

DryShips Inc.

Acquisition of OceanFreight
Investor Presentation – July 26, 2011



NASDAQ: "DRYS"

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, failure to close the proposed acquisition of OceanFreight Inc., 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. and OceanFreight Inc. with the US Securities and Exchange Commission.



Important Information

In connection with the proposed transaction, Ocean Rig UDW Inc. will file a registration statement with the Securities and Exchange Commission pursuant to which the Ocean Rig shares to be paid by DryShips, Inc. as merger consideration in the proposed acquisition by DryShips of OceanFreight, Inc. will be registered. Investors are urged to read the registration statement (including all amendments and supplements to it) because it will contain important information regarding the Ocean Rig shares and the transaction. Investors may obtain free copies of the registration statement when it becomes available, as well as other filings containing information about DryShips, Ocean Rig and OceanFreight, without charge, at the SEC's web site (www.sec.gov).



Acquisition Highlights

- **DryShips announces agreement to acquire OceanFreight for a total acquisition value of approximately \$239 million**
 - **Consideration of \$19.85 per share comprised of \$11.25 per share in cash plus 0.52326 shares of Ocean Rig per OceanFreight share**
 - **Debt of approximately \$143 million assumed by DryShips**
- **Acquisition of high-quality, modern drybulk vessels with attractive long-term charters**
 - **Four capesize and two panamax vessels with a weighted average age of six years and aggregating 850,622 deadweight tons (DWT)**
 - **Five 206,000 DWT VLOC newbuild vessels delivered in 2012 and 2013**



Transaction Rationale

- Unique opportunity to acquire a high-quality, modern fleet at or near the bottom of the cycle with downside protection through long-term charters
 - Consistent with DryShips' fleet modernization strategy
 - Creates the largest public owner of capesize drybulk vessels
- Purchase price of \$19.85 represents a significant discount to the charter-adjusted net asset value of OceanFreight and is close to the charter-free net asset value
- Minimal use of DryShips' liquidity with existing, highly attractive OceanFreight credit facilities remaining in place
- Modest acquisition multiple at low point in the cycle
 - 2012E EV/EBITDA multiple: 7.4x
- Significant synergies through elimination of substantially all OceanFreight G&A expenses
 - 2012E EV/EBITDA multiple: 5.9x with synergies

