



# Ocean Rig

## DNB Offshore Conference 2018

Oslo, Norway  
March 7, 2018

# Forward Looking Statements

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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.

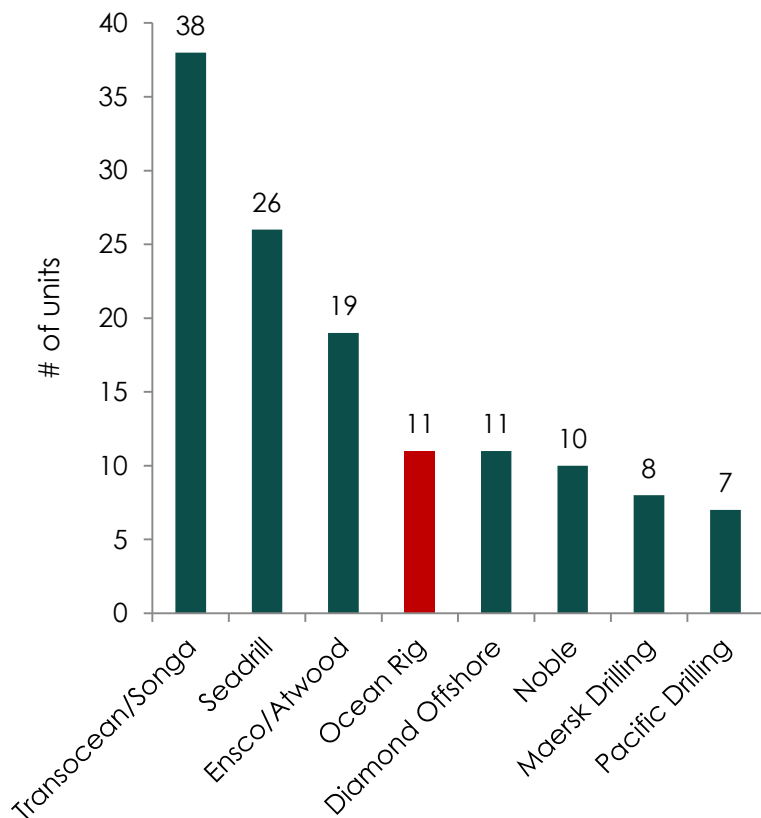
Risks and uncertainties are further described in reports of Ocean Rig UDW Inc. filed with or submitted to the U.S. Securities and Exchange Commission, including the Company's most recently filed Annual Report on Form 20-F.

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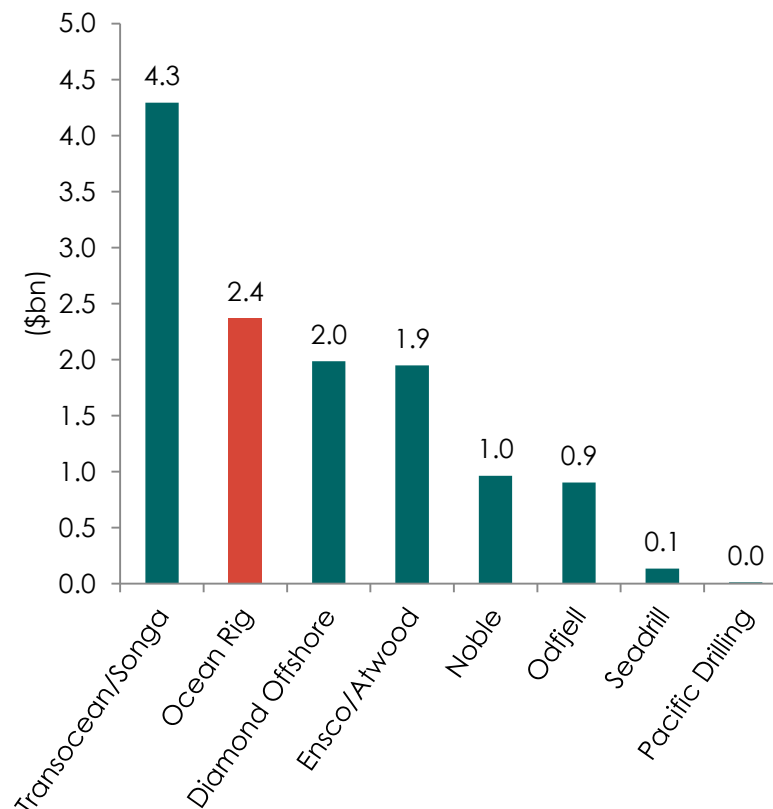


# Ultra-Deepwater Driller With 2<sup>nd</sup> Largest Market Cap

Offshore Drillers by number of units (Floaters)<sup>(1)</sup>



Offshore Drillers by Market Capitalization







(1) Excludes all NB contracts, and 4<sup>th</sup> Gen and below.  
Source: Company data

