
**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): November 5, 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 November 5, 2018, Diamond Offshore Drilling, Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended September 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 8:00 a.m. Central Time on November 5, 2018. The information for accessing the conference call is included in the press release.

Rig Status Report

The Company hereby incorporates by reference into this Item 7.01 the summary report of the status, as of November 5, 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 future contract effectiveness and estimated duration; expectations regarding rig dayrates, downtime, reactivation, surveys, retirement, availability, utilization and scrapping; expectations regarding future impairments; expectations of future backlog and revenue expected to result from backlog; expectations of future revenue, operating costs and performance; future liquidity, financial condition, market conditions, commodity prices and strategic opportunities; 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	Press Release dated November 5, 2018
99.2	Rig Status Report as of November 5, 2018

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: November 5, 2018

DIAMOND OFFSHORE DRILLING, INC.

By: /s/ DAVID L. ROLAND

David L. Roland

Senior Vice President, General Counsel
and Secretary



Contact:
Samir Ali
Vice President, Investor Relations &
Corporate Development
(281) 647-4035

Diamond Offshore Announces Third Quarter 2018 Results

- Net loss of \$(51) million, or \$(0.37) per diluted share
- Adjusted net loss of \$(35) million, or \$(0.26) per diluted share

HOUSTON, November 5, 2018 — Diamond Offshore Drilling, Inc. (NYSE: DO) today reported the following results for the third quarter of 2018:

<i>Thousands of dollars, except per share data</i>	Three Months Ended	
	September 30, 2018	June 30, 2018
Total revenues	\$ 286,322	\$ 268,861
Operating loss	(23,043)	(52,375)
Adjusted operating loss	(4,794)	(23,885)
Net loss	(51,112)	(69,274)
Adjusted net loss	(35,257)	(44,900)
Loss per diluted share	\$ (0.37)	\$ (0.50)
Adjusted loss per diluted share	\$ (0.26)	\$ (0.33)

“We achieved another strong contracting quarter by securing approximately 30 months of additional backlog,” said Marc Edwards, President and Chief Executive Officer. “The new fixtures were awarded for the *Ocean GreatWhite* in the North Sea, the *Ocean Apex* in Australia, and the *Ocean Monarch* in Myanmar.”

Edwards added, “Diamond Offshore continues to take the necessary steps to position the Company for long-term success. As such, we entered into a new \$950 million revolving credit facility maturing October 2023 and amended our existing credit facility. Combined, this provides \$1.275 billion of availability and further enhances our liquidity runway.”

As of October 1, 2018, the Company’s total contracted backlog was \$2.0 billion, not including \$135 million margin commitment from one of the Company’s customers.

CONFERENCE CALL

A conference call to discuss Diamond Offshore’s earnings results has been scheduled for 8:00 a.m. CST 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 6584488. 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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues:				
Contract drilling	\$ 280,691	\$ 357,683	\$ 833,970	\$ 1,113,410
Revenues related to reimbursable expenses	5,631	8,340	16,723	26,128
Total revenues	<u>286,322</u>	<u>366,023</u>	<u>850,693</u>	<u>1,139,538</u>
Operating expenses:				
Contract drilling, excluding depreciation	188,456	198,072	562,466	597,812
Reimbursable expenses	5,574	8,220	16,458	25,488
Depreciation	81,884	83,281	245,534	262,492
General and administrative	33,308	17,806	70,057	54,299
Impairment of assets	—	—	27,225	71,268
Restructuring and separation costs	649	—	4,925	—
(Gain) loss on disposition of assets	(506)	63	(1,066)	(2,085)
Total operating expenses	<u>309,365</u>	<u>307,442</u>	<u>925,599</u>	<u>1,009,274</u>
Operating (loss) income	<u>(23,043)</u>	<u>58,581</u>	<u>(74,906)</u>	<u>130,264</u>
Other income (expense):				
Interest income	2,364	776	6,001	1,347
Interest expense	(34,293)	(28,562)	(92,196)	(83,409)
Foreign currency transaction gain (loss)	(743)	(677)	115	(517)
Loss on extinguishment of senior notes	—	(35,366)	—	(35,366)
Other, net	(179)	1,447	664	1,322
(Loss) income before income tax benefit	<u>(55,894)</u>	<u>(3,801)</u>	<u>(160,322)</u>	<u>13,641</u>
Income tax benefit	<u>4,782</u>	<u>14,600</u>	<u>59,257</u>	<u>36,646</u>
Net (loss) income	<u>\$ (51,112)</u>	<u>\$ 10,799</u>	<u>\$ (101,065)</u>	<u>\$ 50,287</u>
(Loss) income per share	<u>\$ (0.37)</u>	<u>\$ 0.08</u>	<u>\$ (0.74)</u>	<u>\$ 0.37</u>
Weighted-average shares outstanding:				
Shares of common stock	137,434	137,227	137,386	137,208
Dilutive potential shares of common stock	—	14	—	29
Total weighted-average shares outstanding	<u>137,434</u>	<u>137,241</u>	<u>137,386</u>	<u>137,237</u>