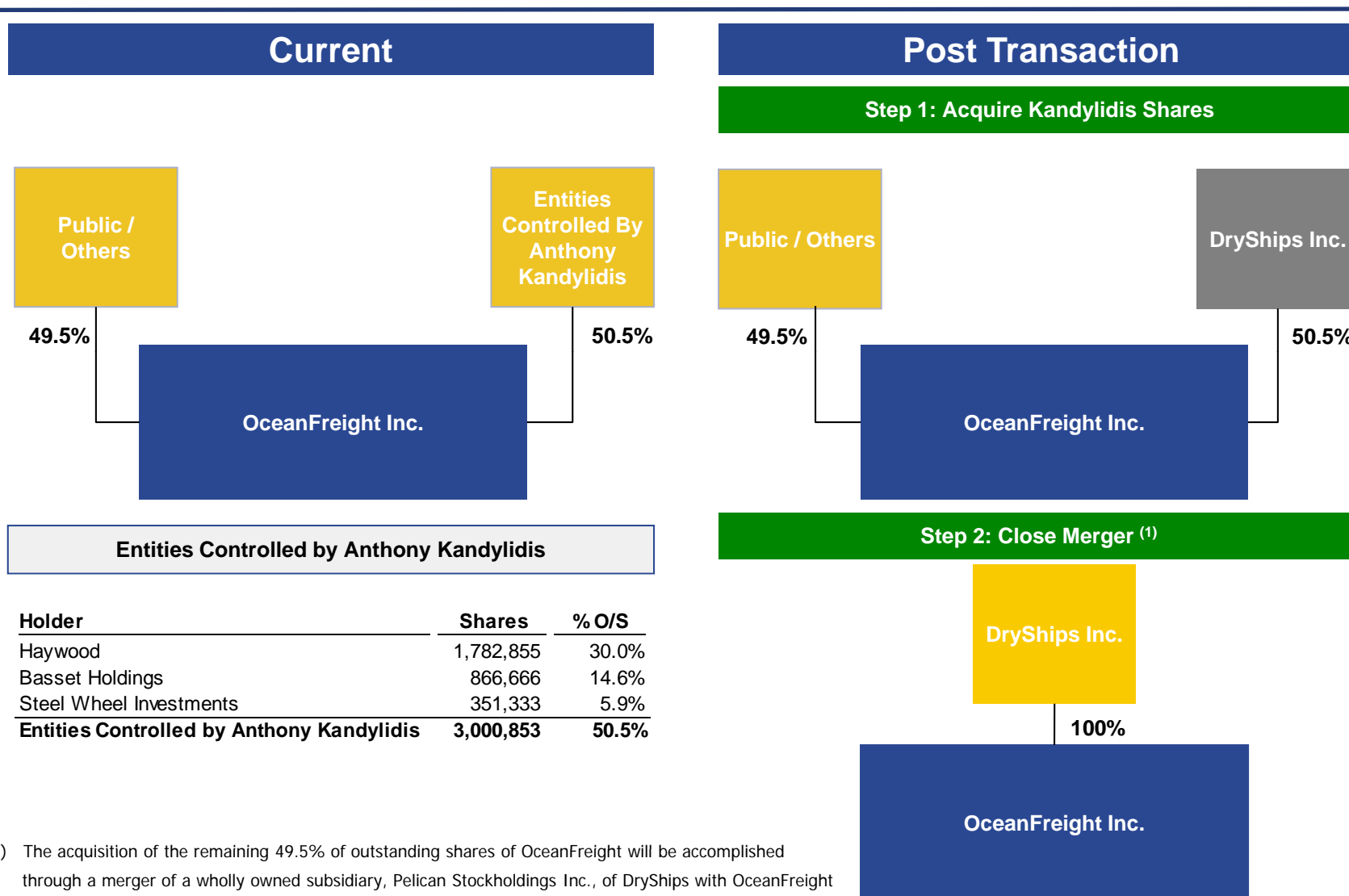


Acquisition of OceanFreight

- 50% cash and 50% Ocean Rig shares transaction
 - Allows DryShips to use higher value Ocean Rig shares as consideration
 - Ocean Rig shares valued at \$21.50 per share for purposes of calculating the exchange ratio
 - Same consideration paid to all shareholders
- Merger agreement approved by each of DryShips' and OceanFreight's boards of directors
 - Negotiated and approved by DryShips' audit committee and OceanFreight's special committee
 - Both committees comprised solely of independent directors
 - Subject to OceanFreight shareholder approval
 - Founder of OceanFreight has entered into a sale and purchase agreement with DryShips to sell his ownership position (50.5%)
 - Closing of Founder shares expected in four weeks
 - Dryships committed to voting Founder shares in favor of the merger
- Transaction with public shareholders expected to close fourth quarter of 2011

