

OCEAN RIG



Barclays CEO Energy – Power Conference



New York
September 13, 2013

Disclaimer – 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 other than statements of historical facts.

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 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.

Risks and uncertainties are further described in reports filed by Ocean Rig UDW Inc. with the US Securities and Exchange Commission.



OCEAN RIG UDW INC.



Company Overview

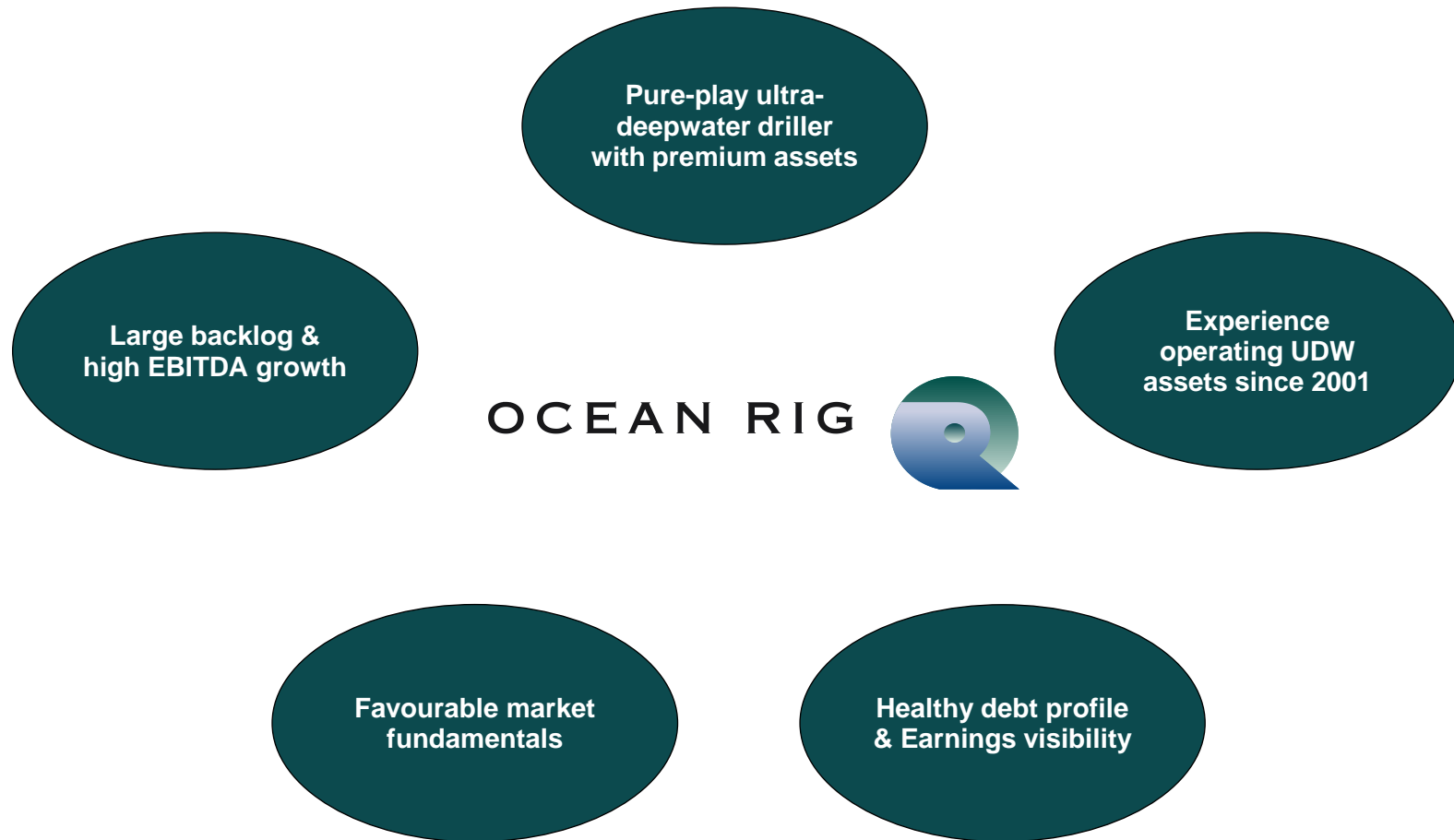
UDW Drilling Market

Financial Review

Summary Considerations



Who is Ocean Rig UDW Inc.

