



Ocean Rig UDW Inc. NASDAQ: "ORIG"

May 17, 2018

1st Quarter Ended March 31, 2018

Earnings Presentation

Forward Looking Statements

Matters discussed in this presentation 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 relate to Ocean Rig's expectations, beliefs, intentions or strategies regarding the future. These statements may be identified by the use of words like "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project," "should," "seek," and similar expressions. Forward-looking statements reflect Ocean Rig's current views and assumptions with respect to future events and are subject to risks and uncertainties.

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 Ocean Rig's records and other data available from third parties. Although Ocean Rig 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 Ocean Rig's control, Ocean Rig cannot assure you that it will achieve or accomplish these expectations, beliefs or projections described in the forward-looking statements contained herein. Actual and future results and trends could differ materially from those set forth in such statements.

Important factors that, in Ocean Rig's view, could cause actual results to differ materially from those discussed in the forward-looking statements include factors related to (i) the offshore drilling market, including supply and demand, utilization, day rates and customer drilling programs, commodity prices, effects of new rigs and drillships on the market and effects of declines in oil and gas prices and downturns in the global economy and the market outlook for our various geographical operating sectors and classes of rigs and drillships; (ii) hazards inherent in the drilling industry and marine operations causing personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations; (iii) newbuildings, upgrades, and shipyard and other capital projects; (iv) changes in laws and governmental regulations, particularly with respect to environmental matters; (v) the availability of competing offshore drilling vessels; (vi) political and other uncertainties, including risks of terrorist acts, war and civil disturbances; piracy; significant governmental influence over many aspects of local economies, seizure; nationalization or expropriation of property or equipment; repudiation, nullification, modification or renegotiation of contracts; limitations on insurance coverage, such as war risk coverage, in certain areas; political unrest; foreign and U.S. monetary policy and foreign currency fluctuations and devaluations; the inability to repatriate income or capital; complications associated with repairing and replacing equipment in remote locations; import-export quotas, wage and price controls imposition of trade barriers; regulatory or financial requirements to comply with foreign bureaucratic actions; changing taxation policies; and other forms of government regulation and economic conditions that are beyond our control; (vii) the performance of our rigs; (viii) our new capital structure; (ix) our ability to procure or have access to financing and access to financing and our ability comply with covenants in documents governing our debt; (x) our substantial leverage, including our ability to generate sufficient cash flow to service our existing debt and the incurrence of substantial indebtedness in the future; (xi) our ability to successfully employ our drilling units, our customer contracts, including contract backlog, contract commencements and contract terminations; (xii) our capital expenditures, including the timing and cost of completion of capital projects; (xiii) our revenues and expenses; (xiv) complications associated with repairing and replacing equipment in remote locations; and (xv) regulatory or financial requirements to comply with foreign bureaucratic actions, including potential limitations on drilling activities; (xvi) any litigation or adverse actions that may arise from our recently completed financial restructuring. Due to such uncertainties and risks, investors are cautioned not to place undue reliance upon such forward-looking statements.

We caution you not to place undue reliance on these forward-looking statements. Except as required by law, we expressly disclaim any obligation to update and revise any forward looking statements to reflect changes in assumptions, the occurrence of unanticipated events, changes in future operating results over time or otherwise and we do not intend to do so.

Risks and uncertainties are further described in reports of Ocean Rig UDW Inc. filed with or submitted to the U.S. Securities and Exchange Commission, including the Company's most recently filed Annual Report on Form 20-F.



