



The “New” DryShips
DryShips Inc.
NASDAQ: DRYS

Investor Presentation – Capital Link Conference

March 12, 2018

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Agenda

Financial Highlights & Company Update

Industry Overview

DRYS looking forward

Consolidated – 4Q 2017 Financial Results

- ✓ Net Income for 4Q17 amounted to \$11.5 million (\$0.11/ share)
- ✓ EBITDA amounted to \$24 million (\$0.23/ share)
- ✓ Adjusted EBITDA amounted to \$9.9 million (\$0.09/share)

<i>(in \$ million)</i>	4Q17
U.S. GAAP Net Income ⁽¹⁾	\$11.5
Add: Interest Expense	\$5.0
Add: Depreciation	\$6.3
Add: Drydocking	\$1.1
Add: Income Tax	\$0.1
<i>EBITDA</i>	<i>\$24.0</i>
Add: (Gain) on vessel sale and other	\$(4.4)
Add: (Earnings) of Affiliate	\$(9.7)
<i>Adjusted EBITDA</i>	<i>\$9.9</i>

⁽¹⁾ Unaudited and subject to change

DryShips' Shipping Segment Financial Performance Q4 2017

- ✓ *Drybulk TCE amounted to \$11,410; Tanker TCE amounted to \$17,003 and LPG TCE amounted to \$28,058*

<i>(in \$ '000s)</i>	Drybulk	Tankers	LPG	Offshore	Total
Total Revenues	\$25,808	\$9,786	\$6,999	\$ -	\$42,593
Adjusted EBITDA	\$6,423	\$2,600	\$2,209	\$(1,321)	\$9,911
Net Income/ (Net Loss) ⁽¹⁾	\$2,659	\$701	\$(7)	\$(1,564)	\$1,789
Segment Utilization	97%	100%	100%	N/A	97%
Daily TCE	\$11,410	\$17,003	\$28,058	\$ -	\$13,778

⁽¹⁾ Excluding contribution from Heidmar Holdings LLC.

"New" DryShips at a Glance

Drybulk Segment

- Fleet: 21 Drybulk Carriers
- Avg. Age: 8.4 years
- DWT: 2.1 million
- FMV⁽¹⁾: \$408.8 million
- Debt⁽³⁾: \$65million
- Net FMV: \$373.8 million

Tanker Segment

- Fleet: 4 modern Tankers
- Avg. Age: 4.5 years
- DWT: 0.7 million
- FMV⁽¹⁾: \$182.4 million
- Debt: \$90 million
- Net FMV: \$92.4 million

DRYS Key Metrics

- NAV: appx. \$759 million
- Cash & cash equivalents ⁽³⁾: \$106 million
- Net Leverage⁽²⁾: 23%
- Net Debt/Equity: 30%

Gas Segment

- Fleet: 4 modern VLGCs
- Avg. Age: 0.75 years
- DWT: 0.3 million m³
- FMV⁽¹⁾: \$320 million
- Debt: \$147 million
- Net FMV: \$173 million

Investments and JVs

- **Offshore Segment**
 - Fleet: 2 PSV & 4 OSRV vessels
 - Avg Age: 5.7 years
 - Debt: -
- **Heidmar Holdings LLC. (49%)**
 - Investment valued at \$43.7 million

(1) Based on Nordic Shipping Values as of February 23, 2018; T/C contracts are taken into account for the VLGC FMV calculation