Source: Bloomberg (closing price as of 1-Mar-2018)



# High Quality Assets With Superior Technology

Harsh Environment UDW Semis	Sister Drillships provide Benefits from Standardization			Potential Optional Value								
5 <sup>th</sup> generation Semisubmersibles	Five 6 <sup>th</sup> generation Drillships	Four 7 <sup>th</sup> generation Drillships		Two 7 <sup>th</sup> generation NB Drillships								
												
Leiv Eiriksson	Eirik Raude	Ocean Rig Corcovado	Ocean Rig Olympia	Ocean Rig Poseidon	Ocean Rig Mykonos	Ocean Rig Paros	Ocean Rig Mylos	Ocean Rig Skyros	Ocean Rig Athena	Ocean Rig Apollo	Ocean Rig Santorini	Ocean Rig Crete
11 drilling units												

Built at Dalian/Friedman Goldman Irving – Bingo 9000 design	Built at Samsung Heavy Industries	Current contractual Delivery in June 2018 and January 2019 at SHI
Up to 7,500-10,000 ft. water depth capacity	Sister Drillships with common equipment, spare parts and training standards	Delivery installments with Builder's Credit
Up to 30,000 ft. drilling depth capacity	Up to 10,000-12,000 ft. water depth capability	No parent company guarantee from Ocean Rig UDW Inc.
Moored units and winterized for operations in extreme climates	Up to 40,000 ft. drilling depth capability with 6 and 7 ram BOPs	Ocean Rig Santorini sistership to Mylos, Skyros, Athena, Apollo
Compliant with UK and Norway regulations	Dual derricks for increased drilling activity/efficiency	Ocean Rig Crete enhanced integrated design
	Accommodations for up to 215 personnel on board	
	Ocean Rig Mylos equipped with dual BOP	
	Ocean Rig Corcovado & Ocean Rig Mykonos MPD Ready	



# “Best In Class” Balance Sheet

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As of December 31, 2017	Ocean Rig (excl. Apollo)	Apollo	Total
Cash (\$m)	738	45	783
Debt (\$m)	450	82	532
Backlog (\$m) <sup>(1)</sup>	973	46	1,019

- ▶ **No debt repayment until Term Loan maturity in 2024**
  - Almost 7 year runway for the Company to take advantage of market recovery
  - Apollo expected to be debt free by mid 2018
  - Apollo debt facility is ring-fenced and served exclusively from TOTAL termination payments
  - Apollo to be included in Exit Term loan collateral pool, after debt facility repayment

(1) As of 31 December 2017, adjusted for subsequent events

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# Meaningful Backlog With Reliable Counterparties

## Total Backlog of \$973 million<sup>(1)(2)(3)</sup>

Drilling Unit	Type	Built	Operator	2018													
				J	F	M	A	M	J	J	A	S	O	N	D		
Leiv Eiriksson	Semi-Sub	2001	Lundin	\$147k/day						\$150k/day							
Ocean Rig Corcovado	Drillship	2011	Petrobras													Las Palmas	
Ocean Rig Poseidon	Drillship	2011	Statoil/Tullow	\$170k/day												Tullow	Walvis Bay
Ocean Rig Mykonos	Drillship	2011	Petrobras														Las Palmas
Ocean Rig Skyros	Drillship	2013	Total														\$581k/day <sup>(5)</sup>

Contract expires in Q3 2021

Operational
Optional Wells
Yard Stay
Ready to Drill

- The Company's previously announced drilling contract of Ocean Rig Poseidon with Statoil, for a one-well drilling program offshore Tanzania, has been successfully completed. The Ocean Rig Poseidon is transiting to Walvis Bay, where it will replace its thrusters and will remain in "ready-to-drill" state, and be actively marketed for employment. On February 26, 2018 the Company announced that it has signed a new drilling contract with Tullow Namibia Ltd., for a one-well drilling program plus options for drilling offshore West Africa that will be performed by the Ocean Rig Poseidon
- The Company's drilling unit Ocean Rig Mykonos, which is expected to complete her current drilling contract with Petrobras within March 2018, is planned to transit to Las Palmas, where it will remain in "ready-to-drill" state, and be actively marketed for employment. During the Ocean Rig Mykonos stay in Las Palmas, the unit will be fitted with a full Managed Pressure Drilling (MPD) package
- The Company's drilling unit Ocean Rig Corcovado, which is expected to complete her current drilling contract with Petrobras end of May 2018, is planned to transit to Las Palmas, where it will remain in "ready-to-drill" state, and be actively marketed for employment
- On January 12, 2018, Lundin declared their sixth option on the Leiv Eiriksson contract, which is now expected to have firm employment secured until August 2018. Should Lundin exercise its remaining six one-well options, the rig could be employed until the second half of 2019
- On February 7, 2018, the Leiv Eiriksson commenced its shipyard stay at Olen, Norway where it will undergo certain enhancements related to its contract with Lundin, conduct an intermediate survey and upgrade its BOP to 5-rams.

