



DRYSHIPS ANNOUNCES BANK UPDATE

December 1, 2016, Athens, Greece — DryShips Inc. (NASDAQ:DRYS) (the “Company”), an international owner of drybulk carriers and offshore support vessels, announced today that a company controlled by Mr. George Economou, our Chairman and CEO has become the lender of record under its \$85.1 million Syndicated Loan previously arranged by HSH Nordbank. Following this transaction, entities affiliated by Mr. George Economou control the vast majority of our debt outstanding with total aggregate principal amount outstanding of \$154.5 million. The remaining debt, of \$16.5 million is associated with third party commercial lenders with which we have either reached or are in discussions to reach, an amicable settlement.

Mr. Anthony Kandylidis, Executive Vice President and interim CFO commented:

“We are very excited by the commitment shown by Mr. George Economou to assist DryShips in its efforts to reach an agreement with its financing banks. With more than 90% of our debt now in the hands of our founder, it is safe to conclude that the Company is no longer in any danger from its lenders exercising any of their rights under the Company’s existing defaults under their respective loan agreements. We are already in discussions with Mr. Economou to amend the Company’s debt and regain compliance. In that respect, we hope to be in a position to announce further positive developments in the near future.”

About DryShips Inc.

The Company is an owner of drybulk carriers and offshore support vessels that operate worldwide. The Company owns a fleet of 13 Panamax drybulk carriers with a combined deadweight tonnage of approximately 1.0 million tons, and 6 offshore supply vessels, comprising 2 platform supply and 4 oil spill recovery vessels.

The Company’s common stock is listed on the NASDAQ Capital Market where it trades under the symbol “DRYS.”

Forward-Looking Statements

Matters discussed in this press 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, including the registered direct offering, 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 the Company's records and other data available from third parties. Although the Company 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 the Company's control, the Company 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 failure to consummate the registered direct offering, 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 SEC, including the Company's most recently filed Annual Report on Form 20-F.

Investor Relations / Media:

Nicolas Bornozis
Capital Link, Inc. (New York)
Tel. 212-661-7566
E-mail: dryships@capitallink.com

