

OCEAN RIG



Ocean Rig UDW Inc.

4th Quarter Ended December 31, 2012 Earnings Presentation



NASDAQ: "ORIG"
March 7, 2013

Forward Looking Statements

Matters discussed in this presentation may constitute forward-looking statements. 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, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts.

The forward-looking statements in this presentation 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, which have not been independently verified by the Company. Although Ocean Rig UDW Inc. 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 our control, Ocean Rig UDW Inc. 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 hire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in Ocean Rig UDW Inc's operating expenses, including bunker prices, dry-docking and insurance costs, 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.

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2012 financial results

Results for Q4 2012

Reported Net Loss: (\$71.0) million or (\$0.54) per share

Plus 10-year class special survey (Eirik Raude) costs: \$43.9 million or \$0.33 per share

Adjusted Net Loss: (\$27.1) million or (\$0.21) per share

Results for FY 2012

Reported Net Loss: (\$132.3) million or (\$1.00) per share

Plus 10-year class special survey (Eirik Raude) costs: \$65.5 million or \$0.50 per share

Adjusted Net Loss: (\$66.8) million or (\$0.50) per share



2012 key highlights

- Fleet comprised of six technologically advanced UDW units, with three more delivering this year
- Start-up of two drillships in Brazil following lengthy acceptance period
- Two semis performed below expectations: *Leiv Eiriksson* Falklands – *Eirik Raude* drydock
- Secured long term contracts with major oil companies for five units, backlog from \$1.6 to \$5.1 billion
- Raised \$800 million Senior Secured Notes and \$1.35 billion 2013 newbuilding drillships facility
- Removed all cross-default clauses with DryShips Inc, and eliminated all affiliated company risk
- Dryships reduced ownership from 73.9% to 59.4%, increasing free float to \$800 million
- Ordered 2015 newbuilding and awarded three year drilling contract



ER & LE 2013 developments

➤ Developments on Eirik Raude:

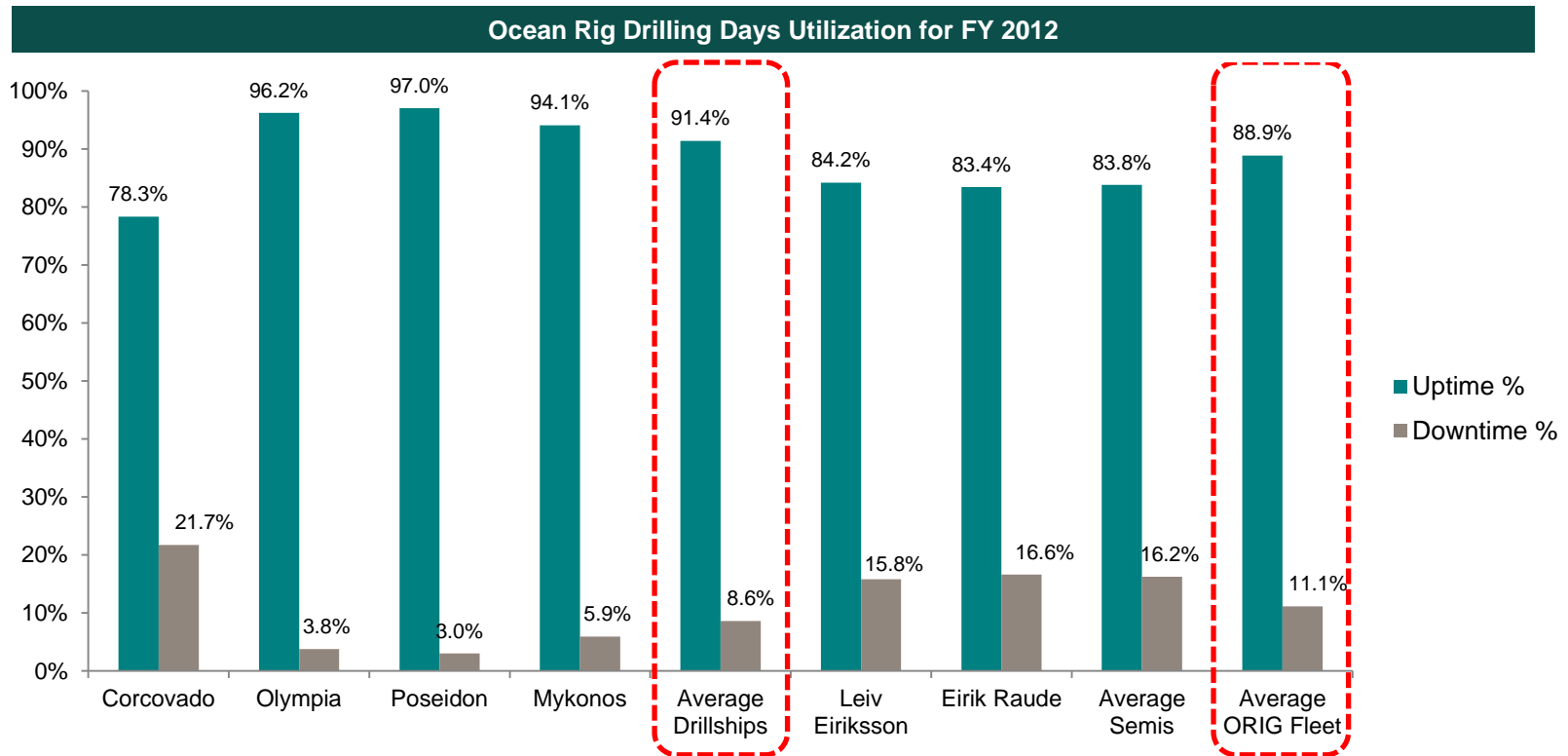
- Commenced contract with ExxonMobil for drilling offshore Ireland
- Entered into a twelve-month four well contract with Lukoil for drilling offshore West Africa
- European Hydrocarbons cancelled its contract; early termination payment appx. \$13 million

➤ Developments on Leiv Eiriksson:

- Currently on drydock in Norway for contract related upgrades
- Expected to commence drilling operation in early Q2 2013