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

(2) As of 31 December 2017, adjusted for subsequent events

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

(4) Based on FX rate assumptions.

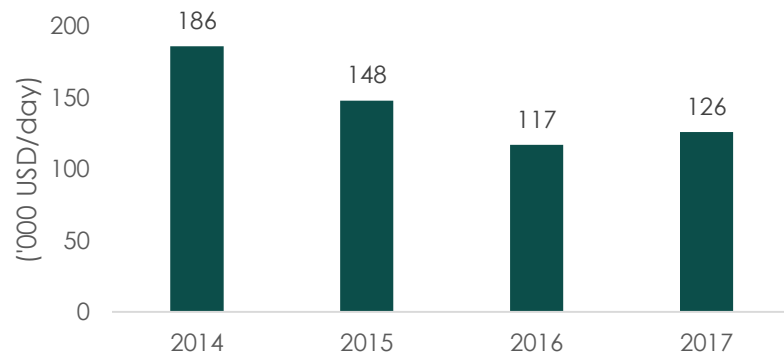
(5) Current applicable dayrate.

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



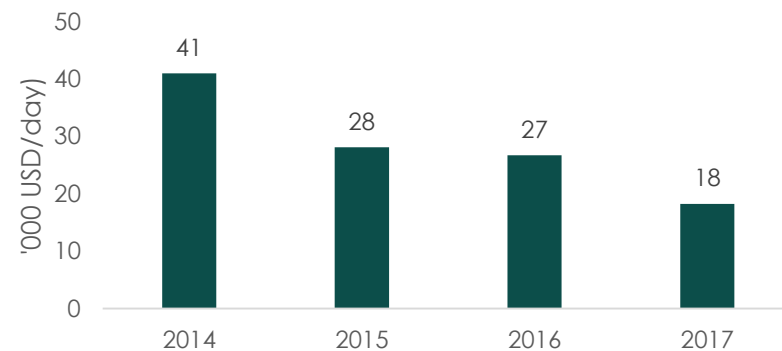
# Strong Operational Performance & Significant Cost Reductions

Running costs of Operating Rigs only



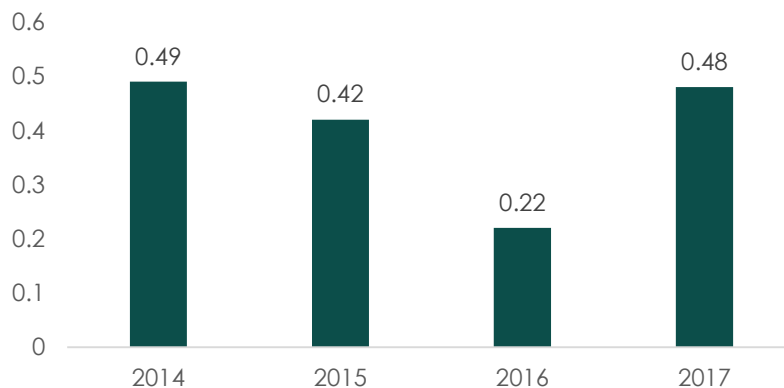
# of Op. Rigs: 9                      10                      6                      5

G&A

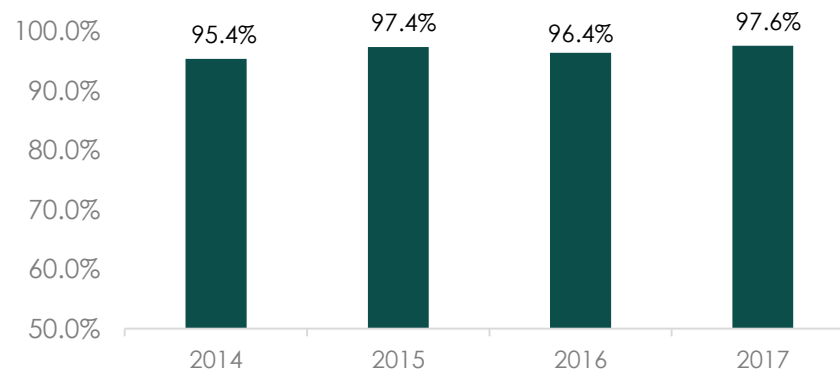


# of Rigs: 9                      10                      11                      11

TRIR (12 month rolling)<sup>(1)</sup>



Revenue Efficiency<sup>(2)</sup>



- (1) TRIR means, with respect to the Company, the total recordable incident rate: calculated as an amount equal to: (a) the product of (i) the number of recordable incidents (restricted work case, medical treatment case, lost time accident, or fatality) multiplied by (ii) 200,000, divided by (b) total working hours.
- (2) 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).



