



Diamond Offshore Drilling, Inc. Reports Impact of Downtime on Ocean Alliance -- Rig Returns to Work on July 2

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HOUSTON -- Diamond Offshore Drilling, Inc. (NYSE:DO) today reported that the semisubmersible rig Ocean Alliance experienced a series of sub-sea and electrical problems after returning to work following a scheduled regulatory survey and sub-sea equipment upgrade and was off contract for 80 days during the second quarter of 2004. As a result, gross revenue was negatively impacted by approximately \$9.3 million. The unit went back on term contract for Petrobras in Brazil on July 2, where it is currently operating.

Diamond Offshore is a leader in deep water drilling. The Company's fleet of 45 offshore drilling rigs 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 may 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, and 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.

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SOURCE: Diamond Offshore Drilling, Inc.