

# DryShips Inc.

3rd Quarter Ended September 30<sup>th</sup>, 2008

## Earnings Presentation



NASDAQ: "DRYS"

November 3, 2008

# Forward Looking Statements

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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.



# 3q08 Financial Highlights

## Dry Cargo Segment

<i>Figures in millions except TCE in \$/d</i>	3q08
Revenues	240
Operating Income	226
EBITDA	219
Net Income	170
Fleet TCE	63,958 p/d
EPS	\$ 4.0



## Consolidated

<i>Figures in millions except TCE in \$/d</i>	3q08	3q07
Net Income	180	105
Operating Income	247	120
EBITDA	260	138
Fleet Utilization	99.7%	99.6%
Fleet TCE	63,965 p/d	45,525 p/d
TVOE	7,765 p/d	6,685 p/d
EPS	\$ 4.21	\$ 2.97

## Drilling Segment

<i>Figures in millions except TCE in \$/d</i>	3q08
Revenues	89
Operating Income	21
EBITDA	41
Net Income	10
Fleet TCE	483,734 p/d
EPS	\$ 0.2



Included in the third quarter results is a capital gain on the sale of two vessels of \$65.8 million or \$1.54 per fully diluted share and a non-cash loss of \$36.8 million or \$0.86 per fully diluted share associated with the valuation of interest rate swaps. Excluding these items Net Income would amount to \$150.8 million or \$3.53 per fully diluted share.



# Position of Strength

## Pro Forma Selected Financial Information 9/30/2008 USD in Millions

Balance Sheet		Liquidity	
Cash	456		
Debt	2,899	Undrawn Debt <sup>(1)</sup>	1,224
Shareholder's Equity	2,138	Cash	456
Total Capitalization	5,037		
Net Debt/Total Capitalization	48.5%	Liquidity	1,680

<sup>(1)</sup> Since 30th Sept. 2008, US\$ 250 million has been drawn down and presently held as cash on time deposit



## Employment Update: Dry Bulk

We have fixed 27 vessels in total on long-term time charters of average duration of 5 years, taking advantage of the strong rate environment.

We have secured half a billion of revenues per year going forward having covered between 54% - 59% of our drybulk fleet on fixed charters.

Summary of Long Term Time Charters

	2009	2010	2011
Average Number of Vessels on Long Term Time Charters	27.1	29.4	28.6
Average Number of Vessels Owned For The Period	46.3	51.5	53.1
% of Fleet on Long Term Time Charter	59%	57%	54%
Days Fixed Under TC	9,887	10,732	10,422
Gross Revenue From Long Term TC's	485,642,866	517,677,656	505,081,071
Average Gross Daily Rate of Long Term TC's	49,119	48,237	48,463
Total Revenues From Long Term Time Charters 2009-2012	1,919,155,423		