# Our Assets Are Well Preserved and Maintained

## Key Initiatives – Online Condition Monitoring Systems

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

### Ocean Rig – Frontrunner in the industry

- Rolls Royce Thruster Monitoring System (2012)
- NOV Drilling Equipment Monitoring (2014)
- NOV BOP Monitoring and function logger (2014)



## Rig Stacking Procedure Verified by 3<sup>rd</sup> Party



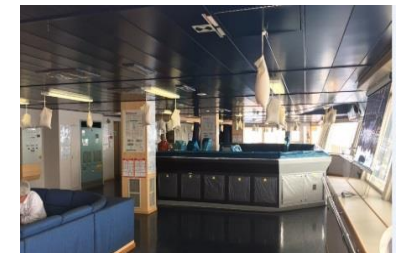
***“ADC consider that the cold stacked preservation methods employed by Ocean Rig on its drillships to be fit for purpose and have given the rigs equipment every opportunity for a successful reactivation when the time comes. This conclusion was based upon the visual inspections of the current equipment condition and the documented preservation philosophies by Ocean Rig, OEMs and Corroless the 3<sup>rd</sup> party preservation specialists.”***

- Reports Issued in October 2017/January 2018

**5 rigs at Elefsis Bay anchorage, Greece**

**1 rig at Astakos quayside, Greece**

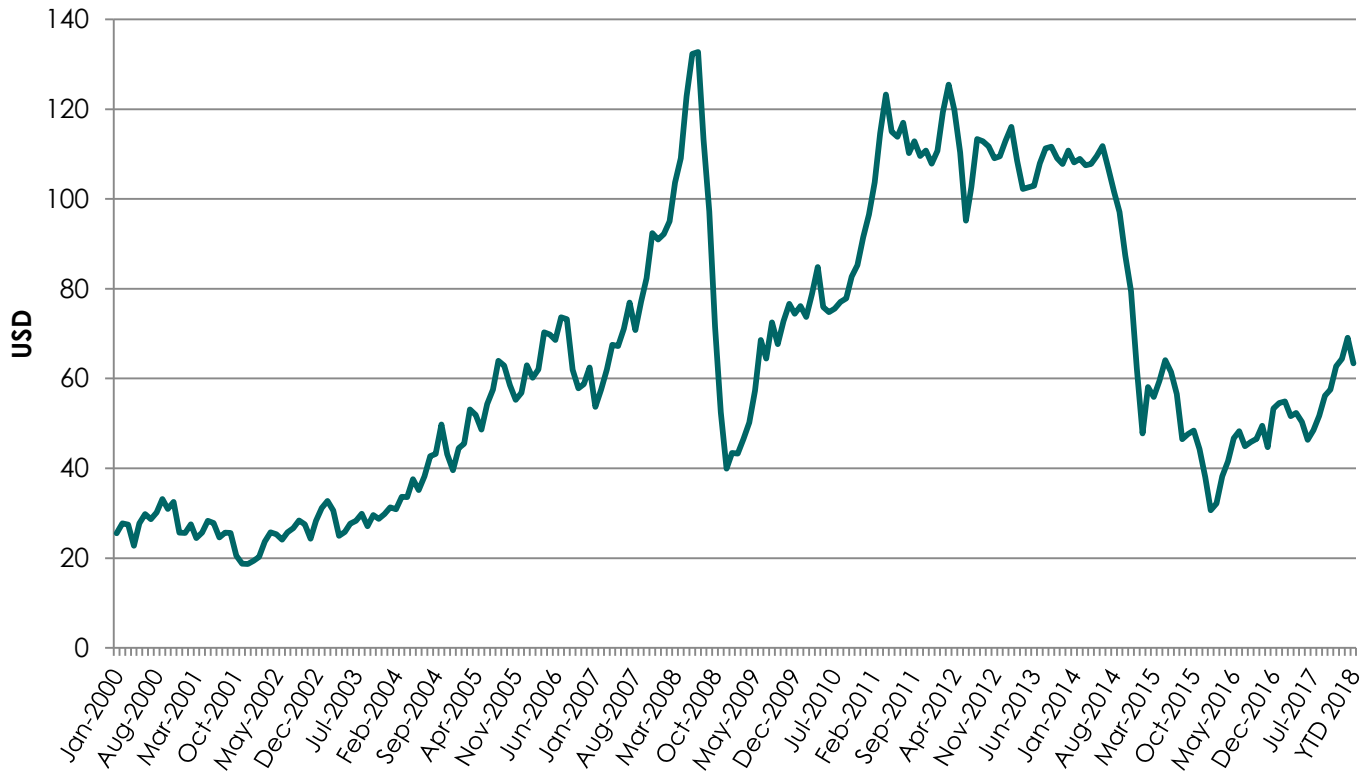
- Sheltered locations
- Mooring analysis approved by BV certified surveyors
- Low humidity environment
- Easy access from operations head office, for following up on maintenance routines/preservation