(2) Net Leverage defined as Net Debt/Assets

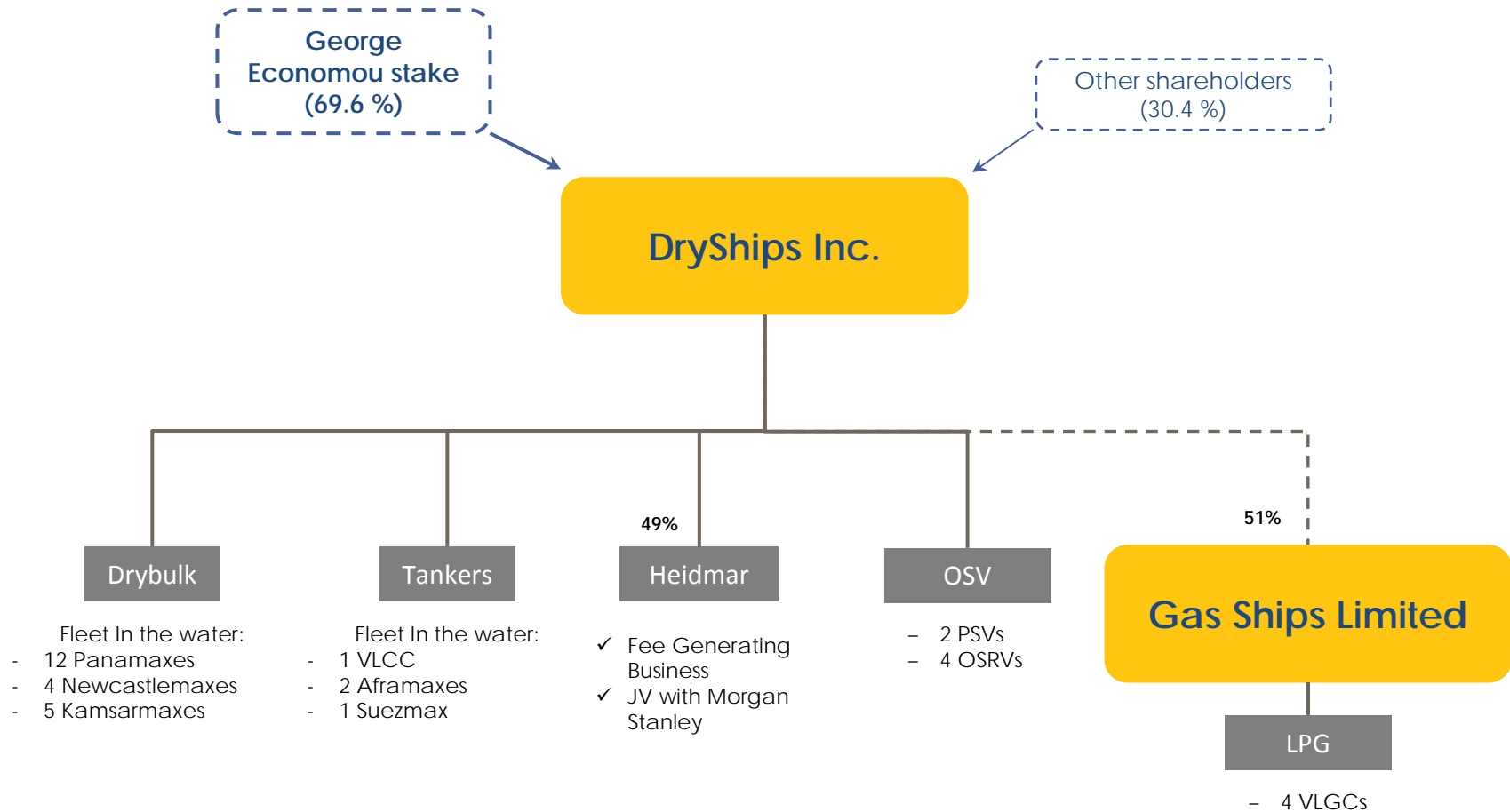
(3) Pro-forma adjusted for the \$65 million drawn/ expected to be drawn down under the two signed senior credit facilities on March 7, 2018 and on March 13, 2018 respectively

Latest Developments

Since the fourth quarter of 2017:

- ✓ On January 26, 2018, the Company fully drew down \$90 million under a senior secured facility
- ✓ On January 29, 2018, the Company signed a second senior secured credit facility of up to \$35 million. The full amount was fully drawn down on March 7, 2018
- ✓ On February 1, 2018, the Company fully repaid the outstanding balance of appx. \$73.8 million under the Sierra Credit Facility
- ✓ On February 5, 2018, the Company received a firm commitment from a major European commercial bank for an additional senior secured credit facility of up to \$30 million to be secured by two modern drybulk carriers
- ✓ On February 7, 2018, the Company announced its intention to initiate a stock buy-back program of up to \$50 million
- ✓ On February 7, 2018, the Company announced a fixed quarterly dividend of an aggregate \$2.5 million to all common shareholders for a fifth consecutive quarter
- ✓ On March 8, 2018, the Company signed another senior secured credit facility of up to \$ 30 million to be secured by two drybulk carriers. The full amount is expected to be drawn the first half of March 2018