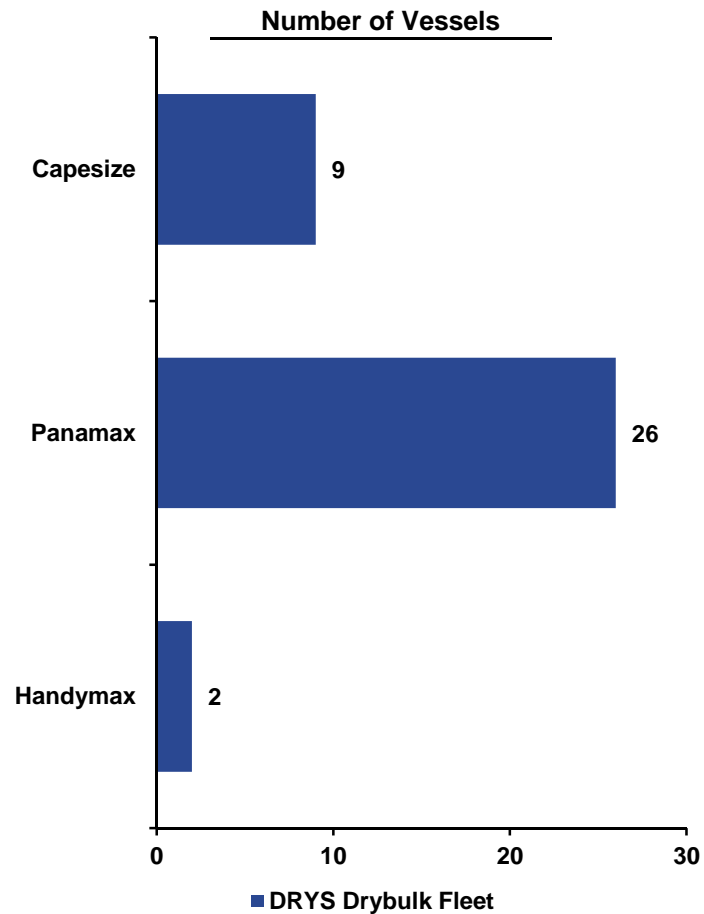


OceanFreight Ownership

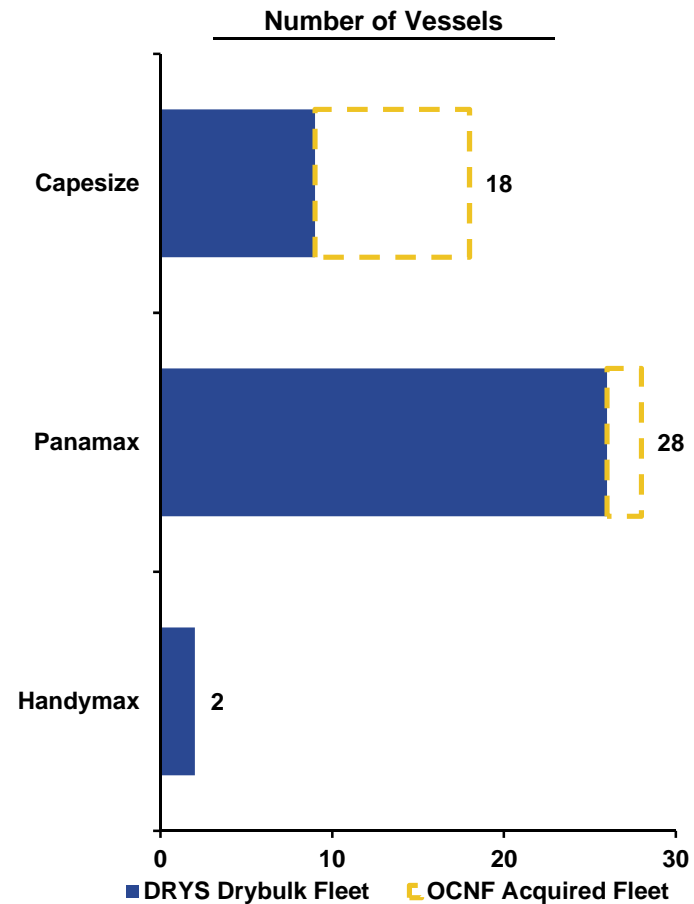


Pro Forma DryShips Drybulk Fleet

DryShips Drybulk Fleet



Pro Forma DryShips Drybulk Fleet



Note: As of July 26, 2011

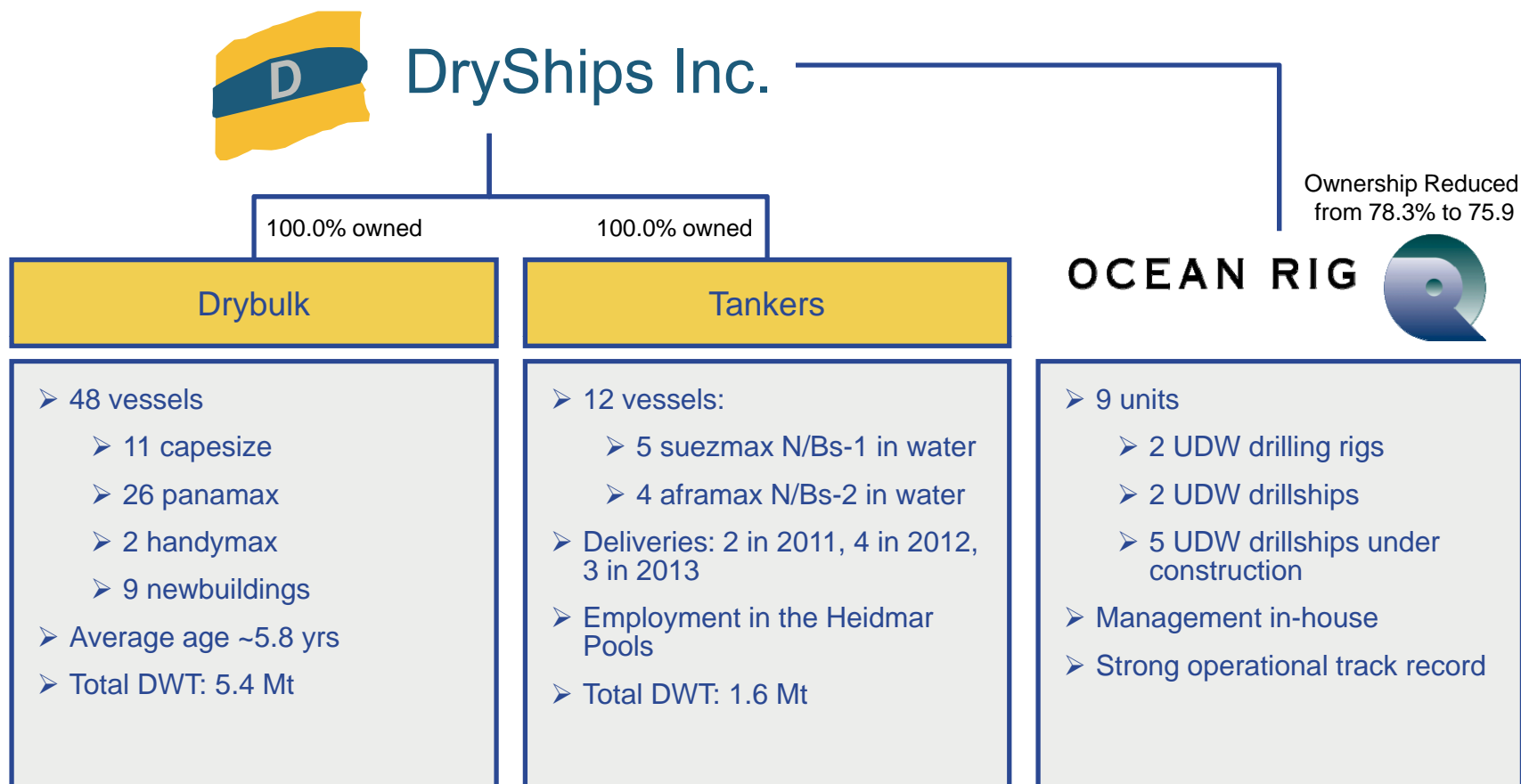