# Oil Price In The Right Zip Code For Improved Rig Demand

Europe Brent Spot Price

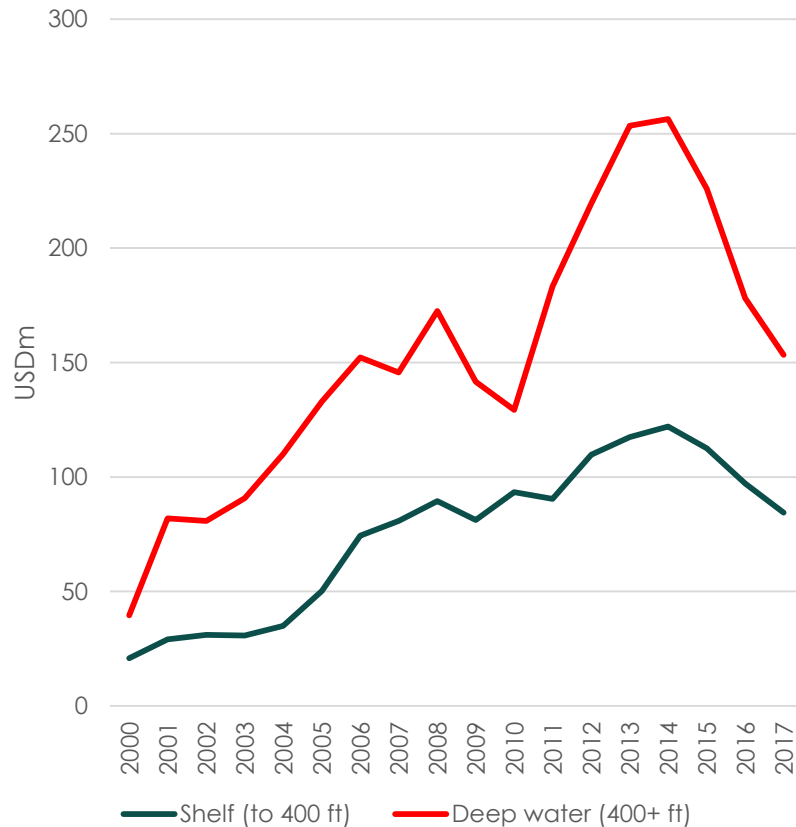


Source: Thomson Reuters

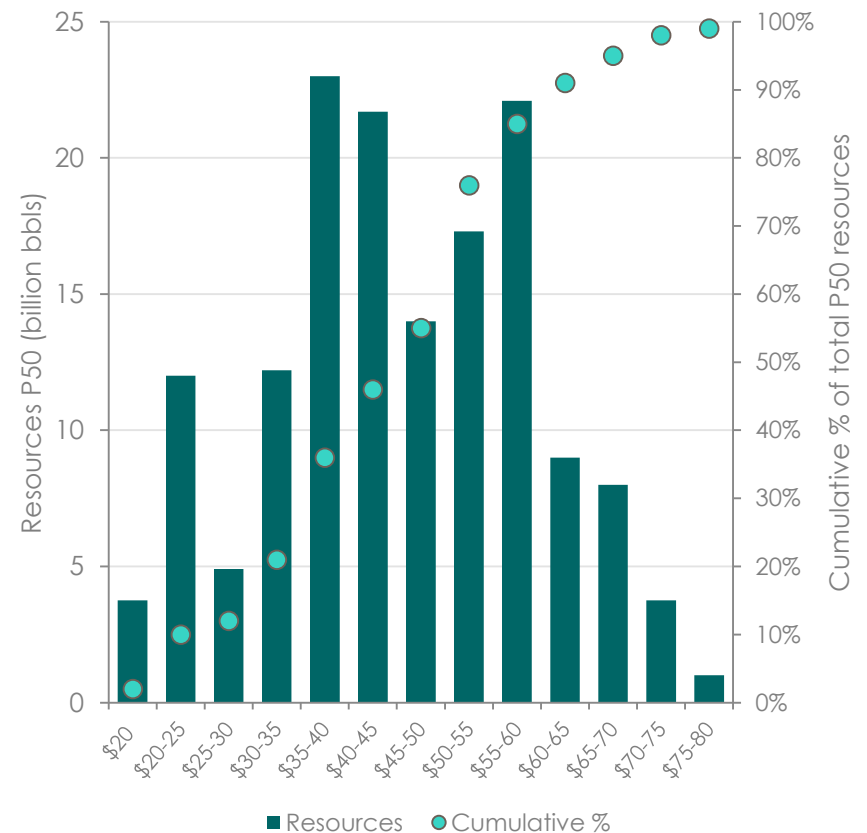


# Conditions Are Ripe For A Turnaround

Average spending per offshore project per year



Breakevens of undeveloped offshore liquids (P50)



