
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report: (Date of earliest event reported): July 30, 2018

Diamond Offshore Drilling, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13926
(Commission
file number)

76-0321760
(I.R.S. Employer
Identification No.)

**15415 Katy Freeway
Houston, Texas 77094**
(Address of principal executive offices, including Zip Code)

(281) 492-5300
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition

On July 30, 2018, Diamond Offshore Drilling, Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended June 30, 2018. A copy of the press release is furnished herewith as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure

Earnings Conference Call

A conference call to discuss the Company’s earnings results has been scheduled for 7:30 a.m. Central Time on July 30, 2018. The information for accessing the conference call is included in the press release.

Recent Agreements with Customers

The Company and certain of its subsidiaries recently entered into a series of contracts with each of Anadarko Petroleum Corporation (“Anadarko”) and BP Exploration & Production Inc. and certain of its affiliates (collectively, “BP”). Certain principal agreements of the parties are described below.

Anadarko

The Company and Anadarko agreed to the following:

- (i) *Extension of the Existing Ocean BlackHawk Contract.* The Company and Anadarko agreed to extend the existing contract for the *Ocean BlackHawk* until April 2021. The existing *Ocean BlackHawk* contract was scheduled to expire in June 2019. The operating dayrate under the extended contract will remain at \$495,000 until April 2020, when it will adjust to a rate that is materially higher than current market dayrates and is subject to a possible one-time capped increase based on then-prevailing market rates. Anadarko retains its option to extend the contract further for an additional period or additional wells subject to notice and mutually agreed rates. Commencing on March 1, 2019, Anadarko will temporarily suspend dayrate payments for the *Ocean BlackHawk* until the rig completes regulatory maintenance and equipment re-certifications, which activities are currently expected to be completed by the end of June 2019.
- (ii) *Early Release of the Ocean BlackHornet.* The Company and Anadarko also agreed to the early termination of the existing contract for the *Ocean BlackHornet*, to be effective when the *Ocean BlackHawk* completes its regulatory maintenance and equipment re-certifications, expected by the end of June 2019. The existing *Ocean BlackHornet* contract was scheduled to expire in April 2020.

BP

The Company and BP agreed to the following:

- (i) *New Drilling Contracts for Drillships.* BP agreed to contract the *Ocean BlackHornet* and another drillship to be named later, each for a term of at least two years plus two one-year unpriced options, commencing after completion of the respective drillship's current contract and subsequent special survey, shipyard period, verification and/or any other necessary assurance activities. The operating dayrate for each contract will be within an agreed range of dayrates that are materially higher than current market dayrates and will be determined within the range based on then-prevailing market rates.
- (ii) *Early Termination of the Existing Ocean GreatWhite Contract.* The Company and BP agreed to the early termination of the existing contract for the *Ocean GreatWhite*, effective July 1, 2018, and for BP to pay the Company a fee to be recorded by the Company in the fiscal quarter ending September 30, 2018. The existing *Ocean GreatWhite* contract was scheduled to expire in January 2020. As a result of the early termination, the Company is free to secure new work for the *Ocean GreatWhite* and is currently in discussions with a customer regarding a drilling project for the rig.
- (iii) *Additional Future Payments.* In addition to the new drilling contracts for drillships and the fee described above, BP agreed to pay to the Company a total of \$135 million through a series of designated payments during 2019 through 2023.

Rig Status Report

The Company hereby incorporates by reference into this Item 7.01 the summary report of the status, as of July 30, 2018, of the Company's offshore drilling rigs attached as Exhibit 99.2.

The information contained in Items 2.02 and 7.01 and Exhibits 99.1 and 99.2 to this report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall not be incorporated by reference into any previous or future registration statement filed under the Securities Act of 1933, as amended (the "Securities Act"), unless specifically identified therein as being incorporated by reference.

