



## **Diamond Offshore Announces Letter of Intent for Operation of Semisubmersible Ocean Rover**

March 6, 2003

HOUSTON, Mar 6, 2003 (BUSINESS WIRE) -- Diamond Offshore Drilling Inc. (NYSE:DO) today announced that it has received a letter of intent from Murphy Sabah Oil Company Ltd., a wholly-owned subsidiary of Murphy Oil Corporation (NYSE:MUR), to operate the semisubmersible Ocean Rover offshore Malaysia for approximately 120 days following completion of its upgrade.

Subject to the negotiation and execution of a definitive agreement, the Ocean Rover is expected to commence operations in Malaysia following delivery from the shipyard. The drilling program consists of three wells with a minimum expected duration of 120 days during which time the rig is expected to generate revenues, depending upon water depth, of approximately \$13.4 million to \$14.9 million.

The Ocean Rover is currently undergoing an upgrade to fifth-generation capabilities, including the ability for self-contained mooring operations in up to 7,000 feet of water. The work is taking place in a Singapore shipyard. The upgrade is expected to be completed and the rig delivered to the Company in the third quarter of this year.

Diamond Offshore is a leader in deep water drilling. The Company's fleet of 46 offshore drilling rigs currently consists of 31 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 future revenues expected to be generated by the Ocean Rover, contract commencement dates, completion of the upgrade and 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 filings 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 Drilling Inc., Houston Caren W. Steffes, 281/492-5393