



Diamond Offshore Announces Agreement to Purchase Semisubmersible Drilling Rig

November 5, 2002

HOUSTON--(BUSINESS WIRE)--Nov. 5, 2002--Diamond Offshore Drilling Inc. (NYSE:DO) today reported its subsidiary, Diamond Offshore Drilling Limited, has signed a memorandum of agreement to purchase the semisubmersible drilling rig Omega for \$65 million. The agreement is subject to certain conditions and the purchase is expected to be completed in the first quarter of 2003.

Prior to the delivery of the rig, the Omega will undergo its regularly scheduled five year survey at which time the seller has agreed to perform various upgrades to enhance the rig's equipment.

The Omega, currently working offshore South Africa, is a 3rd generation Bingo 3000 design rig constructed in 1983 which has been upgraded to work in water depths of up to 3,000 feet. The rig has worked in the North Sea, West Africa and the Gulf of Mexico.

Larry Dickerson, president and chief operating officer, said, "We believe the Omega will be a valuable addition to our fleet. Diamond Offshore pursues opportunities through both upgrades and acquisitions, but always with a focus on enhancing shareholder value."

Diamond Offshore is a leader in deep water drilling. The company's fleet of 45 offshore drilling rigs currently consists of 30 semisubmersibles, 14 jack-ups and one drillship. The fleet operates in the waters of six of the world's seven continents.

Statements in this press release that contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, include, but are not limited to, statements concerning satisfaction of the conditions contemplated by the memorandum of agreement to purchase the Omega, the closing of such purchase, and the upgrades planned to occur prior to delivery of the rig. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those anticipated or projected. A discussion of the risk factors that could impact these areas and the Company's overall business and financial performance can be found in the Company's reports filed with the Securities and Exchange Commission. These factors include, among others, general economic and business conditions, casualty losses, industry fleet capacity, changes in foreign and domestic oil and gas exploration and production activity, competition, changes in foreign, political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, customer preferences and various other matters, many of which are beyond the company's control. Given these concerns, investors and analysts should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of this press release, and the company undertakes no obligation to publicly update or revise any forward-looking statements.

CONTACT: Diamond Offshore, Houston

Caren W. Steffes, 281/492-5393