Q1 Results In-Line With Strong Operational Performance

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

	Q1 2018	Adjustments	Q1 2018 Adjusted
REVENUES:			
Revenues	194.1	0.0	194.1
EXPENSES:			
Drilling units operating expenses	76.2	(11.8)	64.4
Depreciation and amortization	26.6	0.0	26.6
General and administrative expenses	16.1	0.0	16.1
Loss on sale of fixed assets	0.3	0.0	0.3
Operating income/(loss)	75.0	11.8	86.8
OTHER INCOME/(EXPENSES):			
Interest and finance costs, net of interest income	(7.1)	0.0	(7.1)
Other, net	(2.9)	0.0	(2.9)
Income taxes	(10.1)	0.0	(10.1)
Total other income/(expenses), net	(20.1)	0.0	(20.1)
Net income/ (loss) attributable to Ocean Rig UDW Inc.	54.9	11.8	66.7
Earnings/(loss) per common share, attributable to common stockholders, basic and diluted	0.60	0.73	0.73
Weighted average number of shares, basic and diluted	91,567,982		91,567,982

**Q1 Revenue
Efficiency of 98.1%**

**Q1 Adjusted EBITDA of
\$111.0 m**



Q1 2018 – Revenue And Expenses Summary

- During the quarter, we had 990 calendar days out of which 537 were uncontracted, 16 days were spent in mobilization (Ocean Rig Poseidon), 62 days were spent in SPS and transit to yard (Leiv Eiriksson) and 62 days were spent in hot stacking (Ocean Rig Poseidon & Ocean Rig Mykonos).
- Resulting in 313 available contracted drilling days, of which 307 were revenue earning days i.e. **98.1% Contracted Revenue Efficiency**⁽¹⁾.

	Mobilization/ Uncontracted/Class Survey/Stacking Days	Available Contracted Drilling Days (a)	Off-hire Days (b)	Revenue Earning Days (a-b)	Contracted Revenue Efficiency ⁽¹⁾ (c)	Amortization of Deferred Revenues (\$ mln)
Total Fleet Q1 2018	677	313	6	307	98.1%	\$10.9

- Our **daily direct and onshore rig operating expenses this quarter averaged approximately \$125k/day/unit**⁽²⁾⁽³⁾ versus \$121k⁽⁴⁾/day/unit during Q4 2017.

	Q1 2018 Direct & Onshore Rig Opex		Q1 2018 Amortization of Deferred Opex
	(in USD million)	('000 USD/day) ⁽²⁾⁽³⁾	(in USD million)
Total / Average Fleet	\$51.3	\$125	\$5.4

- **Our G&A for this quarter amounted to approximately \$16k/day per unit**⁽⁵⁾.

(1) Contracted Revenue efficiency calculated based on revenue earning days over available contracted drilling days (i.e. calendar days net of mobilization, acceptance testing, uncontracted/idle and drydock days)

(2) Opex of units in operation excluding opex of idle units, Ocean Rig Olympia, Eirik Raude, Ocean Rig Paros, Ocean Rig Athena, Ocean Rig Mylos and Ocean Rig Apollo for the respective idle days

(3) Opex excludes Ocean Rig Poseidon due to short duration of the contract with Statoil

(4) Opex of units in operation excluding opex of idle units, Ocean Rig Olympia, Eirik Raude, Ocean Rig Paros, Ocean Rig Athena, Ocean Rig Mylos, Ocean Rig Apollo and Ocean Rig Poseidon (hot-stacked and in mobilization during Q4 2017) for the respective idle days

