DryShips Inc.

1st Quarter 2005 Earnings Release

Earnings Presentation

April 27 2005

Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of applicable federal securities laws. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as “may,” “will,” “should,” “estimates,” “predicts,” “potential,” “continue,” “strategy,” “believes,” “anticipates,” “plans,” “expects,” “intends” and similar expressions are intended to identify forward-looking statements. Actual results and the timing of certain events may differ significantly from the results discussed or implied in the forward-looking statements. Among the factors that might cause or contribute to such a discrepancy include, but are not limited to, the risk factors described in the Company’s Registration Statement filed with the Securities and Exchange Commission, particularly those describing variations on charter rates and their effect on the Company’s revenues, net income and profitability as well as the value of the Company’s fleet.

Developments During 1st Quarter 2005

- Net Income of $19.1 million for 1Q05 on revenues of $29.4m
- EPS was $0.80 cents
- 11 vessels out of the 21 vessels purchased were delivered during 1Q05
- 7 vessels delivered so far in 2Q05
- Only 3 remaining vessels to be delivered, 2 in May and the last one to be delivered in August
- Average age of DryShips fleet down to 10 years from 18 pre-IPO
- Average number of delivery days for the 11 Identified Vessels was 42 compared to the expected 45 days
- 8 vessels now trading in the Baumarine Pool
- Baumarine pool outperformed the market by $1,000 in 2004 and $3,000 per day in 1Q05
- Dividend of $0.20 to be paid in July 2005

Fleet Remaining Delivery Dates and Charters

	Year Built	Deadweight	Type	Delivery Date	Current Employment	Redelivery (mid-range) *
EXISTING FLEET		**514,890**				
Shibumi	1984	166,058	Capesize		$53,500	Oct-05
Panormos **	1995	71,747	Panamax		Pool Spot - $38,600	
Lacerta **	1994	71,862	Panamax		Pool Spot - $36,300	
Flecha	1982	65,081	Panamax		$23,685	Oct-05
Striggla **	1982	64,747	Panamax		Pool Spot - $29,700	
Mostoles	1981	75,395	Panamax		Spot - $38,035	
IDENTIFIED		**812,958**				
Netadola	1993	149,475	Capesize		Spot - $44,000	
Samsara	1999	73,688	Panamax		$8,600	May-05
Iguana	1996	70,349	Panamax		$33,700	Nov-05
Waikiki	1995	75,473	Panamax		Spot - $25,000	
Toro **	1995	73,034	Panamax		Pool Spot - $37,500	
Paragon	1995	71,259	Panamax		$30,000	Sep-06
Daytona **	1989	69,703	Panamax		Pool Spot - $40,000	
Lanikai **	1988	68,676	Panamax		Pool Spot - $33,400	
Tonga **	1984	66,798	Panamax		Pool Spot - $29,800	
Alona **	2002	48,640	Handymax		Pool Spot - $22,000	
Matira	1994	45,863	Handymax		$28,500	Oct-05
ADDITIONAL		**936,367**				
Manasota	2004	171,061	Capesize	May		
Alameda	2001	170,662	Capesize		$65,000	Oct-05
Mendocino	2002	76,623	Panamax	August	$42,000	Dec-06
Sonoma	2001	74,786	Panamax	May		
Coronado	2000	75,706	Panamax		$37,000	Jul-05
Xanadu	1999	72,270	Panamax		$35,000	Aug-06
La Jolla	1997	72,126	Panamax		$35,750	Aug-05
Linda Oldendorff	1995	75,100	Panamax		$43,250	Aug-06
Catalina	2005	74,432	Panamax		Spot - $30,000	
Belmonte	2004	73,601	Panamax		$42,000	Jun-06
DRYSHIPS FLEET		**2,264,215**		27 vessels		

* Where the Redelivery column is left blank it signifies that the vessel is trading in the spot market. For those vessels employed in the spot market and where rates are quoted, the Company has calculated the estimated rates under current specific contracted voyages. The Company gives no guarantee that these rates are correct, or that the rates are sustainable beyond the duration of the current voyage. The quoted rates are not indications of future earnings and the Company gives no assurance or guarantee of future rates after the current voyage.

** Indicates vessels that are trading in the Baumarine Pool. Rates quoted refer to the vessels earnings as last reported, usually the previous month's earnings.

