

DryShips Inc.



Marine Money Week, New York

June 22-26, 2009

DRYS: Vehicle to leverage the commodity cycle

DRYS at the IPO - 2005

Market Cap: \$613 million

Fleet Size: 6 Drybulk VsIs

Fleet Age: 19 Years

DRYS Today – 2009

Market Cap: \$1.8 billion

Fleet Size: 41 Drybulk +
6 Drilling Rigs/Ships

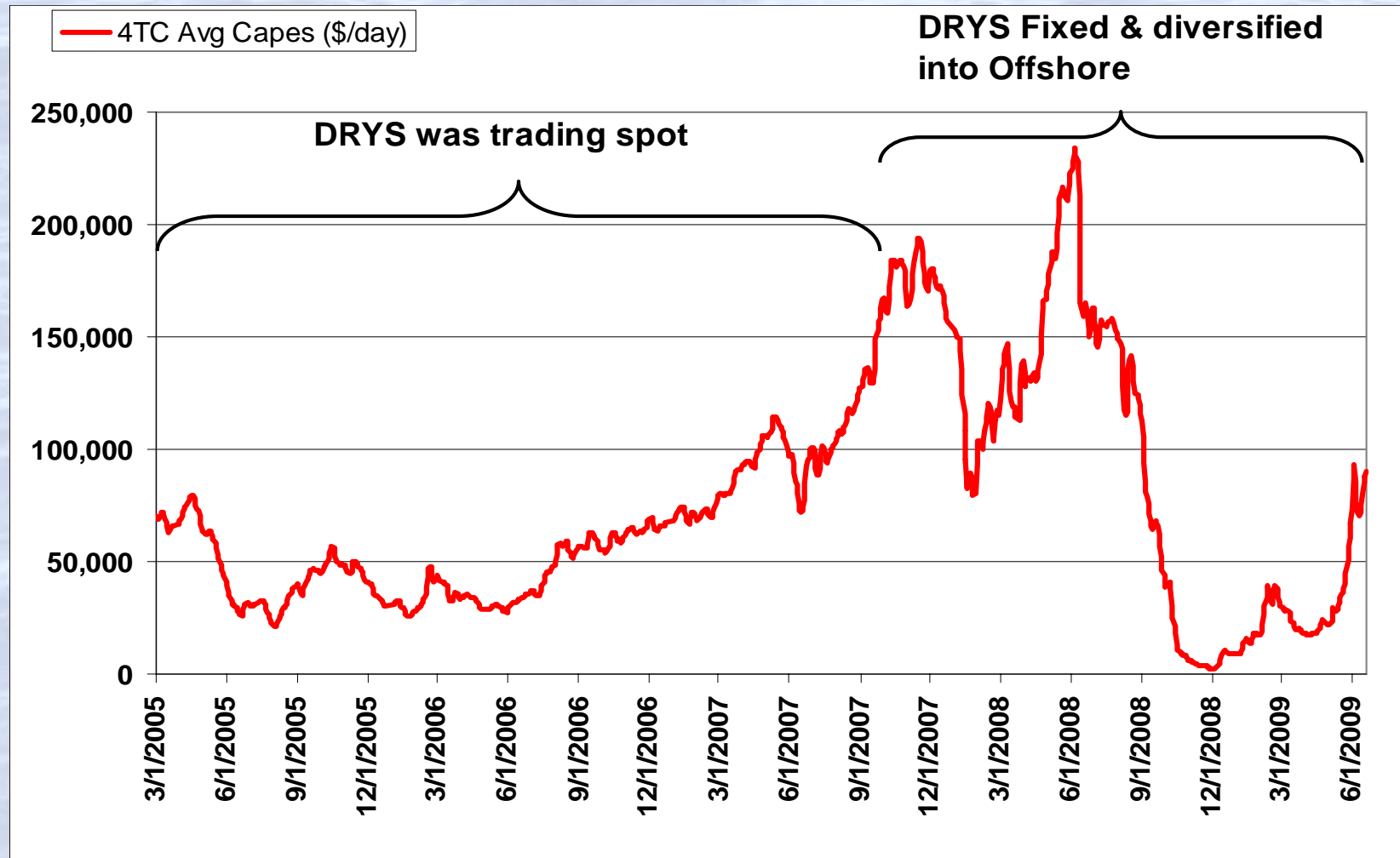
Fleet Age: 7 Years

DRYS – Exposed to both the dry bulk commodities and crude oil

DRYS – AVG volume (3 mnths) 41.3 million



Adept Management – Calling the Cycle Right



Pro-active Management during recession

➤ **Strengthened and de-levered the balance sheet**

- Raised equity – two ATM equity offerings (gross proceeds of about \$1 billion)
- Repaid the Primelead facility of \$800 million
- Improved liquidity position to approximately \$1.8 billion

➤ **Reduced capital expenditures**

- Cancelled 18 drybulk newbuilding vessels
- Reduced dry bulk vessel newbuilding capital expenditures by \$2.1 billion

➤ **Secured additional fixed revenues**

- Leiv Eiriksson is fixed with Petrobras for 36 months (Contract Value: 630 \$million)



Dry Bulk Segment

Today

Fleet Size: 41 VsIs / Avg Age: 7 Yrs

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.