Note: Includes newbuildings



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Pro Forma DryShips



Note: As of July 26, 2011

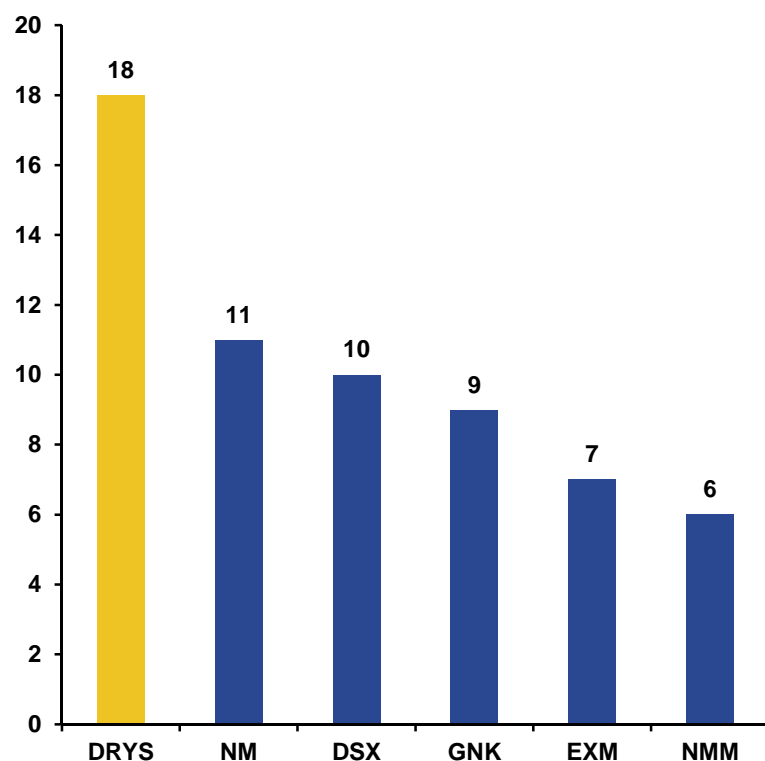


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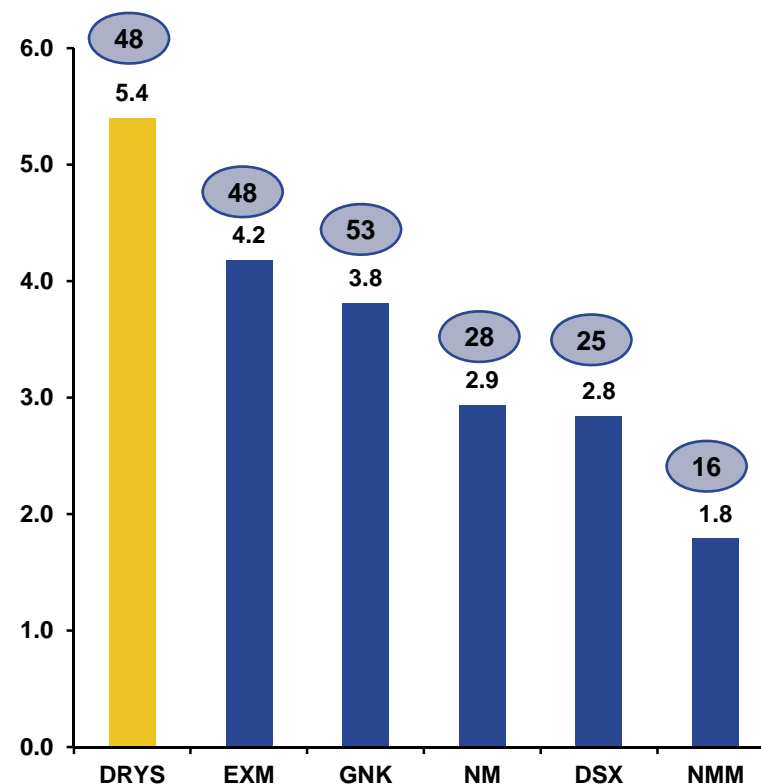


