

DryShips Inc.
Capital Link Conference
“Invest in International Shipping”



Metropolitan Club, NYC
March 20, 2008

Forward Looking Statements

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements reflect our 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 DryShips 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, DryShips Inc. cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our 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 charterhire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in DryShips 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 DryShips Inc. with the US Securities and Exchange Commission.



Strategy and Vision

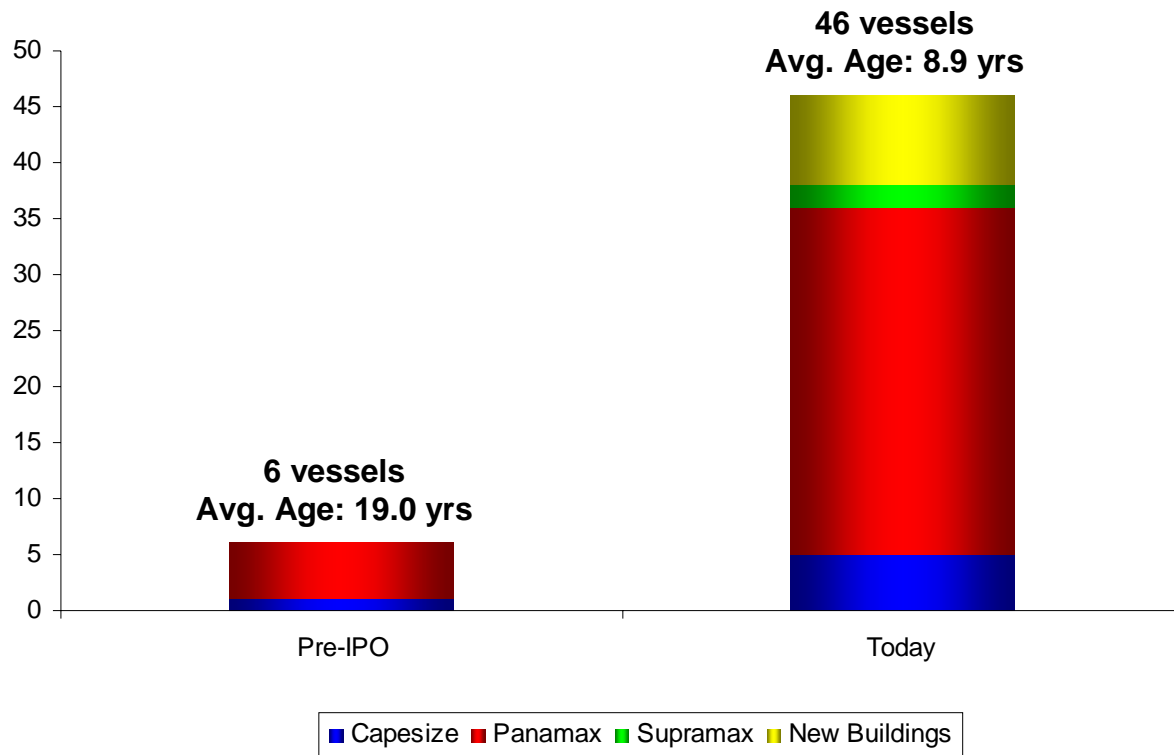
Build a premiere drybulk shipping company!

- ⚓ Capitalize on strong industry fundamentals
- ⚓ Maintain average fleet age below industry average
- ⚓ Acquisition criteria based on financial returns and market outlook
- ⚓ Use financial leverage and amortize with debt repayments
- ⚓ Maintain efficient vessel and company operations



Strong Track Record

Largest US listed Dry Bulk Shipping Company



Since inception:

131% ROE

53% ROCE



Position of Strength

With its strong balance sheet DryShips is uniquely positioned to take advantage of business opportunities as they arise.

*Available liquidity as of
March 14, 2008*

\$680 million

*Net Debt
to
Capitalization
as of March 14, 2008*

25%
(adj. for asset values)



EBITDA Calculator

	1q08	2q08	3q08	4q08	2008
Capesize Unfixed Days	52	227	368	463	1,110
Capesize Spot TCE	??	??	??	??	??
Capesize Spot Revenue	??	??	??	??	??
Panamax Unfixed Days	516	2,197	2,392	2,677	7,782
Panamax Spot TCE	??	??	??	??	??
Panamax Spot Revenue	??	??	??	??	??
Handymax/Supramax Unfixed Days	0	0	0	15	15
Handymax/Supramax Spot TCE	??	??	??	??	??
Handymax/Supramax Spot Revenue	??	??	??	??	??
Total Unfixed Days	568	2,424	2,760	3,155	8,907
Fleet Spot Revenue	??	??	??	??	0
Capesize Fixed Revenue	\$43,030,275	\$20,558,438	\$24,495,000	\$11,884,688	\$99,968,401
Panamax Fixed Revenue	\$126,323,030	\$38,186,293	\$34,094,809	\$8,764,581	\$207,368,713
Handymax/Supramax Fixed Revenue	\$7,621,433	\$4,668,300	\$4,617,008	\$3,744,900	\$20,651,641
Total Fixed Days	2,895	1,022	920	452	5,289
Total Fixed and Unfixed Days	3,463	3,446	3,680	3,607	14,196
Fleet Fixed Revenue	\$176,974,738	\$63,413,031	\$63,206,817	\$24,394,169	\$327,988,755
Total Revenue	??	??	??	??	0 ??
Vessel OPEX (w/ Mng. Fees)	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$80,000,000
G&A	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$20,000,000
Total Costs	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$100,000,000
EBITDA	??	??	??	??	??