Chinese IP set to rebound sharply

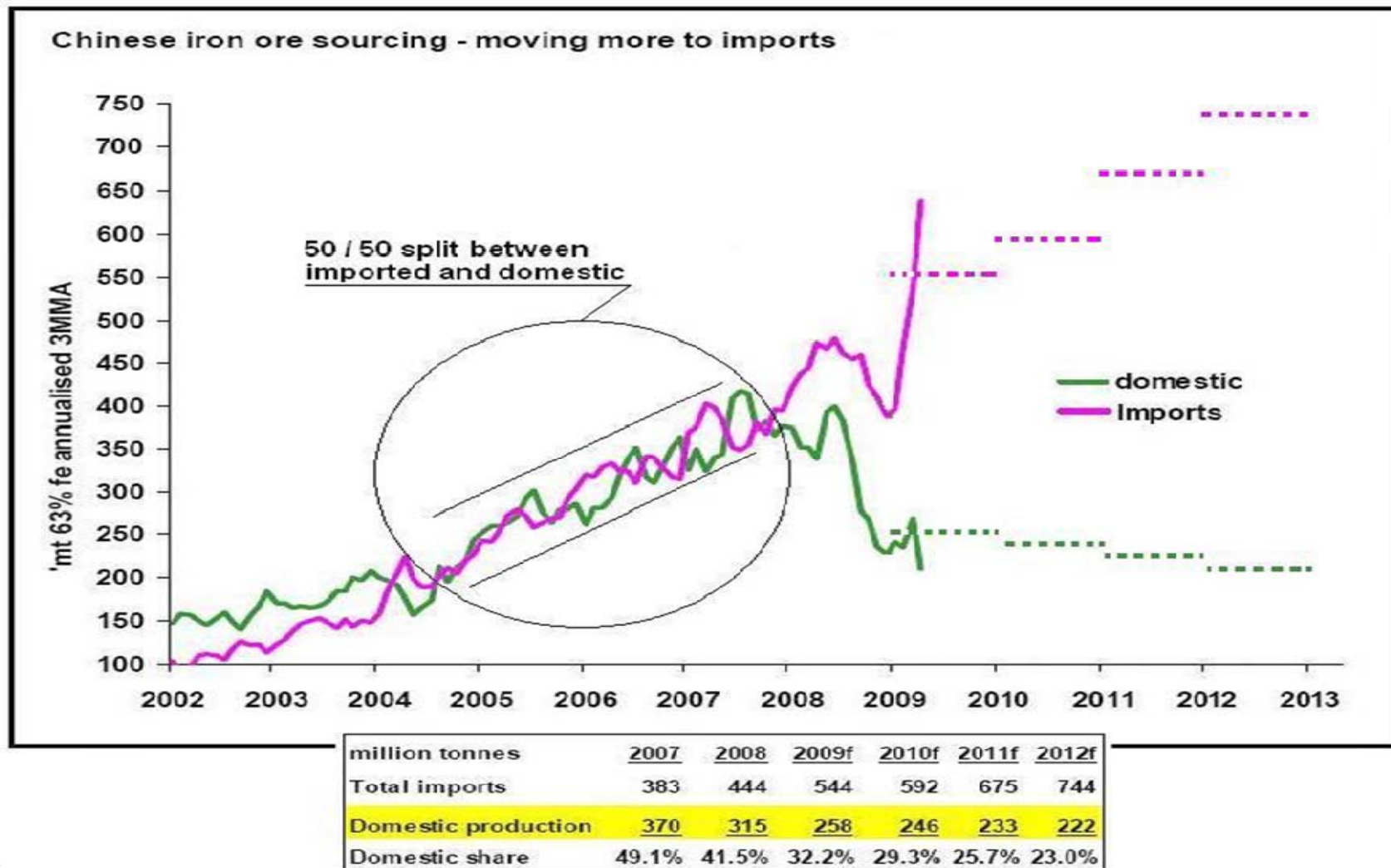