Creates An Industry Leading Capesize Owner

Owned Capesize Vessels



Total Owned Drybulk DWT (in millions)



 = # of Owned Vessels

Source: Company websites

Note: Includes newbuilds, DRYS fleet as of June 26, 2011



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High-Quality OceanFreight Fleet

Vessels On-The-Water

Drybulk Carriers	Yard	Year	Age	DWT	Type	Estimated Expiration		Gross
		Built	(Years)			Earliest	Latest	Daily Rate
M/V Robusto	SWS	2006	5	173,949	Capesize	Aug-14	Dec-14	\$26,000
M/V Cohiba	SWS	2006	5	174,333	Capesize	Oct-14	Feb-15	26,250
M/V Montecristo	Imabari S.B.	2005	6	180,000	Capesize	May-14	Oct-14	23,500
M/V Partagas	SWS	2004	7	173,880	Capesize	Jul-12	Dec-12	27,500
M/V Topeka	Hudong	2000	11	74,716	Panamax	Jan-12	Mar-12	18,000
M/V Helena	Sumitomo	1999	12	73,744	Panamax	May-12	Jan-13	32,000
Total/Weighted Average			6	850,622				

Newbuilds

Drybulk Carriers	Yard	Year	Age	DWT	Type	Estimated Expiration		Gross
		Built	(Years)			Earliest	Latest	Daily Rate
VLOC#1	SWS	2012	NA	206,000	Capesize	3 Years	+1+1+1+1+1	\$25,000
VLOC#2 ⁽¹⁾	SWS	2012	NA	206,000	Capesize	5 Years	+1+1+1+1+1	23,000
VLOC#3 ⁽²⁾	SWS	2012	NA	206,000	Capesize	7 Years	+1+1+1+1+1+1+1	21,500
VLOC#4	SWS	2013	NA	206,000	Capesize	Spot	Spot	Spot
VLOC#5	SWS	2013	NA	206,000	Capesize	Spot	Spot	Spot
Total/Weighted Average			NA	1,030,000				

(1) Charter includes 50/50 profit sharing over the indicated base rates up to \$40,000

(2) Charter includes 50/50 profit sharing over the indicated base rates up to \$38,000



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Acquisition is Consistent with DryShips Fleet Strategy

Recent Vessels Sold Since Jan. 2010

Vessel Name	Vessel Type	DWT	Age
Iguana	Panamax	70,349	15.5
Delray	Panamax	71,862	17.5
Xanadu	Panamax	72,270	12.5
Primera	Panamax	72,495	13.5
Brisbane	Capesize	151,066	16.5
Samsara	Capesize	150,393	15.5
Conquistador	Panamax	75,607	11.5
La Jolla	Panamax	72,126	14.5