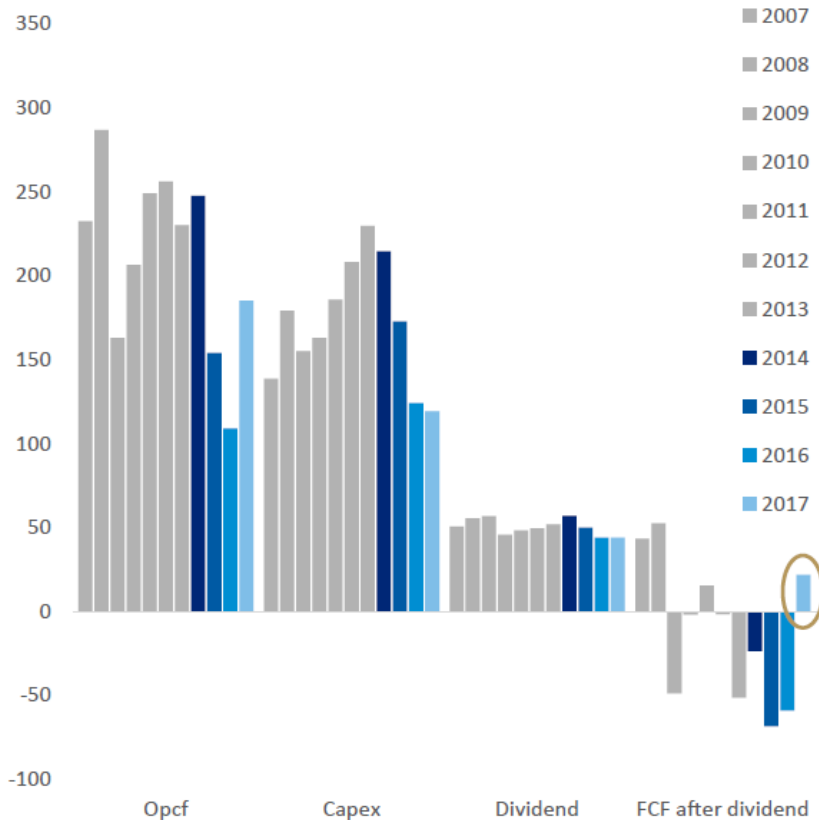
Low activity led to severe deflation but lower breakevens: Over 80% of offshore is breakeven <\$60

Source: Clarksons Platou Securities AS

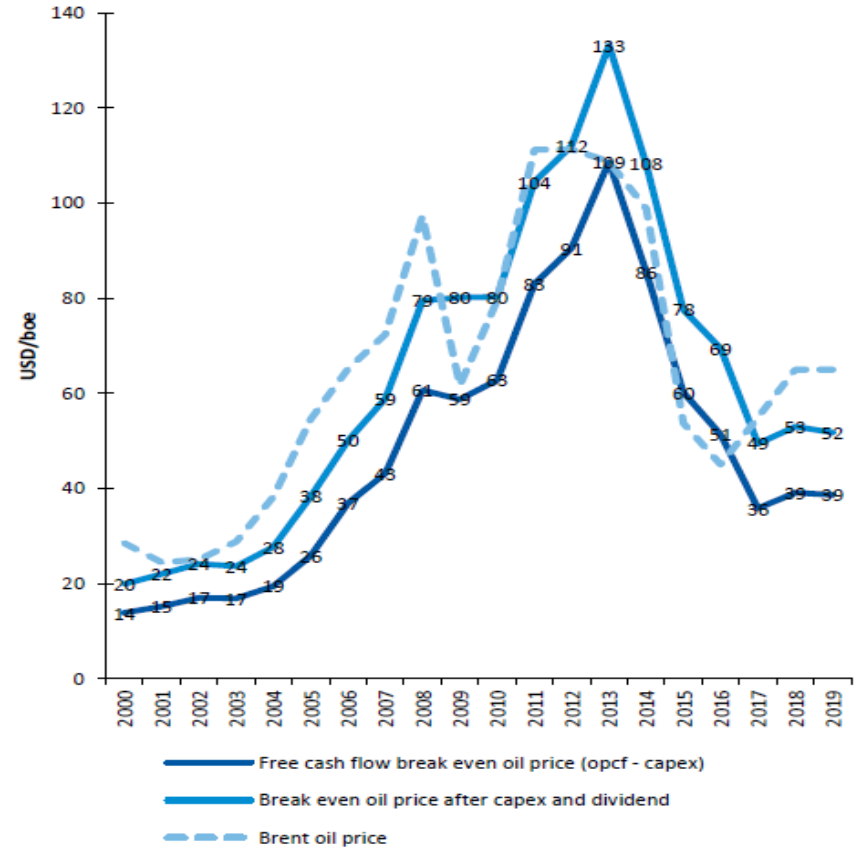


# Cash Flow Situation Key E&P Companies

Cash flow summary, selected E&P companies<sup>1</sup> (USDbn)