(5) Basis 11 rigs

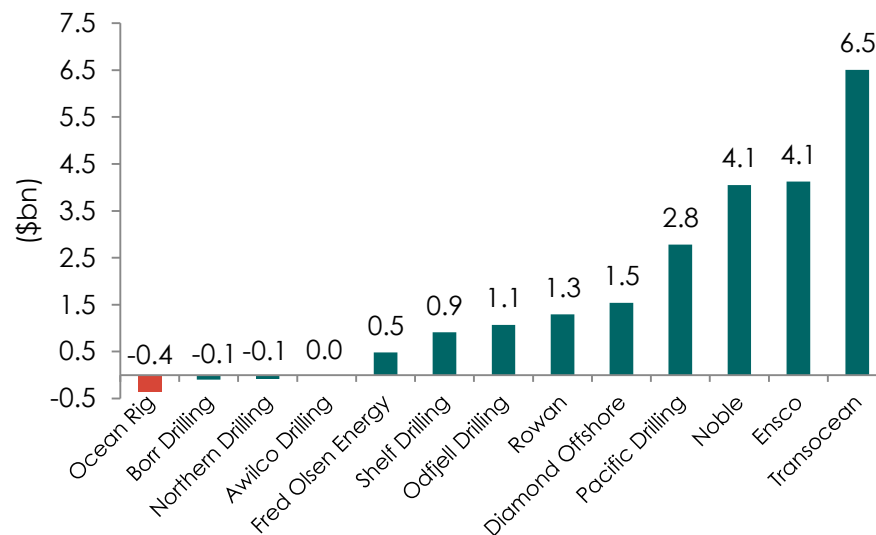


“Best In Class” Balance Sheet

As of March 31, 2018 pro forma for the Ocean Rig Apollo debt repayment

Cash (\$m)	702
Debt (\$m)	350
Backlog (\$m) ⁽¹⁾	849

Offshore Drillers by Net Debt



Recent Developments

- Repaid \$100 million of the Term Loan at par, in March 2018, reducing our interest obligations over the remaining term of the loan by \$52 million
- Prepaid remaining Ocean Rig Apollo debt outstanding balance in May 2018, at no additional cost. The Ocean Rig Apollo is in the process to be included in the Term Loan collateral pool
- Remaining outstanding debt obligation is the balance of the Term Loan, currently standing at \$350 million, against a cash position of over \$700 million, backlog of over \$800 million
- No debt repayments until the Term Loan maturity in 2024 provides significant runway

(1) Includes \$27 million of Termination Payments, as of 31 March 2018, associated with the Ocean Rig Apollo



Meaningful Backlog

Total Backlog of \$822 million⁽¹⁾⁽²⁾⁽³⁾

Drilling Unit	Type	Built	Operator	2018											
				A	M	J	J	A	S	O	N	D			
Leiv Eiriksson	Semi-Sub	2001	Lundin	\$150k/day											
Ocean Rig Corcovado	Drillship	2011	Petrobras	\$495k/day ⁽⁴⁾		Las Palmas									
Ocean Rig Poseidon	Drillship	2011	Tullow	Walvis Bay				Tullow		Walvis Bay					
Ocean Rig Mykonos	Drillship	2011	n/a	Las Palmas											
Ocean Rig Skyros	Drillship	2013	Total	\$581k/day ⁽⁵⁾											

Contract expires in Q3 2021

Operational
Optional Wells
Ready to Drill

- Ocean Rig Mykonos, completed her drilling contract with Petrobras in March 2018, and transited to Las Palmas, where it remains in “ready-to-drill” state and is being actively marketed for employment. The unit is being fitted with a full Managed Pressure Drilling (MPD) package
- Ocean Rig Corcovado, which is expected to complete her current drilling contract with Petrobras by the end of May 2018, will transit to Las Palmas, where it will remain in “ready-to-drill” state and be actively marketed for employment
- On March 25, 2018, the Leiv Eiriksson completed its shipyard stay at Olen, Norway and resumed its contract with Lundin on April 3, 2018

(1) Excludes termination payments associated with the Ocean Rig Apollo.

(2) As of 31 March 2018

(3) Assuming Lundin does not exercise its optional wells.

(4) Based on FX rate assumptions.

(5) Current applicable dayrate.

Note: The Eirik Raude, Ocean Rig Olympia, Ocean Rig Mylos, Ocean Rig Athena, Ocean Rig Paros and Ocean Rig Apollo are actively marketed and available for drilling