China loan growth vs. IP yoy% growth



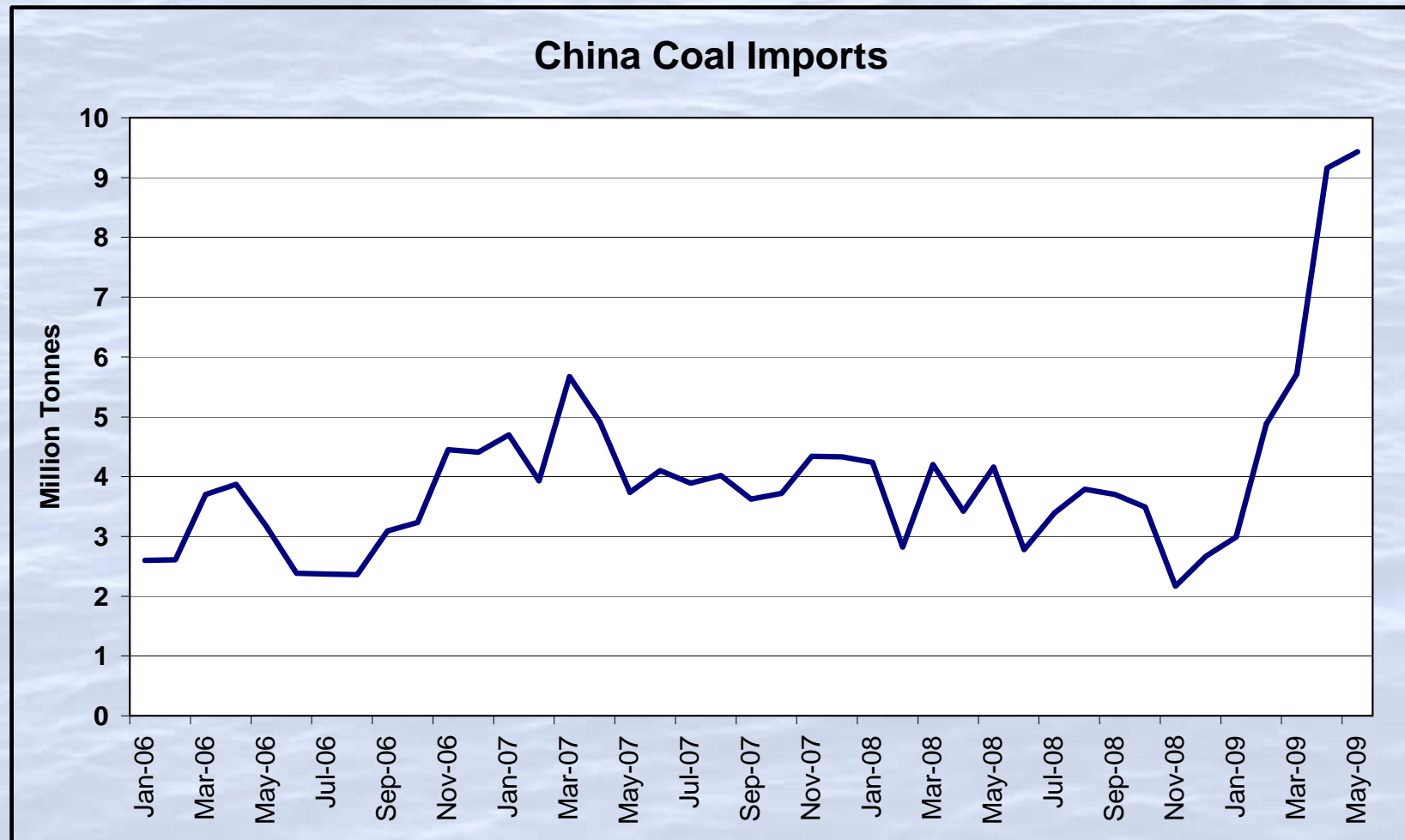
Source: CEIC.