Statements in this report, statements in the press release furnished as Exhibit 99.1 to this report or the rig status report furnished as Exhibit 99.2 to this report, and statements made during the conference call described in this report, in each case that are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements include, but are not limited to, statements concerning the extension of the *Ocean BlackHawk* contract, including future dayrates, revenues and extensions, and the timing of future maintenance activities and the early release of the *Ocean BlackHornet* contract; new drilling contracts with and future payments from BP, including the timing, duration, commencement, dayrates and revenue associated therewith and any future drilling contracts; proposed future drilling projects and commencement dates for the *Ocean GreatWhite* and the risk that customer discussions may not result in a definitive agreement; drilling operations and timing; contract effectiveness, effective dates and estimated duration; expectations regarding rig downtime, reactivation, surveys, retirement, availability, utilization

and scrapping; future impairments; expectations of future backlog and revenue expected to result from backlog, revenue, operating costs and performance; future liquidity, financial condition, market conditions, commodity prices and strategic opportunities; future contract dayrates, status and termination rights; contract noncompliance by customers and other third parties; rights, obligations and future actions under letters of intent; outcomes of customer discussions; future impact of regulations; future outcome of litigation; and other statements that are not of historical fact. Forward-looking statements are inherently uncertain and subject to a variety of assumptions, risks and uncertainties that could cause actual results to differ materially from those currently anticipated or expected by management of the Company. A discussion of certain of the 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 report are urged to review those reports carefully when considering these forward-looking statements. These risk factors include, among others, risks associated with worldwide demand for drilling services, level of activity in the oil and gas industry, renewing or replacing expired or terminated contracts, contract cancellations and terminations, maintenance and realization of backlog, competition and industry fleet capacity, litigation and disputes, operating risks and various other factors, many of which are beyond the Company’s control. Given these risk factors and other considerations, investors and analysts should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of such statement, and 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.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit number</u>	<u>Description</u>
99.1	<u>Press Release dated July 30, 2018</u>
99.2	<u>Rig Status Report as of July 30, 2018</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 30, 2018

DIAMOND OFFSHORE DRILLING, INC.

By: /s/ DAVID L. ROLAND

David L. Roland

Senior Vice President, General Counsel and Secretary



DIAMOND
OFFSHORE

Contact:
Samir Ali
Vice President, Investor Relations
& Corporate Development
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Diamond Offshore Announces Second Quarter 2018 Results

- Net loss of \$(69) million, or \$(0.50) per diluted share
- Adjusted net loss of \$(45) million, or \$(0.33) per diluted share

HOUSTON, July 30, 2018 - Diamond Offshore Drilling, Inc. (NYSE: DO) today reported the following results for the second quarter of 2018:

<i>Thousands of dollars, except per share data</i>	Three Months Ended	
	June 30, 2018	March 31, 2018
Total revenues	\$ 268,861	\$ 295,510
Operating (loss) income	(52,375)	512
Adjusted operating (loss) income	(23,885)	3,294
Net (loss) income	(69,274)	19,321
Adjusted net loss	(44,900)	(21,345)
(Loss) earnings per diluted share	\$ (0.50)	\$ 0.14
Adjusted loss per diluted share	\$ (0.33)	\$ (0.16)

“We made strong progress in the second quarter of 2018, securing several new fixtures that add an additional net 5 years of backlog across our 6th generation drillships,” said Marc Edwards, President and Chief Executive Officer.

The Company extended the current *Ocean BlackHawk* contract through the second quarter of 2021 and also executed two new two-year contracts, one for the *Ocean BlackHornet* and one for a yet to be named drillship, which are scheduled to commence in 2020. Edwards added, “With this new backlog, our 6th generation drillships are now contracted into the next decade at rates that are materially above current market. We believe this contracting activity positions Diamond Offshore for success during the remainder of this prolonged downturn, and beyond.”

Edwards concluded with, “We also took another step towards improving offshore drilling efficiencies and reducing total cost of ownership for operators with the recent launch of our Blockchain Drilling™ service, the first application of industrial blockchain technology in the offshore drilling industry. The implementation of this service and other recently released innovations demonstrates our thought leadership in the offshore drilling market and enables differentiation of our global fleet.”

As of July 1, 2018, the Company’s total contracted backlog was \$2.2 billion, which represents 23 rig years of work.

CONFERENCE CALL

A conference call to discuss Diamond Offshore’s earnings results has been scheduled for 7:30 a.m. CDT today. A live webcast of the call will be available online on the Company’s website, www.diamondoffshore.com. Those interested in participating in the question and answer session should dial 844-492-6043 or 478-219-0839 for international callers. The conference ID number is 4479039. An online replay will also be available on www.diamondoffshore.com following the call.

ABOUT DIAMOND OFFSHORE

Diamond Offshore is a leader in offshore drilling, providing innovation, thought leadership and contract drilling services to solve complex deepwater challenges around the globe. Additional information and access to the Company’s SEC filings are available at www.diamondoffshore.com. Diamond Offshore is owned 53% by Loews Corporation (NYSE: L).