**Diversification of charterers among first class base minimizes counter party risk**



# Fleet Profile Bulk Carriers

## TIME CHARTERED VESSELS

	Year	DWT	Type	Gross rate per day	Redelivery	
	Built				Earliest	Latest
<b>Capesize:</b>						
Brisbane	1995	151,066	Capesize	\$57,000	Dec-11	Apr-12
Samsara	1996	150,393	Capesize	\$57,000	Dec-11	Apr-12
Capri	2001	172,579	Capesize	\$61,000	Apr-18	Jun-18
Manasota	2004	171,061	Capesize	\$67,000	Feb-13	Apr-13
Flecha	2004	170,012	Capesize	\$55,000	Jul-18	Nov-18
Mystic	2008	170,500	Capesize	\$52,310	Aug-18	Dec-18
Alameda*	2001	170,269	Capesize	\$13,331	Feb-09	Apr-09
<b>Panamax:</b>						
Heinrich Oldendorff	2001	73,931	Panamax	\$7,035	Mar-09	Jun-09
Positano	2000	73,288	Panamax	\$42,500	Sep-13	Dec-13
Avoca	2004	76,500	Panamax	\$45,500	Aug-13	Dec-13
Iguana	1996	70,349	Panamax	\$77,000	Oct-08	Nov-08
Xanadu	1999	72,270	Panamax	\$39,750	Jul-13	Sep-13
Redondo	2000	74,716	Panamax	\$34,500	Apr-13	Jun-13
Ecola	2001	73,931	Panamax	\$43,500	Jun-12	Aug-12
Capitola	2001	74,832	Panamax	\$39,500	Jun-13	Aug-13
Samatan	2001	74,823	Panamax	\$39,500	May-13	Jul-13
Mendocino	2002	76,623	Panamax	\$56,500	Jun-12	Sep-12
Bargara	2002	74,832	Panamax	\$43,750	May-12	Jul-12
Padre	2004	73,601	Panamax	\$46,500	Sep-12	Dec-12
Ligari	2004	75,583	Panamax	\$55,000	Jun-12	Aug-12
Saldanha	2004	75,500	Panamax	\$52,500	Jun-12	Sep-12
Catalina	2005	74,432	Panamax	\$40,000	Jun-13	Aug-13
Majorca	2005	74,364	Panamax	\$43,750	Jun-12	Aug-12
<b>Supramax:</b>						
VOC Galaxy	2002	51,201	Supramax	\$27,000	Sep-10	Feb-11
Clipper Gemini	2003	51,201	Supramax	\$27,000	Nov-08	Jan-09
	<b>6.3</b>	<b>2,447,857</b>	<b>25</b>			

\* Index Linked

## SPOT VESSELS

	Year	DWT	Type
	Built		
<b>Panamax:</b>			
Toro (SOLD)	1995	73,034	Panamax
Sonoma	2001	74,786	Panamax
Tonga	1984	66,798	Panamax
Lacerta (SOLD)	1994	71,862	Panamax
Paragon (SOLD)	1995	71,259	Panamax
La Jolla (SOLD)	1997	72,126	Panamax
Ocean Crystal	1999	73,688	Panamax
Maganari	2001	75,941	Panamax
Conquistador	2001	75,607	Panamax
Oregon	2002	74,204	Panamax
Sorrento	2004	76,633	Panamax
Primera	1998	72,495	Panamax
Coronado	2000	75,706	Panamax
Marbella	2000	72,561	Panamax
	<b>10.1</b>	<b>1,026,700</b>	<b>14</b>

Vessels trading in the spot market earned an average rate of approx. \$28,000 p/d for the month of October

Average 5 year time chartered vessels are now earning on average approx. \$49,000 per day

Note: Vessels in Fleet list include only delivered vessels in the water



# Employment Update: UDW

	Year Built	Type	Current employment	Gross rate per day	Redelivery Earliest	Redelivery Latest
<b>Semi-Submersible Rigs:</b>						
Leiv Eiriksson	2001	SS	T/C	511,000	Sep-09	Dec-09
Eirik Raude	2002	SS	T/C	637,000	Oct-11	Oct-13

Leiv Eiriksson is the only rig available for employment in 2009

Latest UDW contract for delivery 4Q10 at \$640.000 p/d for five years announced one week ago.

Contracts in Place	2008E	2009E	2010E	2011E	2012E	2013E
Leiv Eiriksson	Shell - Two Years					
Eirik Raude	Exxon	Tullow - 3 years (Commenced October 2008)		Tullow - 1 Yr Option	Tullow - 1 Yr Option	
Private Drillship (Hull 1837)					Newbuilding Delivery	
Private Drillship (Hull 1838)					Newbuilding Delivery	
Drillship Hull 1865					Newbuilding Delivery	
Drillship Hull 1866					Newbuilding Delivery	

