



DRYSHIPS INC. ANNOUNCES SIGNING OF TWO DRILLING CONTRACTS FOR THE OCEAN RIG CORCOVADO AND THE LEIV EIRIKSSON

ATHENS, GREECE—January 4, 2011 - DryShips Inc. (NASDAQ:DRYS) (the "Company" or "DryShips"), a global provider of marine transportation services for drybulk cargoes and off-shore contract drilling oil services, announced today that its subsidiary Ocean Rig UDW Inc. has entered into firm contracts with Cairn Energy PLC for the “Leiv Eiriksson” and the “Ocean Rig Corcovado” for a period of approximately 6 months each.

The total contract value including mobilization for the “Leiv Eiriksson” is approximately USD 95 million. The mobilization period will start in direct continuation from the agreed release date from Petrobras.

The total contract value including mobilization and winterization of the “Ocean Rig Corcovado” is approximately USD 142 million.

George Economou, Chairman and Chief Executive Officer of DryShips commented: “We are pleased to announce the signing of two new contracts with Cairn Energy for the OceanRig Corcovado and the Leiv Eiriksson. We were able to offer the customer a package solution due to the highly specialized nature of our semi-submersibles and also the state of the art drillships. Following the signing of these contracts we are only left with one open drillship, the Ocean Rig Mykonos, that delivers in the fourth quarter of 2011. We are working to secure employment for the Mykonos and also to further increase the contract backlog. Demand for our units has improved significantly and we hope to announce further contracts in the near future.”

About DryShips

DryShips Inc., based in Greece, is an owner and operator of drybulk carriers and offshore ultra deepwater drilling units that operate worldwide. As of the day of this release, DryShips owns a fleet of 39 drybulk carriers (including newbuildings), comprising 7 Capesize, 30 Panamax and 2 Supramax, with a combined deadweight tonnage of over 3.5 million tons and 6 offshore ultra deepwater drilling units, comprising of 2 ultra deepwater semisubmersible drilling rigs and 4 ultra deepwater newbuilding drillships, three of which will be delivered to the company during 2011.

DryShips's common stock is listed on the NASDAQ Global Select Market where it trades under the symbol "DRYS."

Visit the Company's website at www.dryships.com.

Forward-Looking Statement

Matters discussed in this release may constitute forward-looking statements. The U.S. Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation.

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 words "believe," "intend," "anticipate," "estimate," "project," "forecast," "plan," "potential," "may," "should," "expect" and similar expressions identify forward-looking statements.

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 we believe 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, we 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 and drilling dayrates and drybulk vessel, drilling rig and drillship values, failure of a seller to deliver one or more drilling rigs, drillships or drybulk vessels, failure of a buyer to accept delivery of a drilling rig, drillship, or vessel, inability to procure acquisition financing, default by one or more charterers of our ships, changes in demand for drybulk commodities or oil, changes in demand that may affect attitudes of time charterers and customer drilling programs, scheduled and unscheduled drydockings and upgrades, changes in our operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations 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 with the U.S. Securities and Exchange Commission.

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