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

	Three Months Ended		
	<u>September 30,</u>	<u>June 30,</u>	<u>September 30,</u>
	<u>2018</u>	<u>2018</u>	<u>2017</u>
REVENUES RELATED TO CONTRACT DRILLING	\$ 280,691	\$ 265,353	\$ 357,683
REVENUES RELATED TO REIMBURSABLE EXPENSES	5,631	3,508	8,340
TOTAL REVENUES	<u>\$ 286,322</u>	<u>\$ 268,861</u>	<u>\$ 366,023</u>
CONTRACT DRILLING EXPENSE, EXCLUDING DEPRECIATION	\$ 188,456	\$ 189,321	\$ 198,072
REIMBURSABLE EXPENSES	\$ 5,574	\$ 3,414	\$ 8,220
OPERATING (LOSS) INCOME			
Contract drilling services, net	\$ 92,235	\$ 76,032	\$ 159,611
Reimbursable expenses, net	57	94	120
Depreciation	(81,884)	(81,825)	(83,281)
General and administrative expense	(33,308)	(18,236)	(17,806)
Impairment of assets	—	(27,225)	—
Restructuring and separation costs	(649)	(1,265)	—
Gain (loss) on disposition of assets	506	50	(63)
Total Operating (Loss) Income	<u>\$ (23,043)</u>	<u>\$ (52,375)</u>	<u>\$ 58,581</u>

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

	September 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 201,853	\$ 376,037
Marketable securities	274,690	—
Accounts receivable, net of allowance for bad debts	198,701	256,730
Prepaid expenses and other current assets	139,191	157,625
Assets held for sale	—	96,261
Total current assets	814,435	886,653
Drilling and other property and equipment, net of accumulated depreciation	5,191,841	5,261,641
Other assets	62,047	102,276
Total assets	<u>\$ 6,068,323</u>	<u>\$ 6,250,570</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$ 208,317	\$ 223,288
Long-term debt	1,973,488	1,972,225
Deferred tax liability	114,736	167,299
Other liabilities	110,643	113,497
Stockholders' equity	3,661,139	3,774,261
Total liabilities and stockholders' equity	<u>\$ 6,068,323</u>	<u>\$ 6,250,570</u>

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

(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2018	2017
Operating activities:		
Net (loss) income	\$ (101,065)	\$ 50,287
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation	245,534	262,492
Loss on impairments of assets	27,225	71,268
Loss on extinguishment of senior notes	—	35,366
Deferred contract costs, net	34,901	32,701
Deferred tax provision	(69,109)	(73,873)
Other	(7,520)	10,469
Net changes in operating working capital	58,790	(22,075)
Net cash provided by operating activities	<u>188,756</u>	<u>366,635</u>
Investing activities:		
Capital expenditures	(159,751)	(100,613)
Proceeds from maturities of marketable securities	775,000	31
Purchase of marketable securities	(1,047,453)	—
Proceeds from disposition of assets, net of disposal costs	69,533	4,017
Net cash used in investing activities	<u>(362,671)</u>	<u>(96,565)</u>
Financing activities:		
Redemption of senior notes	—	(500,000)
Payment of debt extinguishment costs	—	(34,395)
Proceeds from issuance of senior costs	—	496,360
Net repayment of short-term borrowings	—	(104,200)
Other	(269)	(7,382)
Net cash used in financing activities	<u>(269)</u>	<u>(149,617)</u>
Net change in cash and cash equivalents	<u>(174,184)</u>	<u>120,453</u>
Cash and cash equivalents, beginning of period	376,037	156,233
Cash and cash equivalents, end of period	<u>\$ 201,853</u>	<u>\$ 276,686</u>

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

	Third Quarter 2018			Second Quarter 2018			Third 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	\$ 333	54%	97.0%	\$ 317	53%	90.8%	\$ 357	46%	94.2%
Jack-ups	—	—	—	—	—	—	\$ 75	95%	95.3%
Fleet Total			97.0%			90.8%			94.3%