**DryShips Newbuilding Drillships well positioned in a strong market**

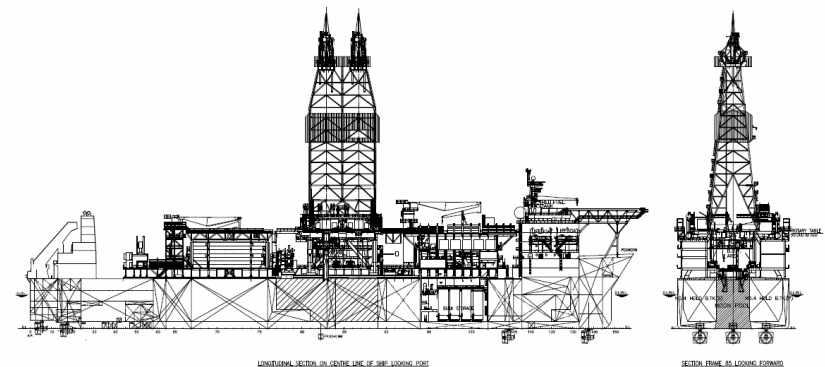




# Ultra Deep Water Drilling Update

**OBJECTIVE: CREATE A CREDIBLE AND COMPETITIVE PURE PLAY IN THE UDW DRILLING MARKET**

- ❖ **Ocean Rig experience**
  - ❖ Technically challenging environments
  - ❖ Diverse geographic spread
  - ❖ Outstanding reputation from a diverse customer base
  
- ❖ **New Build drillships**
  - ❖ Highly specified
  - ❖ Best in class shipyard with proven track record for on time delivery
  - ❖ High degree of standardization
  
- ❖ **Spin Off On Time And On Track**
  
- ❖ **Spun Off Company to be renamed “Ocean Rig UDW Inc.”**

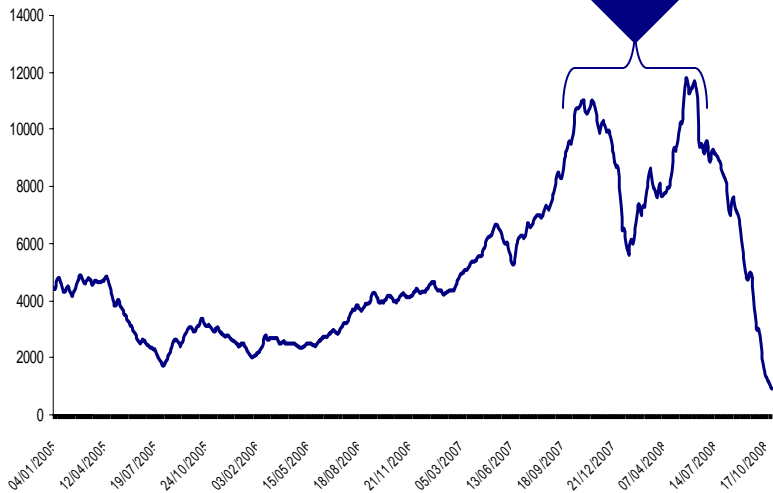




# Securing The Future – Part 1

As the market matured over the last year we secured the future by entering into long term time charters for 60% of our drybulk fleet and positioning DryShips to take advantage of the UDW segment

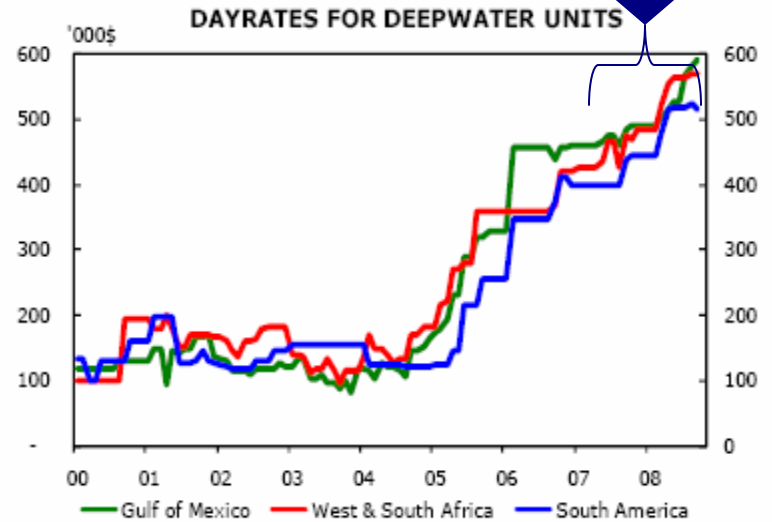
Between 2005 and 2008 as the BDI soared we captured all the upside by being spot focused!



