



**DRYSHIPS INC. ANNOUNCES PROPOSED ENTRY BY WHOLLY OWNED
SUBSIDIARIES OF OCEAN RIG UDW INC. INTO \$1.3 BILLION TERM LOAN FACILITY
AND WITHDRAWAL OF PROPOSED OFFERING OF SENIOR NOTES**

ATHENS, GREECE – JULY 18, 2014 - DryShips Inc. (NASDAQ: DRYS) (the “Company” or “DryShips”) a global provider of marine transportation services for drybulk and petroleum cargoes, and through its majority owned subsidiary, Ocean Rig UDW Inc. (“Ocean Rig”), of offshore deepwater drilling services, today announced that due to favorable loan market conditions, Ocean Rig’s wholly owned subsidiaries, Drillships Ocean Ventures Inc. and Drillships Ventures Projects Inc., intend to increase the amount of their proposed senior secured term loan to \$1.3 billion and not to proceed with their proposed senior secured notes offering. Ocean Rig had previously announced that Drillships Ocean Ventures Inc. and Drillships Ventures Projects Inc. intended to consummate a new \$800.0 million senior secured term loan and to concurrently offer \$500.0 million in aggregate principal amount of senior secured notes due 2022.

Ocean Rig intends to use the net proceeds from the senior secured term loan, if completed, together with cash on hand, to repay all of the outstanding amounts under its \$1.35 billion senior secured term loan facility.

About DryShips

DryShips Inc. is an owner of drybulk carriers and tankers that operate worldwide. Through its majority owned subsidiary, Ocean Rig UDW Inc., DryShips owns and operates 13 offshore ultra deepwater drilling units, comprising of 2 ultra deepwater semisubmersible drilling rigs and 11 ultra deepwater drillships, one of which is scheduled to be delivered to the Company during 2015, one of which is scheduled to be delivered during 2016 and 2 of which are scheduled to be delivered during 2017. DryShips owns a fleet of 43 drybulk carriers (including newbuildings), comprising 13 Capesize, 28 Panamax and 2 Supramax, with a combined deadweight tonnage of about 4.6 million tons, and 10 tankers, comprising 6 Suezmax and 4 Aframax, with a combined deadweight tonnage of over 1.3 million tons.

DryShips’ common stock is listed on the Nasdaq Global Select Market where it trades under the symbol “DRYS.”

The Company’s website is at www.dryships.com.

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Forward-Looking Statements

Matters discussed in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The 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, drydocking 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.