FORWARD-LOOKING STATEMENTS

Statements contained in this press release or made during the above conference call that are not historical facts are “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements are inherently uncertain and subject to a variety of assumptions, risks and uncertainties that could cause actual results to differ materially from those anticipated or expected by management of the Company. A discussion of certain 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 press 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 at www.diamondoffshore.com. These risk factors include, among others, risks associated with worldwide demand for drilling services, level of activity in the oil and gas industry, renewing or replacing expired or terminated contracts, contract cancellations and terminations, maintenance and realization of backlog, competition and industry fleet capacity, impairments and retirements, operating risks, litigation and disputes, changes in tax laws and rates, regulatory initiatives and compliance with governmental regulations, casualty losses, and various other factors, many of which are beyond the Company’s control. Given these risk factors, 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
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues:				
Contract drilling	\$ 265,353	\$ 392,170	\$ 553,279	\$ 755,727
Revenues related to reimbursable expenses	3,508	7,119	11,092	17,788
Total revenues	<u>268,861</u>	<u>399,289</u>	<u>564,371</u>	<u>773,515</u>
Operating expenses:				
Contract drilling, excluding depreciation	189,321	196,217	374,010	399,740
Reimbursable expenses	3,414	6,790	10,884	17,268
Depreciation	81,825	85,982	163,650	179,211
General and administrative	18,236	19,010	36,749	36,493
Impairment of assets	27,225	71,268	27,225	71,268
Restructuring and separation costs	1,265	—	4,276	—
Gain on disposition of assets	(50)	(802)	(560)	(2,148)
Total operating expenses	<u>321,236</u>	<u>378,465</u>	<u>616,234</u>	<u>701,832</u>
Operating (loss) income	(52,375)	20,824	(51,863)	71,683
Other income (expense):				
Interest income	2,001	396	3,638	571
Interest expense	(29,585)	(27,251)	(57,903)	(54,847)
Foreign currency transaction gain (loss)	411	(927)	858	160
Other, net	262	(62)	842	(125)
(Loss) income before income tax benefit	(79,286)	(7,020)	(104,428)	17,442
Income tax benefit	10,012	22,969	54,475	22,046
Net (loss) income	<u>\$ (69,274)</u>	<u>\$ 15,949</u>	<u>\$ (49,953)</u>	<u>\$ 39,488</u>
(Loss) income per share	<u>\$ (0.50)</u>	<u>\$ 0.12</u>	<u>\$ (0.36)</u>	<u>\$ 0.29</u>
Weighted-average shares outstanding:				
Shares of common stock	137,429	137,224	137,362	137,199
Dilutive potential shares of common stock	—	3	—	36
Total weighted-average shares outstanding	<u>137,429</u>	<u>137,227</u>	<u>137,362</u>	<u>137,235</u>

DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES
RESULTS OF OPERATIONS
(Unaudited)
(In thousands)

	Three Months Ended		
	June 30, 2018	March 31, 2018	June 30, 2017
REVENUES RELATED TO CONTRACT DRILLING	\$265,353	\$287,926	\$392,170
REVENUES RELATED TO REIMBURSABLE EXPENSES	3,508	7,584	7,119
TOTAL REVENUES	\$268,861	\$295,510	\$399,289
CONTRACT DRILLING EXPENSE, EXCLUDING DEPRECIATION	\$189,321	\$184,689	\$196,217
REIMBURSABLE EXPENSES	\$ 3,414	\$ 7,470	\$ 6,790
OPERATING (LOSS) INCOME			
Contract drilling services, net	\$ 76,032	\$103,237	\$195,953
Reimbursable expenses, net	94	114	329
Depreciation	(81,825)	(81,825)	(85,982)
General and administrative expense	(18,236)	(18,513)	(19,010)
Impairment of assets	(27,225)	—	(71,268)
Restructuring and separation costs	(1,265)	(3,011)	—
Gain on disposition of assets	50	510	802
Total Operating (Loss) Income	<u>\$ (52,375)</u>	<u>\$ 512</u>	<u>\$ 20,824</u>

DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands)