Fleet Profile

CAPESIZE	Year Built	DWT
Shibumi	1984	166,058
Netadola	1993	149,475
Manasota	2004	171,061
Alameda	2001	170,662
Total Capesize	**4 vessels**	**657,256**
Average age	**9.5**	
Industry Average Age	**13.0**	
Average dwt		**164,314**
Industry Average dwt		**161,686**

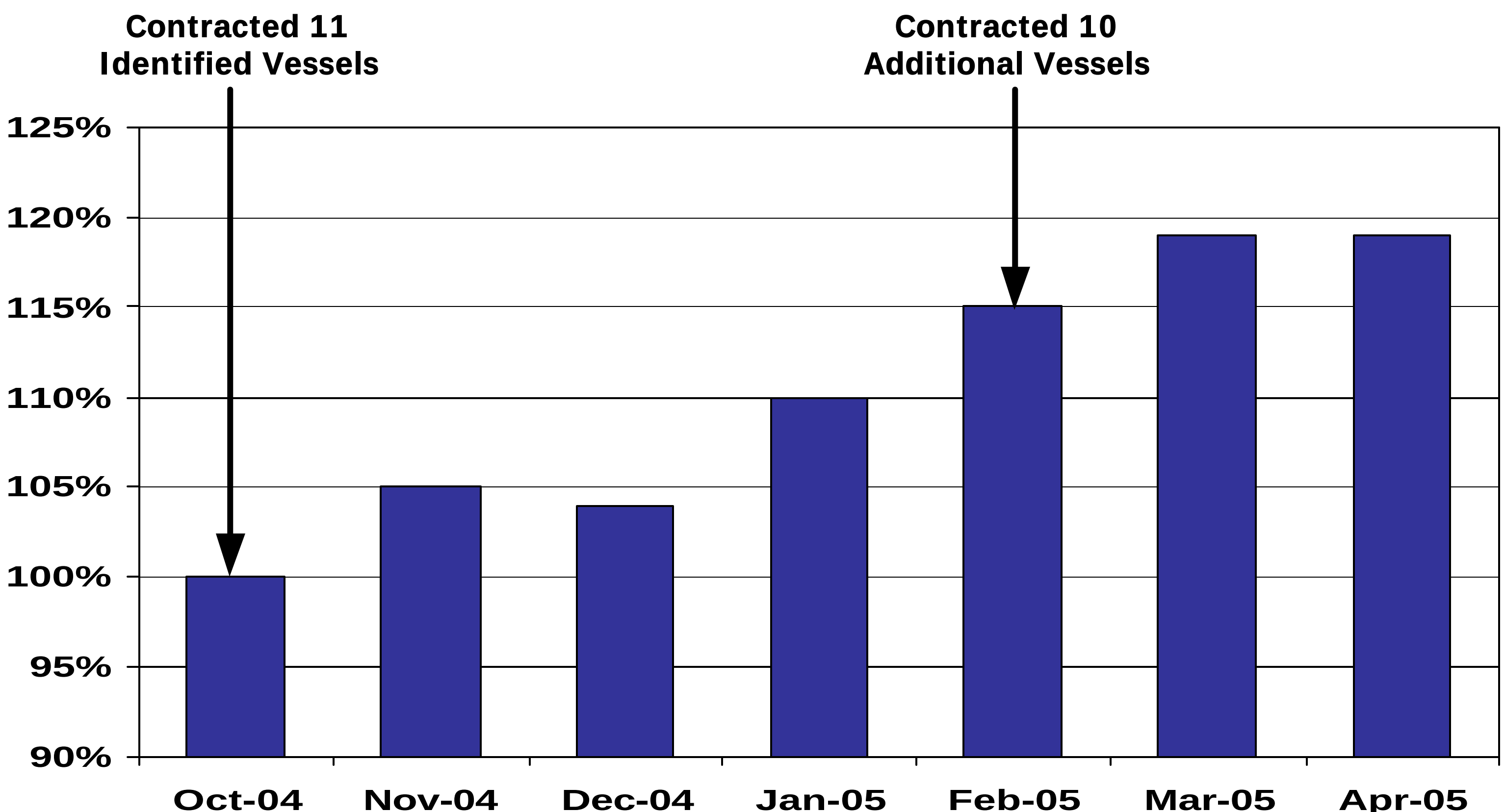
HANDYMAX	Year Built	DWT
Alona	2002	48,640
Matira	1994	45,863
Total Handymax	**2 vessels**	**94,503**
Average age	**7.0**	
Industry Average Age	**15.0**	
Average dwt		**47,252**
Industry Average dwt		**44,468**

PANAMAX	Year Built	DWT
Flecha	1982	65,081
Striggla	1982	64,747
Mostoles	1981	75,395
Iguana	1996	70,349
Paragon	1995	71,250
Samsara	1999	73,688
Waikiki	1995	75,473
Lanikai	1988	68,676
Tonga	1984	66,798
Daytona	1989	69,703
Toro	1995	73,034
Coronado	2000	75,706
Linda Oldendorff	1995	75,100
Xanadu	1999	72,270
La Jolla	1997	72,126
Mendocino	2002	76,000
Sonoma	2001	74,500
Lacerta	1994	71,862
Panormos	1995	71,747
Belmonte	2004	73,600
Catalina	2005	74,500
Total Panamax	**21 vessels**	**1,511,605**
Average age	**10.8**	
Industry Average Age	**13.0**	
Average dwt		**71,981**
Industry Average dwt		**70,912**

- Worlds' 2nd Largest Panamax Bulkcarrier Operator.
- 17% of the worlds' capesize fleet is 20+ years of age.
- 26% of the worlds' panamax fleet is 20+ years of age.
- 38% of the worlds' handymax fleet is 20+ years of age.
- DryShips fleet average age 10 years versus industry average of 13.5 years