DryShips Inc. Overview



Gas Ships Limited

- ✓ On February 8, 2018, the Company announced the filing with the SEC of a Form F-1 Registration Statement relating to the spin-off of 49% of Gas Ships Limited
- ✓ Net FMV: \$173 million
- ✓ Secured contracted backlog of approximately \$300m until 2028
- ✓ Experienced technical management team:
 - ✓ Excellent vetting record, no unplanned off-hires and 100% approval rating
- ✓ Experienced and seasoned commercial management team of TMS Cardiff Gas Ltd:
 - ✓ Strategy is based on building of long-term fixed rate charters with high-end reputable clients offering stable stream of cash flows well above B/E levels.
 - ✓ TMS Cardiff Gas' selected client base includes but is not limited to:

GLENCORE



Agenda

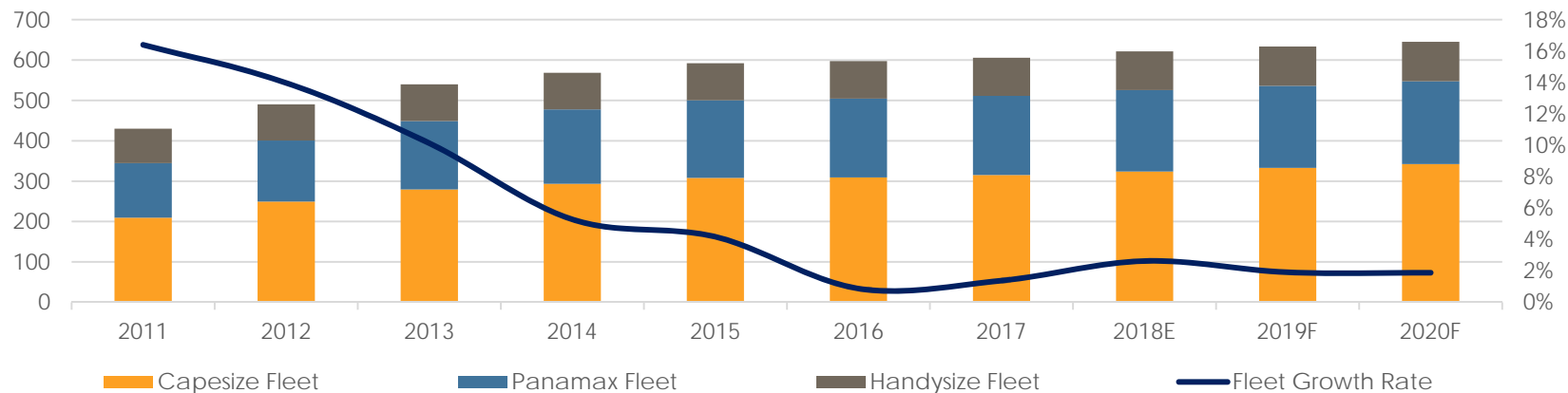
Financial Highlights & Company Update

Market Overview

DRYS looking forward

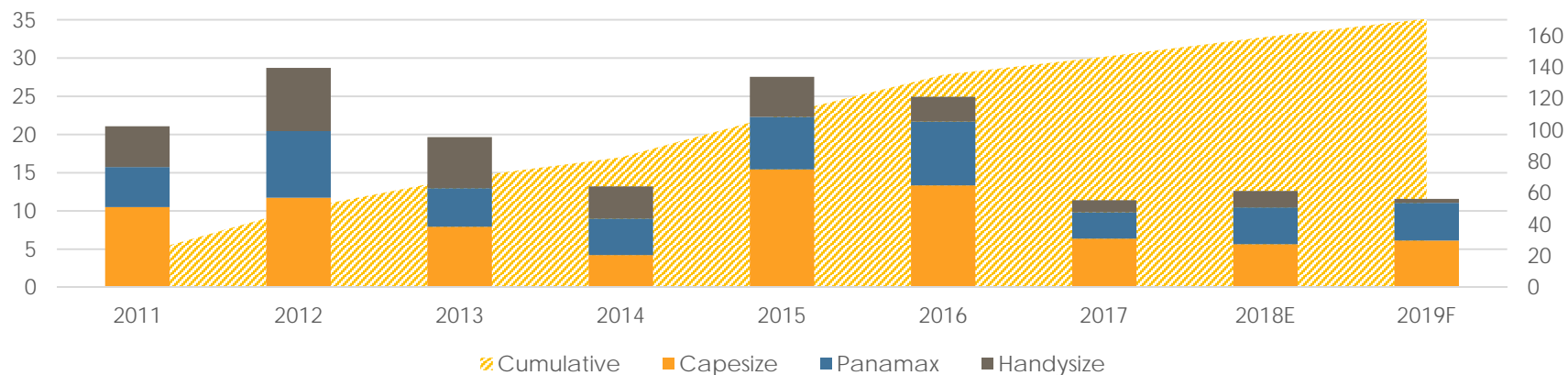
Market Overview – Drybulk Segment Supply

