



DRYSHIPS INC. ANNOUNCES VESSEL SALES

October 31, 2016, Athens, Greece. DryShips Inc. (NASDAQ:DRYS), or the Company, an international owner of drybulk carriers and offshore support vessels, today announced it has sold five of its Panamax vessels for an aggregate gross price of \$29.4 million.

In particular, the Company has:

- Sold its two Panamax vessels *Amalfi* and *Samatan*, along with their associated bank debt, to entities controlled by the Company's Chairman and CEO, Mr. George Economou. As part of the transaction, the Company entered into an agreement to increase its secured revolving facility ("Revolver") provided by an entity controlled by Mr. George Economou. The Revolver was amended to increase the maximum available amount by \$5.0 million to \$75.0 million and to give DryShips an option to convert \$7.5 million of the outstanding balance to shares of DryShips' common stock within 365 days. Following this transaction, the outstanding balance under the Revolver will stand at \$69.4 million. The transaction was approved by the independent members of the Company's Board of Directors on the basis of vessel valuations and a fairness opinion.
- Sold its three Panamax vessels, *Ocean Crystal*, *Sonoma* and *Sorrento* to un-affiliated Buyers. All of the gross proceeds from the sales will be used to pay down their respective loan facilities. The vessels are scheduled to be delivered to their new owners during November 2016.

About DryShips

DryShips Inc. is an owner of drybulk carriers and offshore support vessels that operate worldwide. DryShips owns a fleet of 16 Panamax drybulk carriers with a combined deadweight tonnage of approximately 1.2 million tons, and 6 offshore supply vessels, comprised of 2 platform supply and 4 oil spill recovery vessels.

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

Visit the Company's website at www.dryships.com. The information contained on the Company's website does not constitute a part of this press release.

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 such safe harbor legislation.

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 and other 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 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, general market conditions, including changes in charter rates and vessel values, failure of a seller to deliver one or more vessels, failure of a buyer to accept delivery of a vessel, inability to procure acquisition financing, default by one or more charterers of our ships, changes in demand for drybulk commodities, changes in demand that may affect attitudes of time charterers, scheduled and unscheduled drydocking, changes in our voyage and operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations, changes in our relationships with the lenders under our debt agreements, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, international hostilities and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by DryShips Inc. with the U.S. Securities and Exchange Commission, including the Company's most recently filed Annual Report on Form 20-F.

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