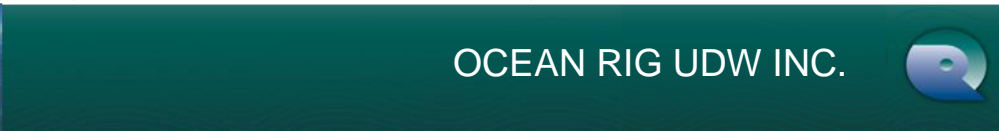


2012 operational performance



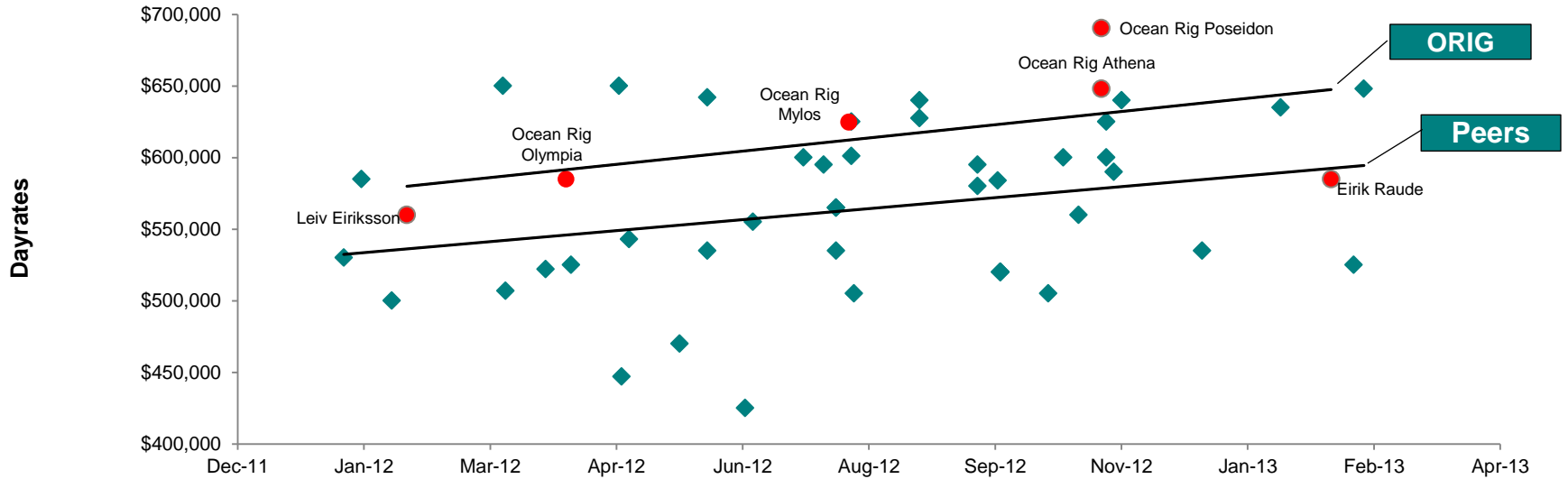
- Strong operational performance despite unexpected hurdles
- Short-term contracts with frequent relocations affected 2012 operational performance
- Post-Macondo environment with frequent maintenance/BOP testing days affects operational performance

Notes
 1) Operational performance calculated based on drilling days over days net of mobilization, acceptance testing and drydock



2012 marketing efforts

Contracted Dayrates in UDW drilling segment



Source: Fearnley Offshore

- Three year contracts with major oil companies secured at market-leading rates
 - Leiv Eiriksson contract net of upgrades paid by Rig Management
- New contracts incorporate provisions for increased revenue/operating efficiency
 - on-hire maintenance days and specific on-hire BOP maintenance

Note: Announced Contracts >12 months duration

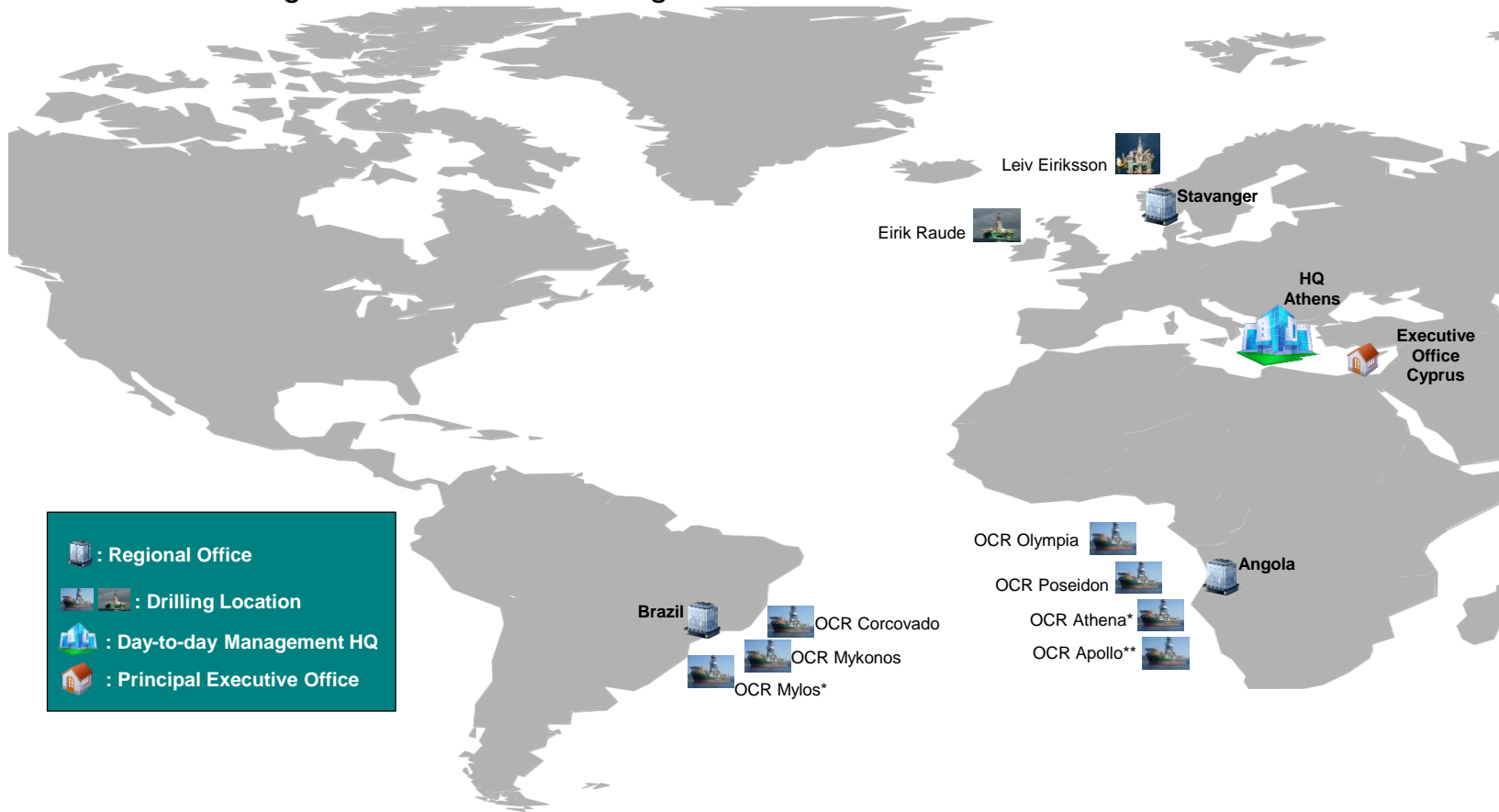


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2013 corporate reorganization

