



Diamond Offshore Announces Agreement to Sell the Ocean Columbia

March 21, 2012

HOUSTON--(BUSINESS WIRE)--Mar. 21, 2012-- Diamond Offshore Drilling, Inc. (NYSE:DO) announced today the execution of a definitive agreement to sell its subsidiary's jack-up drilling rig, *Ocean Columbia*, to a subsidiary of Hercules Offshore, Inc. (NASDAQ: HERO) for a sale price of \$40 million in cash. The transaction is expected to close in May 2012, subject to customary closing conditions.

After the transaction closes, employees currently working on the rig will have opportunities to remain with Diamond Offshore, where they may be reassigned within the fleet. Additionally, our current newbuild projects, three ultra-deepwater drillships and a deepwater semisubmersible rig, will create significant employment opportunities as the rigs are delivered from the shipyards in 2013 and 2014.

"Hercules approached us with an offer to acquire the *Ocean Columbia*, and we found the terms to be compelling," said Larry Dickerson, President and Chief Executive Officer of Diamond Offshore. "We are principally a floater company, and this transaction will further augment our funds for potential investments in deepwater and ultra-deepwater assets."

ABOUT DIAMOND OFFSHORE

Diamond Offshore provides contract drilling services to the energy industry and is a leader in deepwater drilling. Diamond Offshore's fleet of offshore drilling rigs consists of 32 semisubmersibles, 13 jack-ups, and one drillship, in addition to three ultra-deepwater drillships currently under construction. For additional information and access to SEC filings, please visit the Company's website at www.diamondoffshore.com.

FORWARD-LOOKING STATEMENTS

Statements contained in this press release which are not historical facts are "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include, without limitation, statements concerning the future closing of the sale transaction, future employment opportunities and reassignments, future rig deliveries and future investments, and are inherently uncertain and subject to a variety of risks that could cause actual results to differ materially from those expected by management of the Company. A discussion of the important risk factors and other considerations that could materially impact these matters as well as the Company's overall business and financial performance can be found in the Company's reports filed with the Securities and Exchange Commission and readers of this release are urged to review those reports carefully when considering these forward-looking statements. Copies of these reports are available through the Company's website www.diamondoffshore.com. Given these risk factors, investors and analysts should not place undue reliance on forward-looking statements. Any such forward-looking statements speak 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.

Source: Diamond Offshore Drilling, Inc.

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