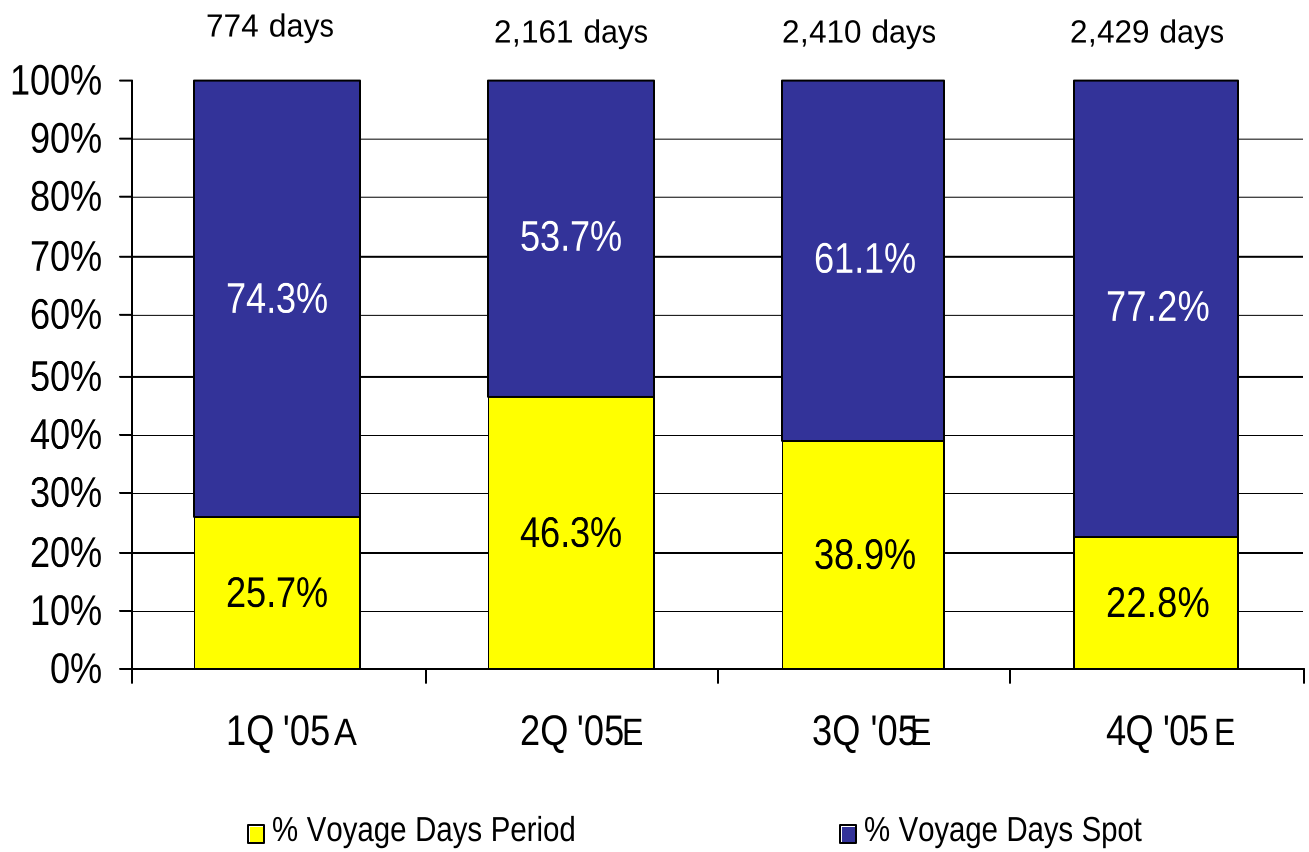
Vessels' Value Development (Index Based at 100% as at October 2004)

- Still "in the money" with 10 Additional vessels
- October 2004 to April 2005 = 19% increase
- February 2005 to April 2005 = 4% increase



Voyage Days by Charter Type (Spot and Period)

- For every $1,000 change in spot market rates, DryShips earnings fluctuate by 12 cents per share for 2005



- Estimated total number of voyage days for 2005 = 7,774
- Estimated % Period days for 2005 = 34.6%
- Estimated % Spot days for 2005 = 65.4%

1st Quarter 2005 - Earnings

($000's)	March 31 2004 (Unaudited)	March 31 2005 (Unaudited)
REVENUE		
Voyage Revenues	**$16,999**	**$29,449**
EXPENSES		
Voyage expenses	1,502	2,008
Vessel operating expenses	2,662	3,963
Depreciation	1,245	2,042
Amortisation	360	494
Management fees	327	549
Foreign exchange (loss)/gain	23	32
General & Adminstrative	0	726
Total Operating Expenses	6,119	9,814
OPERATING INCOME	**10,880**	**19,635**
OTHER INCOME/(EXPENSE)		
Interest and finance costs, net	(342)	(970)
Interest income	0	448
Other, net	99	(3)
Total Other Income/(Expenses), net	(243)	(525)
NET INCOME	**$10,637**	**$19,110**
Earnings per share, basic and diluted	$0.69	$0.80
Weighted average number of shares, basic and diluted	15,400,000	23,871,667

