
**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): August 9, 2022

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))

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	DO	New York Stock Exchange

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 August 9, 2022, Diamond Offshore Drilling, Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended June 30, 2022. A copy of the press release is furnished herewith as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure

A conference call to discuss the Company’s earnings results has been scheduled for 8:00 a.m. Central Time on August 10, 2022. The information for accessing the conference call is included in the press release.

The Company hereby incorporates by reference into this Item 7.01 the summary report of the status, as of August 10, 2022, 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 and 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 may include, but are not limited to, statements concerning future contract effectiveness and estimated duration; expectations regarding downtime, reactivation, upgrades and capital expenditures, surveys, retirement, availability, utilization, scrapping, impairments, backlog and revenue expected to result from backlog, future revenue, operating costs, performance, future liquidity and financial condition, market conditions, commodity prices and strategic opportunities; contract noncompliance by customers and other third parties; outcomes of customer discussions; future impact of regulations; 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. 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, permits and approvals for drilling operations, the novel coronavirus (COVID-19) pandemic and related disruptions to the global economy, supply chain and normal business operations across sectors

and countries, 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 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 August 9, 2022
99.2	Rig Status Report as of August 10, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: August 10, 2022

DIAMOND OFFSHORE DRILLING, INC.

By: /s/ David L. Roland

David L. Roland

Senior Vice President, General Counsel and Secretary



Contact:
 Kevin Bordosky
 Senior Director, Investor Relations
 (281) 647- 4035

Diamond Offshore Reports Second Quarter 2022 Results and Announces \$610 Million in New Contract Awards

- ***Ocean GreatWhite Awarded Contract***
- ***Three Other Rigs Secure Additional Backlog***
- ***18% Increase in Contract Drilling Revenue and \$26m Increase in EBITDA***

HOUSTON, August 9, 2022 — Diamond Offshore Drilling, Inc. (NYSE: DO) today reported the following results for the second quarter of 2022:

<i>Thousands of dollars, except per share data</i>	Three Months Ended	
	June 30, 2022	March 31, 2022
Total revenues	\$ 205,702	\$ 186,239
Operating loss	(9,763)	(33,916)
Adjusted EBITDA	15,245	(11,008)
Net loss	(21,929)	(34,354)
Loss per diluted share	\$ (0.22)	\$ (0.34)

Diamond Offshore also announced contract awards for the harsh environment semisubmersible *Ocean GreatWhite* in the U.K. North Sea, the semisubmersible *Ocean Apex* in Australia, and two 7th generation drillships - the *Ocean BlackHornet* and a Diamond-managed rig - in the U.S. Gulf of Mexico. These new contracts added approximately \$610 million of backlog for the Company. The new contracts are in addition to the \$995 million of backlog reported as of July 1, 2022.

Bernie Wolford, Jr., President and Chief Executive Officer, commented, “We are pleased to announce these significant backlog additions. The contract for the *Ocean GreatWhite* is a testament to the capabilities of this high-specification harsh environment asset and comes at a time when energy security and longer-term demand in the sector are increasingly visible. With the rig now contracted, we will have three assets working in the UK sector of the North Sea, allowing us to better serve our customer base while growing our presence in an established market.”

The *Ocean GreatWhite* was awarded five wells, with an estimated duration of 300 days. Contract commencement is expected in the first quarter of 2023. Total contract value of the committed scope is approximately \$80 million. The contract also includes priced options for up to eight additional wells.

The *Ocean Apex* has been awarded three new contracts for work on the Northwest Shelf of Australia. The first new award commences in the second quarter of 2023, with an estimated duration of 75 days. The second award is also for an estimated duration of 75 days, commencing in direct continuation of the previous award. The third award has an estimated duration of 150 days with a commencement in 2024. The combined awards add approximately \$90 million of backlog to the *Ocean Apex*. Wolford added, “A potential fourth new contract currently under negotiation would fill out the remaining availability in 2023, and combined, keep the rig fully contracted until late 2024.”