Drybulk Fleet Development



Source: Clarksons Shipping Intelligence; all figures in million DWT except fleet growth rate

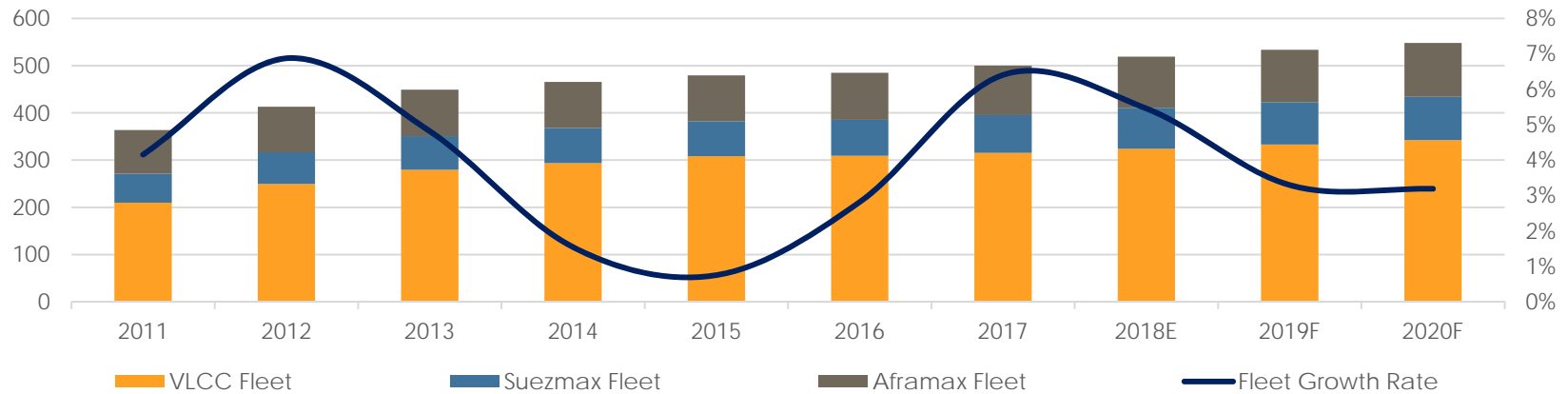
Drybulk Fleet Demolition



Source: Clarksons Shipping Intelligence; all figures in million DWT

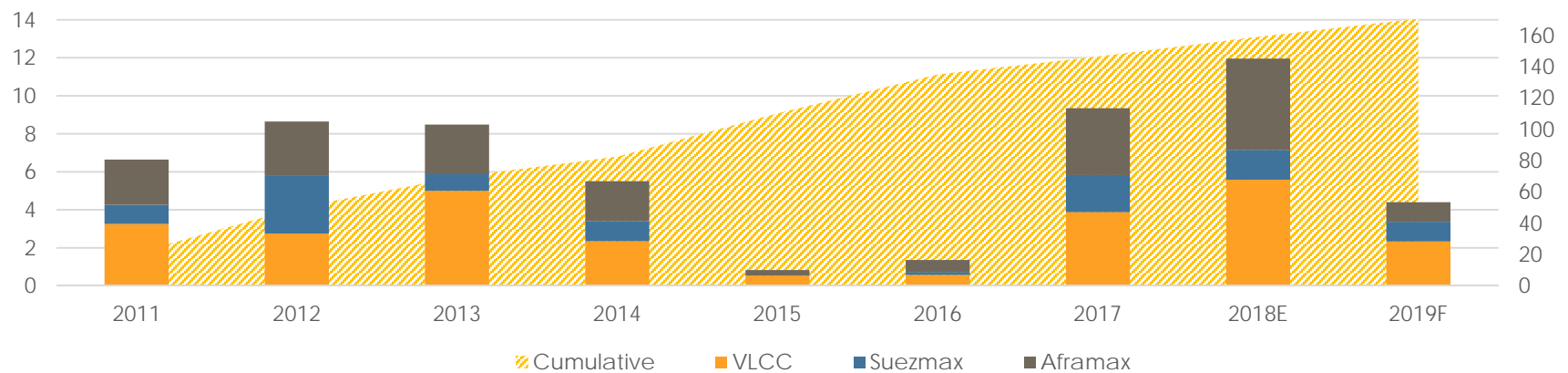
Market Overview – Tanker Segment Supply

Tanker Fleet Development