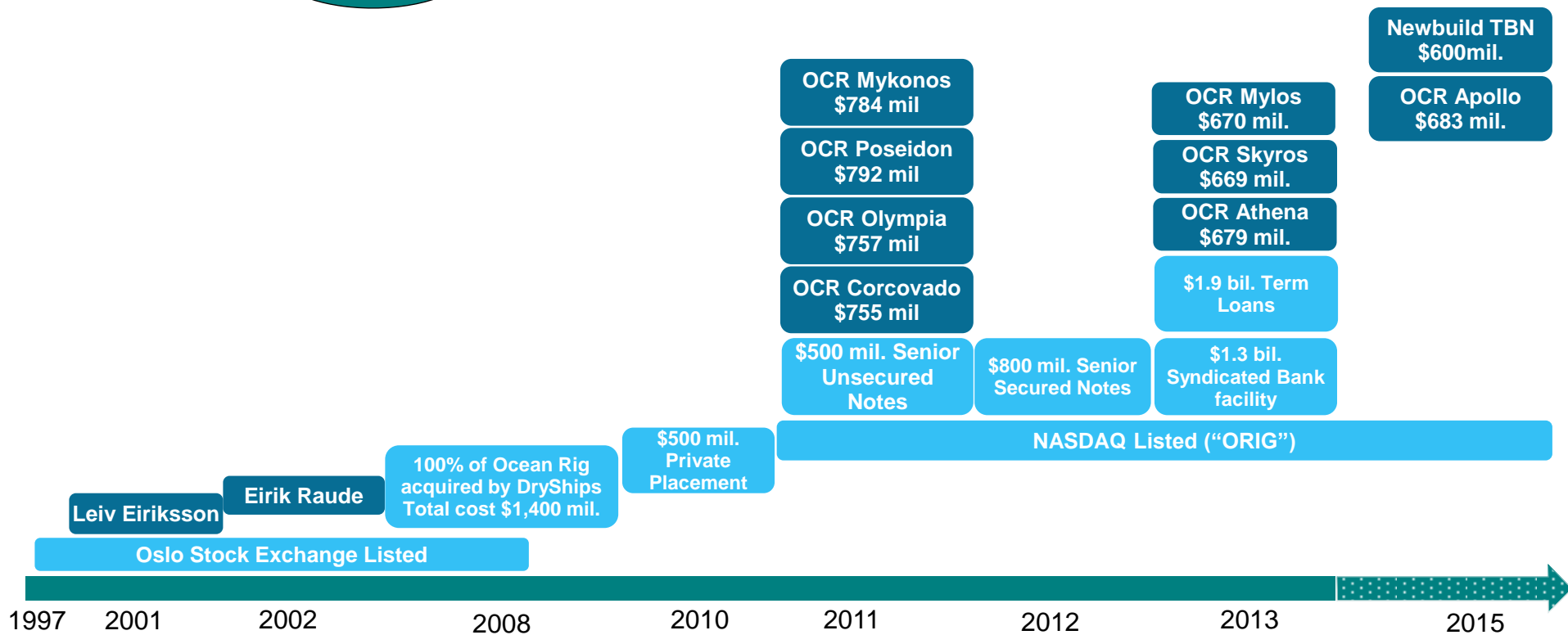


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Fleet growth & capital invested

\$ Multibillion investment since 2008 to deliver results in 2013 and beyond



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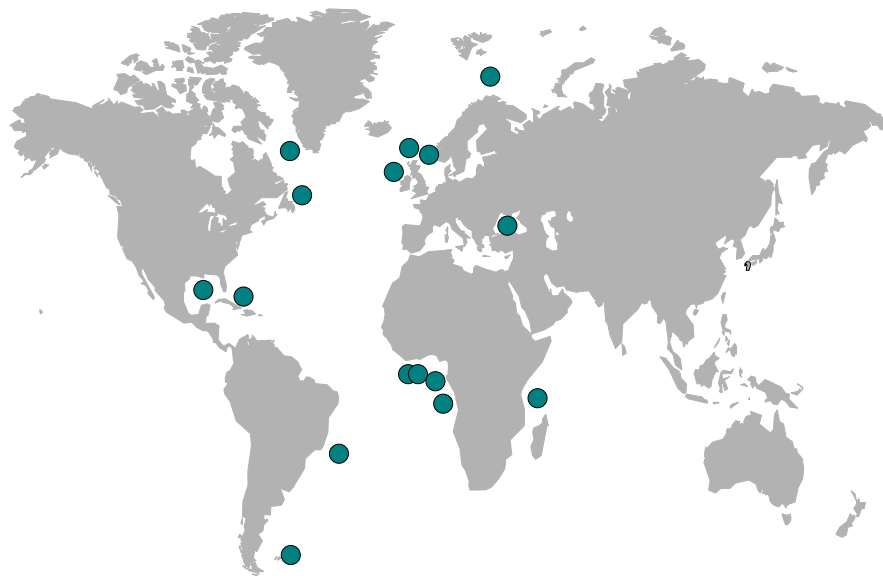
Significant experience operating UDW assets

- Operating in UDW since 2001 having drilled 161 wells for 31 clients over the last 10+ years
- Drilled in harsh environments and in nearly every deepwater area of the world
- Extensive experience working in multiple jurisdictions and regulatory regimes across the globe
- Corporate focus to increase efficiency & reduce expenses within challenging industry conditions

Our people

- Management team with an average of 22 years in offshore drilling industry
- 1,544 employees of which 330 in onshore functions
- Expanding operational capabilities to operate a 11-rig fleet

Worldwide drilling experience



Selected clients



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Pure-play ultra-deepwater driller with premium assets