Source: The Baltic Exchange

## What the future holds

DryShips positioned in an environment of strong day rates in the UDW segment



Source: Fearnleys



## Securing The Future – Part 2

**DryShips has strong secured EBITDA over the next 5 years through its Drybulk and Offshore Operations**

### FIXED EBITDA Estimates

<i>\$ in millions</i>	2009	2010	2011
<b>Ocean Rig Estimated Fixed EBITDA <sup>(1)</sup></b>	<b>235</b>	<b>281</b>	<b>264</b>
<b>Dry Cargo Vessels Estimated Fixed EBITDA (VsIs on Long Term T/C) <sup>(2)</sup></b>	<b>419</b>	<b>443</b>	<b>430</b>
<b>Total Fixed EBITDA</b>	<b>654</b>	<b>724</b>	<b>694</b>

*(1) Assumes Leiv Erikson is chartered at \$630,000 p/d*

*(2) Assumes OPEX average of \$6,750 per day for the dry bulk vessels*

**DryShips has modernized its fleet over the past year and is well positioned to take advantage of opportunities as they may arise**



# Dry Bulk Industry

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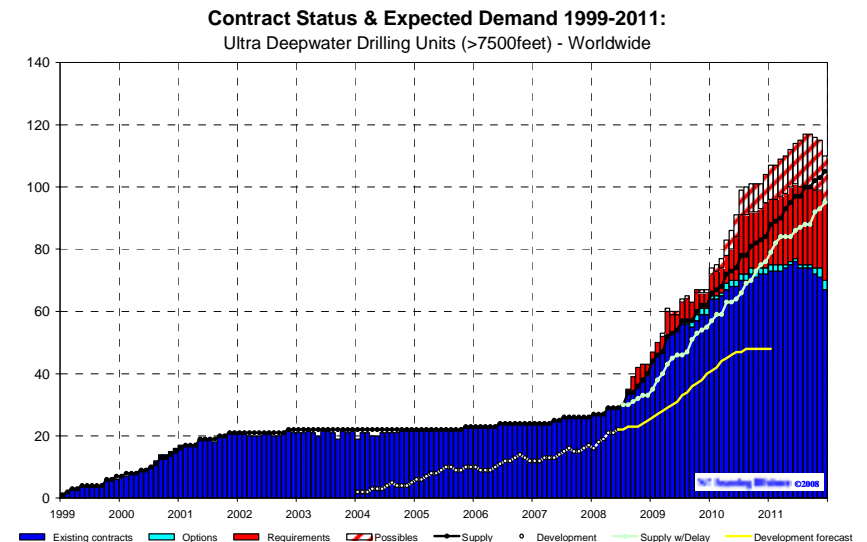
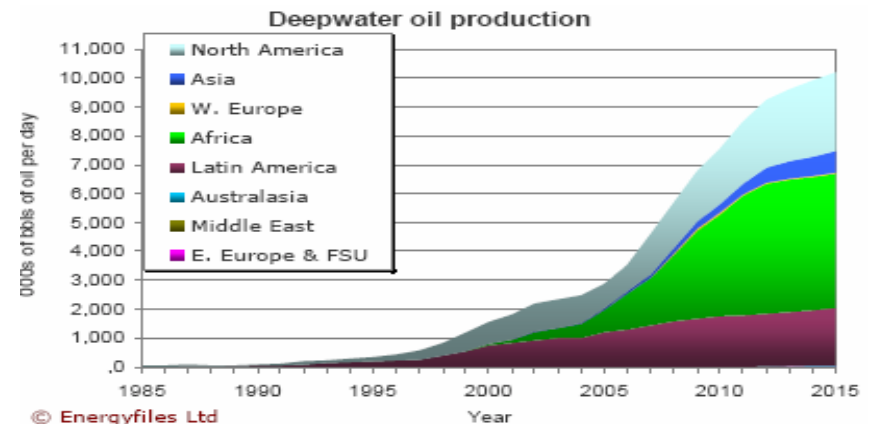
- ❖ **China is at the half point of a 30 year industrial development cycle**
- ❖ **Past slowdowns in China were short lived (1997 and 2001)**
  - ❖ **Next Five Year Plan in China to focus in expansion of domestic infrastructure, requiring millions of tons of steel.**
- ❖ **Large portion of the newbuilding order book will not materialize**
  - ❖ **Before the financial crisis we expected a significant portion of the orderbook would not be delivered**
  - ❖ **Now it is expected up to 40% of the dry bulk orderbook will not be delivered**
- ❖ **World trade to normalize**
  - ❖ **Credit crunch to subside**
  - ❖ **Stockpiles to be drawn down**
  - ❖ **Iron ore cargoes to start moving when pricing agreement reached between iron ore producers and their Chinese industrial customers**
- ❖ **The world will move forward and shipping will with it!**