High Quality Assets With Superior Technology

Harsh Environment UDW Semis

5th generation Semisubmersibles



Leiv Eiriksson

Eirik Raude

Sister Drillships provide Benefits from Standardization

Five 6th generation Drillships



Ocean Rig Corcovado

Ocean Rig Olympia

Ocean Rig Poseidon

Ocean Rig Mykonos

Ocean Rig Paros

Four 7th generation Drillships



Ocean Rig Mylos

Ocean Rig Skyros

Ocean Rig Athena

Ocean Rig Apollo

11 drilling units

Built at Dalian/Friede Goldman Irving – Bingo 9000 design

Up to 7,500-10,000 ft. water depth capacity

Up to 30,000 ft. drilling depth capacity

Moored units and winterized for operations in extreme climates ⁽¹⁾

Compliant with UK and Norway regulations

Built at Samsung Heavy Industries

Sister Drillships with common equipment, spare parts and training standards

Up to 10,000-12,000 ft. water depth capability

Up to 40,000 ft. drilling depth capability with 6 and 7 ram BOPs

Dual derricks for increased drilling activity/efficiency

Accommodations for up to 215 personnel on board

Ocean Rig Mylos equipped with dual BOP

Ocean Rig Mykonos fitted with MPD / Ocean Rig Corcovado MPD ready

(1) Leiv Eiriksson only



Built in Growth via an Attractive Newbuilding Program

7th gen NB drillship

Ocean Rig Santorini



Current contractual delivery in September 2019 / constructed at SHI

Delivery installment funded with Builder's Credit

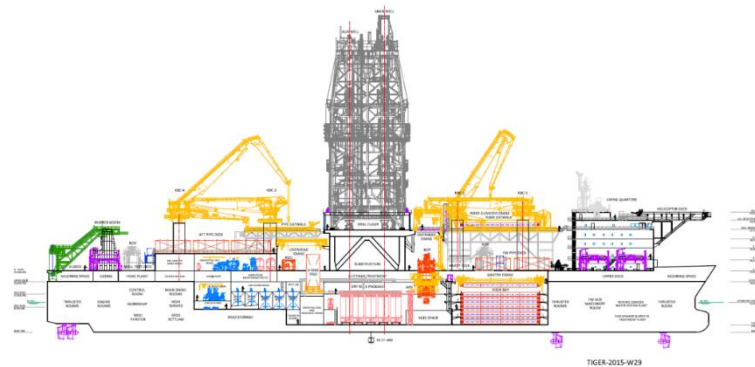
Sistership to our other 7G drillships
12,000ft water depth

Dual 7-rams BOPs

MPD Ready

8th gen Enhanced Integrated Design

Ocean Rig Crete



Current Contractual Delivery in January 2019 / constructed at SHI

Delivery installment funded with Builder's Credit

12,000ft (3650m) water depth fitted, upgradable to 13,500ft (4000m)

2,8m lbs hook load capacity

Accommodation for 240 POB | largest VDL and deck space in the market (755ftx138ft)

Dual 7 rams BOPs | 6 mud pumps, 2200hp, 7500psi

Multi Machine Control (MMC) on hoisting, handling and drilling fluids



Ocean Rig Skyros – 2017 Rig of the Year within Total



NPT : 0,2%

No BOP pull due to failure since delivery

Zero personnel injury during past 4 years

Highest drilling Performance on BOP pull and tripping speed

Ocean Rig Poseidon Is A Top Performer

- Consistent senior rig crew on board Poseidon since 2011
- 70 well activities during this period including i)Exploration, ii)Development, iii)Workover, iv)Extensive Upper Completions project

Total actual savings over 4 years : 297days (19%) of AFE



Operating Efficiency = > 99,1% for the last 4 years

- ✓ 2014- 98.20%
- ✓ 2015- 99.50%
- ✓ 2016- 99.42%
- ✓ 2017- 99.26%

Safety

- ✓ 5 years without LTI
- ✓ 2 years with zero TRIR



Leiv Eiriksson – A Superior Harsh Environment Unit

Harsh Environment Specialist

- **Winterized to DNV GL OS A201 BASIC Classification for operations to -20°C**
- Cold Climate training to crew by NorthQ
- POSMOOR-ATA Notation with 8ea RR Anchor winches, 2000m 84mm R5 chain
- DP Class 3 Kongsberg K-Pos with 6ea Rolls Royce 100mt thrusters
- Bingo 9000 design hull with class leading WoW characteristics

Excellent Performance

- **>97% Operating efficiency since 2015**
- **2,8% WoW during full year Ops in Barents Sea (July 2016 – now)**



