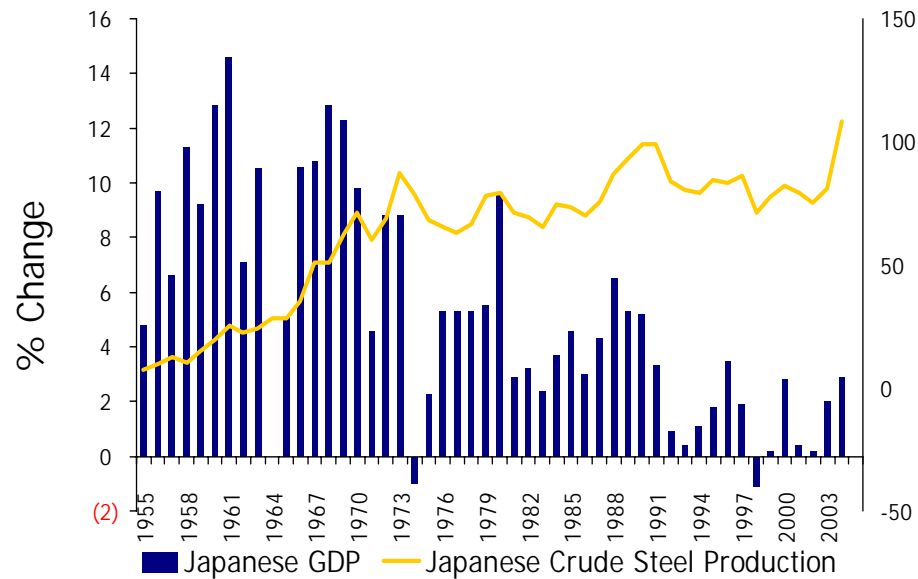


Industrial Production Prospects

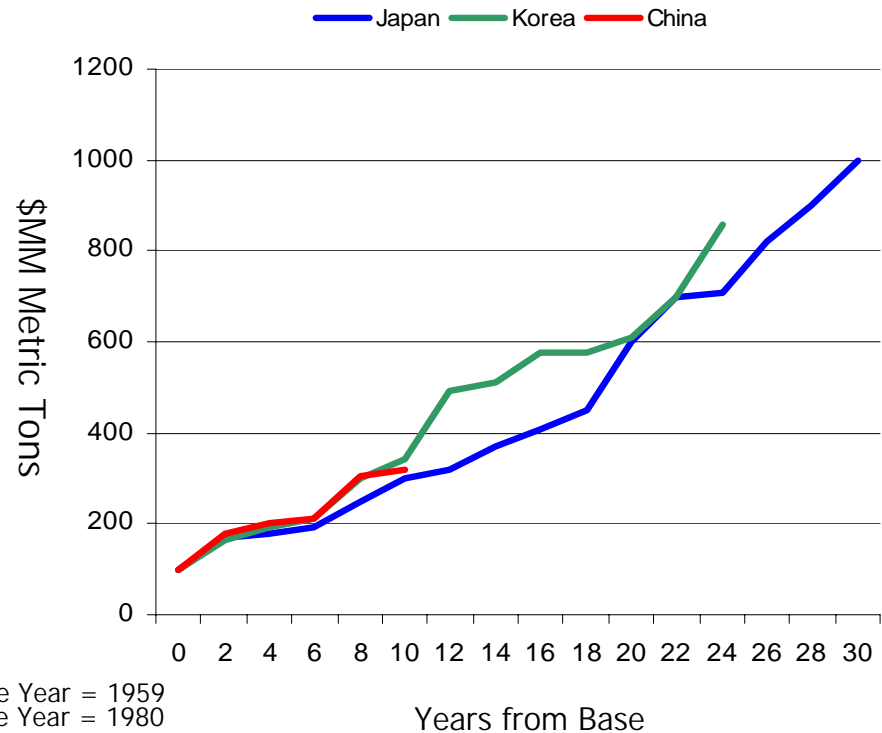


First phase of growth – sustained steel production after peak

Japan GDP, Steel Production



Industrial Production



Japan Base Year = 1959
Korea Base Year = 1980
China Base Year = 1995

Source: Clarksons Research Studies and International Monetary Fund



DryShips Inc. © 2007

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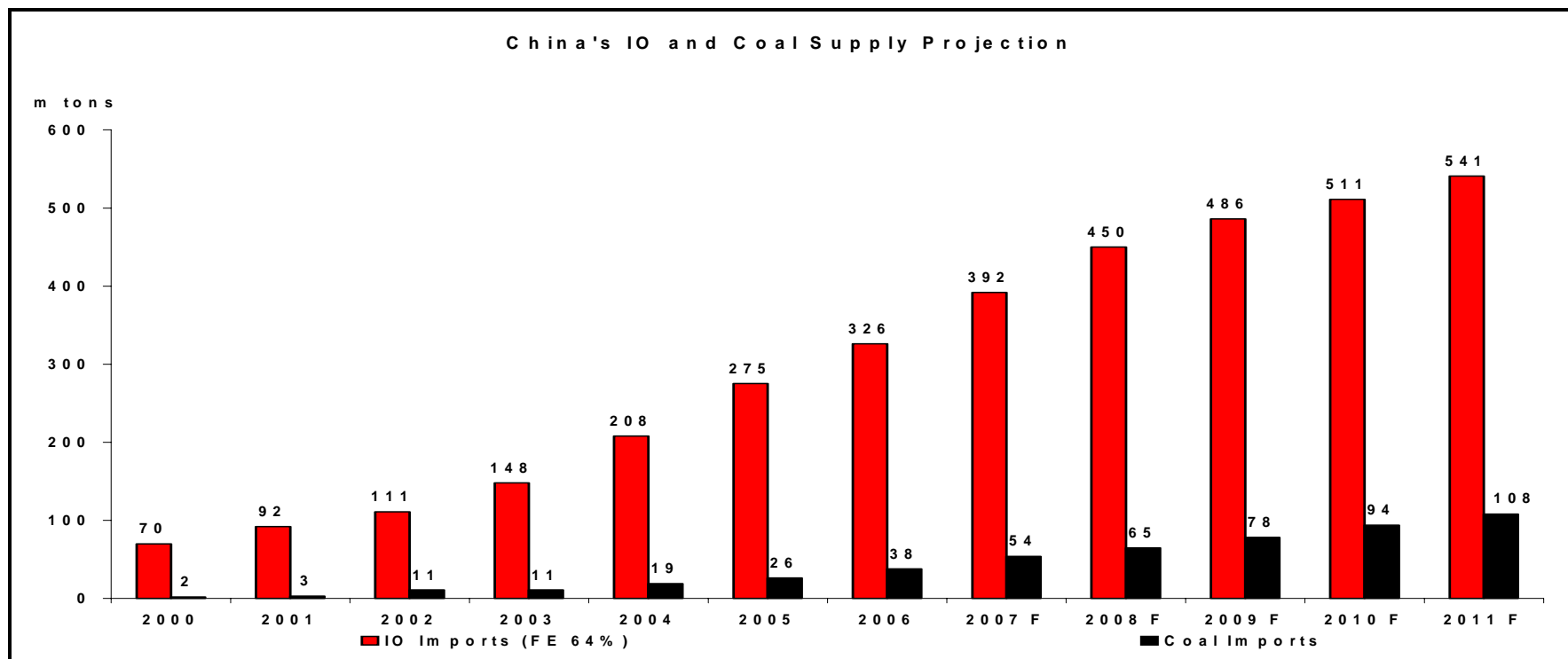


Domestic Iron Ore Demand

Iron Ore imports to grow from 392 in 07 to 511 m tons in 10



China's iron ore imports of 326 m tons in 2006 dwarfed Japan's 134 m tons. In 2007 alone China will import an additional 66 m tons over 2006 - 50% of global production



Source: CEIC, CSA



Fleet Expansion and Renewal



Second Hand Purchases					
Name	Dwt	Size	Built	Expected Delivery	Price (million \$)
Avoca	76,500	Panamax	2004	1q08	69.5
Saldahna	75,500	Panamax	2004	4q07	75.0
Oregon	74,204	Panamax	2002	4q07	67.2
Samatan	74,823	Panamax	2001	4q07	71.0
Clipper Gemini	51,201	Supramax	2003	4q07	50.2
VOC Galaxy	51,201	Supramax	2002	4q07	55.5
6 vessels	403,429 dwt	4.3 years old		Total Price	332.8
Newbuildings					
Name	Dwt	Size	Built	Expected Delivery	Price (million \$)