# Ultra Deep Water

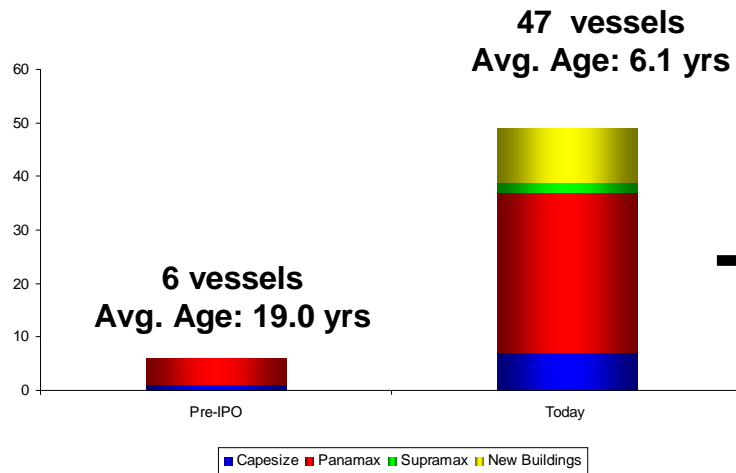
## UDW SEGMENT REMAINS STRONG!

- ❖ UDW is the primary source of incremental supply of oil.
- ❖ Demand for UDW rigs continues to outstrip supply
  - ❖ Near term supply fully contracted
  - ❖ Shipyard and oilfield equipment suppliers capacity constrains further additions
  - ❖ Credit crunch to limit supply expansion
- ❖ Day rate environment remains very strong.
  - ❖ Recent announced fixture between US640K and US650K/day for a term of 5 years



# Strong Track Record

**Largest US listed Dry Bulk Shipping Company**



**6 UDW Drilling Units**

**SIGNIFICANT VALUE IN THE SPUN OFF UDW ENTITY**

**OCEAN RIG GENERATING SIGNIFICANT CASH FLOW 2009- 2012...**

**ESTIMATED UDW DRILLING EBITDA FOR 2012 (6 UNITS) ABOUT US\$ 1 BILLION**

**ESTIMATED FIXED DRY CARGO REVENUES 2009-2012 FROM LONG TERM TIME CHARTERS ABOUT US\$ 2 BILLION**



# APPENDICES



## Appendix 1 – 3rd Quarter and 9 months 2007 and 2008 Income Statements

	Nine months ended September 30, 2007	Nine months ended September 30, 2008	Three months ended September 30, 2007	Three months ended September 30, 2008
(Dollars in thousands, except for share and per share data-unaudited)				
<b>INCOME STATEMENT DATA</b>				
<b>REVENUES:</b>				
Voyage revenues	\$ 349,182	730,954	150,011	239,970
Revenues from drilling contracts	-	131,859	-	89,007
	349,182	862,813	150,011	328,977
<b>EXPENSES:</b>				
Voyage expenses	21,779	39,899	9,522	11,807
Vessel operating expenses	45,524	57,287	15,557	19,584
Drilling rigs operating expenses	-	52,079	-	40,875
Depreciation	54,219	108,313	20,194	49,095
Gain on sale of vessels	(106,241)	(226,024)	(20,607)	(65,766)
General & administrative expenses	13,968	53,142	5,432	25,902
<b>Operating income</b>	<b>319,933</b>	<b>778,117</b>	<b>119,913</b>	<b>247,480</b>
<b>OTHER INCOME (EXPENSE):</b>				
Interest and finance costs	(34,887)	(65,988)	(12,125)	(29,796)
Gain / (loss) on interest rate swap valuation	(1,761)	(30,795)	(1,779)	(36,800)
Other, net	606	(20)	(729)	203
<b>Total other income (expenses), net</b>	<b>(36,042)</b>	<b>(96,803)</b>	<b>(14,633)</b>	<b>(66,393)</b>
<b>Net income before taxes</b>	<b>283,891</b>	<b>681,314</b>	<b>105,280</b>	<b>181,087</b>
Income taxes	-	(1,508)	-	(1,094)
<b>Net income, after taxes and before equity in income of investee and minority interest</b>	<b>283,891</b>	<b>679,806</b>	<b>105,280</b>	<b>179,993</b>
Minority interest	-	(16,825)	-	(12)
Equity in income of investee	-	(6,893)	-	-
<b>Net income</b>	<b>283,891</b>	<b>656,088</b>	<b>105,280</b>	<b>179,981</b>
Earnings per common share, basic	\$ 8.00	15.98	2.97	4.21
Earnings per common shares, diluted	\$ 8.00	15.98	2.97	4.21
Weighted average number of shares, basic	35,490,097	41,029,206	35,490,097	42,721,141
Weighted average number of shares, diluted	35,490,097	41,034,409	35,490,097	42,721,141