- Annualized ROCE = 30.2%
- Annualized ROE = 53.5%

1st Quarter 2005 - Highlights

($000's)	March 31 2004 (Unaudited)	March 31 2005 (Unaudited)
BALANCE SHEET DATA		
Current assets, including cash	$4,530	$81,986
Fixed Assets, net	54,450	515,789
Total Assets	91,124	601,770
Current liabilities, including current portion of long term debt	22,365	73,826
Total term debt, including current portion	43,709	302,221
Stockholders' equity	41,271	277,195
FLEET DATA		
Average number of vessels	6.0	8.6
Total voyage days for fleet	514	774
Total calendar days for fleet	540	774
Fleet ultilization	95.2%	100.0%
AVERAGE DAILY RESULTS		
Time charter equivalent	$30,150	$35,453
Vessel operating expenses	5,179	5,120
Management fees	636	709
General & administrative expenses (see note below)	0	938
Total vessel operating expenses (TVOE)	5,815	6,767

- Debt to Capitalization = 52.2%
- Net Debt to Capitalization = 40.4%

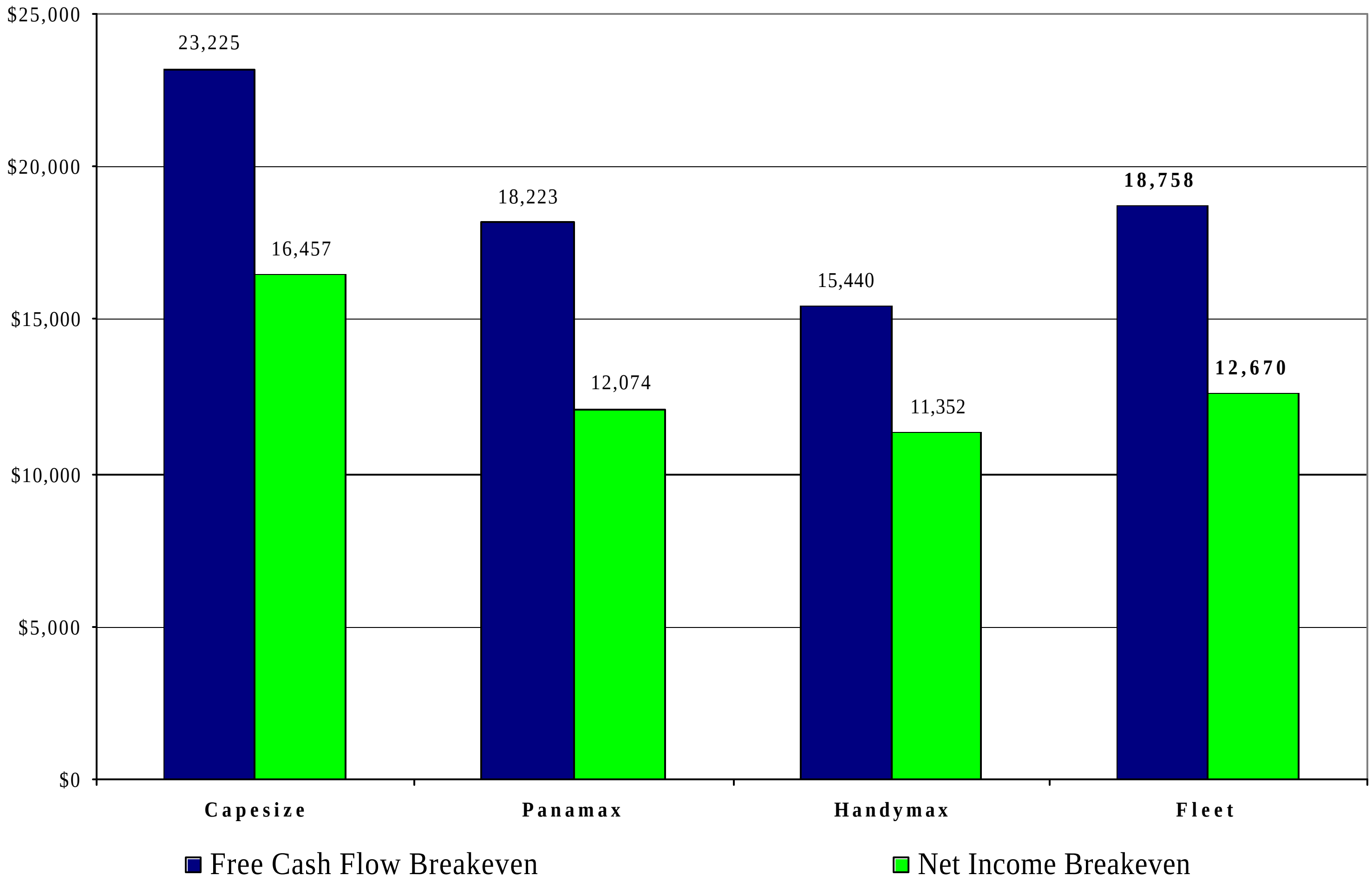
Note:

