



Diamond Offshore Declares Special Cash Dividend of \$0.75 Per Share

July 19, 2012

Also Declares Regular Cash Dividend of \$0.125 Per Share

HOUSTON--(BUSINESS WIRE)--Jul. 19, 2012-- Diamond Offshore Drilling, Inc. (**NYSE: DO**) announced today that the Company has declared a special quarterly cash dividend of \$0.75 per share of common stock and a regular quarterly cash dividend of \$0.125 per share of common stock. Both dividends are payable on September 4, 2012 to shareholders of record on August 1, 2012.

The Board reiterated its stated policy of considering paying special cash dividends, in amounts to be determined, on a quarterly basis. Any determination to declare a special dividend, as well as the amount of any special dividend that may be declared, will be based on the Company's financial position, earnings, earnings outlook, capital spending plans and other relevant factors at that time.

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 31 semisubmersibles, seven jack-ups, and one drillship, in addition to four ultra-deepwater drillships and one deepwater semisubmersible currently under construction. For additional information and access to SEC filings, please visit the Company's website at www.diamondoffshore.com. Diamond Offshore is a 50.4% owned subsidiary of Loews Corporation (NYSE: L).

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 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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