For 2008:

63% of vessel
operating days
remain **UNFIXED**

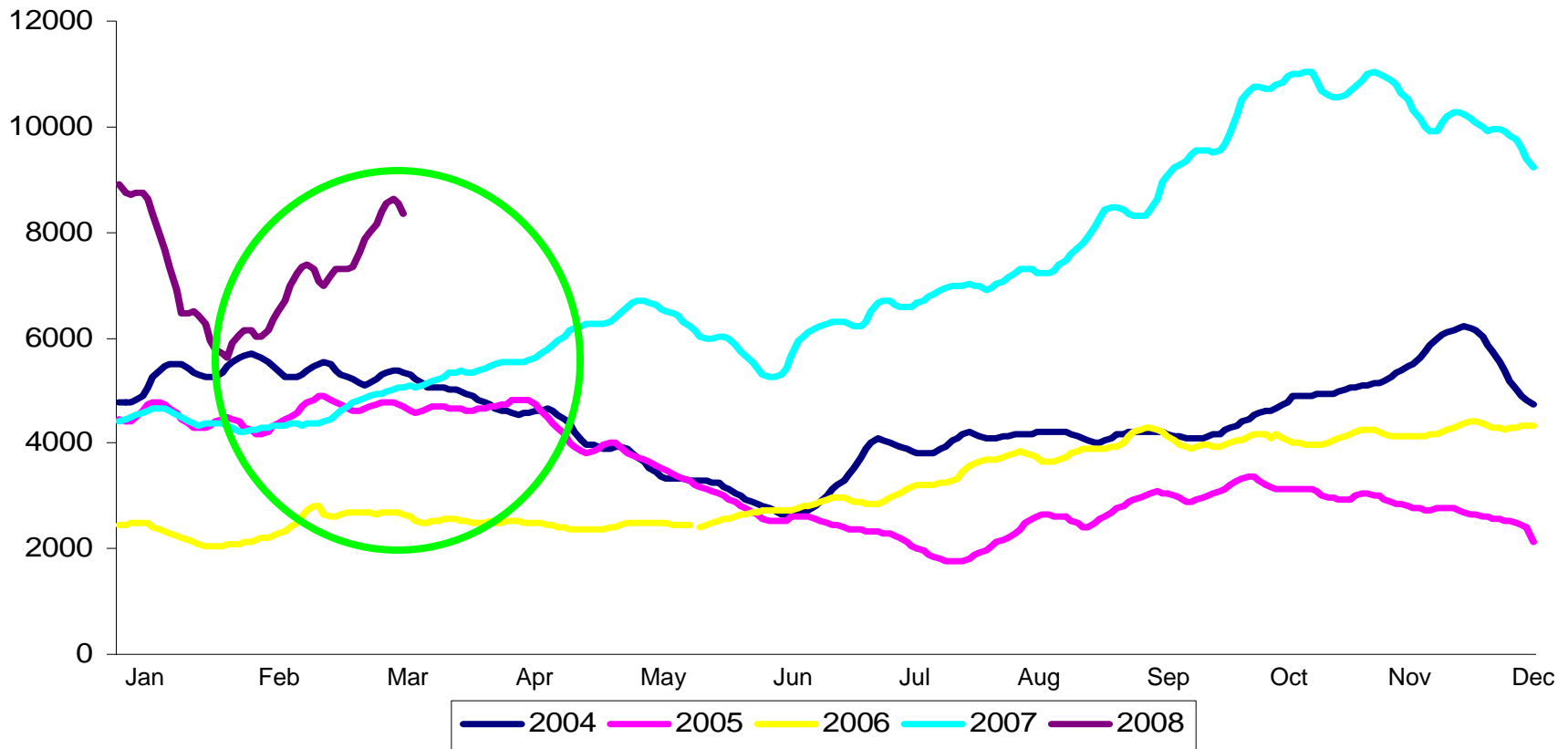
17% increase in
vessel operating
days compared to
2007

Note: As at time of last earnings release



Baltic Dry Index

Baltic Dry Index (BDI)