G&A expenses per vessel based on 8.6 vessels. Annualized over 27 vessels the cost per day/ship will reduce to $515

Acquisition Capital Expenditure

$000's except per ship data	1Q05A	2Q05E	3Q05E	4Q05E
Acquisition Capex				
Number of Ships Delivered	11	9	1	0
Purchase Price	368,625	421,215	46,700	
Cumulative Purchase Price	368,625	789,840	836,540	836,540
Additional Bank Debt	218,411	268,889	30,355	0
Cumulative Bank Debt	218,411	487,300	517,655	517,655
Fleet Development				
Number of Ships - End of Period	17	26	27	27
Average Number of Vessels	8.6	24.3	26.5	27.0
Total Debt Repayments	0	10,941	25,713	26,747
Debt Outstanding - End Period	302,220	526,212	530,849	504,101
Depreciated fixed assets	515,789	837,908	871,603	858,246
Depreciation	2,042	10,435	12,745	13,099

Breakeven Level – Estimated 2005



Breakeven Level – Estimated 2005

($ per vessel per day)

Expenses	Free Cashflow	Net Income
Operating	$4,311	$4,311
General & Administrative	515	515
Maintenance	806	0
Interest	2,513	2,513
Debt Repayment	8,168	0
Depreciation	0	5,173
Amortization	0	158
Dividend	2,445	0
Total	**$18,758**	**$12,670**

Note: Cardiff management fees included in operating expenses

EBITDA Calculator

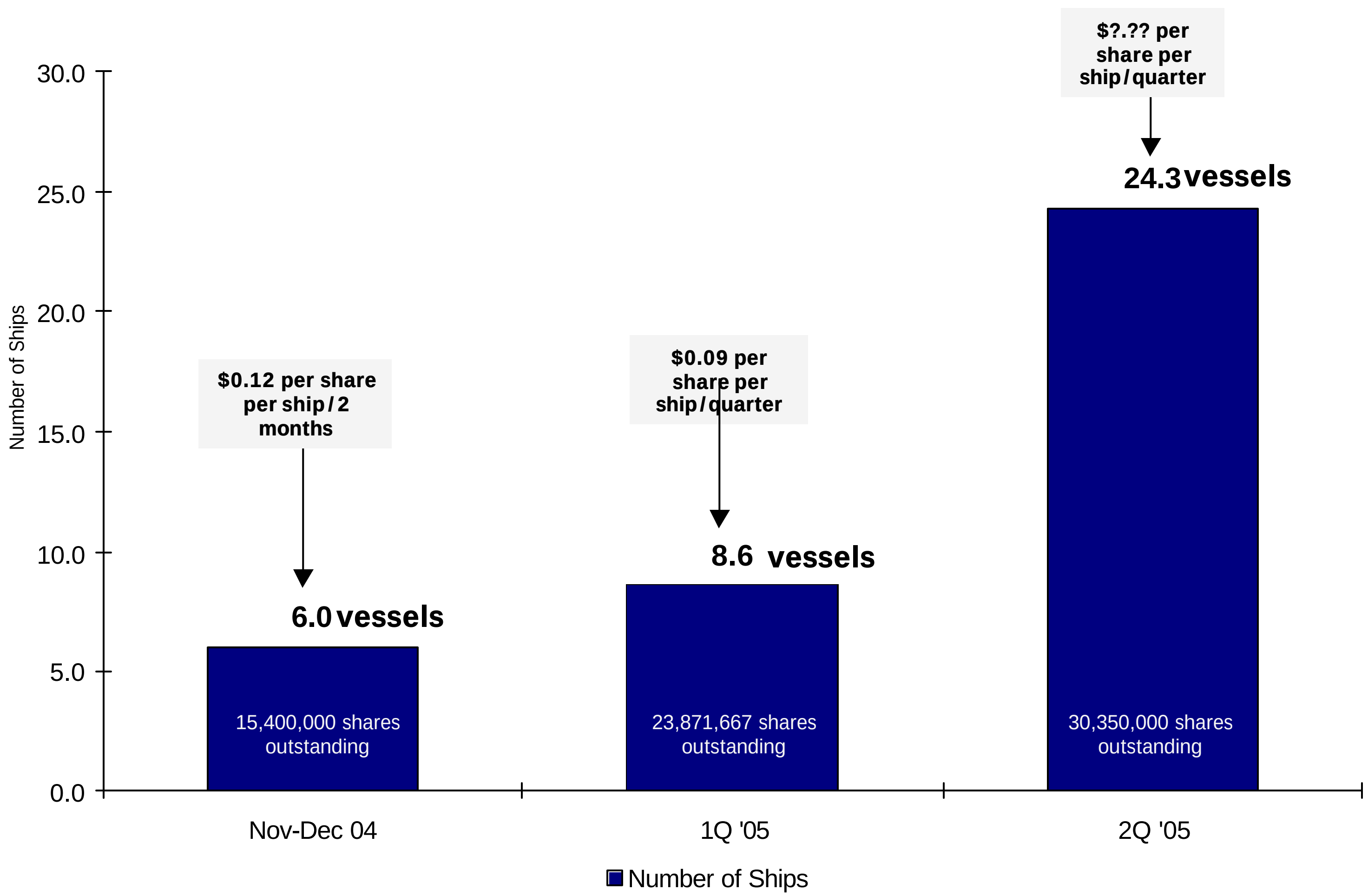
	1Q05A	2Q05E	3Q05E	4Q05E
Capesize				
Spot Voyage Days	90	105	180	180
Daily Spot Charter Rate (net of com.)	$74,244	?	?	?
Fixed T/C Revenue (net of com.)	$0.0m	$7.3m	$10.2m	$0.0m
Panamax				
Spot Voyage Days	419	810	1,230	1,395
Daily Spot Charter Rate (net of com.)	30,927	?	?	?
Fixed T/C Revenue (net of com.)	$5.3m	$22.5m	$18.1m	$11.3m
Handymax				
Spot Voyage Days	2	60	90	184
Daily Spot Charter Rate (net of com.)	$15,288	?	?	?
Fixed T/C Revenue (net of com.)	$1.3m	$2.4m	$2.4m	$0.0m
TOTAL SPOT T/C REVENUE	$20.8m	?	?	?
TOTAL FIXED T/C REVENUE	$6.6m	$32.2m	$30.7m	$11.3m
TVOE PER DAY*	6,235			
Total Ccalendar Days	774	2,202	2,452	2,484
EBITDA	$22.2m			