## Appendix 2 – December 31, 2007 and September 30, 2008 Balance Sheets

(Expressed in thousands of U.S. Dollars)

	<b>December 31, 2007</b> <b>(As adjusted)</b>	<b>September 30,</b> <b>2008</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 111,068	\$ 317,686
Restricted cash	6,791	38,678
Accounts receivable trade, net of allowance of \$0 and \$ 957	9,185	63,150
Other current assets	25,991	36,735
<b>Total current assets</b>	<b>153,035</b>	<b>456,249</b>
<b>FIXED ASSETS, NET:</b>		
Advances for vessels under construction and acquisitions	118,652	348,130
Vessels, net	1,643,867	2,171,429
Drilling rigs, net	-	1,403,754
<b>Total fixed assets, net</b>	<b>1,762,519</b>	<b>3,923,313</b>
<b>OTHER NON CURRENT ASSETS:</b>		
Long term investments	405,725	-
Goodwill	-	692,610
Restricted cash	20,000	100,000
Other	3,153	19,174
<b>Total non current assets</b>	<b>428,878</b>	<b>811,784</b>
<b>Total assets</b>	<b>\$ 2,344,432</b>	<b>\$ 5,191,346</b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ 194,999	\$ 533,836
Other current liabilities	44,305	103,227
<b>Total current liabilities</b>	<b>239,304</b>	<b>637,063</b>
<b>NON CURRENT LIABILITIES</b>		
Long term debt, net of current portion	1,048,779	2,365,587
Other non-current liabilities	34,620	50,169
<b>Total non current liabilities</b>	<b>1,083,399</b>	<b>2,416,389</b>
COMMITMENTS AND CONTIGENCIES	-	-
<b>STOCKHOLDERS' EQUITY</b>	<b>1,021,729</b>	<b>2,137,894</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,344,432</b>	<b>\$ 5,191,346</b>



## Appendix 3 - 3Q 2008 & 3Q 2007 Fleet Highlights

(Dollars in thousands, except

Average Daily Results - unaudited)

	Drybulk Segment	
	Three Months Ended	Three Months Ended
	30-Sep-07	30-Sep-08
Average number of vessels <sup>(1)</sup>	33.7	38.9
Total voyage days for vessels <sup>(2)</sup>	3,086	3,567
Total calendar days for vessels <sup>(3)</sup>	3,098	3,578
Vessel utilization <sup>(4)</sup>	99.6%	99.7%
Time charter equivalent <sup>(5)</sup>	45,525	63,965
Capesize	61,163	93,015
Panamax	43,174	58,811
Handymax	30,521	44,720
Vessel operating expenses (daily) <sup>(7)</sup>	4,932	5,474
Management fees (daily)	780	1,569
Total vessel operating expenses (daily) <sup>(8)</sup>	6,685	7,765
General and administrative expenses (daily) <sup>(9)</sup>	973	722*

(Dollars in thousands, except

Average Daily Results - unaudited)