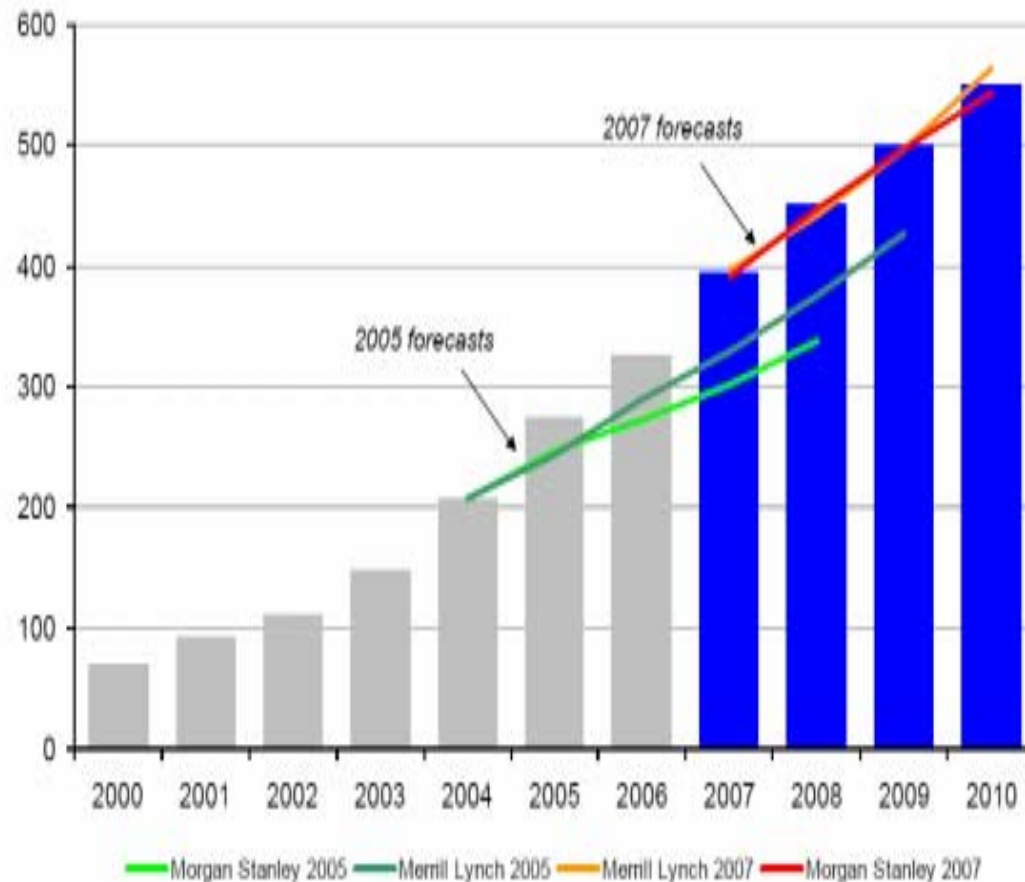


Source: The Baltic Exchange



Magnitude of Chinese Development

Chinese iron ore imports (mt)



Drivers of Steel Consumption

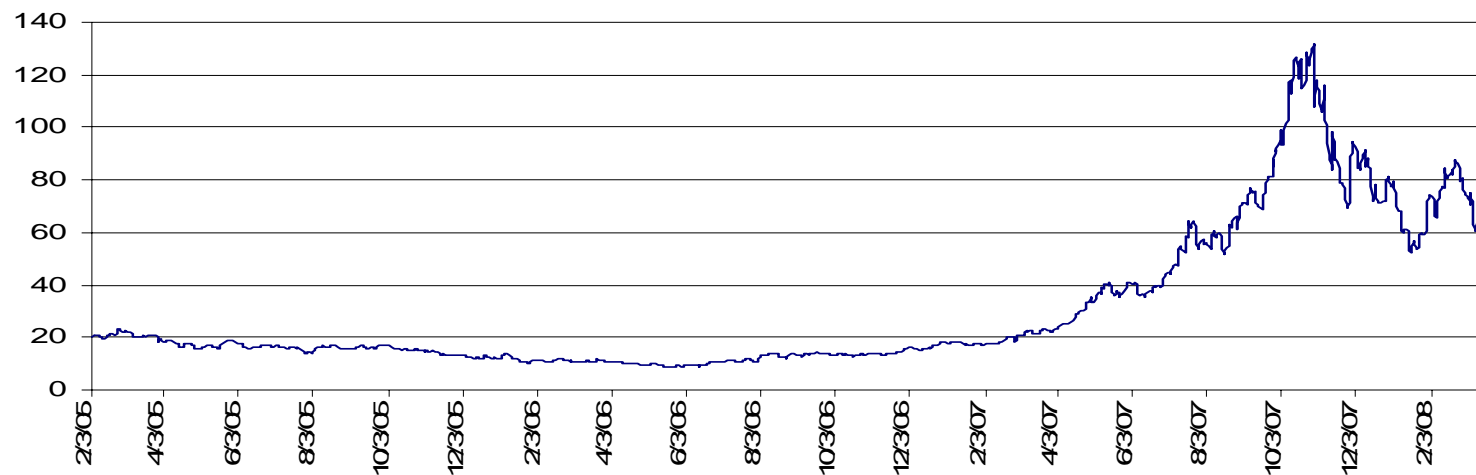
	2006	Potential
Cities > 1.0m	117	147
Expressways	45,300 km	>100,000 km
Railways	77,100 km	>92,500 km
Subways	602 km	>2,300 km
Airports	142	42 new ; 138 expansions
Ports	3.4 bn tonnes capacity	>5.4 bn tonnes capacity
Oil Pipelines	24,136 km	45,000 km
Gas Pipelines	24,090 km	60,000 km
Power	623 GW	1,400 GW