	1Q05A
Panamax	
Newbuilding Vessel	36,853
DryShips	30,927
Discount	16.1%

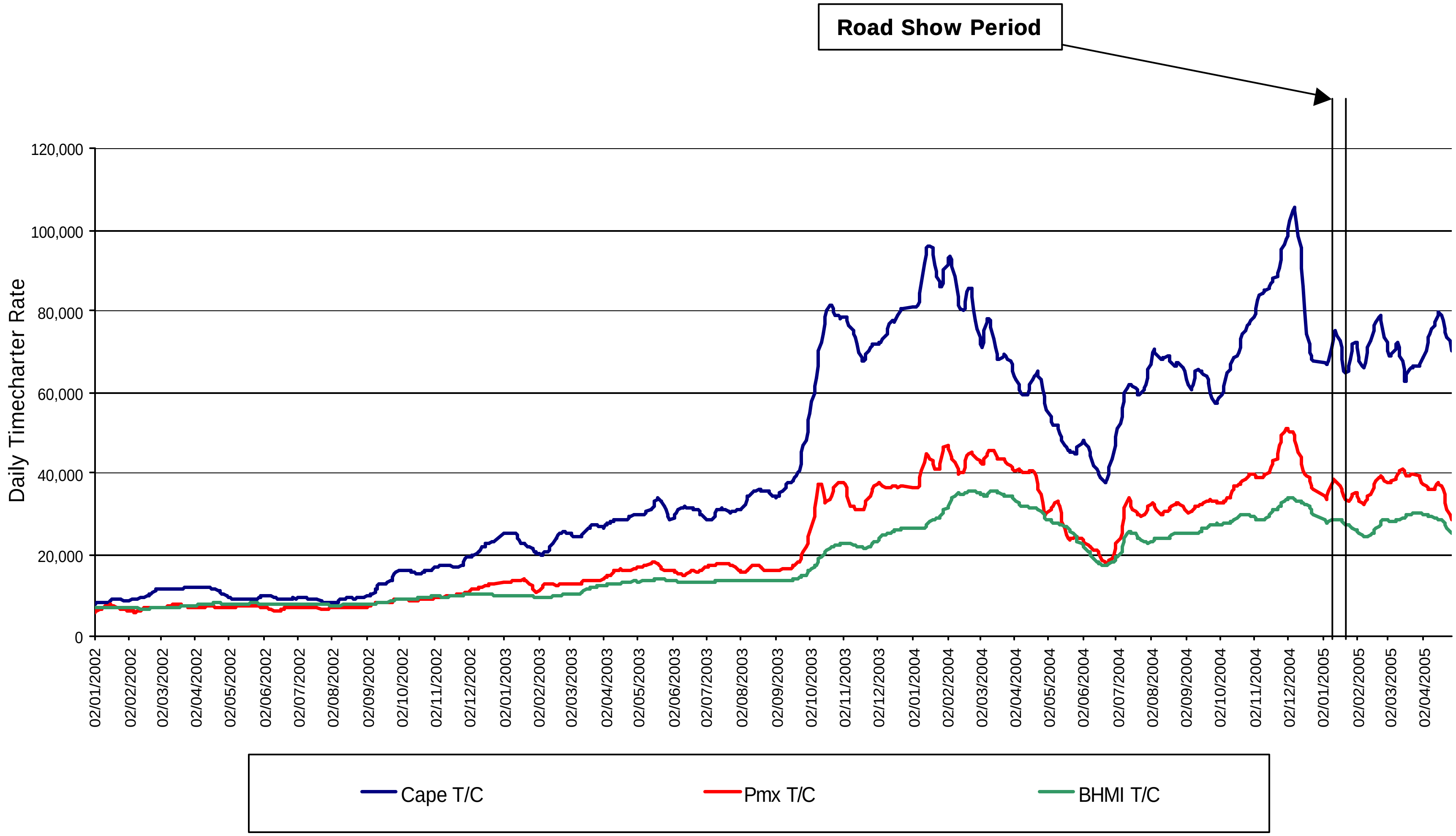
Newbuilding Vessel as utilized in our Daily Market Report page on www.dryships.com