Differentiators

- Consistent and high performing crew since 2013
- >800 days drilling in Barents Sea
- Newly installed 5 ram Cameron BOP complete with casing super shear ram



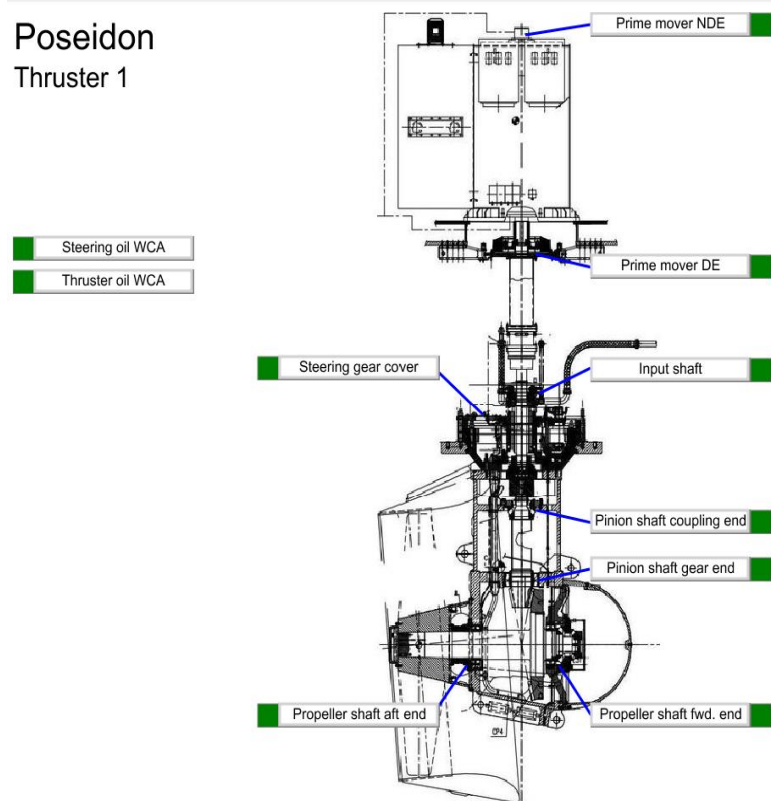
Superior Online Condition Monitoring Systems

Asset Optimization - Improved performance, reliability and safety, reduced cost of ownership

Realized Value through strategic partnerships with major equipment OEMs

- 35% reduction in maintenance budget
- 10% reduction in spares carried and hence spares inventory value reduction
- 5% reduction in third party service costs
- 10% reduction in asset insurance premiums
- **50% reduction in equipment related NPT**
- Extension of thruster in service period (from 5 – 7 years)
- Trend analysis of critical equipment
- Provision of detailed condition assessment reporting
- Predictive repair and replacement

