



## Diamond Offshore Drilling Inc. Announces First Quarter 2003 Earnings

April 17, 2003

HOUSTON--(BUSINESS WIRE)--April 17, 2003--Diamond Offshore Drilling Inc. (NYSE:DO) today reported a net loss of \$21.6 million, or \$0.17 per share on a diluted basis, on revenues of \$146.1 million for the first quarter of 2003, compared to net income of \$22.6 million, or \$0.17 per share on a diluted basis, on revenues of \$201.6 million for the first quarter of 2002.

As of March 31, 2003, there were 130.3 million shares of common stock outstanding. Depending on market conditions, the Company may, from time to time, purchase shares of its outstanding common stock in the open market or otherwise.

Diamond Offshore is a leader in deep water drilling. The Company's fleet of 47 offshore drilling rigs consists of 32 semisubmersibles, 14 jack-ups and one drillship. The fleet operates in the waters of six of the world's seven continents.

As previously announced, Diamond Offshore will provide an online, real-time simulcast and rebroadcast of its 2003 first quarter earnings release conference call. The live broadcast of the Diamond Offshore Drilling Inc. quarterly conference call will be available online at [www.diamondoffshore.com](http://www.diamondoffshore.com) on April 17, 2003, beginning at 9:00 a.m. Central Time. The online replay will follow immediately and continue for 5 days after the original call. Please go to the Web site at least 15 minutes before the broadcast to register, download and install any necessary audio software.

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 Company's possible purchase of shares of its outstanding common stock. 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 and other 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. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

DIAMOND OFFSHORE DRILLING INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)  
(In thousands, except per share data)

	Three Months Ended March 31,	
	2003	2002
Revenues:		
Contract drilling	\$139,859	\$193,668
Revenues related to reimbursable expenses	6,290	7,882
Total revenues	146,149	201,550
Operating expenses:		
Contract drilling	113,670	120,947
Reimbursable expenses	5,738	7,212
Depreciation	47,277	42,697
General and administrative	7,200	6,648
Total operating expenses	173,885	177,504
Operating income (loss)	(27,736)	24,046
Other income (expense):		
Interest income	4,156	9,581

Interest expense	(5,575)	(5,470)
(Loss) gain on sale of marketable securities	(61)	3,492
Other, net	1,743	853
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Income before income tax expense	(27,473)	32,502
Income tax benefit (expense)	5,907	(9,944)
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Net income (loss)	\$(21,566)	\$22,558
	=====	=====
Earnings (loss) per share:		
Basic	\$(0.17)	\$0.17
	=====	=====
Diluted	\$(0.17)	\$0.17
	=====	=====
Weighted average shares outstanding:		
Shares of common stock	130,336	131,786
Dilutive potential shares of common stock	--	9,482
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Total weighted average shares outstanding	130,336	141,268
	=====	=====

DIAMOND OFFSHORE DRILLING INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS

(Unaudited)

(In thousands)

	Three Months Ended March 31,	
	2003	2002
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REVENUES		
High Specification Floaters	\$63,634	\$74,647
Other Semisubmersibles	51,703	88,080
Jack-ups	23,566	29,500
Integrated Services	1,189	1,823
Eliminations	(233)	(382)
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Total Contract Drilling Revenue	\$139,859	\$193,668
	=====	=====
Revenues Related to Reimbursable Expenses	\$6,290	\$7,882
	=====	=====
CONTRACT DRILLING EXPENSE		
High Specification Floaters	\$38,276	\$35,528
Other Semisubmersibles	49,717	56,873
Jack-ups	24,251	25,682
Integrated Services	1,249	2,841
Other	410	405
Eliminations	(233)	(382)
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Total Contract Drilling Expense	\$113,670	\$120,947
	=====	=====
Reimbursable Expenses	\$5,738	\$7,212
	=====	=====
OPERATING INCOME (LOSS)		
High Specification Floaters	\$25,358	\$39,119
Other Semisubmersibles	1,986	31,207
Jack-ups	(685)	3,818

DIAMOND OFFSHORE DRILLING INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY

DIAMOND OFFSHORE DRILLING INC. AND SUBSIDIARIES

	First Quarter 2003		Fourth Quarter 2002		First Quarter 2002	
	Dayrate	Utili- zation	Dayrate	Utili- zation	Dayrate	Utili- zation
			(Dayrate in thousands)			
High Specification Floaters	\$94	83%	\$99	84%	\$116	88%
Other Semi-						

submersibles	\$62	43%	\$64	61%	\$68	69%
Jack-ups	\$28	68%	\$28	68%	\$30	78%

CONTACT: Diamond Offshore Drilling Inc., Houston Caren W. Steffes, 281/492-5393 SOURCE: Diamond Offshore Drilling Inc.