Oil price vs. CF break-even selected E&P's (USD/bbl)



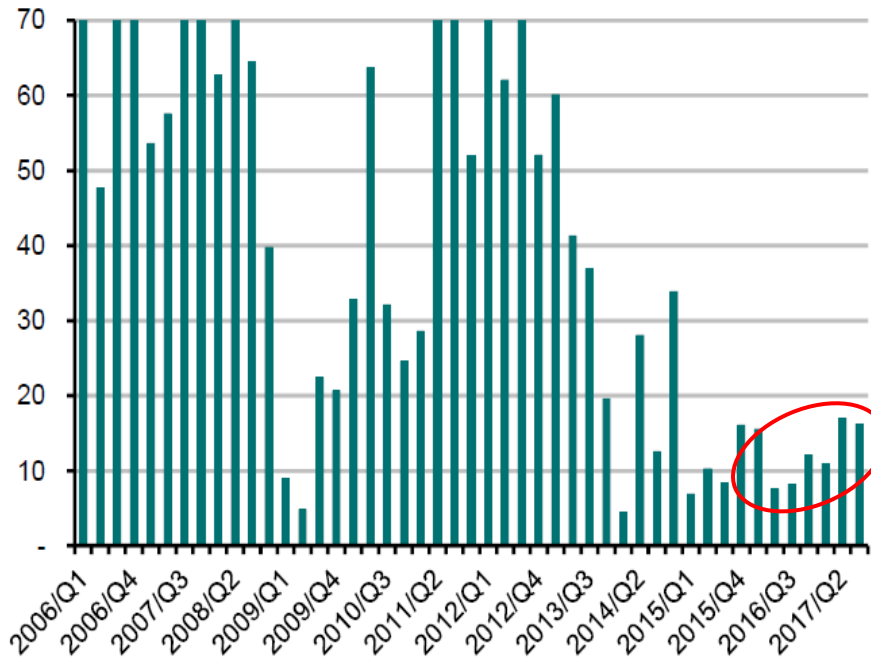
Source: SB1 Markets Research

Note 1: Group consisting of Anadarko, BP, Chevron, ConocoPhillips, ENI, ExxonMobil, Repsol, Shell, Statoil, Total

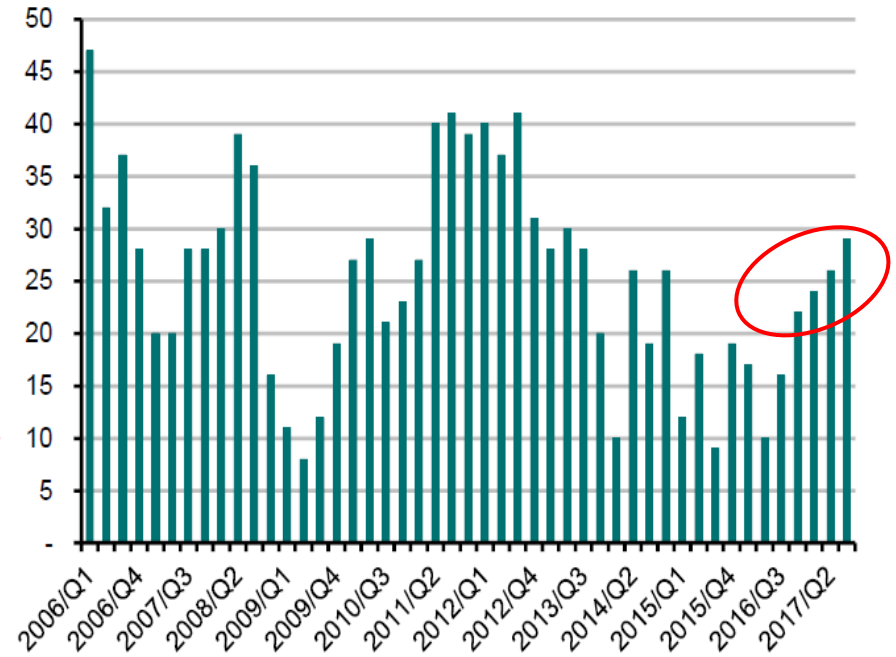


# Floating Rigs Awarded

Floating Rigs Years awarded (per rig year)



Floating Rigs Contracts awarded (Number of contracts)