Harsh environment UDW semis

5th generation semisubmersibles



Leiv Eiriksson

Eirik Raude

Sister drillships provide benefits from standardization

Four 6th generation drillships

Five 7th generation NB drillships



OCR Corcovado

OCR Olympia

OCR Poseidon

OCR Mykonos

OCR Mylos

OCR Skyros
Nov. 2013

OCR Athena
Dec. 2013

OCR Apollo
Jan 2015

OCR TBN
Dec. 2015

Built at Dalian/Friedman Goldman Irving

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

Up to 30,000 ft. drilling depth capacity

Two of only 15 drilling units worldwide equipped to operate in both ultra-deepwater and harsh environment

Winterized for operations in extreme climates, ideal for development drilling

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 people on board

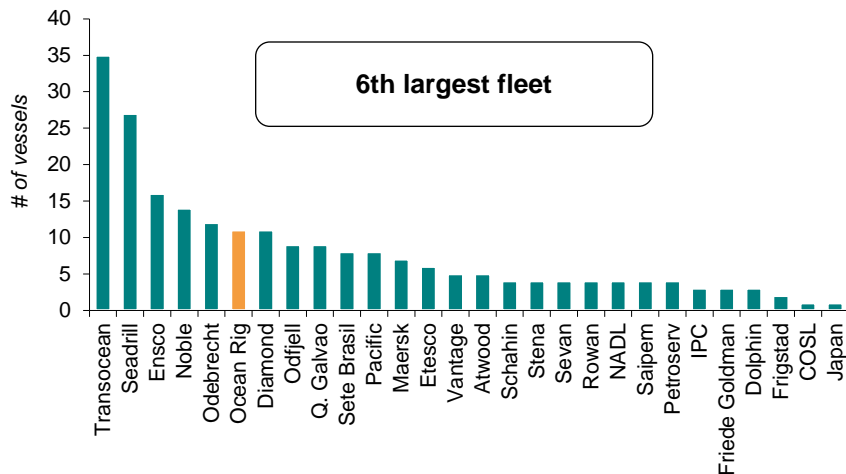


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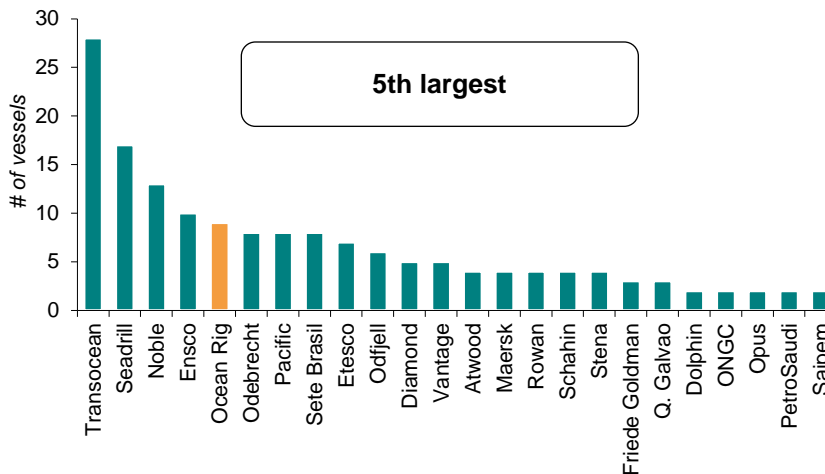


Pure-Play Ultra-Deepwater Driller with Premium Assets

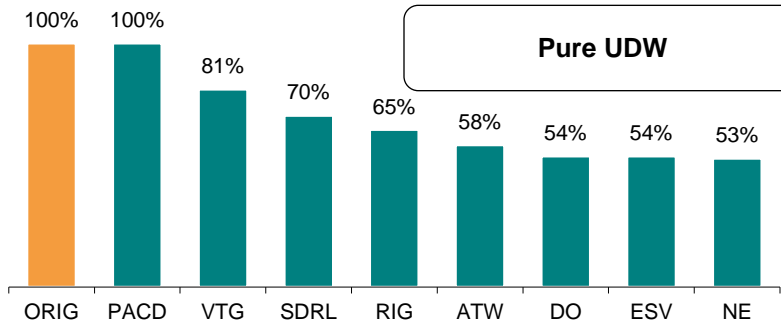
Owned & operated ultra-deepwater fleet⁽¹⁾



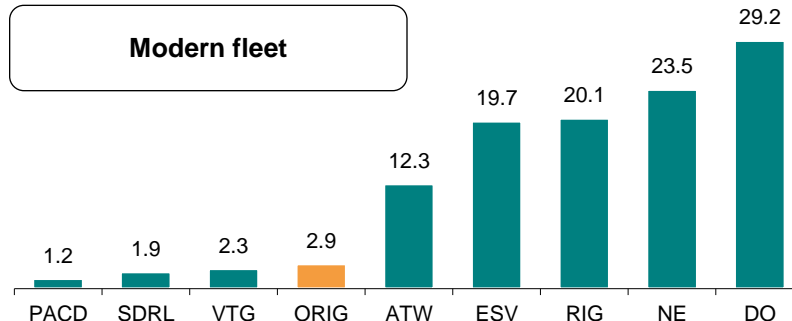
Owned & operated drillships



Fleet composition – Ultra-deepwater⁽¹⁾ as a % of NAV



Average fleet age⁽²⁾



(1) Ultra-deepwater defined as being capable of drilling in 7,500 feet of water or greater
 (2) Includes newbuilds (assigned zero fleet age) and jackups
 Source: ODS Petrodata, includes 5G/6G/7G units in operation, ordered and under construction