Share Price Performance

DRYS shares are **up 210%** since the IPO i.e. from \$18 to \$55.93 per share (close on March 17, 2008)

NASDAQ: DRYS - Stock Performance



DRYS shares average daily volume during the last 3 months has been 4,650,150 shares which represents about 10% of the total shares outstanding!

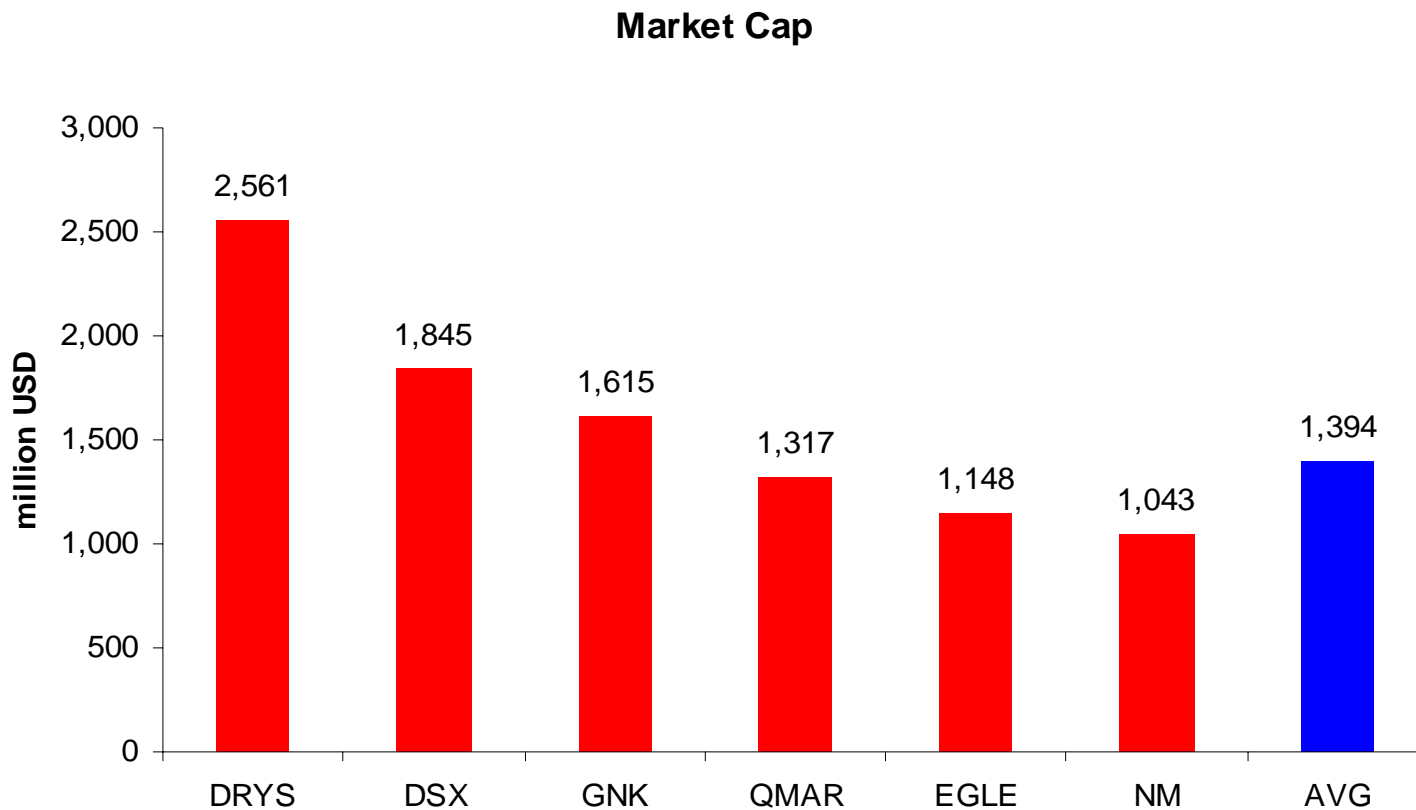
Source: Yahoo



DryShips Inc.