	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 144,168	\$ 376,037
Marketable securities	274,671	—
Accounts receivable, net of allowance for bad debts	203,131	256,730
Prepaid expenses and other current assets	154,408	157,625
Assets held for sale	67,815	96,261
Total current assets	844,193	886,653
Drilling and other property and equipment, net of accumulated depreciation	5,197,197	5,261,641
Other assets	71,389	102,276
Total assets	<u>\$6,112,779</u>	<u>\$6,250,570</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$ 199,362	\$ 223,288
Long-term debt	1,973,059	1,972,225
Deferred tax liability	124,350	167,299
Other liabilities	105,278	113,497
Stockholders' equity	<u>3,710,730</u>	<u>3,774,261</u>
Total liabilities and stockholders' equity	<u>\$6,112,779</u>	<u>\$6,250,570</u>

DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2018	2017
Operating activities:		
Net (loss) income	\$ (49,953)	\$ 39,488
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation	163,650	179,211
Loss on impairments of assets	27,225	71,268
Deferred tax provision	(61,160)	(54,425)
Other	21,870	28,883
Net changes in operating working capital	29,135	(87,544)
Net cash provided by operating activities	<u>130,767</u>	<u>176,881</u>
Investing activities:		
Capital expenditures	(90,432)	(71,889)
Proceeds from maturities of marketable securities	300,000	—
Purchase of marketable securities	(573,837)	—
Proceeds from disposition of assets, net of disposal costs	1,723	4,077
Other	—	23
Net cash used in investing activities	<u>(362,546)</u>	<u>(67,789)</u>
Financing activities:		
Net repayment of short-term borrowings	—	(104,200)
Other	(90)	(156)
Net cash used in financing activities	<u>(90)</u>	<u>(104,356)</u>
Net change in cash and cash equivalents	<u>(231,869)</u>	<u>4,736</u>
Cash and cash equivalents, beginning of period	376,037	156,233
Cash and cash equivalents, end of period	<u>\$ 144,168</u>	<u>\$ 160,969</u>

DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES
AVERAGE DAYRATE, UTILIZATION AND OPERATIONAL EFFICIENCY
(Dayrate in thousands)

	Second Quarter 2018			First Quarter 2018			Second Quarter 2017		
	Average Dayrate (1)	Utilization (2)	Operational Efficiency (3)	Average Dayrate (1)	Utilization (2)	Operational Efficiency (3)	Average Dayrate (1)	Utilization (2)	Operational Efficiency (3)
Floaters	\$ 317	53%	90.8%	\$ 351	52%	97.0%	\$ 391	47%	97.1%
Jack-ups	—	—	—	—	—	—	\$ 75	86%	90.8%
Fleet Total			90.8%			97.0%			96.6%

- (1) Average dayrate is defined as contract drilling revenue for all of the specified rigs in our fleet per revenue-earning day. A revenue-earning day is defined as a 24-hour period during which a rig earns a dayrate after commencement of operations and excludes mobilization, demobilization and contract preparation days.
- (2) Utilization is calculated as the ratio of total revenue-earning days divided by the total calendar days in the period for all specified rigs in our fleet (including cold-stacked rigs). Our current fleet includes four floaters that are cold stacked.
- (3) Operational efficiency is calculated as the ratio of total revenue-earning days divided by the sum of total revenue-earning days plus the number of days (or portions thereof) associated with unanticipated equipment downtime.

Non-GAAP Financial Measures (Unaudited)

To supplement the Company's unaudited condensed consolidated financial statements presented on a GAAP basis, this press release provides investors with adjusted operating income, adjusted net income and adjusted earnings per diluted share, which are non-GAAP financial measures. Management believes that these measures provide meaningful information about the Company's performance by excluding certain charges that may not be indicative of the Company's ongoing operating results. This allows investors and others to better compare the company's financial results across previous and subsequent accounting periods and to those of peer companies and to better understand the long-term performance of the Company. Non-GAAP financial measures should be considered to be a supplement to, and not as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

In order to fully assess the financial operating results of the Company, management believes that the results of operations adjusted to exclude gains on the sale of rigs, restructuring and separation costs, impairment charges, as well as the related tax effects thereof and other discrete tax items, are appropriate measures of the continuing and normal operations of the Company. However, these measures should be considered in addition to, and not as a substitute for, or superior to, contract drilling revenue, contract drilling expense, operating income, cash flows from operations or other measures of financial performance prepared in accordance with GAAP.