Source: Clarksons Shipping Intelligence; all figures in million DWT except fleet growth rate

Tanker Fleet Demolition

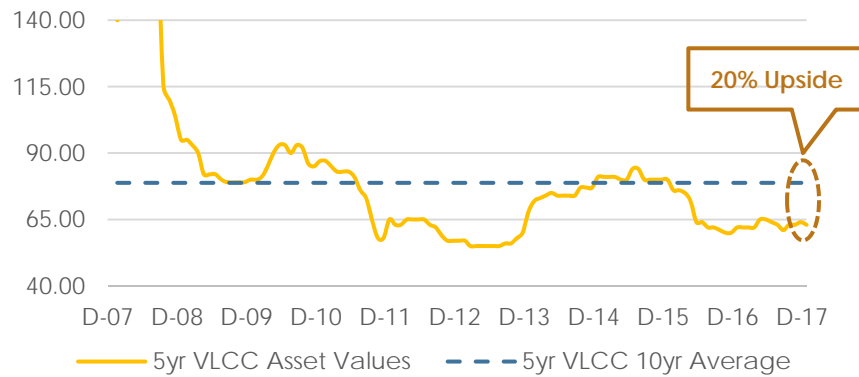


Source: Clarksons Shipping Intelligence; all figures in million DWT

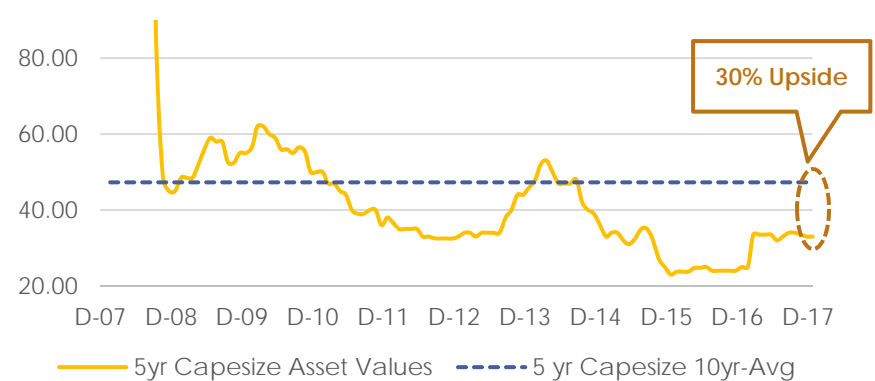
Historic Asset Values Analysis

✓ *Consistent bottom cycle investing has positioned the Company to capitalize on asset values recovery when such occurs*