TBN	180,000	Capesize	2009	2q09	114.0
TBN	180,000	Capesize	2009	4q09	105.5
TBN	180,000	Capesize	2010	1q10	105.5
TBN	82,000	Kamsarmax	2010	2q10	54.3
TBN	82,000	Kamsarmax	2010	2q10	54.3
5 vessels	704,000 dwt			Total Price	433.5
Disposals					
Name	Dwt	Size	Built	Expected Delivery	Price (million \$)
Formentera	70,002	Panamax	1996	4q07	63.0
1 vessel	70,002 dwt			Total Price	63.0

All of the newbuilding vessels are being acquired as re-sales from the sellers and delivery to DryShips shall be “back to back” with the delivery of the vessels to the sellers by the respective builder.

When all of the above mentioned acquisitions and disposals have taken place, DryShips’ fleet will include 46 drybulk carriers comprising 5 Capesize, 31 Panamax, 2 Supramax, 1 Handymax and 7 newbuilding drybulk vessels, with a combined capacity of approximately 4.0 million deadweight tons, and an average age of 8.9 years well below the drybulk industry average.



Chartering Policy

We remain committed to implementing our previously stated chartering philosophy and to position more vessels to trade in the spot market on a voyage by voyage basis as the vessels are coming off previously concluded short-term charters.