Peer Group Comparison – North of 1 billion Club

DryShips equity is worth 84% more than the average of the other club members

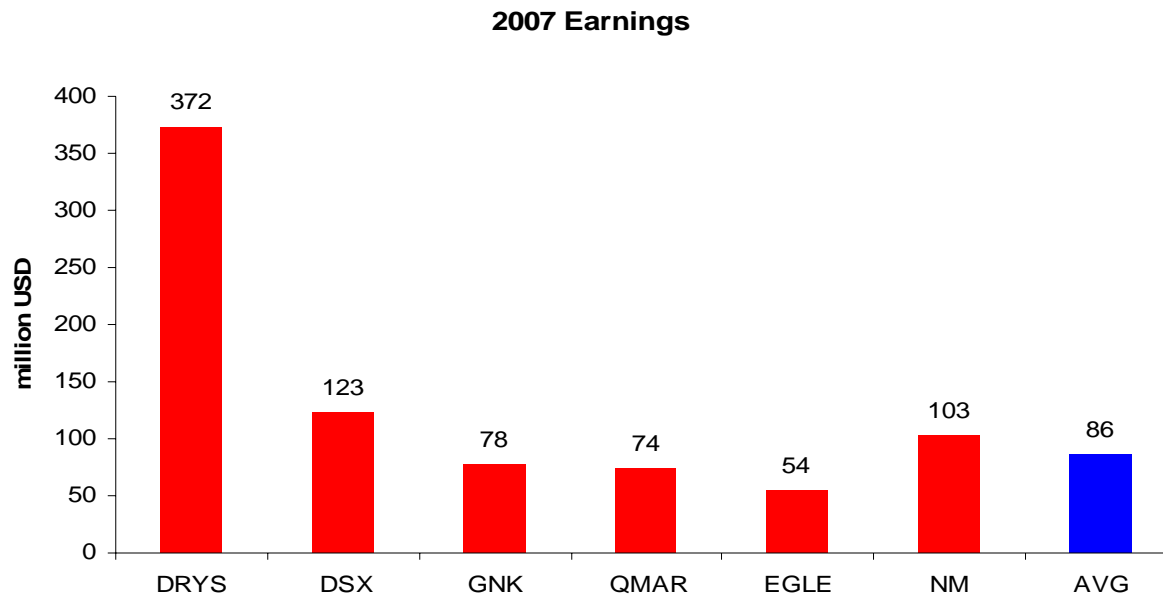


Source: Bloomberg March 08, AVG excludes DRYS



Peer Group Comparison – 2007 Earnings Review

Yet DryShips reported **333% more** earnings in 2007 than the average of the other club members



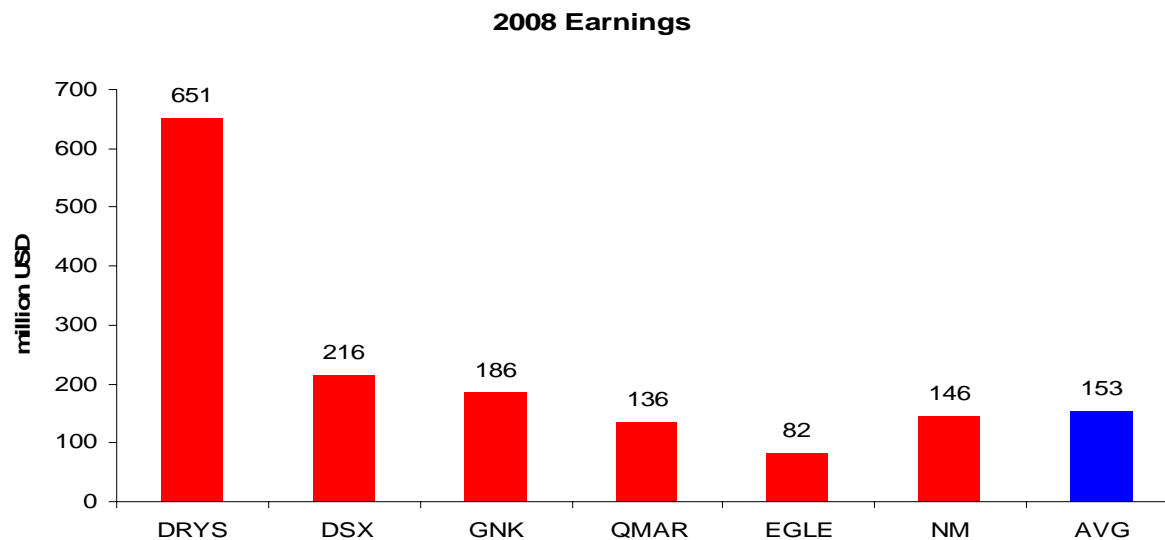
In fact we earned almost as much as **all of our peers combined!**