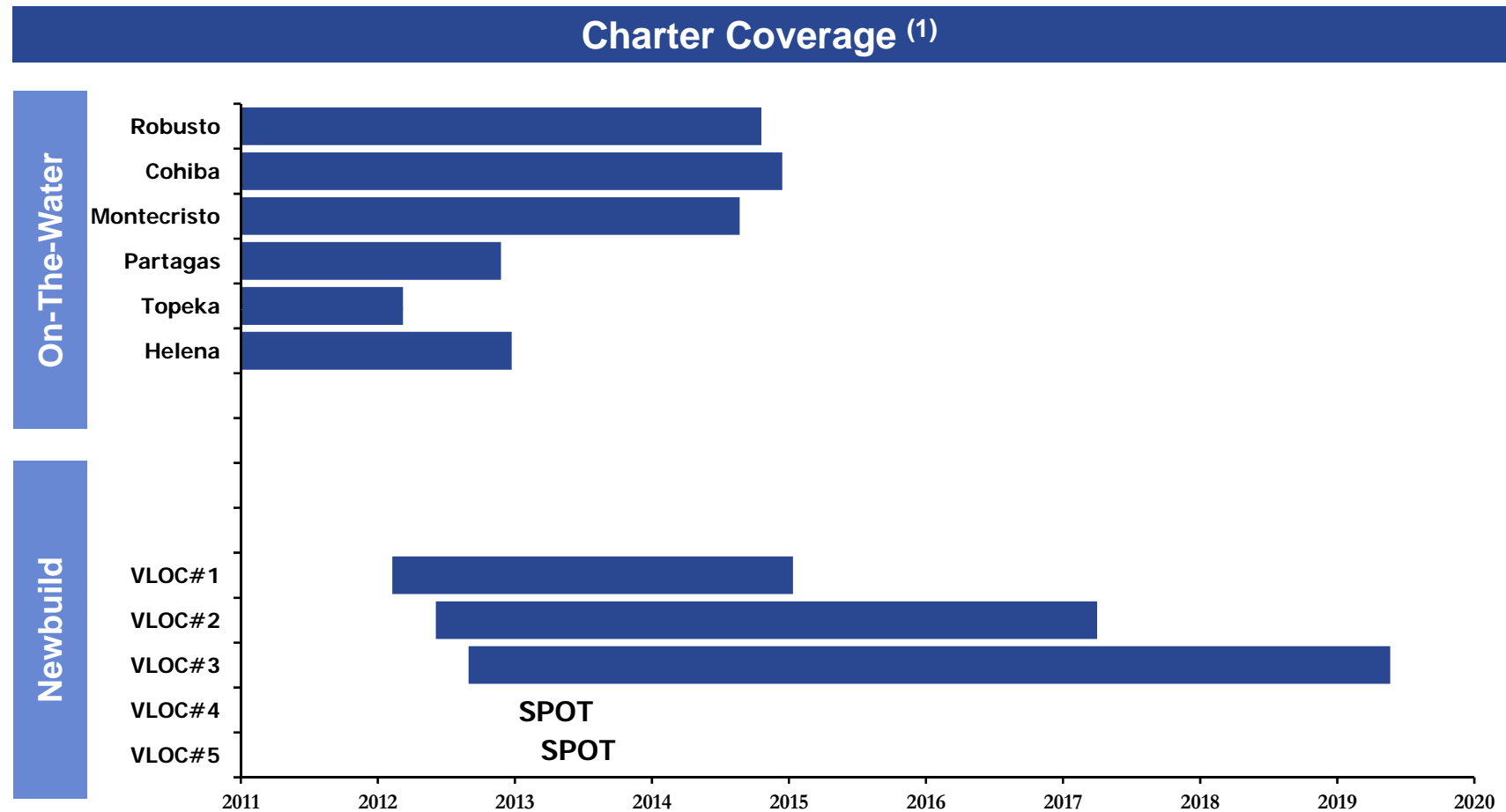
OCNF Vessels Acquired

Vessel Name	Vessel Type	DWT	Age	Charter Expiration
M/V Robusto	Capesize	173,949	4.5	Dec-14
M/V Cohiba	Capesize	174,333	4.5	Feb-15
M/V Montecristo	Capesize	180,000	5.5	Oct-14
M/V Partagas	Capesize	173,880	6.5	Dec-12
M/V Topeka	Panamax	74,716	10.5	Mar-12
M/V Helena	Panamax	73,744	11.5	Jan-13
VLOC #1	Capesize	206,000	0.0	Mar-15
VLOC #2	Capesize	206,000	0.0	Jul-17
VLOC #3	Capesize	206,000	0.0	Oct-19
VLOC #4	Capesize	206,000	0.0	Spot
VLOC #5	Capesize	206,000	0.0	Spot

Recent vessel sales and the acquisition of the OCNF fleet has lowered the average vessel age of our drybulk fleet to 5.8 years and increased our future time charter coverage



