



Diamond Offshore Drilling Corrects Dilutive Potential Common Shares Outstanding; 16.4 Million Shares Sted 9.4

January 22, 2002

--(BUSINESS WIRE)--

In BW2191, (TX-DIAMOND-OFFSHORE) Announces Fourth Quarter 2001 Earnings, in the Consolidated Statements of Income table under the heading Twelve Months Ended Dec. 31, 2001, the dilutive potential common shares should read xxx 16,408 (sted 9,479). The total weighted average shares outstanding should read xxx 149,294 (sted 142,365). The corrected table follows.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	2000	2001	2000
Revenues	\$222,157	\$190,943	\$885,349	\$659,436
Operating expenses:				
Contract drilling	125,985	118,091	464,964	433,091
Depreciation and amortization	43,144	35,096	170,017	145,596
General and administrative	6,482	5,950	25,502	23,803
Total operating expenses	175,611	159,137	660,483	602,490
Operating income	46,546	31,806	224,866	56,946
Other income (expense):				
Gain on sale of assets	35	93	327	14,324
Interest income	12,246	14,288	48,682	49,525
Interest expense	(5,841)	(3,570)	(26,205)	(10,272)
Other, net	8,258	1,081	24,695	344
Income before income tax expense and extraordinary item	61,244	43,698	272,365	110,867
Income tax expense	(21,436)	(15,019)	(90,820)	(38,586)
Income before extraordinary item	39,808	28,679	181,545	72,281
Extraordinary item-loss on early debt extinguishment, less applicable income tax of \$4,158	--	--	(7,722)	--
Net income	\$39,808	\$28,679	\$173,823	\$72,281

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Earnings per share:				
Basic				
Income before				
extraordinary item	\$0.30	\$0.21	\$1.37	\$0.53
Extraordinary item	--	--	(0.06)	--
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Net	\$0.30	\$0.21	\$1.31	\$0.53
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Diluted				
Income before				
extraordinary item	\$0.29	\$0.20	\$1.31	\$0.53
Extraordinary item	--	--	(0.05)	--
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Net	\$0.29	\$0.20	\$1.26	\$0.53
	=====	=====	=====	=====
Weighted average shares				
outstanding				
Common shares	132,054	133,976	132,886	135,164
Dilutive potential				
common shares	9,645	16,837	16,408	9,876
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Total weighted average				
shares outstanding	141,699	150,813	149,294	145,040
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