Source: Bloomberg March 08, AVG excludes DRYS



Peer Group Comparison – 2008 Earnings Expectations

In 2008 DryShips is poised to generate ANOTHER 325% more earnings than the average of the other club members



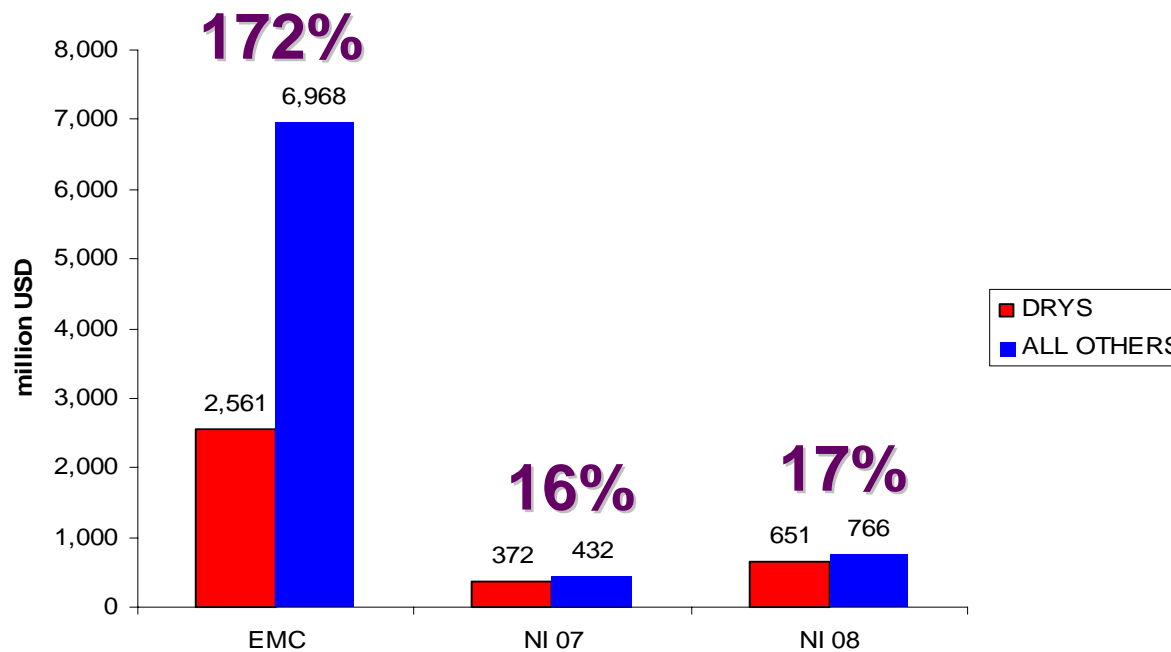
Even in 2009 DryShips is estimated to earn \$459 million i.e. 168% more earnings than the average of the other club members

Source: Bloomberg March 08, AVG excludes DRYS



Peer Group Comparison – DRYS Clearly Undervalued

But perhaps the message is still not clear so we present it in a more compelling fashion



Why pay 172% more for 16-17% more earnings?

Source: Bloomberg March 08, AVG excludes DRYS



Significant Upside Potential

FFA Forward Curve (\$ per day)	
Mar-Dec 08	
Capesize	130,750
Panamax	66,750
Handymax	56,500



**2008 EBITDA
estimate:
\$840 million**

DryShips Spot Fleet Earnings Assumptions (\$ per day)	
Mar-Dec 08	
Capesize	116,000
Panamax	62,000
Handymax	49,000

Based on the assumptions above the 2008 EBITDA estimate for DryShips implies an EV/EBITDA ratio of 4.38x