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Solid multi-year fleet employment profile

- Average contract¹ remaining fixed period of 2.9 years, 4.4 years with options
- 100%, 99%, 71%, 38% calendar days under contract² in 2013, 2014, 2015, and 2016 respectively
- \$5.9 billion backlog² up from \$1.6 billion in early 2012

Year	2013		2014				2015				2016				2017				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Contract Coverage	100%		99%				71%				38%								
Leiv Eriksson	Rig Management Norway (led by Total)												3 X 1 year options (through 2019)						
Eirik Raude	Mob	Lukoil																	
Ocean Rig Corcovado	Petrobras																		
Ocean Rig Olympia	Total										2 x 1 year options (through Q3 2017)								
Ocean Rig Poseidon	Eni										2 x 1 year options (mid 2018)								
Ocean Rig Mykonos	Petrobras																		
Ocean Rig Mylos	Mob		Repsol								options for up to 2 years (through 2018)								
Ocean Rig Skyros	Expected Delivery November 2013	Mob	Total		Mob	LOA with major oil company (through 2020)													
Ocean Rig Athena	Expected Delivery December 2013	Mob	ConocoPhillips															options for up to 2 years (through 2018)	
Ocean Rig Apollo	Expected Delivery January 2015						Mob	Total (through Q1 2018)											
Ocean Rig TBN	Expected Delivery December 2015										Mob								

1) Average contract length excludes OCR Skyros and Eirik Raude short term contracts

2) Including Skyros LOA



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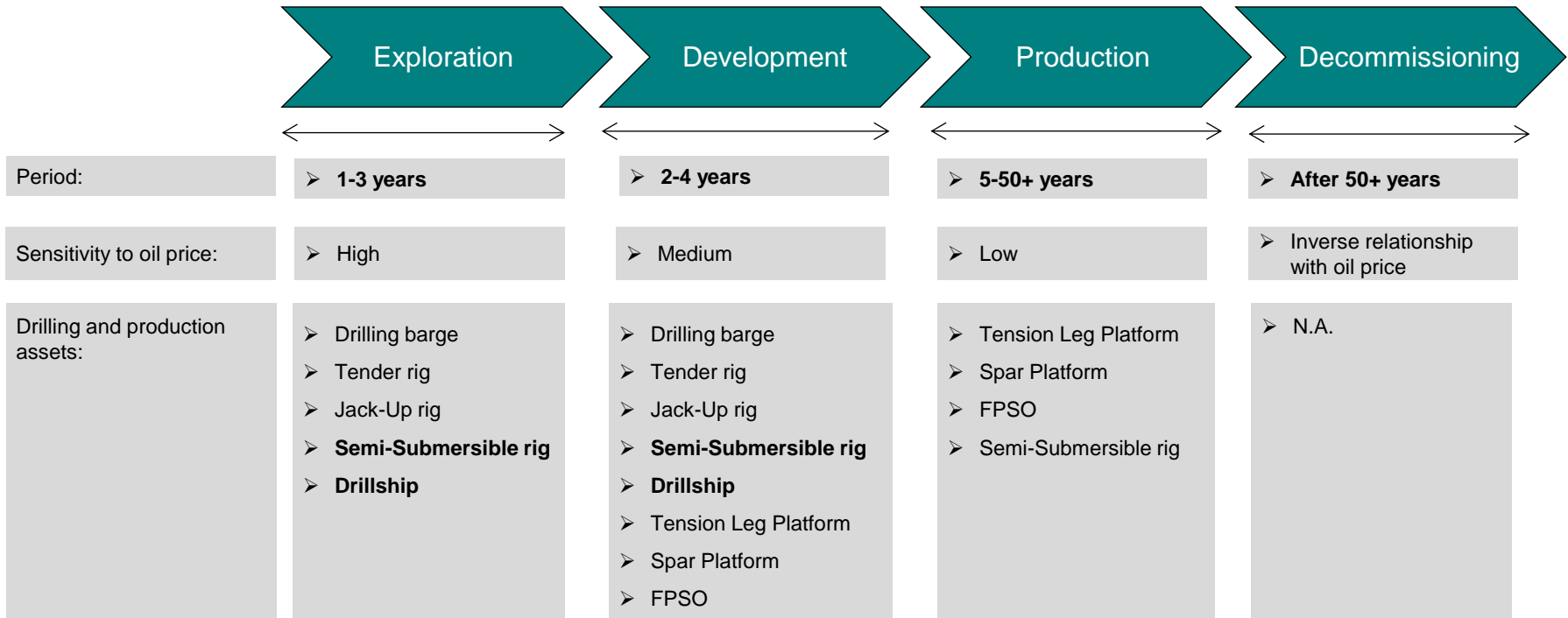
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Offshore drilling and production assets utilized in E&P activities