	Drilling Rig Segment	
	Three Months Ended	Three Months Ended
	30-Sep-07	30-Sep-08
Average number of drilling rigs <sup>(1)</sup>	-	2
Rig utilization <sup>(4)</sup>	-	83.9%
Revenue from drilling contracts (daily) <sup>(6)</sup>	-	483,734
Rig operating expenses (daily) <sup>(7)</sup>	-	223,875
General and administrative expenses (daily) <sup>(9)</sup>	-	42,168

\* Excluding Amortization of Stock based compensation of \$10.0 million

(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. Average number of drilling rigs is the number of drilling rigs for the relevant period, as measured by the sum of the number of days each drilling rig was owned by the Company divided by the number of calendar days in that period.

(2) Total voyage days for vessels are the total days the vessels were in our possession for the relevant period net of off hire days. Total employment days for drilling rigs are the total days the drilling rigs were in our possession for the relevant period net of off hire days.

(3) Calendar days are the total days the vessels or drilling rigs, as applicable, were in our possession for the relevant period including off hire days.

(4) Vessels utilization is the percentage of time that our vessels were available for revenue generating days, and is determined by dividing voyage days by calendar days for vessels for the relevant period. Rigs utilization is the percentage of time that our drilling rigs were available for revenue generating days, and is determined by dividing employment days by calendar days for drilling rigs 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, which would otherwise be paid by the charterer under a time charter contract, as well as commissions. TCE is 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. The following table reflects the calculation of our TCE rates for the three and six months periods ended June 30, 2007 and 2008:

(6) Daily revenue from drilling contracts is calculated by dividing revenue from drilling contracts by rigs employment days for the relevant time period.

(7) 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 vessels calendar days for the relevant time period. Daily rig operating expenses, which includes crew costs, provisions, repairs and maintenance, insurances and other operating expenses is calculated by dividing rig operating expenses by calendar days for drilling rigs for the relevant time period.

(8) Total vessel operating expenses or TVOE is a measurement of our total expenses associated with operating our vessels. TVOE is the sum of vessel operating expenses and management fees. Daily TVOE is calculated by dividing TVOE by vessel calendar days for the relevant time period.

(9) Daily general and administrative expense is calculated by dividing general and administrative expense per segment (Drybulk, Drilling Rig) by total calendar days for vessels and total calendar days for drilling rigs respectively, for the relevant time period.



## Appendix 4 – Nine months 2008 & 2007 Fleet Highlights

### Nine Months

(Dollars in thousands, except

Average Daily Results - unaudited)

	Drybulk Segment	
	Nine Months Ended	Nine Months Ended
	30-Sep-07	30-Sep-08
Average number of vessels <sup>(1)</sup>	32.8	38.6
Total voyage days for vessels <sup>(2)</sup>	8,823	10,485
Total calendar days for vessels <sup>(3)</sup>	8,965	10,567
Vessels utilization <sup>(4)</sup>	98.4%	99.2%
Time charter equivalent <sup>(5)</sup>	37,108	65,909
Capesize	52,536	104,806
Panamax	35,331	60,768
Handymax	24,016	43,000
Vessel operating expenses (daily) <sup>(7)</sup>	4,941	5,421
Management fees (daily)	787	1,089
Total vessel operating expenses (daily) <sup>(8)</sup>	6,499	7,233
General and administrative expenses (daily) <sup>(9)</sup>	771	723*

(Dollars in thousands, except

Average Daily Results - unaudited)

	Drilling Rig Segment	
	Nine Months Ended	Nine Months Ended
	30-Sep-07	30-Sep-08
Average number of drilling rigs <sup>(1)</sup>	-	1.0
Rig utilization <sup>(4)</sup>	-	88.5%
Revenue from drilling contracts (daily) <sup>(6)</sup>	-	481,237
Rig operating expenses (daily) <sup>(7)</sup>	-	190,069
General and administrative expenses (daily) <sup>(9)</sup>	-	43,259

\* Excluding Amortization of Stock based compensation of \$22.1 million

(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. Average number of drilling rigs is the number of drilling rigs for the relevant period, as measured by the sum of the number of days each drilling rig was owned by the Company divided by the number of calendar days in that period.