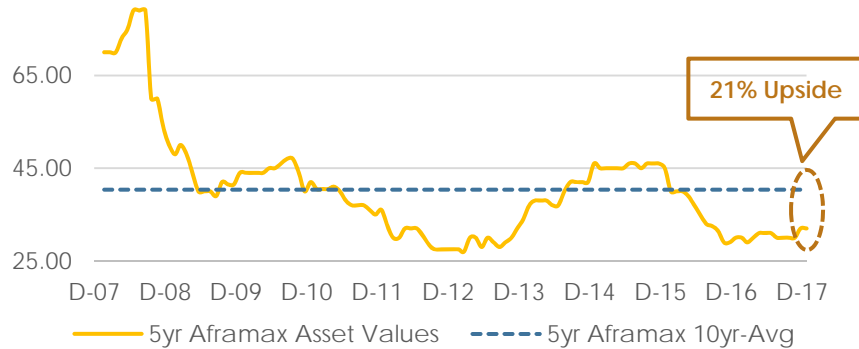
5yr VLCC Asset Values



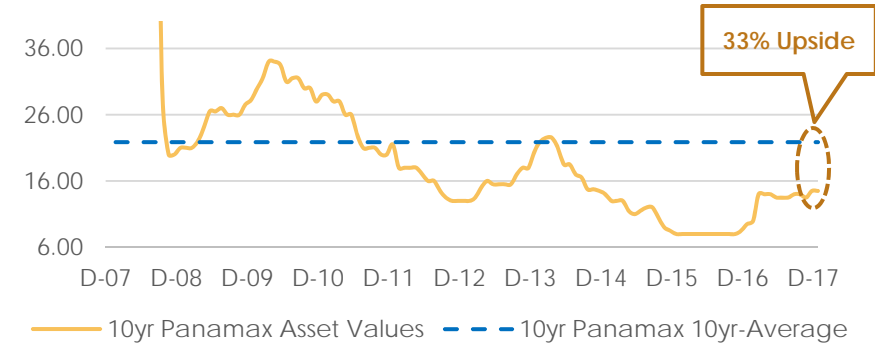
5yr Capesize Asset Values



5yr Aframax Asset Values



10yr Panamax Asset Values



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Investment Highlights

Strong Balance Sheet ⁽¹⁾

- Fleet FMV⁽²⁾ : approximately \$ 911 million
- NAV: approximately \$ 759 million
- Net Leverage: 23%

Long term shareholder commitment

- Continued and proven support of the Company's major shareholder, founder and CEO (69.6% ownership)

Proven credit-worthiness

- Total debt arranged during the last twelve months of more than \$ 300 million
- Commercial lenders include but not limited to:



Diversified & fully delivered asset base

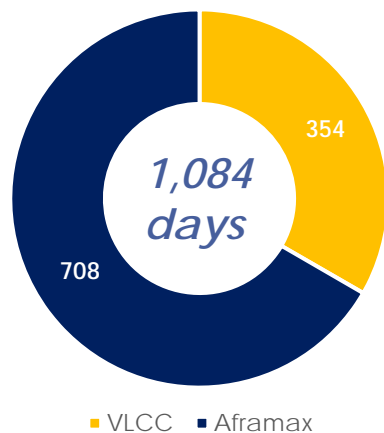
- Well positioned to capitalize on recovery of the drybulk and tanker markets with its diversified, modern and fully deployed fleet

⁽¹⁾ As of February 23, 2018

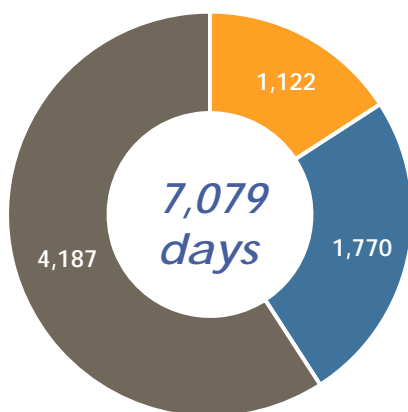
⁽²⁾ Based on Nordic Shipping Values as of February 23, 2018