	3q07	4q07	2008
Capesize Unfixed Days	25	313	1,767
Capesize Spot TCE	??	??	??
Capesize Spot Revenue	??	??	??
Panamax Unfixed Days	582	2,248	11,013
Panamax Spot TCE	??	??	??
Panamax Spot Revenue	??	??	??
Handymax Unfixed Days	0	82	793
Handymax Spot TCE	??	??	??
Handymax Spot Revenue	??	??	??
Total Unfixed Days	607	2,643	13,573
Fleet Spot Revenue	??	??	??
Capesize Fixed Revenue	\$26,858,582	\$9,666,543	\$1,368,760
Panamax Fixed Revenue	\$79,565,789	\$10,826,909	\$6,891,555
Handymax Fixed Revenue	\$2,737,060	\$2,790,850	\$8,235,000
Fleet Fixed Revenue	\$109,161,431	\$23,284,302	\$16,495,315
Total Revenue	??	??	??
Vessel OPEX (w/ Mng. Fees)	\$16,000,000	\$16,000,000	\$67,200,000
G&A	\$2,000,000	\$2,000,000	\$8,400,000
Total Costs	\$18,000,000	\$18,000,000	\$75,600,000
EBITDA	??	??	??

As of today, for the remaining two quarters in 2007:

52%
of vessel
operating days
UNFIXED

For 2008:

97%
of vessel
operating days
UNFIXED



Focus on Shareholder Returns



IPO Proceeds (1q05): \$251.3 million
CEO Proceeds (2q06): \$56.5 million
Total Equity Raised: \$307.8 million



***Since inception,
73% ROE
and
43% ROCE***

***Net Debt
to
Book Capitalization
33%
(adj. for asset values)***



Significant Upside Potential



FFA Forward Curve (\$ per day)			
	Sep	4q07	Cal 08
Capesize	135,000	148,750	112,250
Panamax	71,100	77,375	59,000
Supramax	57,500	60,875	49,125



***EBITDA estimate:
2008: \$ 615 million***

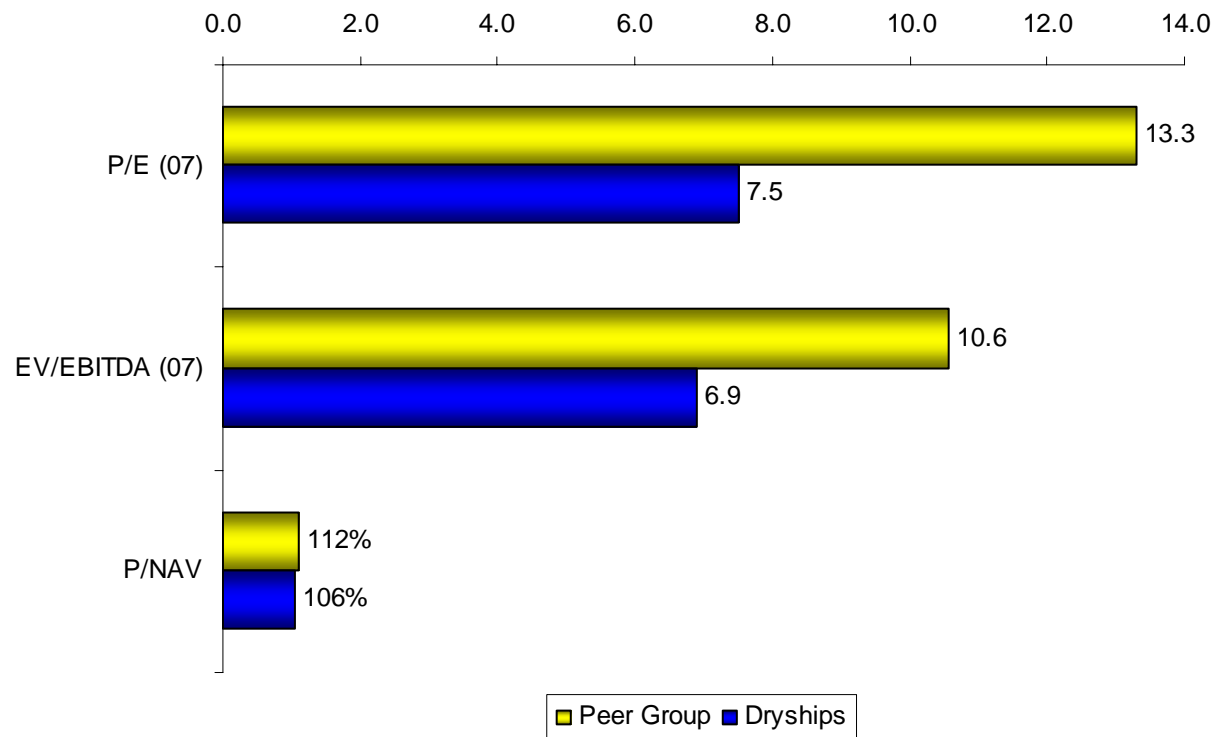
DryShips Spot Fleet Earnings Assumptions (\$ per day)			
	Sep	4q07	Cal 08
Capesize	100,000	100,000	90,000
Panamax	55,000	55,000	45,000
Supramax	33,000	33,000	25,000



Compelling Valuation



Peer Group Comparison



Peer Group consists of Diana, Eagle, Excel, Genco, Quintana

Source: Company Filings and Equity Research



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