- Corporate focus to increase efficiency & reduce expenses within challenging industry conditions
- Relocation of regional offices near drilling locations



* Expected drilling location of newbuilding UDW drillship

**Based on LOA: Expected drilling location in 2015 of newbuilding UDW drillship



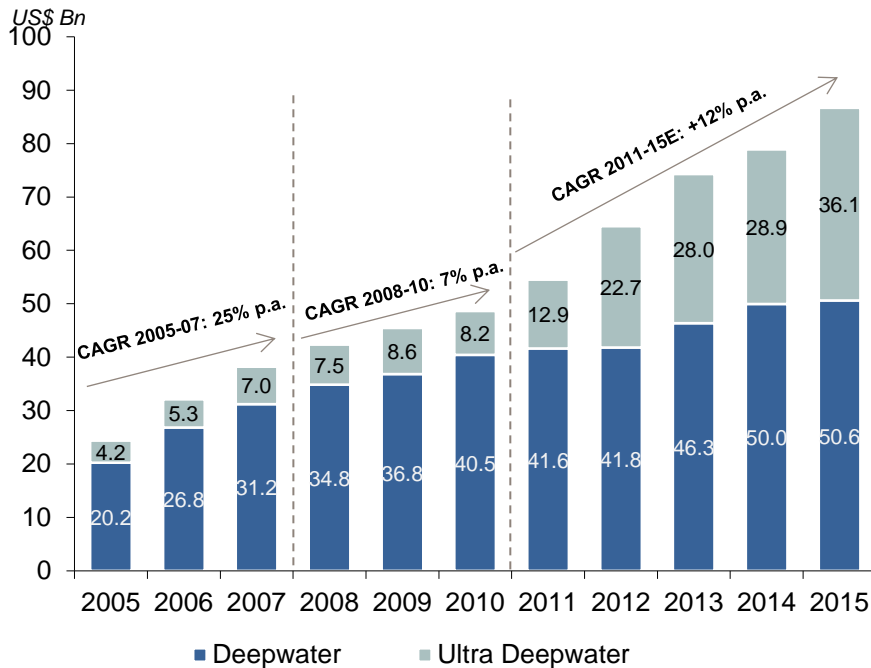
Industry Overview



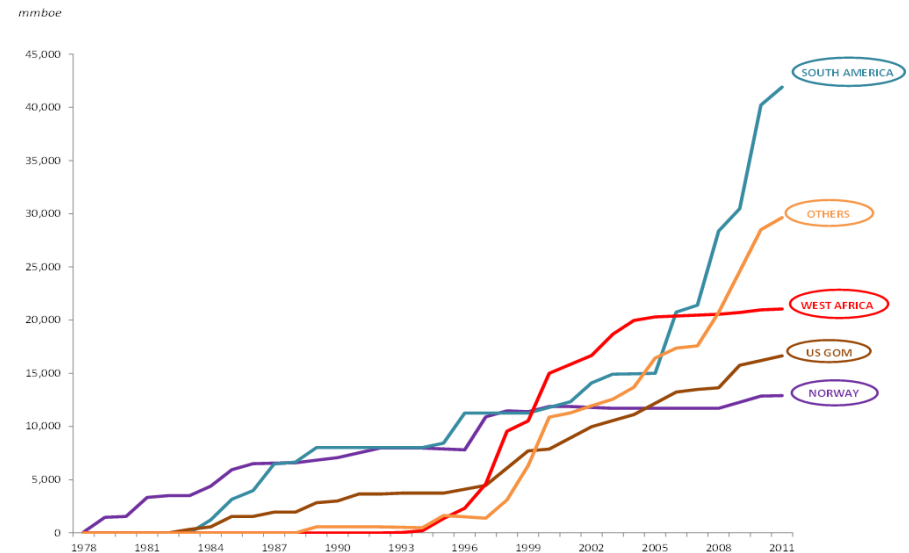
Exploration success fuels deepwater E&P spending

- At the present time global open demand by type of well: 8% development, 92% exploration
- Expected continuing exploratory drilling as a result of E&P capex growth and continuing development drilling from existing proven reserves.

E&P capex for UDW expected to accelerate



Proven UDW reserves require substantial UDW drilling fleet



Note: Deepwater defined as water depths of over 400 meters and less than 1,500 meters. Ultra-deepwater defined as water depths of 1,500 meters or greater
 Source: Wood Mackenzie, reserves discovered data based on oil industry research reports and company data.

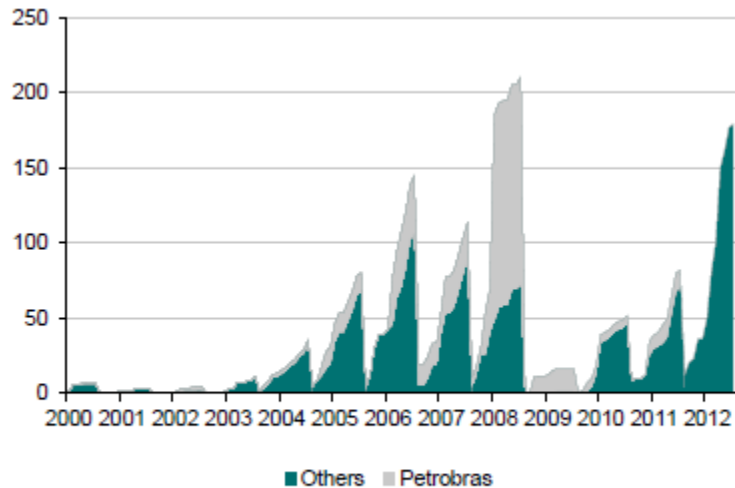


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Market fundamentals remain strong

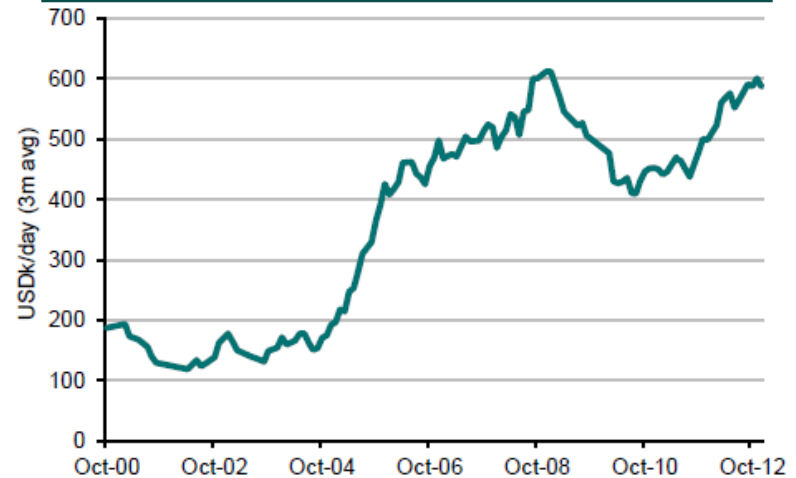
UDW backlog signed by year



Source: DNB Markets, ODS Petrodata

- Even though Petrobras has not chartered any UDW units from the international market since early 2011, 2012 was a landmark year
- West Africa expected to be most important growth area for UDW exploration
 - Ocean Rig UDW has unrivalled experience drilling in the region
 - Four of our UDW units will be drilling in West Africa in 2013