Poseidon
Thruster 1



Oil Price In The Right Zip Code For Improved Rig Demand

Europe Brent Spot Price

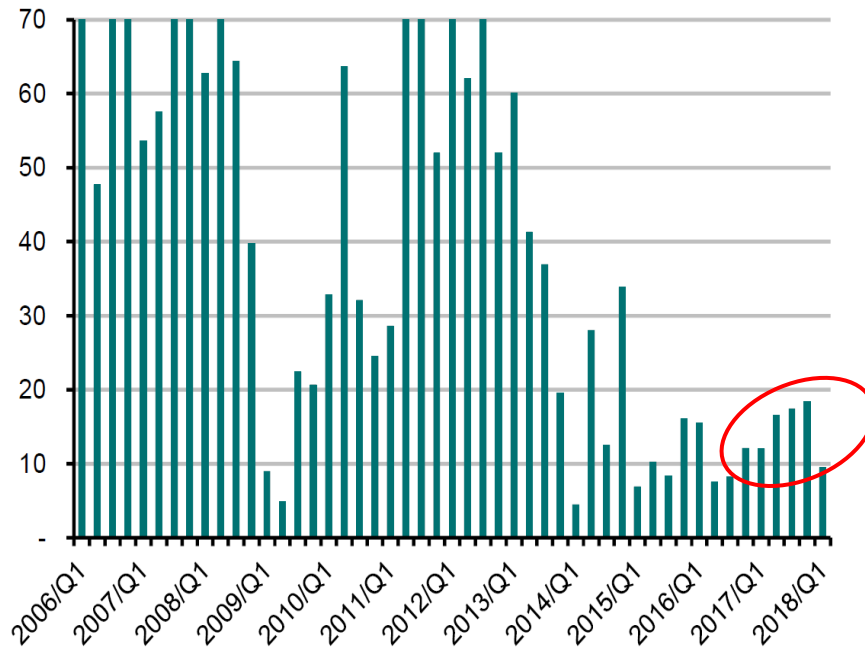


Source: Thomson Reuters

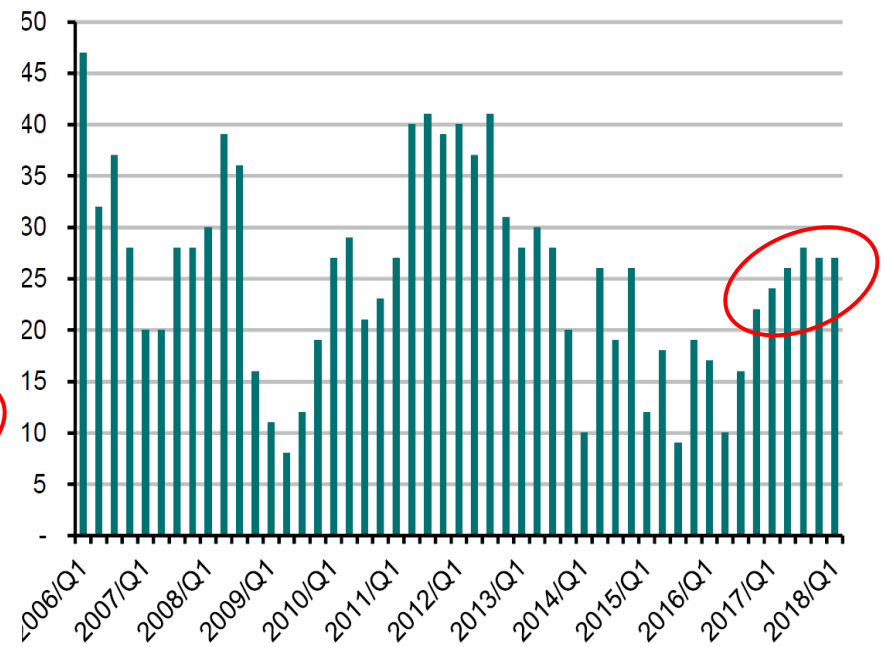


Floating Rigs Awarded

Floating Rigs Years awarded (per rig year)



Floating Rigs Contracts awarded (Number of contracts)