APPENDICES



Appendix I – 4th Quarter and 12 months 2007 and 2006 Income Statements

<i>(Dollars in thousands, except for share and per share data)</i>	3 Months Ended December 31, 2007 Unaudited	3 Months Ended December 31, 2006 Unaudited	Year Ended December 31, 2007 Unaudited	Year Ended December 31, 2006 Unaudited
INCOME STATEMENT DATA				
<i>Voyage revenues</i>	\$ 233,379	\$ 79,107	\$ 582,561	\$ 248,431
<i>Loss on forward freight agreements</i>	-	-	-	22,473
<i>Voyage expenses</i>	9,868	5,122	31,647	15,965
<i>Vessels operating expenses</i>	17,113	14,399	61,409	47,889
<i>Depreciation and amortization</i>	22,881	17,856	79,304	61,605
<i>Gain on sale of vessels</i>	(31,451)	(8,583)	(134,963)	(8,583)
<i>Management fees</i>	2,522	1,943	9,579	6,609
<i>General and administrative expenses</i>	582	2,117	7,493	5,931
<i>Operating Income</i>	211,864	46,253	528,092	96,542
<i>Gain from investments</i>	449	-	449	-
<i>Interest and finance costs, net</i>	(11,271)	(9,998)	(46,158)	(40,701)
<i>Other, net</i>	(5,863)	(343)	(7,018)	890
<i>Net Income</i>	\$ 195,179	\$ 35,912	\$ 475,365	\$ 56,731
<i>Basic and fully diluted earnings per share</i>	\$ 5.37	\$ 1.02	\$ 13.32	\$ 1.75
<i>Weighted average basic and diluted shares outstanding</i>	36,323,586	35,330,283	35,700,182	32,348,194



Appendix II – December 31, 2007 and December 31, 2006 Balance Sheets

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

	<u>2006</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,537	\$ 111,068
Restricted cash	6,614	6,791
Trade accounts receivable	3,187	9,185
Insurance claims	671	4,807
Due from related parties	3,353	9,963
Inventories	2,571	3,912
Prepayments and advances	5,568	7,309
Fair value of above market acquired time charter	1,335	-
Financial instruments	39	-
Total current assets	<u>25,875</u>	<u>153,035</u>
FIXED ASSETS, NET:		
Advances for vessels under construction and acquisitions	27,380	118,652
Vessels, net	1,084,924	1,643,867
Total fixed assets, net	<u>1,112,304</u>	<u>1,762,519</u>
OTHER NON CURRENT ASSETS:		
Long term investments	-	406,473
Deferred charges, net	6,200	2,492
Restricted cash	20,000	20,000
Financial instruments	946	-
Other	2,848	3,153
Total non current assets, net	<u>29,994</u>	<u>432,118</u>
Total assets	<u>\$ 1,168,173</u>	<u>\$ 2,347,672</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 71,412	\$ 194,999
Accounts payable	11,423	7,166
Due to related parties	25,086	-
Accrued liabilities	6,326	20,014
Deferred revenue	12,270	16,916
Financial instruments	2,625	-
Other current liabilities	202	209
Total current liabilities	<u>129,344</u>	<u>239,304</u>
NON CURRENT LIABILITIES		
Fair value of below market acquired time charter	-	32,509
Long term debt, net of current portion	587,330	1,048,779
Financial instruments	-	1,768
Other	607	343
Total non current liabilities	<u>587,937</u>	<u>1,083,399</u>
COMMITMENTS AND CONTINGENCIES		
	-----	-
STOCKHOLDERS' EQUITY:		
Preferred stock, \$ 0.01 par value; 30,000,000 shares authorized, none issued	-	-
Common stock, \$0.01 par value; 75,000,000 shares authorized at December 31, 2006 and 2007; 35,490,097 and 36,681,097 shares issued and outstanding at December 31, 2006 and 2007, respectively	355	367
Additional paid-in capital	327,446	454,538
Retained earnings	123,091	570,064
Total stockholders' equity	<u>450,892</u>	<u>1,024,969</u>
Total liabilities and stockholders' equity	<u>\$ 1,168,173</u>	<u>\$ 2,347,672</u>



Appendix III - 4Q07 & 4Q06 Fleet Highlights

*(Dollars in thousands, except
Average Daily Results - unaudited)*

	3 Months Ended December 31, 2007	3 Months Ended December 31, 2006
Average number of vessels ⁽¹⁾	36.12	33.86
Total voyage days for fleet ⁽²⁾	3,307	3,024
Total calendar days for fleet ⁽³⁾	3,323	3,116
Fleet Utilization ⁽⁴⁾	99.5%	97.0%
Time charter equivalent ⁽⁵⁾	67,587	24,466
Capesize	102,629	33,370
Panamax	62,901	23,844
Handymax	49,662	18,975
Vessel operating expenses (daily) ⁽⁶⁾	5,150	4,622
Management fees (daily)	759	624
General and administrative expenses (daily) ⁽⁷⁾	175	679
Total vessel operating expenses (daily) ⁽⁸⁾	6,084	5,925

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our fleet during the period divided by the number of calendar days in that period.

(2) Total voyage days for fleet are the total days the vessels were owned by us for the relevant period net of off hire days associated with major repairs, drydockings or special or intermediate surveys.

(3) Calendar days are the total days the vessels were owned by us for the relevant period including off hire days associated with major repairs, drydockings or special or intermediate surveys.

(4) Fleet utilization is the percentage of time that our vessels were available for revenue generating voyage days, and is determined by dividing voyage days by fleet calendar days for the relevant period.