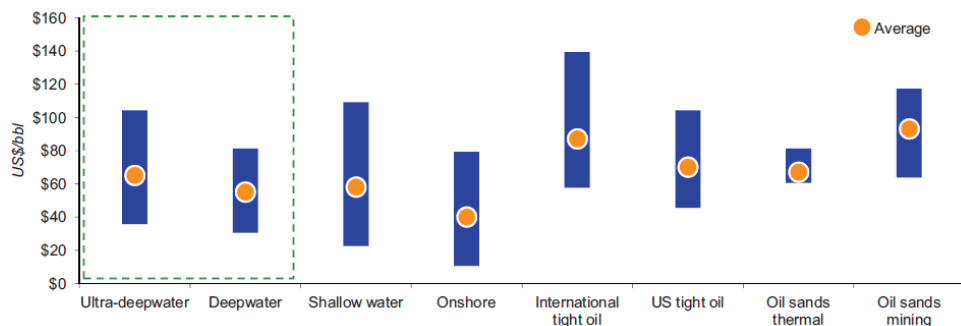
Source: Pareto Securities



UDW oil project breakeven keeps falling

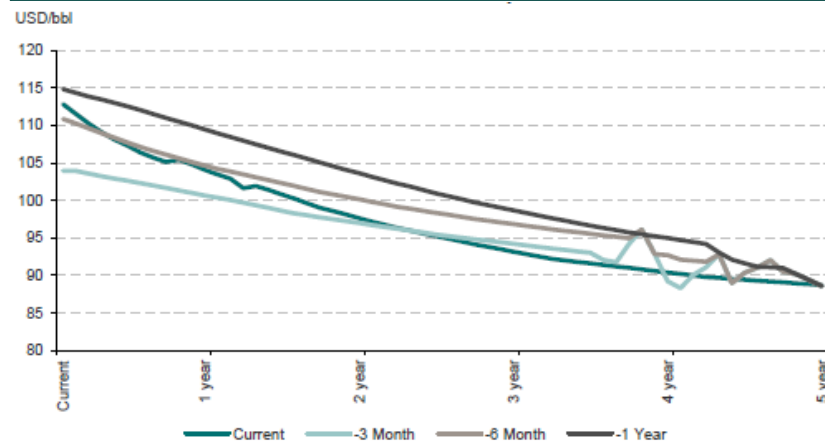
- Technological advances have reduced the cost of deepwater well development
- Offshore projects are competitive with onshore projects

Breakeven Brent oil prices for new developments



Source: Wood Mackenzie

Brent crude oil forward price



Source: DNB Markets, Bloomberg (9/9/2013)

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

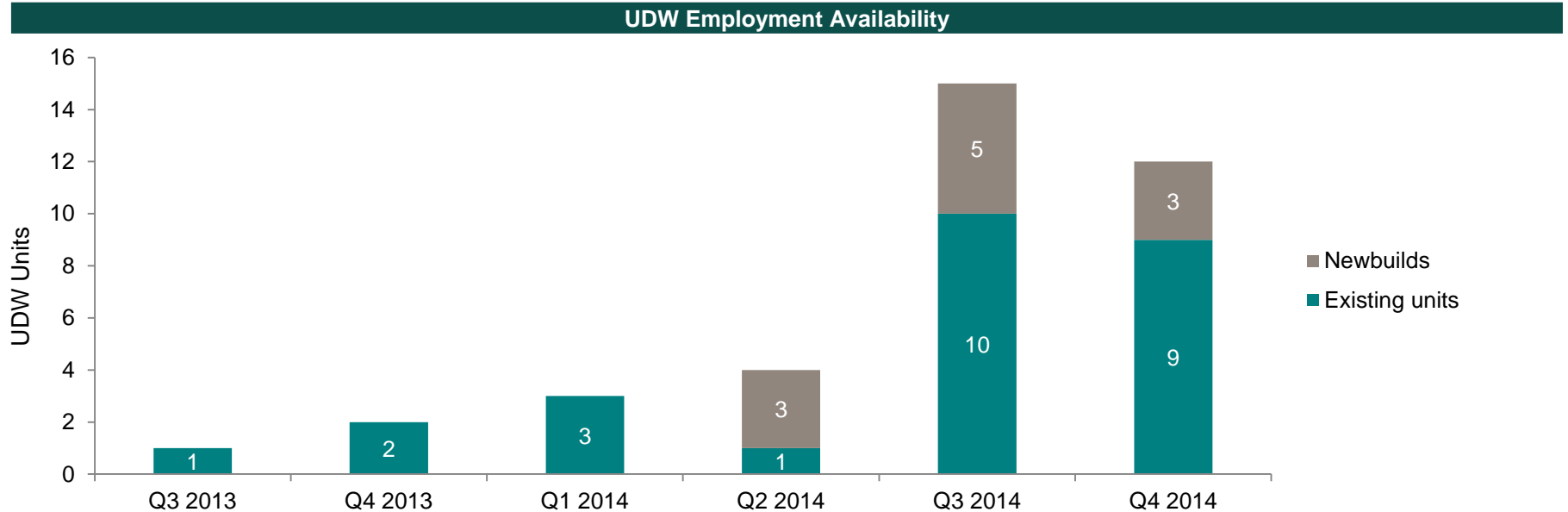


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Supply constraints

- Supply of UDW newbuilding units available for employment peaking in Q3 2014
- 12 units found employment in the past three months
- UDW utilization approximately 100% since 2005