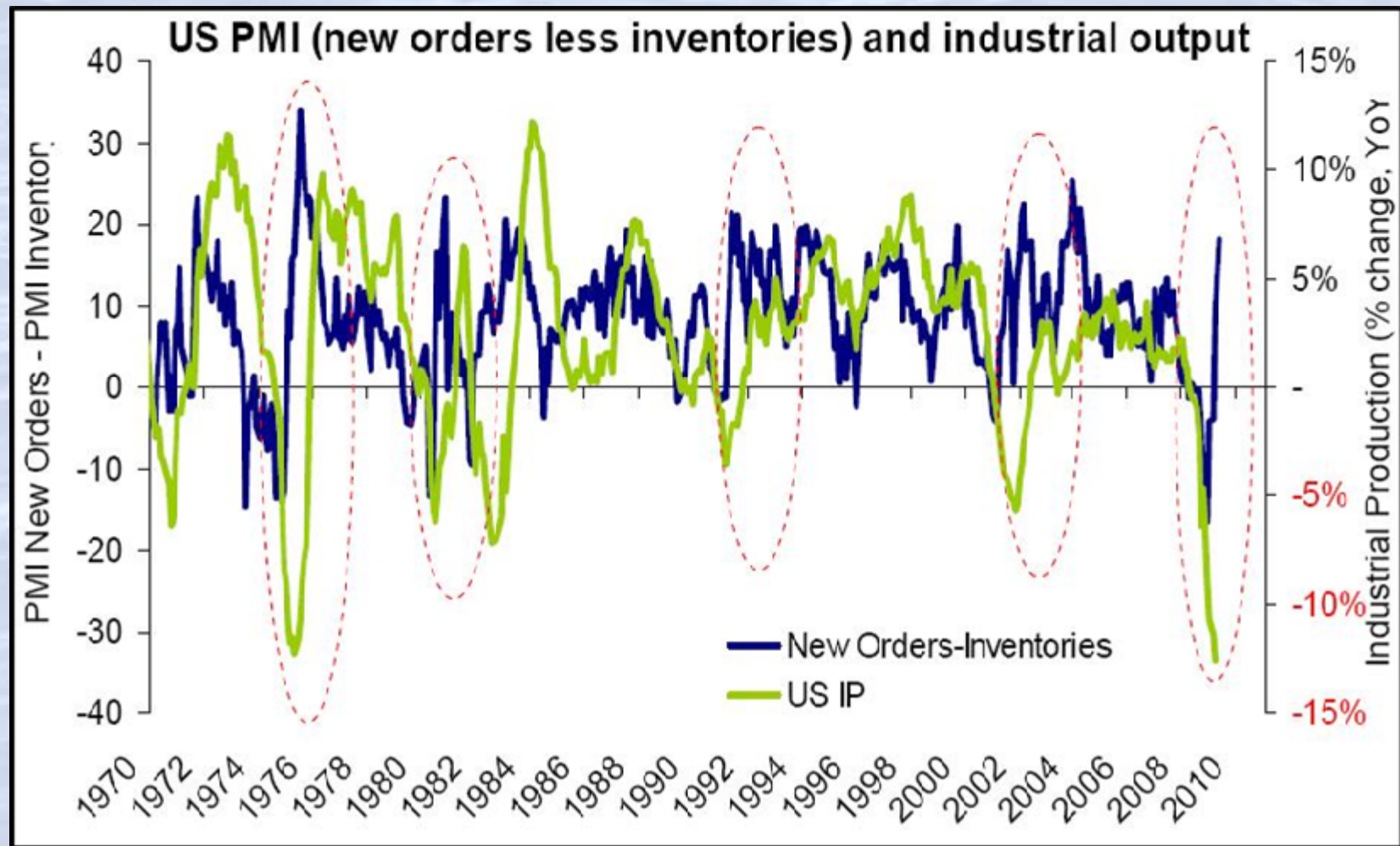
Its not just tonnes – ITS TONNE-MILES



China in Overdrive

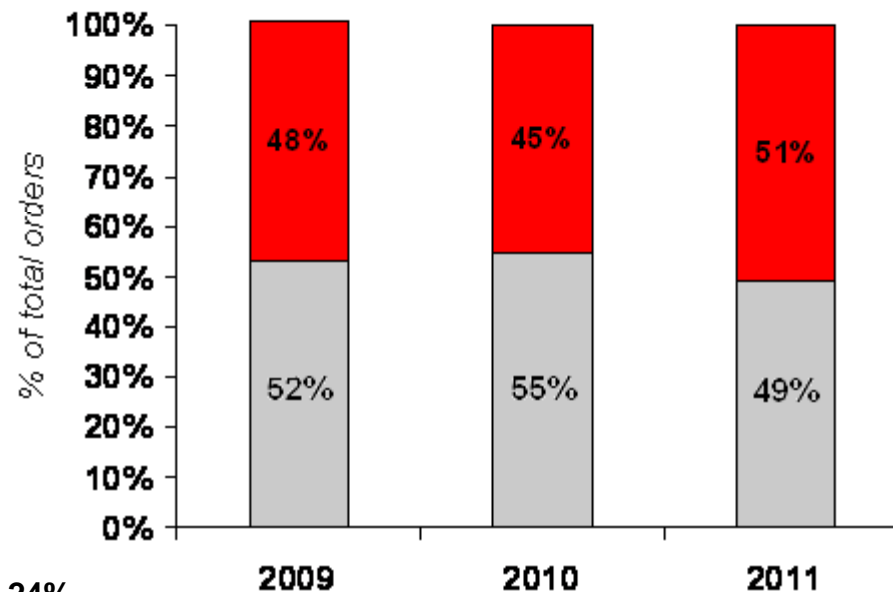


The worst may be over.....



Drybulk Orderbook Uncertainty

Severe lack of financing → delays & cancellation of orders
Yards cancelling greenfield and brownfield projects