OceanFreight Employment Status

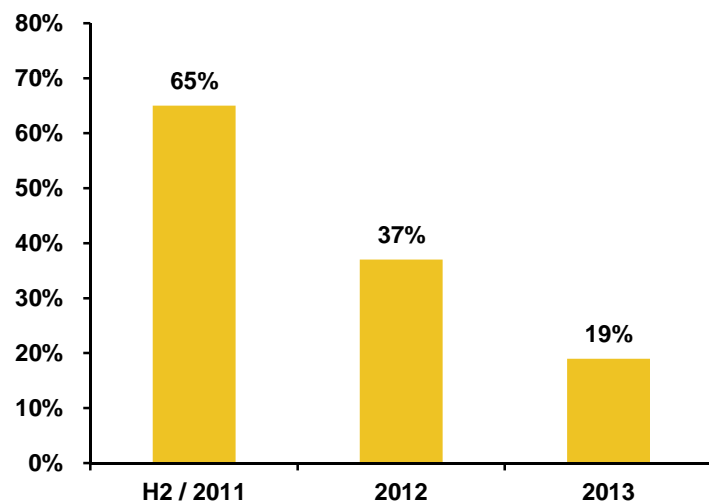


(1) Assumes latest redelivery date and no options exercised

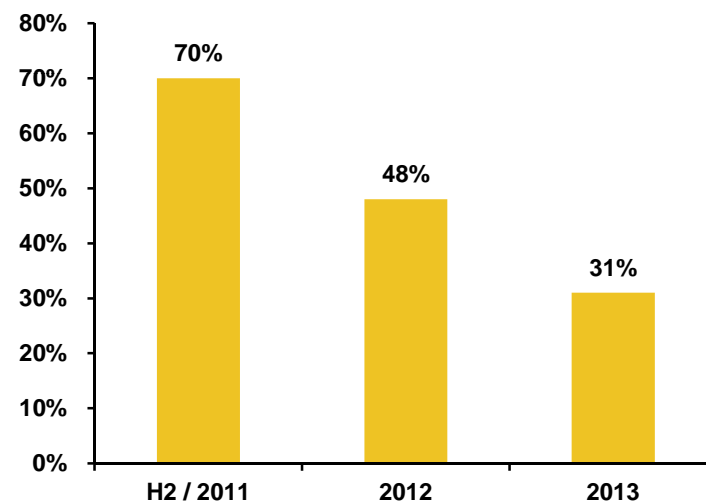


Pro Forma DryShips Drybulk Employment Status

Status Quo - % Charter Coverage



Pro Forma - % Charter Coverage



Acquisition increases the number of days covered by time charters significantly in 2012 and 2013



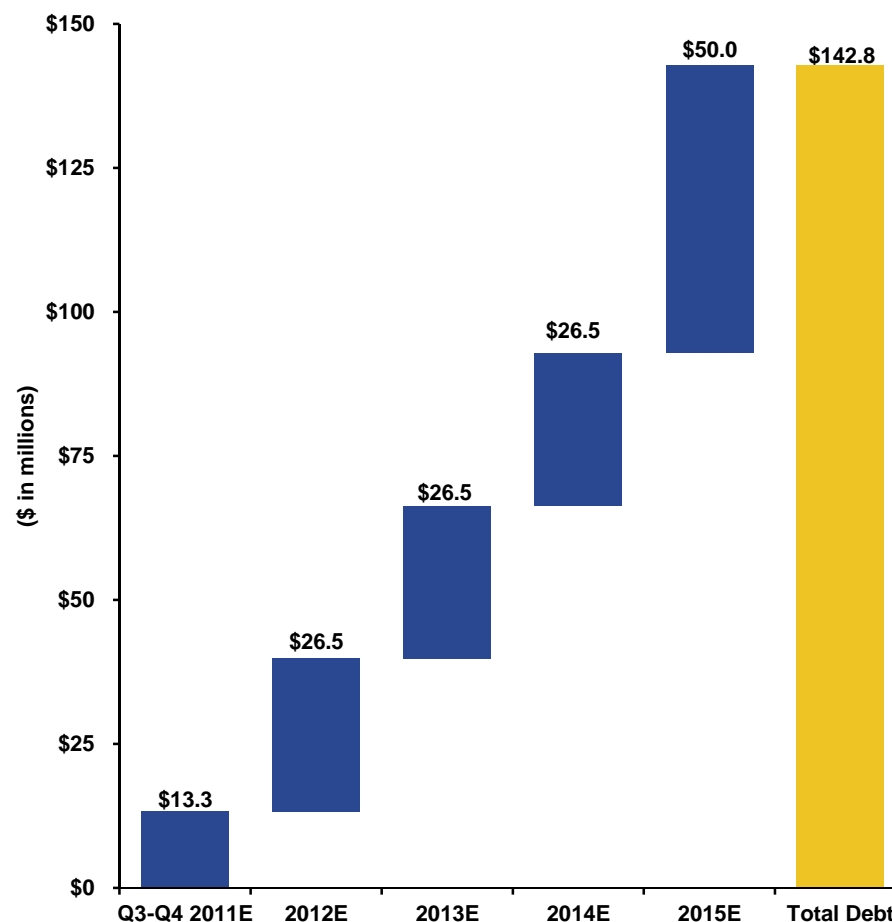
Attractive Credit Facility Rolls Over

Key Terms

- **Tranche A**
 - Debt outstanding: \$94.6 million
 - Interest Rate: LIBOR + 2.50%
 - Debt amortization: Semi-annual instalments of \$8.1 million
 - Maturity: 2015
- **Tranche B**
 - Debt outstanding: \$48.2 million
 - Interest Rate: LIBOR + 2.50%
 - Debt amortization: Semi-annual instalments of \$5.1 million
 - Maturity: 2015