(5) Time charter equivalent, or TCE, is a measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE is consistent with industry standards and is determined by dividing voyage revenues (net of voyage expenses) by voyage days for the relevant time period. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as commissions. TCE is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods.

(6) Daily vessel operating expenses, which includes crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs is calculated by dividing vessel operating expenses by fleet calendar days for the relevant time period.

(7) Daily general and administrative expense is calculated by dividing general and administrative expense by fleet calendar days for the relevant time period

(8) Total vessel operating expenses, or TVOE, is a measurement of our total expenses associated with operating our vessels. TVOE is the sum of vessel operating expenses, management fees and general and administrative expenses. Daily TVOE is calculated by dividing TVOE by fleet calendar days for the relevant time period.



Appendix IV – 12M07 & 12M06 Fleet Highlights

(Dollars in thousands, except
Average Daily Results - unaudited)

	Year Ended December 31, 2007	Year Ended December 31, 2006
Average number of vessels ⁽¹⁾	33.67	29.76
Total voyage days for fleet ⁽²⁾	12,130	10,606
Total calendar days for fleet ⁽³⁾	12,288	10,859
Fleet Utilization ⁽⁴⁾	98.7%	97.7%
Time charter equivalent ⁽⁵⁾	45,417	21,918
Capesize	65,781	31,594
Panamax	42,890	20,984
Handymax	30,992	15,927
Vessel operating expenses (daily) ⁽⁶⁾	4,998	4,410
Management fees (daily)	779	609
General and administrative expenses (daily) ⁽⁷⁾	610	546
Total vessel operating expenses (daily) ⁽⁸⁾	6,387	5,565

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our fleet during the period divided by the number of calendar days in that period.

(2) Total voyage days for fleet are the total days the vessels were owned by us for the relevant period net of off hire days associated with major repairs, drydockings or special or intermediate surveys.

(3) Calendar days are the total days the vessels were owned by us for the relevant period including off hire days associated with major repairs, drydockings or special or intermediate surveys.

(4) Fleet utilization is the percentage of time that our vessels were available for revenue generating voyage days, and is determined by dividing voyage days by fleet calendar days for the relevant period.

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(8) Total vessel operating expenses, or TVOE, is a measurement of our total expenses associated with operating our vessels. TVOE is the sum of vessel operating expenses, management fees and general and administrative expenses. Daily TVOE is calculated by dividing TVOE by fleet calendar days for the relevant time period.



Appendix V - Fleet Profile as of March 17, 2008

	Year Built	DWT	Type
Capesize:			
Manasota	2004	171,061	Capesize
Netadola	1993	149,475	Capesize
Alameda	2001	170,269	Capesize
Samsara	1996	150,393	Capesize
Brisbane	1995	151,066	Capesize
	10.0	792,264	5
Panamax:			
Heinrich Oldendorff	2001	73,931	Panamax
Padre	2004	73,601	Panamax
Maganari	2001	75,941	Panamax
Coronado	2000	75,706	Panamax
Marbella	2000	72,561	Panamax
Primera	1998	72,495	Panamax
Iguana	1996	70,349	Panamax
Sonoma	2001	74,786	Panamax
Waikiki	1995	75,473	Panamax
Toro	1995	73,034	Panamax
Catalina	2005	74,432	Panamax
Majorca	2005	74,364	Panamax
Saldahna	2004	75,500	Panamax
Avoca	2004	76,500	Panamax
Ligari	2004	75,583	Panamax
Oregon	2002	74,204	Panamax
Mendocino	2002	76,623	Panamax
Bargara	2002	74,832	Panamax
Capitola	2001	74,832	Panamax
Samatan	2001	74,823	Panamax
Ecola	2001	73,931	Panamax
Redondo	2000	74,716	Panamax
Ocean Crystal	1999	73,688	Panamax
Xanadu	1999	72,270	Panamax
La Jolla	1997	72,126	Panamax
Menorca	1997	71,662	Panamax
Lanzarote	1996	73,008	Panamax
Solana	1995	75,100	Panamax
Paragon	1995	71,259	Panamax
Lacerta	1994	71,862	Panamax
Tonga	1984	66,798	Panamax
	8.6	2,285,990	31
Supramax			
Clipper Gemini	2003	51,201	Supramax
VOC Galaxy	2002	51,201	Supramax
	5.5	102,402	2
Newbuildings:			
TBN	2008	170,000	Capesize
TBN	2009	180,000	Capesize
TBN	2009	180,000	Capesize
TBN	2010	180,000	Capesize
TBN	2010	82,000	Kamsrmax
TBN	2010	82,000	Kamsrmax
TBN	2009	75,000	Panamax
TBN	2010	75,000	Panamax
		1,024,000	8
Total Fleet	8.9	4,204,656	46



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