UDW Dayrates



Source: DNB Markets, ODS Petrodata

- Young and high quality UDW units command premium rates
- Ocean Rig's recent long-term contracts secured at \$600,000+ dayrates



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UDW oil project breakeven below OPEC fiscal breakeven

- Offshore projects are competitive with onshore projects
- High fiscal breakeven for major producers supports current oil price levels

2011 Fiscal Balance Break-Even Price for major OPEC Producers (\$/bbl)								
Iraq	Bahrain	Algeria	Iran	UAE	Saudi Arabia	Oman	Kuwait	Qatar
102	100	95	87	82	80	77	50	39

- UDW oil project breakeven economics range between \$30 - \$70 /bbl
- Since early 2000s, OPEC producers have made large investments in infrastructure and non-oil sectors, driving up their fiscal breakeven to as high as \$100/bbl
- Deepwater projects have the same or lower development costs per barrel of oil equivalent than certain onshore project

Oil Project Break-Even Economics (\$/bbl)						
OPEC Mideast	Other Conventional	Deepwater	Ultra Deepwater	Enhanced Recovery	Extra Heavy Oil	Arctic
12 - 25	15 - 30	26 - 60	30 - 70	40 - 75	60 - 80	80 - 100

Sample IRR Estimates		
Onshore	(top fields)	80+%
Deepsea		20%-25%
Conventional & Onshore		15%-20%

- Technological advances have reduced the cost of deepwater well development
- Oil Majors rank deepwater well IRR on par or above IRR of onshore projects and prefer deepwater long lifetime projects

Source: International Monetary Fund, National Authorities, Total, DNB Markets, Wall Street Research



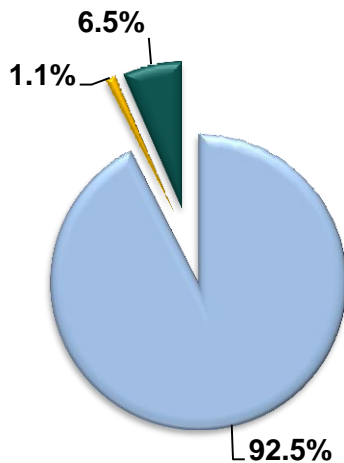
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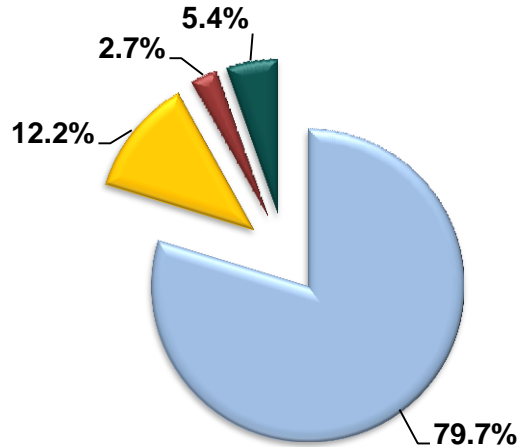
Aged midwater & deepwater fleets

- Significant shortage of midwater and deepwater high specification assets
- This substantial increase in demand is stretching an aging and underinvested fleet

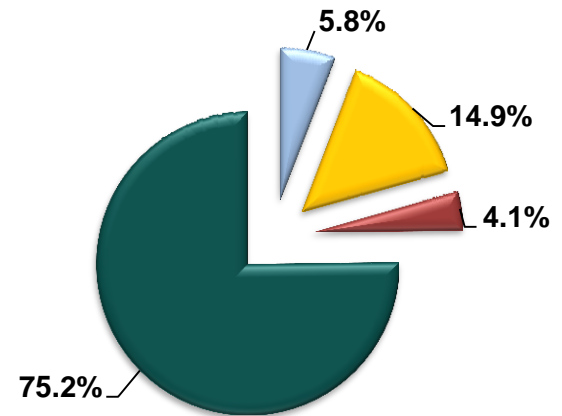
Age Profile of MW fleet



Age Profile of DW fleet



Age Profile of UDW fleet



■ >20yrs ■ 10-20yrs ■ 5-10 yrs ■ <5yrs

■ >20yrs ■ 10-20yrs ■ 5-10 yrs ■ <5yrs

■ >20yrs ■ 10-20yrs ■ 5-10 yrs ■ <5yrs

Source: Fearnley Offshore

- Vast majority of midwater and deepwater floaters are over 20 years old and becoming obsolete
- Stringent post-Macondo technical requirements create market cascading effect with many UDW units already drilling deepwater wells at UDW rates