(2) Total voyage days for vessels are the total days the vessels were in our possession for the relevant period net of off hire days. Total employment days for drilling rigs are the total days the drilling rigs were in our possession for the relevant period net of off hire days.

(3) Calendar days are the total days the vessels or drilling rigs, as applicable, were in our possession for the relevant period including off hire days.

(4) Vessels utilization is the percentage of time that our vessels were available for revenue generating days, and is determined by dividing voyage days by calendar days for vessels for the relevant period. Rigs utilization is the percentage of time that our drilling rigs were available for revenue generating days, and is determined by dividing employment days by calendar days for drilling rigs 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, which would otherwise be paid by the charterer under a time charter contract, as well as commissions. TCE is 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. The following table reflects the calculation of our TCE rates for the three and six months periods ended June 30, 2007 and 2008:

(6) Daily revenue from drilling contracts is calculated by dividing revenue from drilling contracts by rigs employment days for the relevant time period.

(7) 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 vessels calendar days for the relevant time period. Daily rig operating expenses, which includes crew costs, provisions, repairs and maintenance, insurances and other operating expenses is calculated by dividing rig operating expenses by calendar days for drilling rigs for the relevant time period.

(8) Total vessel operating expenses or TVOE is a measurement of our total expenses associated with operating our vessels. TVOE is the sum of vessel operating expenses and management fees. Daily TVOE is calculated by dividing TVOE by vessel calendar days for the relevant time period.

(9) Daily general and administrative expense is calculated by dividing general and administrative expense per segment (Drybulk, Drilling Rig) by total calendar days for vessels and total calendar days for drilling rigs respectively, for the relevant time period.



## Appendix 6 – Debt Repayments and Depreciation Profile

### Debt Repayments Per Annum

	2009	2010	2011
Principal Payments Existing Dry Cargo Vessels	255	182	167
Principal Payments Primelead Nordea 800 million facility	250	400	0
Principal Payments Ocean Rig DnB Facility	153	153	153
<b>Total</b>	<b>658</b>	<b>735</b>	<b>320</b>

### Depreciation per Annum

	2009	2010	2011
Dry Cargo Vessels	124	137	139
Ocean Rig	53	53	53
<b>Total</b>	<b>176</b>	<b>190</b>	<b>192</b>

*Note: Depreciation Includes Delivered Vessels in the water*



## Appendix 6 – Newbuilding and Acquisition Estimated Capex

<b>Total Capex Program (Debt plus Equity Payments)</b>			
<i>(USD Millions)</i>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Drillship Hull 1837</b>	<b>213</b>	<b>293</b>	<b>0</b>
<b>Drillship Hull 1838</b>	<b>102</b>	<b>111</b>	<b>293</b>
<b>Drillship Hull 1865</b>	<b>10</b>	<b>197</b>	<b>277</b>
<b>Drillship Hull 1866</b>	<b>10</b>	<b>197</b>	<b>279</b>
<b>Dryships Dry Cargo Newbuild/Acquisition Capex</b>	<b>304</b>	<b>76</b>	<b>0</b>
<b>Total</b>	<b>639</b>	<b>874</b>	<b>849</b>

### **Drillships Debt - Equity Drawdowns to Date**

<i>(USD Millions)</i>	<b>Debt</b>	<b>Equity</b>
<b>Hull 1837</b>	<b>131</b>	<b>76</b>
<b>Hull 1838</b>	<b>131</b>	<b>76</b>
<b>Hull 1865</b>	<b>86</b>	<b>220</b>
<b>Hull 1866</b>	<b>86</b>	<b>220</b>
<b>Total</b>	<b>434</b>	<b>592</b>



## Appendix 7 - Fleet Profile Bulk Carriers Newbuildings

NEW BUILDING VESSELS			
	Year Built	DWT	Type
<b>N/B Vessels:</b>			
Hull 1568	2008	75,000	Panamax
Hull 1518A	2009	75,000	Panamax
Hull 1569	2009	75,000	Panamax
Hull 2089	2009	180,000	Capesize
Hull 1519A	2009	75,000	Panamax
Hull SS058	2010	82,100	Panamax
Hull SS059	2010	82,100	Panamax
<b>Total</b>		<b>644,200</b>	<b>7</b>



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