	Three Months Ended		
	June 30, 2018	March 31, 2018	June 30, 2017
Reconciliation of As Reported Operating (Loss) Income to Adjusted Operating (Loss) Income:			
(In thousands)			
As reported operating (loss) income	\$(52,375)	\$ 512	\$ 20,824
Impairments and other charges:			
Impairment of rigs ⁽¹⁾	27,225	—	71,268
Restructuring and separation costs ⁽²⁾	1,265	3,011	—
Gain on sale of rigs ⁽³⁾	—	(229)	—
Adjusted operating (loss) income	<u>\$(23,885)</u>	<u>\$ 3,294</u>	<u>\$ 92,092</u>
Reconciliation of As Reported Net (Loss) Income to Adjusted Net (Loss) Income:			
(In thousands)			
As reported net (loss) income	\$(69,274)	\$ 19,321	\$ 15,949
Impairments and other charges:			
Impairment of rigs ⁽¹⁾	27,225	—	71,268
Restructuring and separation costs ⁽²⁾	1,265	3,011	—
Gain on sale of rigs ⁽³⁾	—	(229)	—
Tax effect of impairments and other charges:			
Impairment of rigs	(3,933)	—	(24,944)
Restructuring and separation costs	(183)	(274)	—
Gain on sale of rigs	—	146	—
Other discrete items ⁽⁴⁾	—	(43,320)	—
Adjusted net (loss) income	<u>\$(44,900)</u>	<u>\$(21,345)</u>	<u>\$ 62,273</u>

	Three Months Ended		
	June 30, 2018	March 31, 2018	June 30, 2017
Reconciliation of As Reported (Loss) Income per Diluted Share to Adjusted (Loss)			
Earnings per Diluted Share:			
As reported (loss) income per diluted share	\$ (0.50)	\$ 0.14	\$ 0.12
Impairments and other charges:			
Impairment of rigs ⁽¹⁾	0.19	—	0.51
Restructuring and separation costs ⁽²⁾	0.01	0.02	—
Gain on sale of rigs ⁽³⁾	—	—	—
Tax effect of impairments and other charges:			
Impairment of rigs	(0.03)	—	(0.18)
Restructuring and separation costs	—	—	—
Gain on sale of rigs	—	—	—
Other discrete items ⁽⁴⁾	—	(0.32)	—
Adjusted (loss) income per diluted share	<u><u>\$ (0.33)</u></u>	<u><u>\$ (0.16)</u></u>	<u><u>\$ 0.45</u></u>

⁽¹⁾ Represents the aggregate amount of impairment losses recognized during (i) the second quarter of 2018 related to our jack-up, which was reported as “Assets Held for Sale” in our Condensed Consolidated Balance Sheets at June 30, 2018 and December 31, 2017 and (ii) the second quarter of 2017 related to two of our floaters.

⁽²⁾ Represents restructuring and separation costs recognized associated with a plan to restructure our world-wide operations, including a reduction in workforce at our corporate facilities and onshore bases.

⁽³⁾ Represents the gain recognized during first quarter of 2018 related to the sale of one of our floaters.

⁽⁴⁾ Represents a discrete income tax adjustment recognized during the first quarter of 2018 to reverse a \$43.3 million liability for an uncertain tax position related to the toll charge recognized in the fourth quarter of 2017 in relation to the recently enacted U.S. tax reform legislation.



Diamond Offshore Drilling, Inc.

Rig Status Report

July 30, 2018

Updated information noted in bold print

RECENT COMMITMENTS (See Body of Report For Contract Details)
Ocean BlackHawk Rig TBD
Ocean BlackHornet