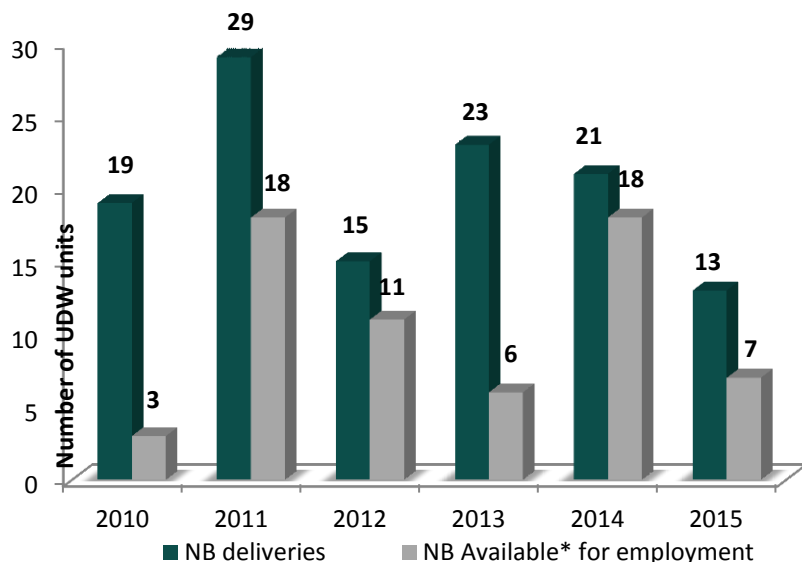


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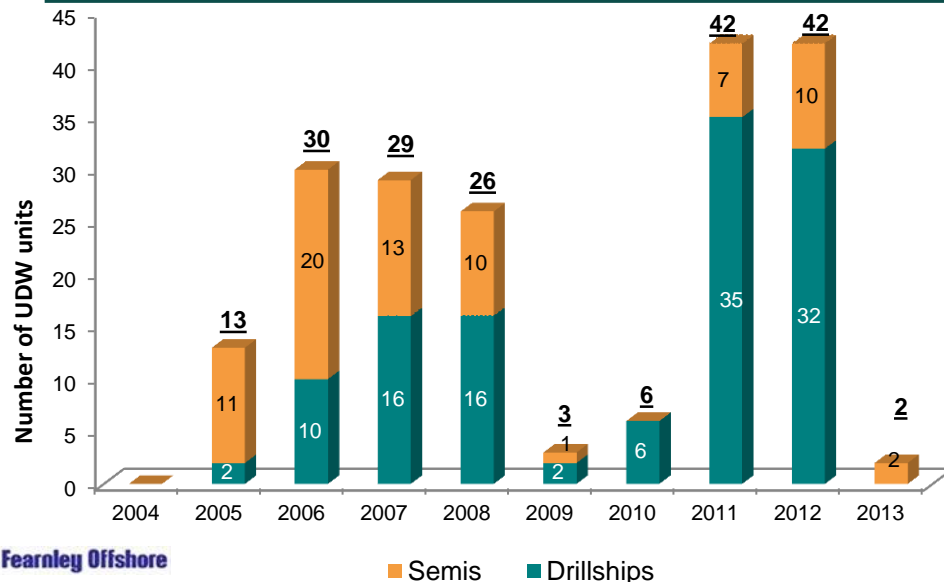


Supply constraints

UDW Newbuilding Deliveries & Availability



UDW Units Ordered Each Year



- Yard availability non-existent until 2015, over 2 ½ years from order to delivery
- Drillships have become industry's preferred UDW asset type

Notes

* Available for employment includes all rigs (existing and newbuilds) that are available for employment within that calendar year. Historical data as of start of each calendar year, data for 2013-2014 as of December 2012.



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Financial Highlights



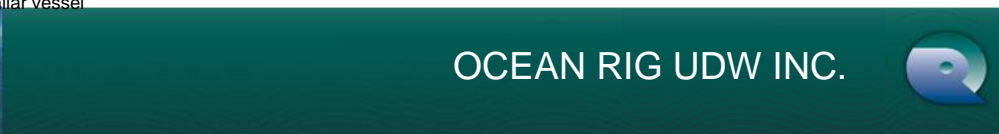
Solid multi-year fleet employment profile

- Average contract¹ remaining fixed period of 2.8 years, 4.4 years with options
- Enviable position with our 7th generation drillship Ocean Rig Skyros, available in 2013
- 98%, 88%, 64%, 30% calendar days under contract² in 2013, 2014, 2015, and 2016 respectively
- \$5.1 billion backlog² up from \$1.6 billion in early 2012

Year	2013				2014				2015				2016				2017				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Contract Coverage	98%				88%				64%				30%								
Leiv Eriksson	Mobilization, Upgrades		Rig Management Norway (led by Total)																	3 x 1 year options (through 2020)	
Eirik Raude	African Petroleum	Mob	Exxon Mobil	Mob	Lukoil																
Ocean Rig Corcovado	Petrobras																				
Ocean Rig Olympia	Total											2 x 1 year options (through Q3 2017)									
Ocean Rig Poseidon	Petrobras			Mob	Eni												2 x 1 year options (mid 2018)				
Ocean Rig Mykonos	Petrobras																				
Ocean Rig Mylos	Expected Delivery July 2013			Mob	Repsol												options for up to 2 years (through 2018)				
Ocean Rig Skyros	Expected Delivery October 2013				Mob																
Ocean Rig Athena	Expected Delivery November 2013				Mob	ConocoPhillips												options for up to 2 years (through 2018)			
Ocean Rig Apollo	Expected Delivery January 2015								Mob	LOA with major oil company											

1) Average contract length excludes OCR Poseidon remaining period on the Petrobras contract, and Eirik Raude short term contracts

2) Including LOA for the Ocean Rig Apollo or similar vessel

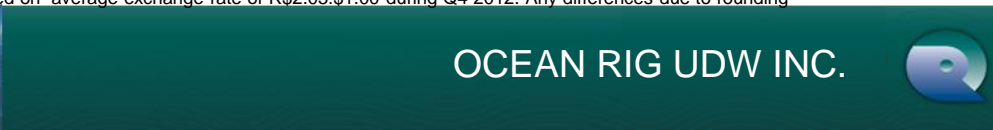


Q4 2012- Revenue analysis

- During the quarter, we had 552 calendar days, 38 days spent on mobilization and 80 class survey days for the Eirik Raude
- These resulted in 434 available drilling days, of which 406 were revenue earning days i.e. 93.5% operating efficiency

Drilling Unit	Mobilization Days	Available Drilling Days ¹ (a)	Off-hire Days (b)	Revenue Earning Days (a-b)	Day Rate (c)	Amortization of Deferred Revenues (\$ mln)
Leiv Eiriksson	26	66	12	54	\$530,000	0.0
Eirik Raude	12	0	0	0	-	0.0
OCR Corcovado ¹		92	5	87	\$442,731	3.7
OCR Olympia		92	7	85	\$584,450	0.8
OCR Poseidon		92	0	92	\$586,000	6.9
OCR Mykonos ¹		92	4	88	\$437,919	3.9
Total	38	434	28	406		15.3

Notes:
 1) Available Drilling Days excluding Eirik Raude drydocking days
 Mykonos and Corcovado contract dayrate based on average exchange rate of R\$2.05:\$1.00 during Q4 2012. Any differences due to rounding



Q4 2012- OPEX analysis

Drilling Unit	Direct Rig Opex ¹	Q4 2012 Direct Rig Opex ¹		Q4 2012 Amortization of Deferred Opex (in USD million)
	Q3 2012 (\$ per day)	(in USD million)	(\$ per day)	
Leiv Eiriksson	197,000	16.2	219,000	0.0
Eirik Raude	192,000	17.8	222,850	0.0
OCR Corcovado	227,000	17.9	194,000	3.5
OCR Olympia	199,000	16.3	177,000	0.3
OCR Poseidon	194,000	16.7	182,000	3.6
OCR Mykonos	216,000	17.4	189,000	4.9
Total		102.3		12.3

Falkland Island contract completed

Peripheral costs related to class survey (excl. drydock costs)

	Q3 2012		Q4 2012	
	Available Drilling Days	Direct Rig Opex ¹ (\$ per day)	Available Drilling Days ²	Direct Opex ¹ (\$ per day)
OCR Fleet	515	197,000	514	199,000

Notes:

- 1) Excludes class survey costs, transit fuel costs related to the yard, towing services, chartered helicopters and certain one-off invoices, crew specialists
- 2) Available Drilling Days including Eirik Raude drydocking days