Source: Wall Street Research, HIS, Upstream, Industry data as of September 2013



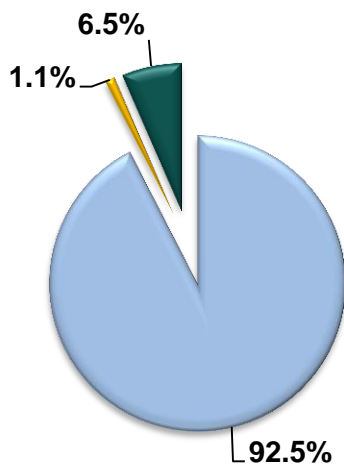
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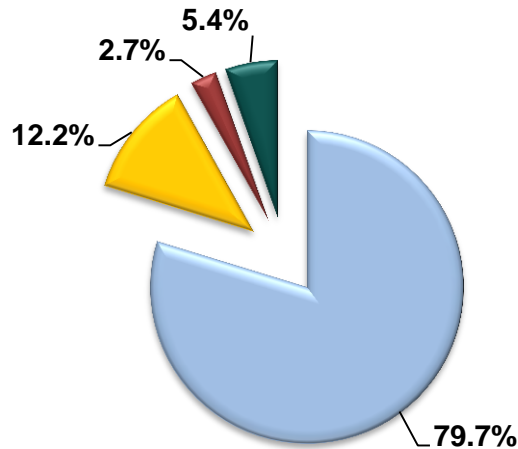
Aged midwater & deepwater fleets

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

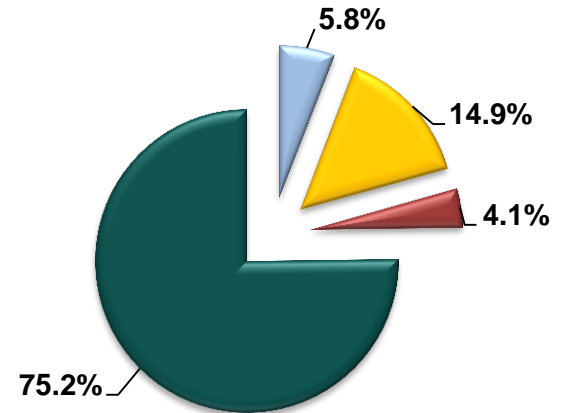
Age Profile of MW fleet



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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Healthy liquidity & capital structure

<i>(in \$ million)</i>	<i>Pro forma ⁽²⁾ 30-Jun-13</i>
Total cash	687.4
\$1.35 bil Bank /ECA facility	450.0
Term Loans ⁽²⁾	1,900.0
6.50% senior secured notes due 2017 ⁽²⁾	800.0
9.50% senior unsecured notes due 2016 ⁽²⁾	500.0
Total debt ⁽²⁾	3,650.0
Net debt	2,962.6

<i>Ownership on September 10, 2013</i>	
Shares Outstanding	131.7 million
Free float shares	53.4 million
% of free float shares	40.6 %
% ownership DRYS	59.4 %

Market Cap: \$ 2,434 mil
Current Enterprise Value ⁽¹⁾: \$4,676 mil
Current EV/ UDW Unit: \$668 mil
Fully Delivered Enterprise Value⁽¹⁾: \$7,307 mil
Fully Delivered EV / UDW Unit: \$665 mil

(1) Pro Forma for the refinancing of the Nordea and Deutsche Bank facilities with \$1.9 billion Term Loans and the drawdown of \$450 mil from the \$1.35 bil newbuild Bank /ECA facility for the OCR Mylos

(2) Gross of financing fees
Assumes \$18.50 share price



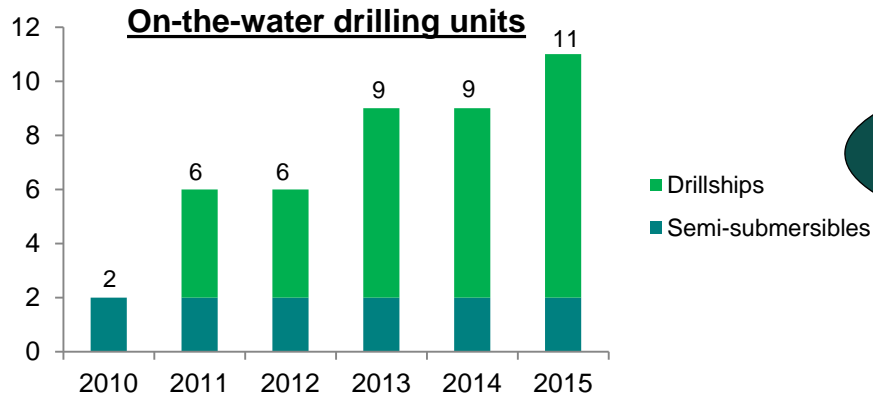
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Sensible growth

- All equity -over \$727 million- for 2013 newbuilds already invested
 - OCR Mylos delivered in August 2013
- Modest capital expenditures associated with 2015 newbuildings