* G&A estimate of TVOE adjusted down from $ 6,767 p.d. as per 1Q05 results to $6,344 to take into account delivery of all 21 vessels and a total fleet of 27 vessels

Earnings Potential (earnings per share per ship/quarter)

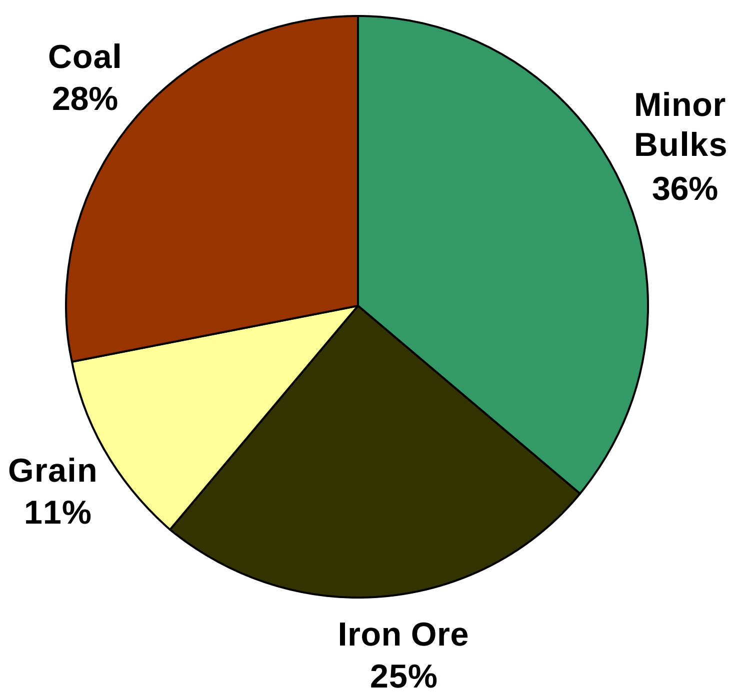


Spot Timecharter Rates

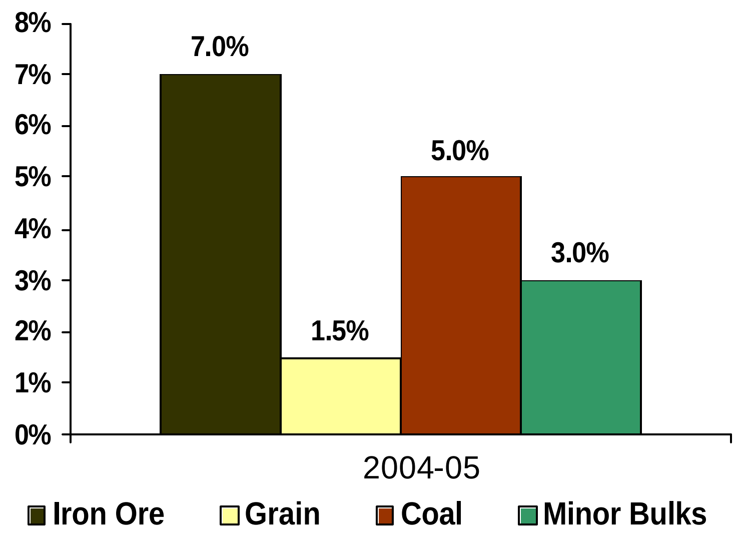


Seaborne Drybulk Trade

Commodity Breakdown Trade



CAGR by Commodity 2004 vs 2005



Seaborne Drybulk Commodity Trade

Bulk Commodity Trade Growth

(million tons)	2004 Million tons	2005 Million tons	2005 (% Chg.)	2006 Million tons	2006 (% Chg.)
IRON ORE	586	627		670	
(yoy increase tons)		41	(7%)	43	(7%)
COAL	645	677		711	
(yoy increase tons)		32	(5%)	34	(5%)
GRAIN	264	268		272	
(yoy increase tons)		4	(1.5%)	4	(1.5%)
MINOR BULK	850	875		901	
(yoy increase tons)		25	(3%)	26	(3%)
TOTAL	2,345	2,447		2,554	
(yoy increase tons)		102		107	