- (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, non-revenue earning 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 restructuring and separation costs incurred in 2018, costs incurred in the third quarter 2018 for settlement of a previously pending legal claim, the loss on a rig sale recognized in the third quarter 2018 and the third quarter 2017 loss on extinguishment of debt, as well as the related tax effects thereof, 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		
	September 30, 2018	June 30, 2018	September 30, 2017
Reconciliation of As Reported Operating (Loss) Income to Adjusted Operating (Loss) Income:			
(In thousands)			
As reported operating (loss) income	\$ (23,043)	\$(52,375)	\$ 58,581
Impairments and other charges:			
Impairment of rigs	—	27,225	—
Legal settlement	17,500	—	—
Restructuring and separation costs	649	1,265	—
Loss on sale of rigs	100	—	—
Adjusted operating (loss) income	<u><u>\$ (4,794)</u></u>	<u><u>\$(23,885)</u></u>	<u><u>\$ 58,581</u></u>
Reconciliation of As Reported Net (Loss) Income to Adjusted Net (Loss) Income:			
(In thousands)			
As reported net (loss) income	\$ (51,112)	\$(69,274)	\$ 10,799
Impairments and other charges:			
Impairment of rigs	—	27,225	—
Loss on early extinguishment of senior notes	—	—	35,366
Legal settlements	17,500	—	—
Restructuring and separation costs	649	1,265	—
Loss on sale of rigs	100	—	—
Tax effect of impairments and other charges:			
Impairment of rigs	—	(3,933)	—
Loss on early extinguishment of senior notes	—	—	(12,378)
Legal settlements	(2,296)	—	—
Restructuring and separation costs	(85)	(183)	—
Loss on sale of rigs	(13)	—	—
Adjusted net (loss) income	<u><u>\$ (35,257)</u></u>	<u><u>\$(44,900)</u></u>	<u><u>\$ 33,787</u></u>

	Three Months Ended		
	September 30, 2018	June 30, 2018	September 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	\$ (0.37)	\$ (0.50)	\$ 0.08
Impairments and other charges:			
Impairment of rigs	—	0.19	—
Loss on early extinguishment of senior notes	—	—	0.26
Legal settlement	0.12		
Restructuring and separation costs	0.01	0.01	—
Loss on sale of rigs	—	—	—
Tax effect of impairments and other charges:			
Impairment of rigs	—	(0.03)	—
Loss on early extinguishment of senior notes	—	—	(0.09)
Legal settlements	(0.02)		
Restructuring and separation costs	—	—	—
Loss on sale of rigs	—	—	—
Adjusted (loss) income per diluted share	<u>\$ (0.26)</u>	<u>\$ (0.33)</u>	<u>\$ 0.25</u>



Diamond Offshore Drilling, Inc.

Rig Status Report

November 5, 2018

Updated information noted in bold print

RECENT COMMITMENTS (See Body of Report For Contract Details)**Ocean Apex****Ocean GreatWhite****Ocean Monarch**

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 4Q18 E	Comments
Totals:										19	
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
Ocean BlackHornet	12,000	DS 15K DP	2014	US GOM	Anadarko	Undisclosed	mid Apr 2020	mid Apr 2021	1-year extension + option		
				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	10	
Ocean BlackLion	12,000	DS 15K DP	2015	US GOM	Hess	400,000	mid Feb 2016	late Feb 2020	4-year term + options		
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	mid Oct 2018	2 wells		
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	1	
Ocean Endeavor	10,000	SS 15K	2007	UK	Shell	Undisclosed	early May 2019	early May 2021	12 wells + 2 option wells		Being Reactivated
Ocean GreatWhite	10,000	SS 15K DP	2016	In Transit	Siccar Point	Undisclosed	early Mar 2019	mid Jul 2019	3 wells + 3 option wells		
Australasia											
Ocean Apex	6,000	SS 15K	2014	Australia	Woodside	Undisclosed	early May 2019	late Jul 2019	2 wells		
				Australia	Woodside	Undisclosed	early Jan 2020	late Sep 2020	4 wells		
Ocean Monarch	10,000	SS 15K	2008	Australia	Cooper / Exxon	Undisclosed	mid Mar 2018	mid Nov 2018	Well based contract	3	
				Myanmar	Posco Daewoo	Undisclosed	early Nov 2019	mid Mar 2021	7 wells + 5 option wells		
South America											
Ocean Courage	10,000	SS 15K DP	2009	Brazil	Petrobras	380,000	late Feb 2018	late Jul 2020	Term extension	4	Special Survey at zero rate planned for Apr 19 - May 19
Ocean Valor	10,000	SS 15K DP	2009	Brazil	Petrobras	289,000	mid Nov 2018	mid Nov 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.