2008 slippage: 24%
2009E slippage: 25-32%

■ Uncertain Yard Status ■ Established Yards
Industry Sources



Offshore Drilling Segment

Today

Fleet Size: 2 Submersibles + 4 Drillships

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

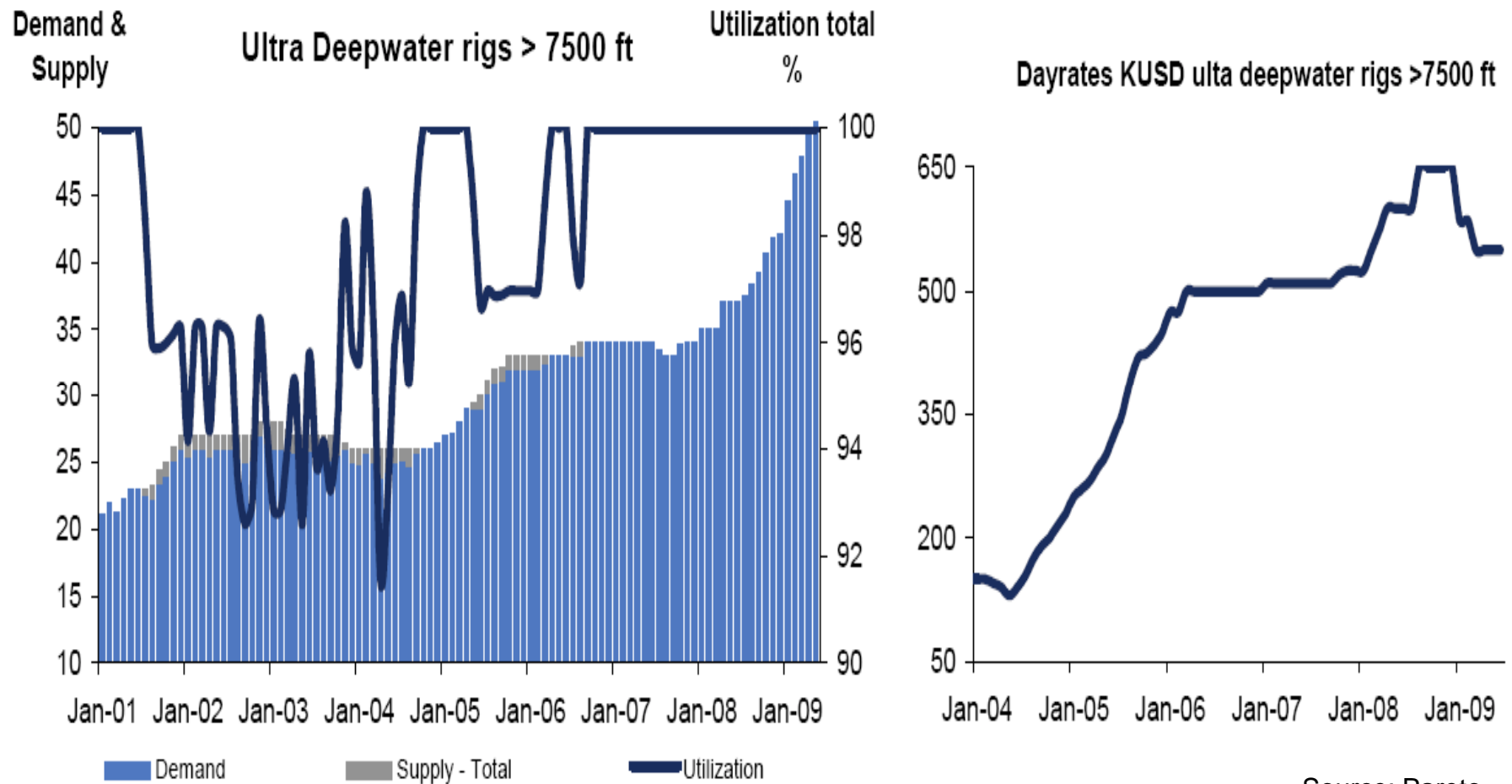
(*) The above calculation is based on Primelead's current fleet of drilling units including 1837 and 1838. On 15 May 2009 we closed the previously announced acquisition of Drillships Holdings Inc. owners of units 1837 and 1838. As part of the transaction Primelead issued 25% of its shares to the Sellers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