Rig Name	Water Depth ¹ (feet)	Type ²	Year Built ³	Location	Operator	Contract Dayrate (USD)	Estimated Start Date	Estimated End Date	Status	Downtime ⁴ 3Q18 E	Comments
Totals:										12	
Gulf of Mexico											
Ocean BlackHawk	12,000	DS 15K DP	2014	US GOM	Anadarko	495,000	mid Jun 2014	mid Apr 2020			Special Survey at zero rate planned for Mar 19 - Jun 19
						Undisclosed	mid Apr 2020	mid Apr 2021	1-year extension + option		
Ocean BlackHornet	12,000	DS 15K DP	2014	US GOM	Anadarko	495,000	mid Apr 2015	late Jun 2019			
				Global	BP	Undisclosed	1Q 2020	1Q 2022	2-year term + 2 x 1 year options		
Ocean BlackRhino	12,000	DS 15K DP	2014	US GOM	Hess	400,000	mid Feb 2017	early May 2020	3-year term + options		
Ocean BlackLion	12,000	DS 15K DP	2015	US GOM	Hess	400,000	mid Feb 2016	late Feb 2020	4-year term + options	4	
Rig TBD	12,000	DS 15K DP		Global	BP	Undisclosed	2Q 2020	2Q 2022	2-year term + 2 x 1 year options		
North Sea / Mediterranean / W. Africa											
Ocean Guardian	1,500	SS 15K	1985	UK	Chevron	Undisclosed	late Jun 2018	late Oct 2018	2 wells	2	
Ocean Patriot	3,000	SS 15K	1983	UK	Apache	Undisclosed	early Jun 2018	early Jun 2020	2-year term + options	1	
Ocean Valiant	5,500	SS 15K	1988	UK	Total	Undisclosed	early Nov 2016	mid Dec 2019	Well based contract		
Ocean Endeavor	10,000	SS 15K	2007	In Transit	Shell	Undisclosed	early May 2019	early May 2021	12 wells + 2 option wells		Being Reactivated
Ocean GreatWhite	10,000	SS 15K DP	2016	Singapore							Preparing to be mobilized to the North Sea; currently marketing
Australasia											
Ocean Apex	6,000	SS 15K	2014	Australia	Woodside	Undisclosed	early May 2019	late Jul 2019	2 wells		
Ocean Monarch	10,000	SS 15K	2008	Australia	Cooper / Exxon	Undisclosed	mid Mar 2018	mid Dec 2018	Well based contract		
South America											
Ocean Courage	10,000	SS 15K DP	2009	Brazil	Petrobras	380,000	late Feb 2018	late Jul 2020	Term extension	5	
Ocean Valor	10,000	SS 15K DP	2009	Brazil	Petrobras	190,000	early Jul 2017	late Sep 2018	Rig placed in extended standby mode		
						289,000	early Oct 2018	late Sep 2020	2-year term extension		~\$40MM retroactive credit to be amortized over 2 year extension
Stacked											
Ocean America	5,500	SS 15K	1988	Malaysia	—	—	—	—	Stacked		
Ocean Onyx	6,000	SS 15K	2014	Malaysia	—	—	—	—	Stacked		
Ocean Rover	8,000	SS 15K	2003	Malaysia	—	—	—	—	Stacked		
Ocean Confidence	10,000	SS 15K DP	2001	Canary Islands	—	—	—	—	Stacked		

Please refer to accompanying disclaimer as well as Diamond Offshore's 10-K and 10-Q filings with the SEC.

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NOTES

(1) Water Depth refers to the rig's rated operating water depth capability. Often, rigs are capable of drilling or have drilled in greater water depths.

(2) Rig Type and Capabilities:

SS=Semisubmersible; **DS**=Drillship; **15K**=15,000 PSI Well-Control System; **DP**=Dynamically Positioned Rig

(3) Year Built represents when rig was built and originally placed in service or year redelivered with significant enhancements that enabled the rig to be classified within a different floater category than when originally constructed.

(4) Downtime only includes downtime periods that as of this report date are experienced, or have been planned and estimable and/or do not necessarily reflect actual downtime experienced. Additional downtime may be experienced in the form of possible mobes for new jobs not yet contracted, possible acceptance testing at new jobs, and unplanned maintenance and repairs. Survey start times may also be accelerated or delayed for various reasons.

General Notes

Rig utilization: Can be adversely impacted by additional downtime due to unscheduled repairs and maintenance, and other factors.

Options should be assumed to be unpriced unless otherwise indicated.

Dayrates exclude amortized revenue related to amounts earned for certain activities, such as move, demove, contract preparation, etc.

Survey Costs: During surveys, normal operating expense will be incurred, plus additional costs.

US GOM: U.S. Gulf of Mexico

Please refer to accompanying disclaimer as well as Diamond Offshore's 10-K and 10-Q filings with the SEC.



Statements contained in this report that are not historical facts are “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements are inherently uncertain and subject to a variety of assumptions, risks and uncertainties that could cause actual results to differ materially from those anticipated or 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 report are urged to review those reports carefully when considering these forward-looking statements. Copies of these reports are available through the Company’s website at www.diamondoffshore.com. These risk factors include, among others, risks associated with worldwide demand for drilling services, level of activity in the oil and gas industry, renewing or replacing expired or terminated contracts, contract cancellations and terminations, maintenance and realization of backlog, competition and industry fleet capacity, impairments and retirements, operating risks, changes in tax laws and rates, regulatory initiatives and compliance with governmental regulations, construction of new builds, casualty losses, and various other factors, many of which are beyond the Company’s control. Given these risk factors, investors and analysts should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of this report. 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.