Earnings Analysis – Strong Upside Potential

FY18 - Tanker Segment Unfixed Days



FY18 – Drybulk Segment Unfixed Days



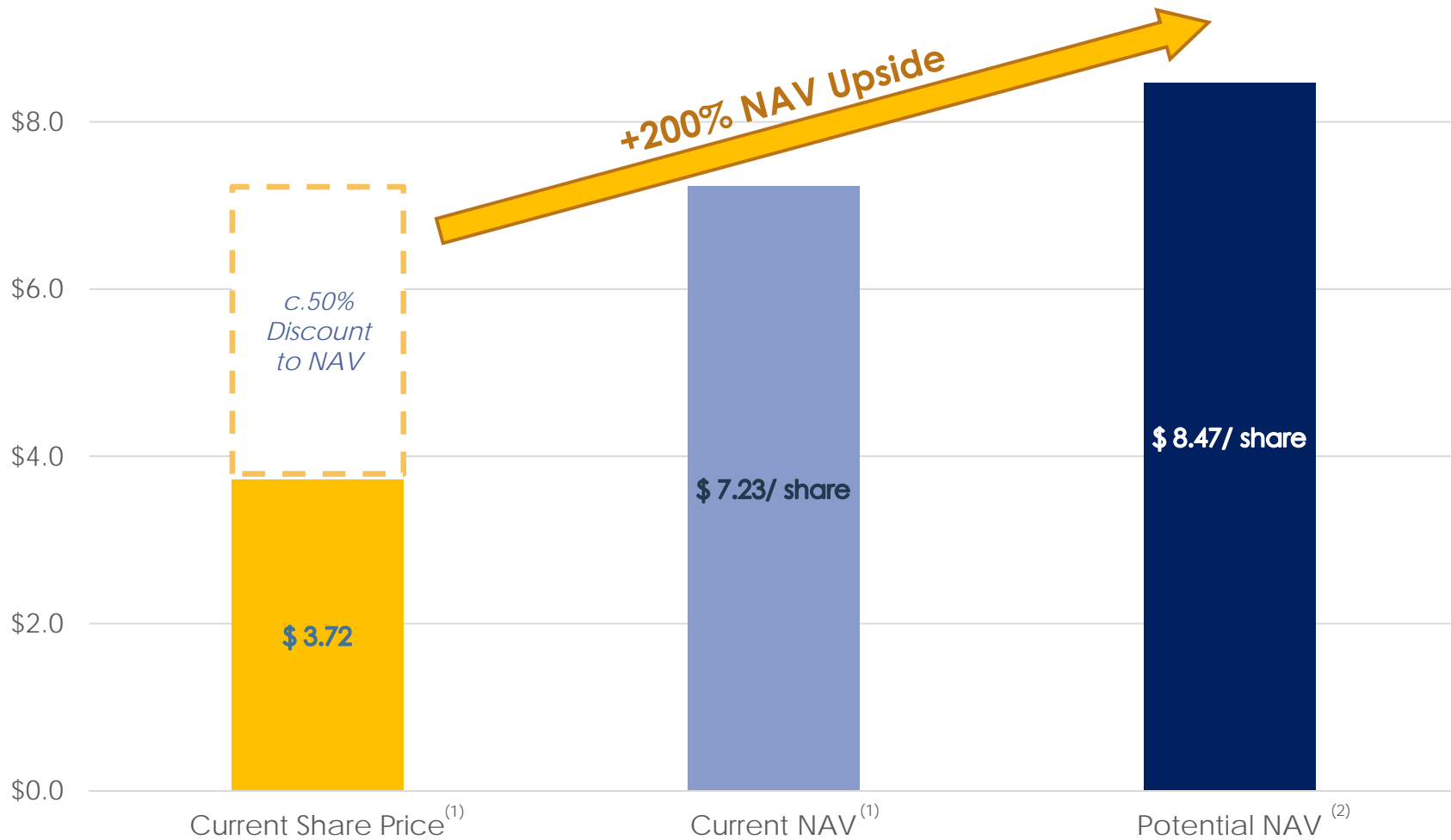
■ Newcastlemax ■ Kamsarmax ■ Panamax

Peak Earnings Analysis – Projected EBITDA

		Drybulk Spot TCE				
		\$10,000	\$15,000	\$20,000	\$25,000	\$30,000
Tanker Spot TCE	\$10,000	36.4	71.8	107.2	142.6	178.0
	\$15,000	41.7	77.1	112.5	147.9	183.3
	\$20,000	47.0	82.4	117.8	153.2	188.6
	\$25,000	52.3	87.7	123.1	158.5	193.9
	\$30,000	57.6	93.0	128.4	163.8	199.2

Excludes EBITDA contribution from Offshore Segment

Asset Value Analysis – Deep Discount to NAV



⁽¹⁾ As of February 27, 2018

⁽²⁾ Assuming Asset Values revert to 10 year Avg