Rising Enquiry → Stabilized Day Rates



Source: Pareto



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



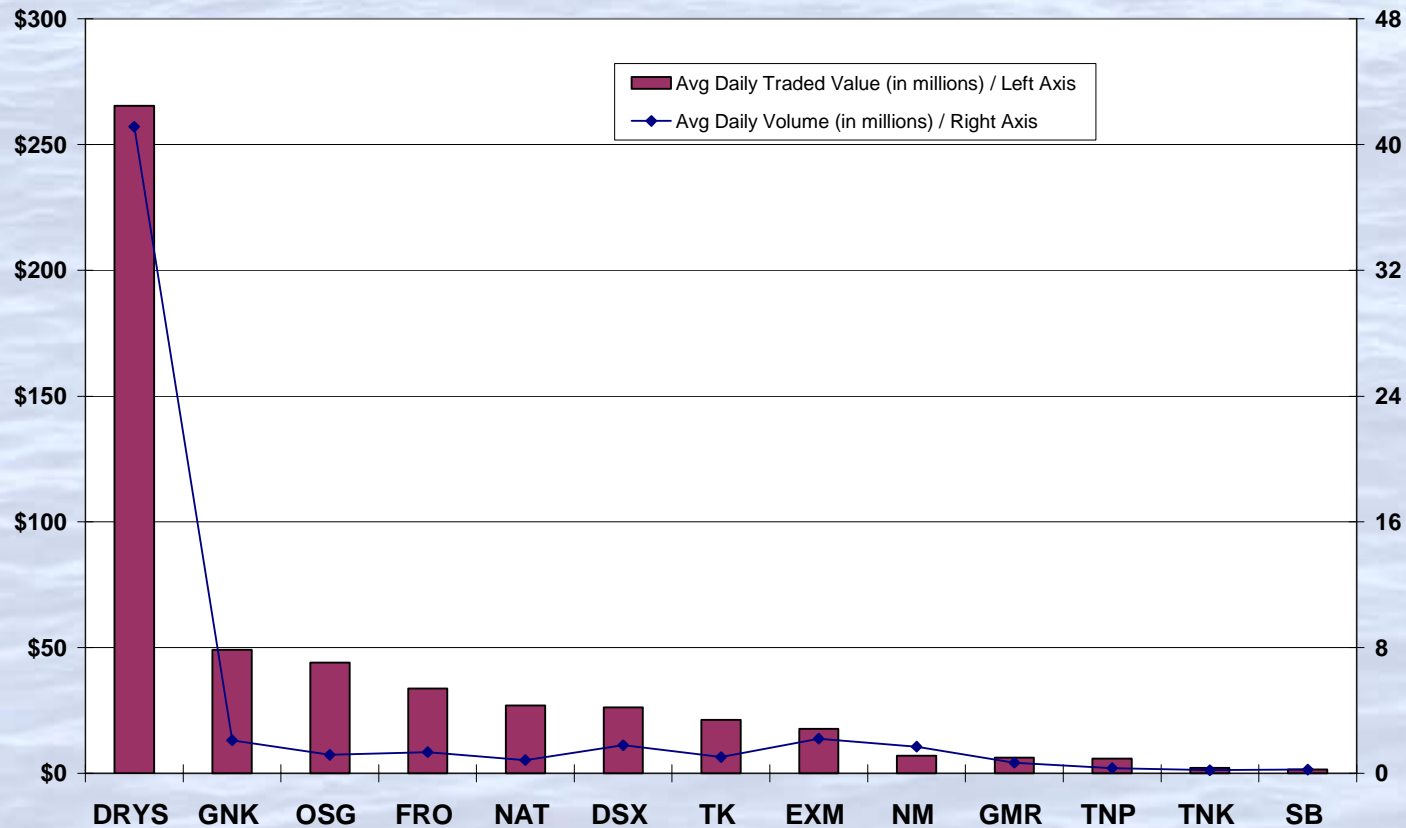
Investment Thesis

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**



Unparallel Liquidity



DRYS's average daily traded value > the sum of all other major US listed shipping equities COMBINED!

DRYS's liquidity is THRICE the sum of all the other major US listed shipping equities.