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Income Statement

(Expressed in Millions of U.S. Dollars except for share and per share data)

	<u>Q4 2012</u>	<u>FY 2012</u>
REVENUES:		
<i>Drilling revenues</i>	214.5	863.8
<i>Amortization of deferred revenue</i>	<u>15.3</u>	<u>78.1</u>
Total Revenues from drilling contracts	<u>229.8</u>	<u>941.9</u>
EXPENSES:		
<i>Direct rig operating expenses</i>	102.2	377.8
<i>Eirik Raude 10-year class special survey</i>	43.9	65.5
<i>Onshore and maintenance expenses</i>	14.7	50.2
<i>Amortization of deferred operating expenses</i>	<u>12.3</u>	<u>70.1</u>
Total drilling rig operating expenses	173.1	563.6
Depreciation and amortization	56.5	224.5
General and administrative expenses and other	23.5	83.8
Legal settlements and other	-	4.5
Operating income/(loss)	<u>-23.3</u>	<u>65.5</u>
OTHER INCOME/(EXPENSES):		
Interest and finance costs, net of interest income	-29.8	-115.9
Gain/(loss) on interest rate swaps	-4.9	-36.9
Other, net	-1.6	-1.0
Income taxes	<u>-11.4</u>	<u>-44.0</u>
Total other expenses	<u>-47.7</u>	<u>-197.8</u>
Net income/ (loss)	<u><u>-71.0</u></u>	<u><u>-132.3</u></u>
Earnings/ (loss) per common share, basic and diluted	-\$0.54	-\$1.00
Weighted average number of shares, basic and diluted	131,696,955	131,696,935



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Healthy liquidity & capital structure

<i>(in \$ million)</i>	<i>December 31, 2012</i>
Cash	317.4
Restricted cash	192.7
Secured bank debt	1,508.7
6.50% senior secured notes due 2017 ⁽¹⁾	781.0
9.50% senior unsecured notes due 2016 ⁽¹⁾	491.7
Total debt ⁽¹⁾	2,853.4
Total shareholders' equity	2,908.5
Total capitalization	5,761.9
Net Debt	2,343.5
Debt to capitalization	50%
Net Debt to Capitalization	41%

(1) Net of financing fees

(2) Excludes 2015 delivery newbuilding
Assumes \$15.0 share price

<i>Ownership on March 1st, 2013</i>	
Shares Outstanding	131.7 million
Free float shares	53.4 million
% of free float shares	40.6 %
% ownership DRYS	59.4 %

Equity market capitalization: \$ 1,975 mil
Current Enterprise Value ⁽²⁾: \$ 3,647 mil
Fully Delivered Enterprise Value: \$ 5,665 mil ⁽²⁾



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Conservative debt profile

➤ Our aggressive loan amortization schedule increases stakeholder value

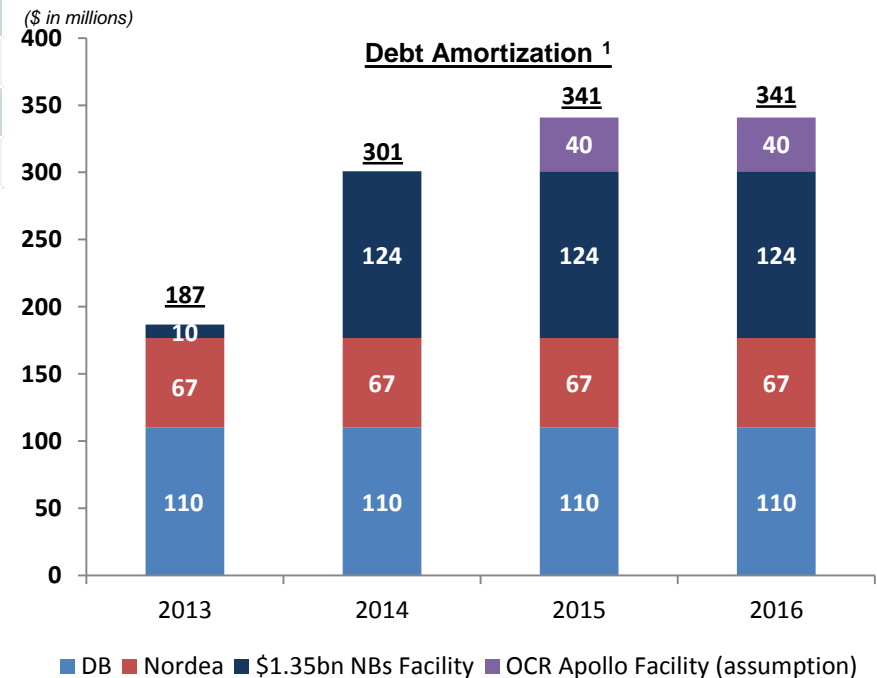
(\$ million)	2013	2014	2015	2016
YB Bank Debt	1,608	2,771	2,470	2,579
Bank Debt Amortization	187	301	341	341
Newbuild Drillships Debt	1,350		450	
YE Bank Debt	2,771	2,470	2,579	2,238
HY Notes	1,300	1,300	1,300	1,300
YE Total Debt ¹	4,071	3,770	3,879	3,538
YE Total Debt / Rig	452	419	388	354

(\$ in millions)

Ocean Rig Debt Outstanding as of 12/31/12				
Facility	Amortizing	Balloon	Total	Maturity
\$800m facility	233.3	466.7	700.0	Q2 2016
\$990m facility	907.5	0.0	907.5	Q4 2020
\$800m Senior Secured Note	0.0	800.0	800.0	Q4 2017
\$500m Senior Unsecured Note	0.0	500.0	500.0	Q2 2016
Current OCR debt	1,140.8	1,766.7	2,907.5	
\$1,350m facility	600.0	750.0	1,350.0	Q3 2018

Notes

1) Assumes refinancing of \$500 million Unsecured Notes and Nordea facility in 2016 with similar identical and facility respectively



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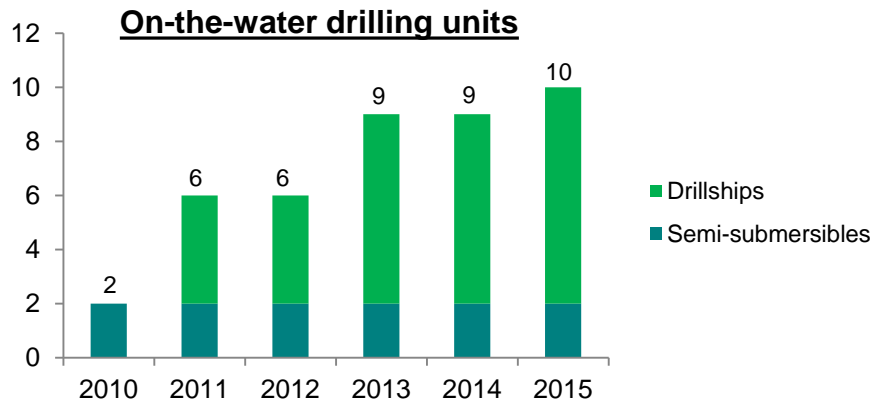