(\$ million)	Total Delivered Cost	Funded From Equity	Remaining Cost ⁽¹⁾			Delivery
			2013	2014	2015	
OCR Skyros	669	242	427			Nov-13
OCR Athena	679	242	437			Dec-13
OCR Apollo	683	236			447	Jan-15
OCR TBN	600	0	75	52	473	Dec-15
Total	2,631	720	939	52	920	



\$1.35 billion Syndicated Secured Bank/ECA facility to finance the three newbuildings

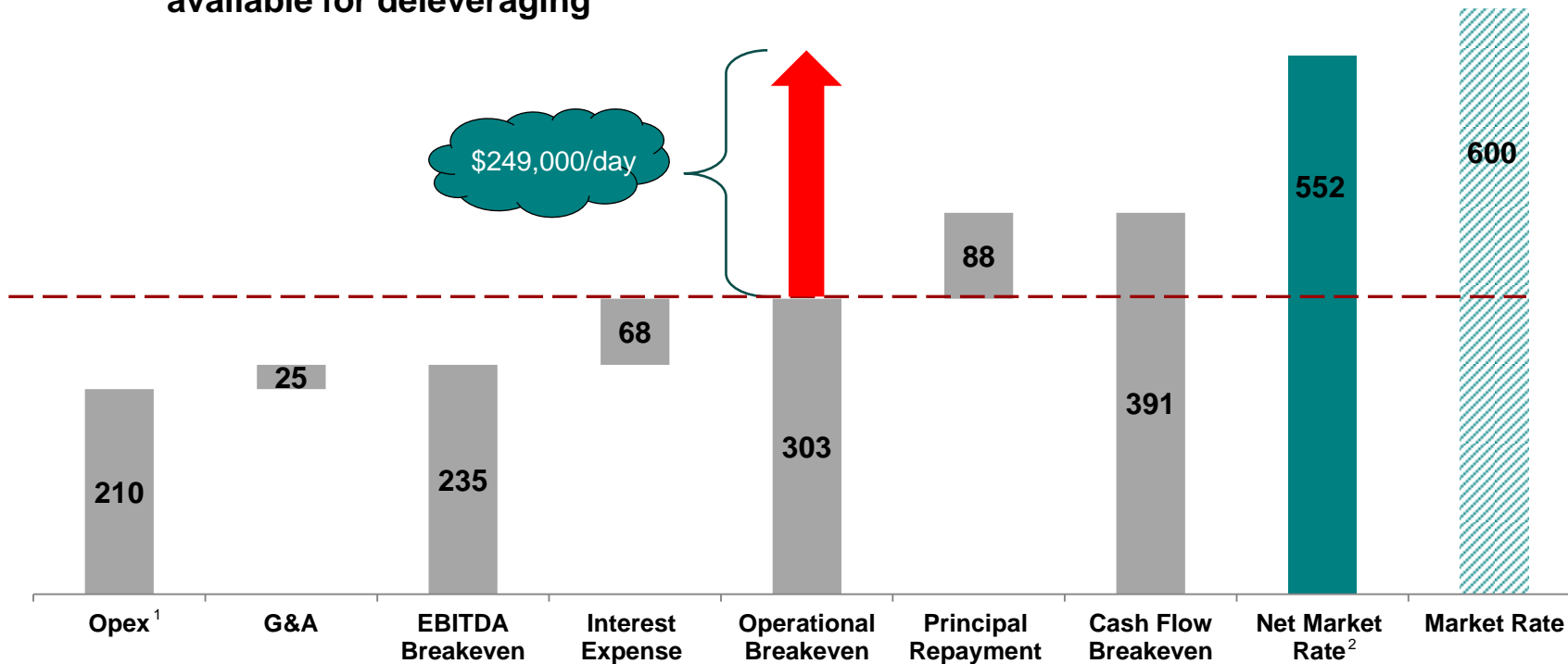
(1) Represents construction payments and construction related expenses (excluding financing costs) as of 10 September 2013



Indicative daily breakeven analysis

Indicative drillship daily breakeven (\$000s)

**Strong cash flow generation
available for deleveraging**



Notes:

1) Average industry drilling unit operating expenditures and maintenance capex, yearly G&A assumed on approximately \$10 million per unit basis

2) Net market rate after 8% in commissions and local taxes on revenues

Assumes \$450 mil bank facility, 5.5% all-in interest rate and \$32 mil annual amortization

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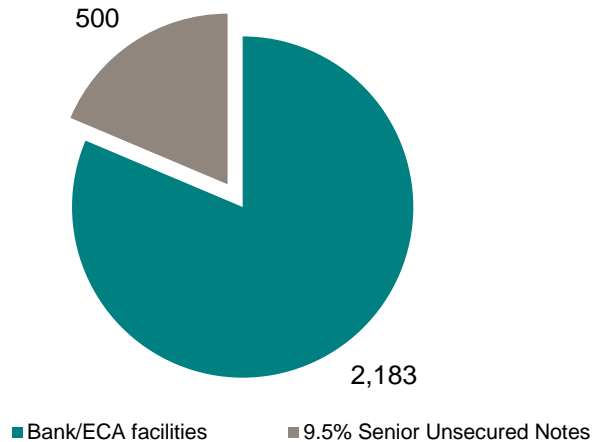
Shift to corporate from project debt