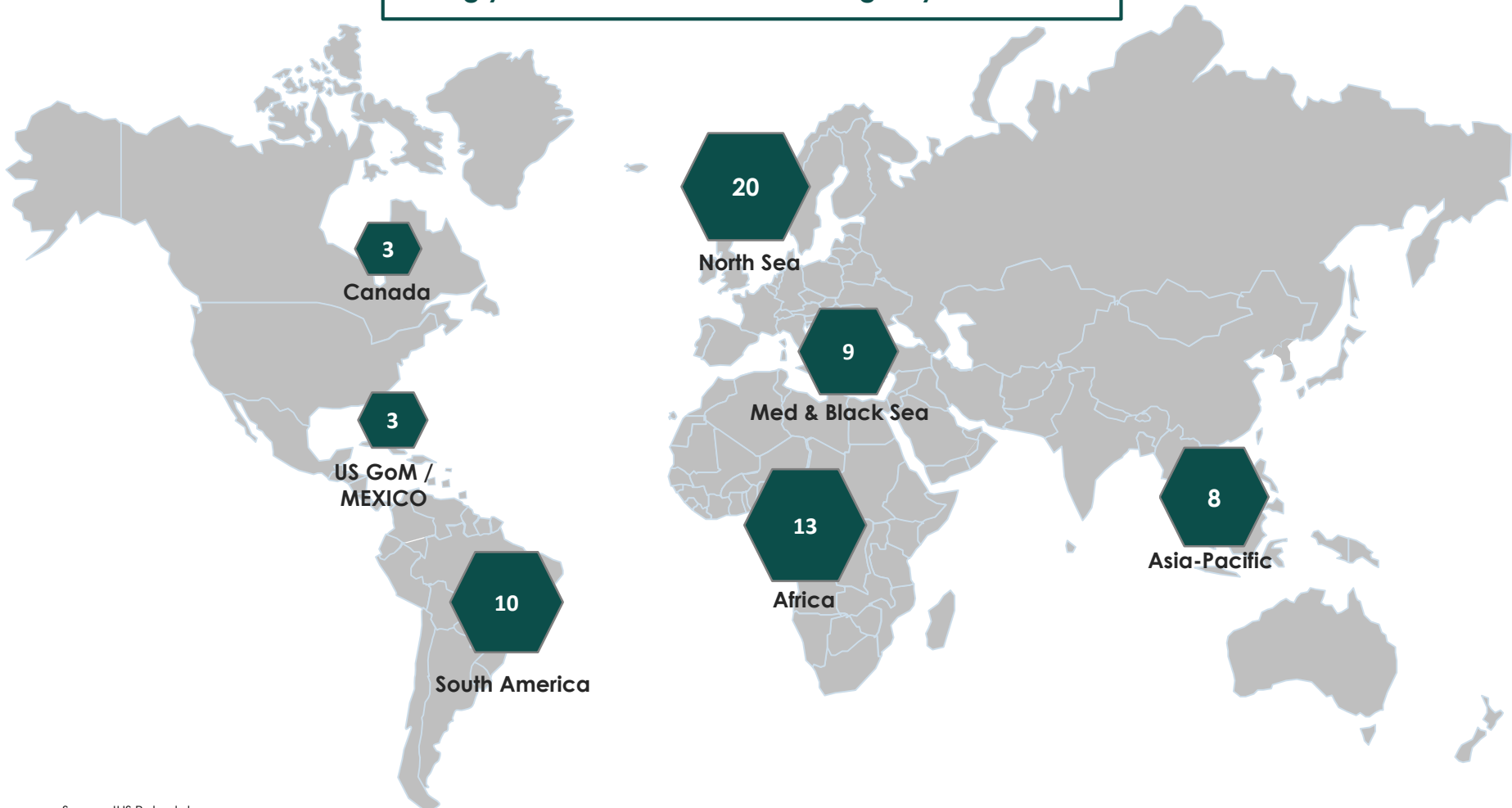
Tender activity is increasing, but shorter programs awarded → First sign of recovery

Source: DNB Market and ODS



Floaters – Active Tenders

60 rig years to be awarded including 15 years in Brazil



Source: IHS Petrodata



Ocean Rig is Well Positioned for the Market Upturn

- High Quality Fleet & Track Record
 - Fleet of 9 modern (6th and 7th generation) UDW Drillships, 2 UDW harsh environment semi-submersible rigs and contracts for 2 newbuildings (7th and 8th generation) UDW drillships with Samsung Heavy Industries
 - Postponement of delivery of Ocean Rig Santorini to Q3 2019 provides substantial optionality and leverage to a market that is expected to be improving when the rig delivers
 - Stacked assets are well preserved and maintained, as verified by 3rd party inspection
 - Strong relationships with customers
 - Proven track record of safety, efficiency, drilling performance and cost control
- **BEST IN CLASS BALANCE SHEET**
 - Negative net debt with no amortization due until our Term Loan maturity in 2024
 - Ample liquidity supported by cash balance of \$728 million⁽¹⁾
 - \$822 million backlog⁽²⁾
- Transparent corporate governance
 - Majority independent board, with all major actions approved by three independent directors selected by the major outside shareholders