Order Book

	2005 Deliveries Million Dwt	2006 Deliveries Million Dwt
Capesize	8.5	11.9
Panamax	6.0	4.3
Handymax	5.5	5.2
Handysize	2.3	1.7
TOTAL ADDITIONS	22.3	23.1
Projected Scrapping	(2.9)	(7.0)
TOTAL AVAILABILITY	19.4	16.1

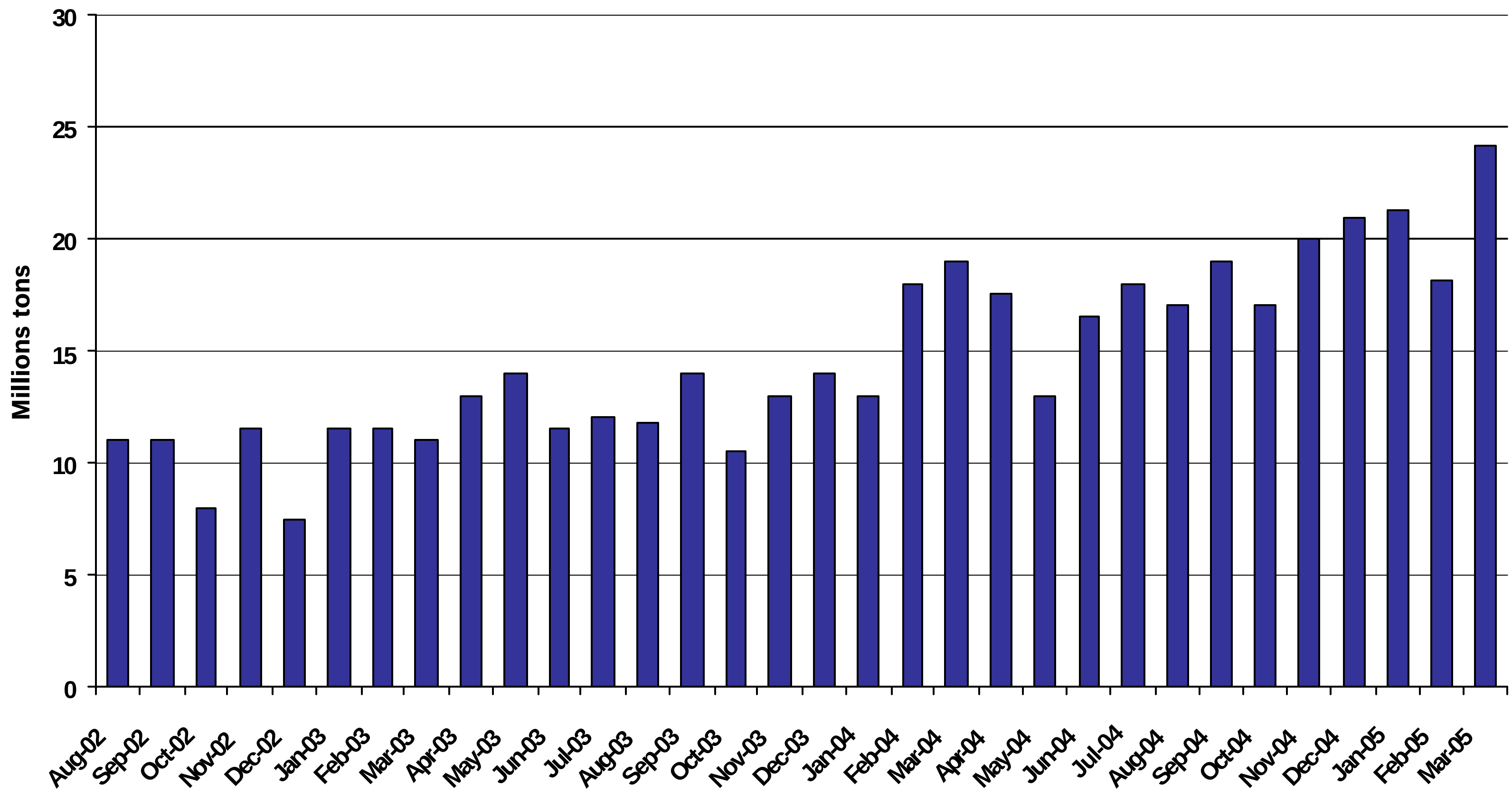
Demand & Supply

	2004	2005	2006
Fleet	323m dwt	345m dwt	367m dwt
Cargo Carried	2,345m tons	2,447m tons	2,668m tons
Demand Growth (cargo in million dwt)		102.00	107.00
Supply Growth (cargo equivalent in million dwt)		95.06	78.90
Supply/Demand Balance		**+6.94m dwt**	**-28.1m dwt**

Note: Supply growth = Fleet availability x productivity of 4.9 tons carried per deadweight ton.

Iron Ore Imports to China

- March 2005 recorded 24.2 million tons



Combined Australian Port Delays

- Port congestion continues