- Reduced predominance of amortizing Bank/ECA facilities
- Extended maturities with no significant maturities until Q2 2016
- Improved Ocean Rig liquidity through more sensible debt amortization
- Relaxed dividend restrictions both in the Term Loans and Bank/ECA facilities

	Term Loan B-1	Term Loan B-2
Amount	\$1,075 mil	\$825 mil
Interest Rate Margin ⁽²⁾	5.00%	4.50%
Libor Floor	1.00%	1.00%
Annual Amortization ⁽³⁾	\$10.75 mil	\$8.25 mil
Maturity	Q1 2021	Q3 2016

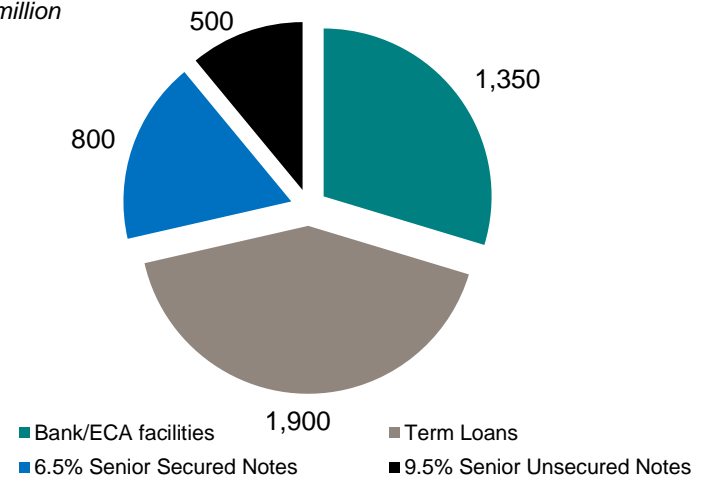
Ocean Rig UDW Debt Outstanding 6/30/2012

\$ million



PF⁽¹⁾ Ocean Rig UDW Debt Outstanding 6/30/2013

\$ million



- (1) Pro forma for Nordea and Deutsche Bank facilities refinancing and \$1,350 newbuild Bank/ECA facility
- (2) Assumes Eurodollar Rate Loan
- (3) Term loans amortize in equal quarterly installments



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Closing remarks

Pure-play ultra-deepwater driller with premium assets

- One of the few companies worldwide with 100% UDW capable fleet
- Sixth largest UDW company globally with a fleet of 11 drillships/rigs
- Focus on UDW key areas – West Africa & South America
- Latest generation assets with an average age of 3 years

Experienced management team

- Management team with an average of 22 years of experience
- Corporate culture focused on safety, performance excellence and financial discipline
- Drilled more than 160 wells for 31 clients over the last 10+ years
- 1,544 employees of which 330 in onshore functions

Healthy debt profile

- Shift to corporate from project debt
- No cross-default clauses with DryShips Inc.
- Bank/ECA loan to fully fund the three 2013 newbuild drillships
- Strong relationships with commercial lenders and national export agencies
- Proven access to Term Loan and High Yield markets

Strong cashflow visibility and significant earnings potential

- Nine units employed to investment grade counter-parties
- Revenue backlog of \$5.9 billion
- Excess liquidity from reduced debt amortizations following the refinancing

Favorable market fundamentals

- UDW is the key growth market in the drilling space
- Technological advances reducing UDW well development cost
- UDW exportation drilling remains strong and demand for development drilling to follow
- Supply of new UDW units limited by yard capacity



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Appendix



Strong contract backlog provides cash flow visibility

Unit	Year built	Redelivery	Counterparties	Counterparty's parent credit rating	Operating area	Backlog ⁽²⁾ (\$mm)
Leiv Eiriksson	2001	Q2 – 16	Rig Management Norway ⁽¹⁾	–	Norway	\$520
Eirik Raude	2002	Q4 – 14	Lukoil	Baa2 / BBB	Sierra Leone, Ivory Coast	\$257
Ocean Rig Corcovado	2011	Q2 – 15	Petrobras	A3 / BBB	Brazil	\$273
Ocean Rig Olympia	2011	Q3 – 15	Total	Aa1 / AA-	Angola	\$408
Ocean Rig Poseidon	2011	Q2 – 16	Eni	A3 / A	Angola	\$693
Ocean Rig Mykonos	2011	Q1 – 15	Petrobras	A3 / BBB	Brazil	\$247
Ocean Rig Mylos	2013	Q3 – 16	Repsol	Baa3/BBB-	Brazil	\$661
Ocean Rig Skyros	2013	Q4 – 14	Total	Aa1 / AA-	Angola	\$187
Ocean Rig Athena	2013	Q1 – 17	ConocoPhillips	A1 / A	Angola	\$752
Ocean Rig Apollo	2015	Q1 – 18	Total	Aa1 / AA-	Congo	\$670
Total						\$4.7 billion
Ocean Rig Skyros	2013	Q4 – 20	LOA with major oil company	N/A	West Africa	\$1,266
Total with LOAs						\$5.9 billion

(1) Rig Management Consortium led by Total and Maersk Drilling

(2) As of September 10 2013



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