**In prime position to benefit from recovery in the offshore drilling market,
whenever this occurs**

(1) Excluding cash associated with the Ocean Rig Apollo. As of 31 March, 2018

(2) Backlog, excluding termination payments associated with the Ocean Rig Apollo. As of 31 March, 2018





Appendix

Liquidity & Capital Structure

<i>(in \$ million)</i>	<i>31-Mar-18</i>
Total cash	749.2
DnB Apollo Facility \$462 million (net of financing fees)	47.0
\$450 million Senior Secured Term Loan Facility	350.0
Total debt	397.0
Total shareholders' equity	2,258.1
Total capitalization	2,655.1
Net Debt	(352.2)
Debt to capitalization	15.0%
Net Debt to Capitalization	(13.3%)

<i>Ownership on March 31, 2018</i>	<i># Shares / in \$ million</i>
Class A Shares	91,021,148
Class B Shares	546,834
Number of Shares Outstanding as of Mar 31, 2018	91,567,982
Free Float Shares	82,495,370
% of free float Shares	90.1%
Equity Market Cap ⁽¹⁾	2,319.4
Net Debt	(352.2)
Enterprise Value	1,967.2

(1) As of May 15, 2018.



Projected Deferred Revenue & Expense Amortization

(USD million)	<u>FY 2017</u>	<u>Q1A 2018</u>	<u>Q2E 2018</u>	<u>Q3E 2018</u>	<u>Q4E 2018</u>	<u>Q1E 2019</u>
Amortization of deferred revenues	26.5	10.9	2.5	1.3	1.3	1.3
Amortization of deferred expenses	6.4	5.4	0.4	0.4	0.4	0.4

Includes current accounting schedule and projected additions

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.



Balance Sheet

(Expressed in Thousands of U.S. Dollars)

	<u>December 31, 2017</u>	<u>March 31, 2018</u>
<u>ASSETS</u>		
Cash, cash equivalents and restricted cash (current and non-current)	\$ 783,081	\$ 749,209
Other current assets	207,637	166,028
Drilling units, machinery and equipment, net	1,852,167	1,831,449
Other non-current assets	9,080	8,715
Total assets	<u>2,851,965</u>	<u>2,755,401</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Total debt, net of deferred financing costs	531,632	397,000
Total other current liabilities	102,411	86,495
Total other non-current liabilities	14,702	13,836
Total stockholders' equity	2,203,220	2,258,070
Total liabilities and stockholders' equity	<u>2,851,965</u>	<u>2,755,401</u>
<u>SHARE COUNT DATA</u>		
Common stock issued and outstanding	91,567,982	91,567,982



Income Statement

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

	Three Months Ended	
	March 31,	
	2017	2018
REVENUES:		
Revenues	\$ 302,814	\$ 194,144
EXPENSES:		
Drilling units operating expenses	75,614	76,159
Depreciation and amortization	31,311	26,608
Loss on sale of assets	153	280
General and administrative expenses	15,965	16,091
Operating income	179,771	75,006
OTHER INCOME/(EXPENSES):		
Interest and finance costs, net of interest income	(51,509)	(7,103)
Reorganization expenses	(16,879)	(207)
Other, net	(107)	(2,741)
Income taxes	(19,087)	(10,105)
Total other expenses, net	(87,582)	(20,156)
Net income attributable to Ocean Rig UDW Inc.	\$ 92,189	\$ 54,850
Net income attributable to Ocean Rig UDW Inc. common stockholders	\$ 92,189	\$ 54,850
Earnings per common share of Class A and Class B common stock, attributable to common stockholders, basic and diluted (1)	\$ 10,300.45	\$ 0.60
Weighted average number of Class A and Class B common stock, basic and diluted (1)	8,950	91,567,982

(1) Share and per share data for 2017 give effect to a 1-for-9,200 reverse stock split and for 2017 the issuance of 90,651,603 shares, both became effective on September 22, 2017.

