



Diamond Offshore Announces Agreement to Purchase Semisubmersible Drilling Rig

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HOUSTON--(BUSINESS WIRE)--Nov. 22, 2002--Diamond Offshore Drilling Inc. (NYSE:DO) today reported that its subsidiary, Diamond Offshore Drilling Limited, has entered into an agreement to purchase the semisubmersible drilling rig West Vanguard for \$68.5 million from Smedvig Rig AS. The sale is expected to be completed prior to year end. The agreement provides that, upon closing, the rig will be bareboat chartered to a Smedvig affiliate for a period anticipated to expire during the second quarter of 2003.

The West Vanguard is a third-generation Bingo 3000 design rig constructed in 1982. The rig is currently operating offshore Norway.

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 the agreement to purchase the West Vanguard, the closing of such purchase, and the expiration of the bareboat charter. 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.

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