**Received Change of Control
covenant waiver from lenders**

Required Debt Amortization

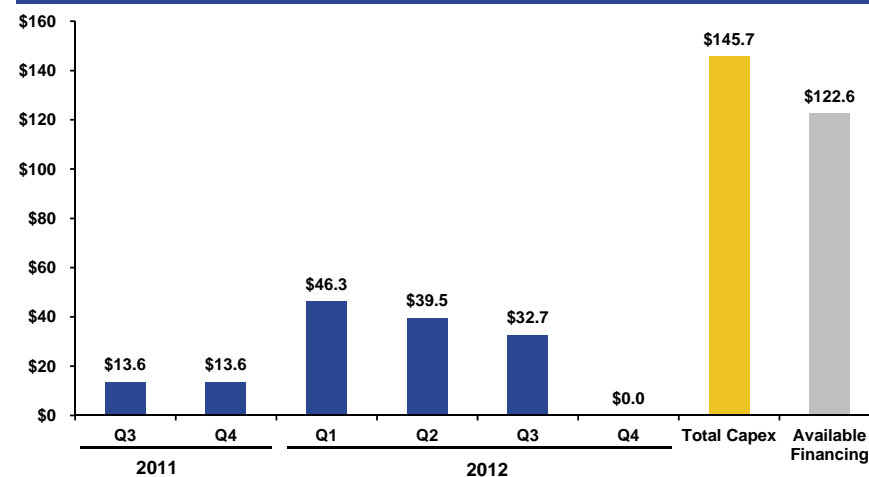


Three of Five Newbuild VLOCs Financed

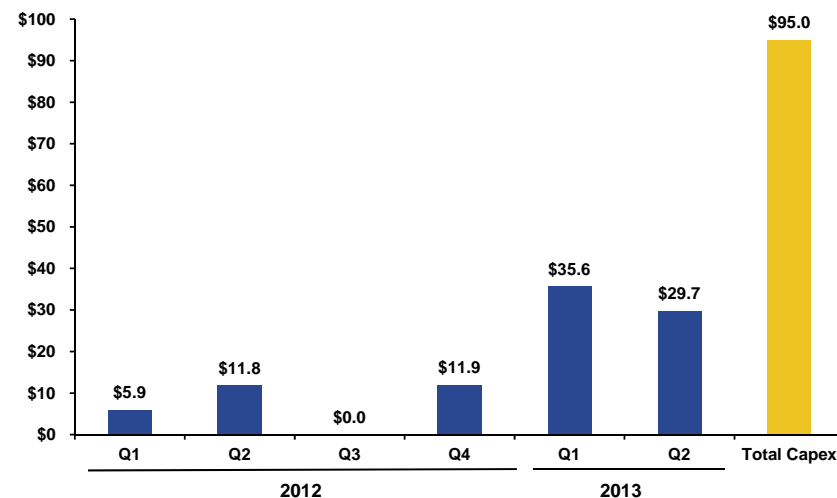
Key Terms for 2012 Deliveries

- **Completing final documentation on the \$122.6 million credit facility with China Development Bank Corporation**
 - Represents 60% of contracted purchase price
 - Interest Rate: LIBOR + 3.25%
 - Amortization: 12 year profile
- **Unfunded capex obligation is modest**

Remaining 2012 Delivery Capex



Remaining 2013 Delivery Capex



Note: \$ in millions

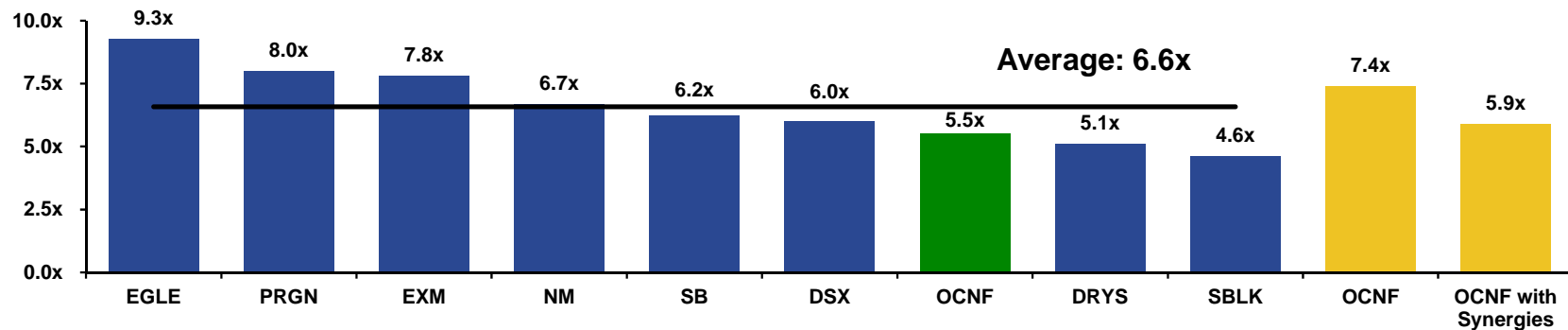


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Modest Acquisition Multiple

TEV / 2012E EBITDA



Source: FactSet, Wall Street research, company filings as of July 25, 2011



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Expected Timetable

Expected Date	Milestone
July 26	Announcement
4 Weeks from Signing	Acquisition of founders OCNF share (50.5%)
Late August	File Registration Statement
Fourth Quarter	OceanFreight Shareholder Meeting
Fourth Quarter	Close Transaction

DryShips aims to close the transaction within the next three - four months

