



DRYSHIPS INC. ANNOUNCES DETAILS OF PARTIAL SPIN OFF OF OCEAN RIG UDW INC.

ATHENS, GREECE – September 22, 2011 - DryShips Inc. (NASDAQ: DRYS) (the “Company” or “DryShips”), a global provider of marine transportation services for drybulk and petroleum cargoes and off-shore contract drilling oil services, today announced the details of the partial spin off of Ocean Rig UDW Inc. Based on 408,394,836 common shares outstanding as of the record date of September 21, 2011, DryShips will distribute 2,967,359 common shares of Ocean Rig UDW on a pro rata basis, or 0.007266 common shares of Ocean Rig UDW for every one share of common stock of DryShips. The distribution date for the partial spin off is October 5, 2011.

Ocean Rig UDW common shares began trading on a “when issued” basis on the Nasdaq Global Select Market under the ticker symbol “ORIGV” on September 19, 2011 and it is expected that Ocean Rig UDW common shares will begin “regular way” trading on the Nasdaq Global Select Market on October 6, 2011.

As previously announced, fractional shares of Ocean Rig UDW common stock will not be distributed to DryShips’ shareholders. Instead, fractional shares of Ocean Rig UDW will be aggregated and sold in the open market, with the net proceeds distributed pro rata in the form of cash payments to DryShips’ shareholders who would otherwise be entitled to receive a fractional share of Ocean Rig UDW common stock.

No action or payment is required by DryShips’ shareholders to receive shares of Ocean Rig UDW common stock. An Information Statement containing details regarding the distribution of the Ocean Rig UDW common stock will be mailed to DryShips’ shareholders prior to the distribution date. Investors are encouraged to consult with their financial advisers regarding the specific implications of buying or selling DryShips common stock after the ex-dividend date of September 19, 2011.

The distribution of shares of Ocean Rig UDW common stock or cash in lieu thereof in the partial spin-off will be characterized as a taxable dividend for United States federal income tax purposes. The amount of the dividend for such tax purposes will be equal to the sum of (x) the fair market value of Ocean Rig UDW Shares received by a U.S. Holder; and (y) any cash payment in lieu of fractional shares paid to a U.S. Holder. You should treat the effective date of the partial spin-off, which is the distribution date of October 5, 2011, as the date of the dividend. DryShips shareholders are urged to consult with their tax advisors with respect to the U.S. federal, state, local and foreign tax consequences of the partial spin-off.

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 9 offshore ultra deepwater drilling units, comprising of 2 ultra deepwater semisubmersible drilling rigs and 7 ultra deepwater drillships, 4 of which remain to be delivered to Ocean Rig during 2011 and 2013. DryShips owns a fleet of 35 drybulk carriers (including newbuildings), comprising 7 Capesize, 26 Panamax and 2 Supramax, with a combined deadweight tonnage of over 3.3 million tons, and 12 tankers (including newbuildings), comprising 6 Suezmax and 6 Aframax, with a combined deadweight tonnage of over 1.6 million tons.

DryShips’ 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

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