Sensible growth

- All equity -over \$727 million- for 2013 newbuilds already invested
- Modest capital expenditures associated with 2015 newbuilding

(S millions)

	Total Delivered Cost	Already Funded From Equity	Remaining Cost ⁽¹⁾			
			2013	2014	2015	Delivery
OCR Mylos (NB #1)	670	242	428	-	-	July 2013
OCR Skyros (NB#2)	669	242	427	-	-	October 2013
OCR Athena (NB#3)	679	242	437	-	-	November 2013
OCR Apollo (NB#4)	683	153	83	-	447	January 2015
Total	\$2,701	\$879	\$1,375	-	\$447	



DNB/Nordea led \$1.35b senior secured term loan facility signed

(1) Represents construction payments and construction related expenses (excluding financing costs).



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Closing Remarks



Closing remarks

Pure-play ultra-deepwater driller with premium assets

- Fleet composed of 100% UDW assets
- Sixth largest UDW company globally with a fleet of 10 drillships/rigs
- Latest generation assets with an average age of 2.9 years

Experienced management team

- Highly efficient drilling operator in harsh conditions
- Corporate culture focused on safety and incident-free operations
- Drilled more than 135 wells for 25 clients over the last 10+ years
- 1,380 employees of which 200 in corporate functions

Healthy debt profile

- Removed all cross-default clauses with DryShips Inc.
- Secured Syndicated Term Loan for the three 2013 newbuildings
- Rapid deleveraging across bank facilities increases stakeholder value
- No debt maturities until Q2 2016

Strong cashflow visibility and significant earnings potential

- Seven units employed to investment grade counter-parties
- Revenue backlog of \$5.1 billion
- Uniquely positioned with the Ocean Rig Skyros, 7th generation drillship, available for employment in 2013

Favorable market fundamentals

- UDW is the key growth market in the drilling space
- Deepwater production has doubled in the last five years
- Rising oil prices improve economics for UDW operators
- Depleting reserves make UDW exploration & production critical



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Appendix



Strong contract backlog provides cash flow visibility

Unit	Year built	Redelivery	Operating area	Backlog (\$m)
Leiv Eiriksson	2001	Q1 – 16	Norway	\$627
Eirik Raude	2002	Q3 – 13	Ireland	\$112
Eirik Raude	2002	Q4 – 14	Sierra Leone, Ghana, Ivory Coast	\$217
Ocean Rig Corcovado	2011	Q2 – 15	Brazil	\$357
Ocean Rig Olympia	2011	Q3 – 15	Ivory Coast, Gabon, Angola	\$517
Ocean Rig Poseidon	2011	Q1 – 13	Africa	\$22
Ocean Rig Poseidon	2011	Q2 – 16	Angola	\$781
Ocean Rig Mykonos	2011	Q1 – 15	Brazil	\$330
Ocean Rig Mylos	2013	Q3 – 16	Brazil	\$680
Ocean Rig Athena	2013	Q1 – 17	Angola	\$750
Total				\$4.4 billion
LOA Ocean Rig Apollo	2015	Q1 – 18	West Africa	\$680
Total with LOA				\$5.1 billion

Note: Backlog as of 3/4/2013



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Fleet status report

Date: March 7, 2013

UDW Unit Name	Year Built / Expected Delivery	Location	Customer	Estimated Commencement Date	Estimated Completion Date	Estimated Mobilization Days				Known Off-Hire Days	Footnote References	Estimated Available Drilling Days				
						2013						2013	2013			
						Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4		
Eirik Raude	2002	Liberia Ireland West Africa	European Hydrocarbons ExxonMobil Lukoil	Jan-13 Mar-13 Q3 2013	Mar-13 Q3 2013 Q2 2014	25		22	10	22	1,2 3 4,5	43	91	70	82	286
Leiv Eiriksson	2001	Norway	Shipyard Rig Management	Q2 2013	Q2 2016	90	15				6	0	76	92	92	260
Ocean Rig Corcovado	2011	Brazil	Petrobras	May-12	Q2 2015			31		1	7	89	91	61	92	333
Ocean Rig Olympia	2011	Angola, Ivory Coast, Gabon	Total	Jul-12	Jul-15	5	4	2		6	8	79	87	90	92	348
Ocean Rig Poseidon	2011	Tanzania Angola	Petrobras ENI	Jul-11 Q2 2013	Q2 2013 Q2 2016			48			9	90	43	92	92	317
Ocean Rig Mykonos	2011	Brazil	Petrobras	Mar-12	Q1 2015			31			10	90	91	61	92	334
Ocean Rig Mylos	2013	Under construction Brazil	NA Repsol Sinopec	NA Jul-13	NA Q3 2016			60			11			0	92	92
Ocean Rig Skyros	2013	Under construction	NA	NA	Oct-13				60		12				0	0
Ocean Rig Athena	2013	Under construction Angola	NA ConocoPhillips	NA Nov-13	Nov-13 Q1 2017				31		13				0	0
Ocean Rig Apollo	2015	On order	LOA- Major Oil Company	Jan-15	Q1 2018										0	0
Total Days						120	67	146	101	29		391	479	466	634	1970

Footnotes

- 1 Received contract termination notice on March 3, 2013
- 2 Total of 22 days off-hire of which 21 days downtime related to faulty BOP bonnets (replaced by the manufacturer at no cost to the Company)
- 3 Estimated 25 days mobilization to Ireland
- 4 Estimated 22 days for mobilization from Ireland to Sierra Leone
- 5 Estimated 10 days intra-contract transits to new drilling locations (Sierra Leone to Ghana to Ivory Coast)
- 6 Estimated 90 days in Q1 and 15 days in Q2 for mobilization & upgrades
- 7 Estimated 31 days yard stay in Brazil for Petrobras contract related upgrades
- 8 Estimated 5 days in Q1, 4 days in Q2 and 2 days in Q3 for intra-contract transits to new drilling locations (Angola to Ivory Coast to Gabon to Angola)
- 9 Estimated 48 days for mobilization and acceptance testing prior to commencement of new contract
- 10 Estimated 31 days for yard stay in Brazil for Petrobras contract related upgrades
- 11 Estimated 60 days for mobilization from Korea to drilling location and acceptance testing
- 12 Estimated 60 days for mobilization from Korea to drilling location and acceptance testing
- 13 Estimated 60 days for mobilization from Korea to drilling location and acceptance testing of which 31 in Q4 2013

Definitions

Mobilization Days: Includes estimated days related to drilling unit mobilization/demobilization, acceptance testing, time between contracts and estimated days for contract related rig upgrades prior to contract commencement.