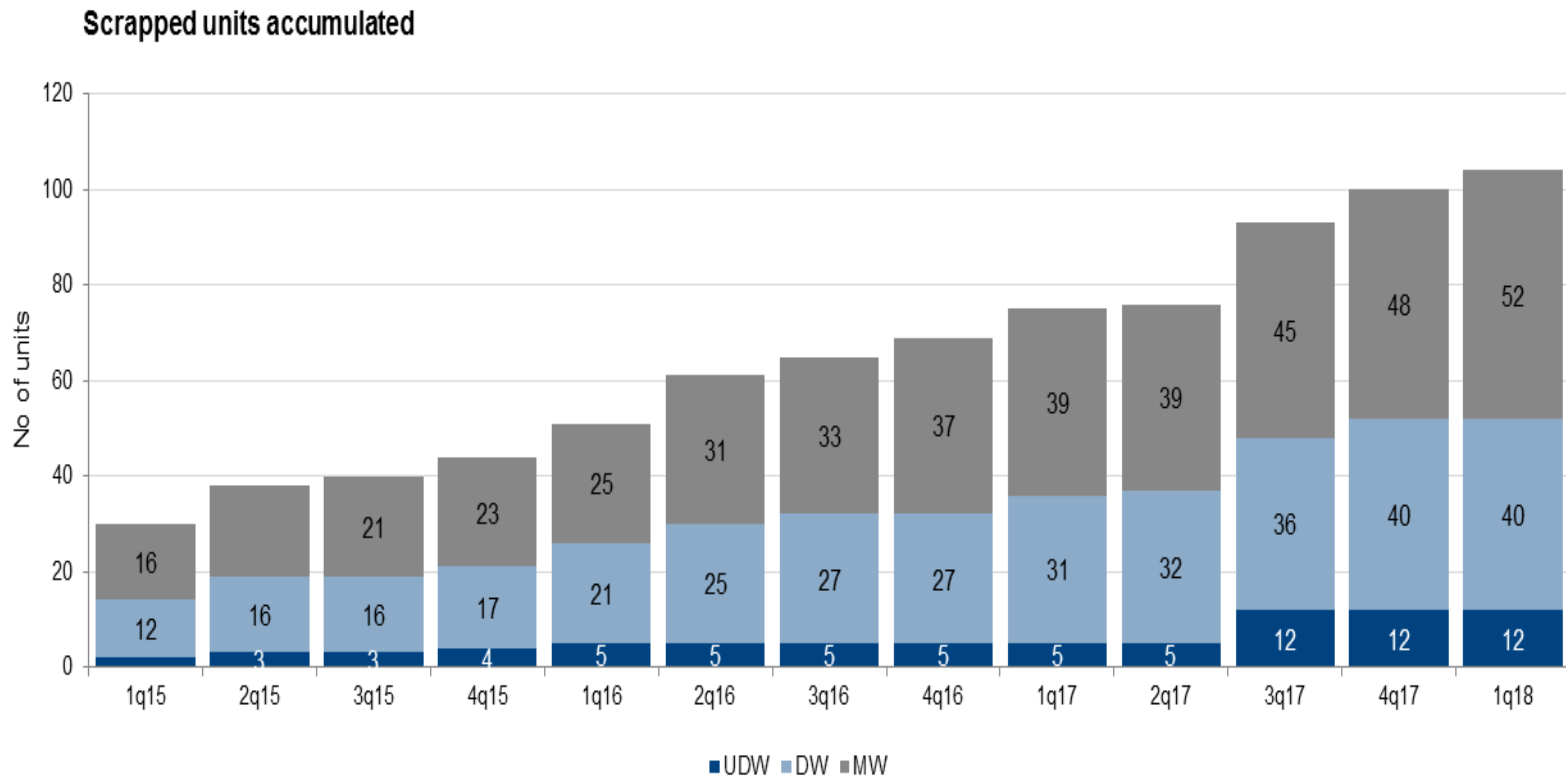


Tender activity is increasing but shorter program awarded => First sign of recovery

Source: DNB Market and ODS



# Scrapping Is A Significant Factor



Source: Fearnleys



# Ocean Rig is Well Positioned for the Market Upturn

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- 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
  - Stacked assets are well preserved and maintained, as verified by 3<sup>rd</sup> party inspections
  - 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 for the next 7 years<sup>(1)</sup> (maturity of \$450m term loan in Q3 2024)
  - Ample liquidity supported by cash balance of \$738 million<sup>(2)</sup>
  - \$973 million backlog<sup>(3)</sup>
- 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 ring-fenced Ocean Rig Apollo debt facility.

(2) Excluding cash associated with the Ocean Rig Apollo.

(3) Backlog, excluding termination payments associated with the Ocean Rig Apollo. As of 31 December, 2017, adjusted for subsequent events.

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