Off-Hire Days: Estimated unpaid operational days. Off-hire days estimate includes planned days for class survey dry-docks, planned days related to maintenance/repair work, days waiting to secure employment etc. During Off-Hire days operating expenses are expensed in the period incurred.

Available Drilling Days: Calendar Days less estimated Mobilization days less estimated Off-Hire days; Available days do not include any utilization assumptions

Notes

Fleet Status Report located on the Ocean Rig website (www.ocean-rig.com) in the Investor Relations section.



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Net drilling revenue indicative calculator

➤ To 2013 Net Drilling Revenue add approximately \$103.8 million in amortization of deferred revenues

Drilling Unit	Mobilization Days					Available Drilling Days (a)	2013 Drilling Day Rate (b)	Earnings Efficiency Guidance (c)	Gross Revenue (a) x (b) x (c) = (d)	Local Agent Fees & Commissions (e)	Net Drilling Revenue (d) * (100%-e)
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	FY 2013			FY 2013		FY 2013
Leiv Eiriksson	90	15			105	260	\$545,000	92.50%	?	3.00%	?
Eirik Raude ⁽¹⁾	25		22	10	57	308	\$590,000 blended rate	92.50%	?	3.00%	?
OCR Corcovado ⁽³⁾			31		31	334	\$446,000	92.50%	?	3.00%	?
OCR Olympia	5	4	2		11	354	\$584,450	92.50%	?	3.00%	?
OCR Poseidon ⁽²⁾		48			48	317	\$632,000 blended rate	92.50%	?	3.00%	?
OCR Mykonos ⁽³⁾			31		31	334	\$441,000	92.50%	?	3.00%	?
OCR Mylos			60		60	92	\$608,000	92.50%	?	3.00%	?
OCR Skyros				60	60	0	Market rate	92.50%	?	3.00%	?
OCR Athena				31	31	0	\$633,500	92.50%	?	3.00%	?
Total	120	67	146	101	434	1,999			?		?

***Our projections for mobilization days and earnings efficiency will differ from actual mobilization days and actual earnings efficiency respectively.**

1. Eirik Raude blended drilling day rate, reflects rates under different contracts

2. OCR Poseidon drilling day rate, reflects rates under different contracts

3. Mykonos and Corcovado contract dayrate based on average exchange rate of R\$1.97:\$1.00. Any differences due to rounding

2013 Available Drilling Days exclude known off-hire days

Data as of March 6th, 2013



OCEAN RIG UDW INC.



Deferred revenue & expense amortization

Estimated Deferred Revenue and Expenses Schedule



As of December 31, 2012

(USD million)	<u>Q4 2012</u>	<u>Q1 2013</u>	<u>Q2 2013</u>	<u>Q3 2013</u>	<u>Q4 2013</u>	<u>FY 2013</u>
Amortization of deferred revenues ¹	15.3	32.7	13.7	11.6	11.6	69.6
Amortization of deferred expenses ²	12.4	16.3	10.7	9.7	9.7	46.4

1) based on current amortization schedule of deferred revenues received during prior quarters . Actual amortization of deferred revenues will vary from current projections and will include future deferrals; such variations may be significant.

2) based on current amortization schedule of deferred expenses incurred during prior quarters. Actual amortization of deferred expenses will vary from current projections and will include future deferrals; such variations may be significant.

Definitions

Deferred Revenues include lump sum fees received related to mobilization, capital expenditures reimbursable for contract related rig upgrades etc. These revenues are capitalized and amortized through the duration of the contract.

Deferred Expenses include costs (recurring operating expenses, tug boats & helicopter rentals etc.) incurred during mobilization, capital expenditures for contract related rig upgrades etc. These costs are capitalized and amortized through the duration of the contract.



Deferred revenue & expense amortization adjustments

	Drilling Unit	Amortization of Deferred Revenue				
		Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013
	Current Schedule	32.7	13.7	11.6	11.6	69.6
Plus: Eirik Raude Mobilization	Projected additions for mobilization from Liberia to Ireland		17.3	5.8		23.0
Plus: Eirik Raude Mobilization	Projected additions for mobilization from Ireland to West Africa			0.2	0.4	0.6
Plus: Leiv Eiriksson Mobilization	Projected remaining additions for mobilization from Falklands to Norway and certain upgrades		0.8	0.9	0.9	2.6
Plus: OCR Poseidon Mobilization	Projected additions for mobilization and acceptance testing from Tanzania to Angola		0.5	2.1	2.1	4.7
Plus: OCR Mylos Mobilization	Projected additions for mobilization and acceptance testing from Korea to Brazil				3.4	3.4
	Schedule Adjusted for Future Mobilizations	32.7	32.2	20.5	18.3	103.8

	Drilling Unit	Amortization of Deferred Opex				
		Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013
	Current Schedule	16.3	10.7	9.7	9.7	46.4
Plus: Eirik Raude Mobilization	Projected additions for mobilization from Liberia to Ireland		3.8	1.3		5.0
Plus: Eirik Raude Mobilization	Projected additions for mobilization to West Africa			0.6	1.1	1.7
Plus: Leiv Eiriksson Mobilization	Projected remaining additions for mobilization from Falklands to Norway and certain upgrades		1.4	1.6	1.6	4.7
Plus: OCR Poseidon Mobilization	Projected additions for mobilization and acceptance testing from Tanzania to Angola		0.1	0.5	0.5	1.1
Plus: OCR Mylos Mobilization	Projected additions for mobilization and acceptance testing from Korea to Brazil				1.0	1.0
	Schedule Adjusted for Future Mobilizations	16.3	15.9	13.6	13.9	59.8

1. Mobilization revenue based on current estimates; actual revenue will differ from projections. Our projections for mobilization days will differ from actual days

2. Mobilization expenses based on estimated mobilization days indicatively multiplied by \$200,000/day estimated operating expenses

Differences due to rounding. Data as of March 1, 2013.



OCEAN RIG UDW INC.



Balance Sheet

(Expressed in Thousands of U.S. Dollars)

	<u>December 31, 2011</u>	<u>December 31, 2012</u>
<u>ASSETS</u>		
Cash and restricted cash (current and non-current)	\$ 432,978	\$ 510,061
Other current assets	188,471	242,447
Advances for drillships under construction	754,925	992,825
Drilling rigs, drillships, machinery and equipment, net	4,538,838	4,399,462
Other non-current assets	100,143	80,319
Total assets	<u>6,015,355</u>	<u>6,225,114</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Total debt	2,735,765	2,853,410
Total other liabilities	281,134	463,189
Total stockholders' equity	2,998,456	2,908,515
Total liabilities and stockholders' equity	<u>\$ 6,015,355</u>	<u>\$ 6,225,114</u>



OCEAN RIG UDW INC.