The *Ocean BlackHornet* has secured a two-year extension with its current client in the U.S. Gulf of Mexico in direct continuation of the rig’s current term. The two-year extension will keep the rig working until early 2025. Total contract value for the extension is approximately \$290 million.

A Diamond-managed rig has been extended by its current client for work in the U.S. Gulf of Mexico for an additional one-year term in direct continuation of the rig’s current term. The contract value for this extension is approximately \$150 million.

Wolford noted, “With improved dayrates and approximately 75% of 2023 marketed capacity contracted, we have an opportunity to earn considerably higher margins in 2023. I would like to thank everyone involved in securing this backlog, as these awards are a testament to the class-leading Diamond Offshore brand, our unwavering commitment to HSE, and the hard-working people who contribute to the Diamond Difference.”

Second Quarter Results

Contract drilling revenue for the second quarter totaled \$177 million compared to \$150 million in the first quarter of 2022. The increase in revenue was primarily driven by the *Ocean Apex* returning to active service under a new contract that commenced in May 2022, completion of shipyard stays for the *Ocean Endeavor* and *Ocean Patriot*, and a full quarter of drilling operations for the *Auriga*. Contract drilling expense for the second quarter was relatively flat at \$142 million compared to \$145 million in the first quarter of 2022. During the quarter, the Company continued to perform in an exceptional manner, achieving revenue efficiency of 96.3%.

Operational Highlights

After eight years of continuous and exceptional performance, the *Ocean BlackHawk* completed its inaugural contract in the U.S. Gulf of Mexico. The rig has now mobilized to Senegal to join the *Ocean BlackRhino*. The *Ocean Apex* returned to work in May and the *Ocean Monarch* completed its contract and was cold stacked.

Notably, three of the Company’s rigs reached significant safety milestones this quarter, each achieving three years without a recordable incident.

Liquidity and Outlook

As of June 30, 2022, Diamond Offshore had total liquidity of \$339 million, comprised of \$43 million of unrestricted cash and \$296 million of available capacity on its revolving credit facility and delayed draw First Lien Notes.

Commenting on the outlook for the offshore drilling market, Wolford concluded, “The market continues to improve, as reflected by our recent fixtures for both semisubmersibles and drillships across multiple regions. Visible demand, energy security concerns, and tight supply could lead to sustainable demand for our drilling services for years to come.”

CONFERENCE CALL

A conference call to discuss Diamond Offshore’s earnings results has been scheduled for 8:00 a.m. CDT on Wednesday, August 10, 2022. A live webcast of the call will be available online on the Company’s website, www.diamondoffshore.com. Participants who want to join the call via telephone or want to participate in the question and answer session may register [here](#) to receive the dial-in numbers and unique PIN to access the call. 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 <http://www.diamondoffshore.com/>.

FORWARD-LOOKING STATEMENTS

Statements contained in this press release that are not historical facts are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, but are not limited to, any statement that may project, indicate or imply future results, events, performance or achievements, including statements relating to future financial results; future recovery in the offshore contract drilling industry; expectations regarding the Company’s plans, strategies and opportunities; expectations regarding the Company’s business or financial outlook; future borrowing capacity and liquidity; expected utilization, dayrates, revenues, operating expenses, rig commitments and availability, cash flows, contract status, terms and duration, contract backlog, capital expenditures, insurance, financing and funding; the effect, impact, potential duration and other implications of the ongoing COVID-19 pandemic; the impact of our emergence from bankruptcy; the offshore drilling market, including supply and demand, customer drilling programs, repricings, stacking of rigs, effects of new rigs on the market and effect of the volatility of commodity prices; expected work commitments, awards and contracts; future operations; increasing regulatory complexity; general market, business and industry conditions, trends and outlook; and general political conditions, including political tensions, conflicts and war. 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 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 Item 1A "Risk Factors" in the Company's most recent annual report on Form 10-K and the Company's other 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, levels 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, permits and approvals for drilling operations, the COVID-19 pandemic and related disruptions to the global economy, supply chain and normal business operations across sectors and countries, 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 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 this press release, 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.

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

	Three Months Ended	
	June 30, 2022	March 31, 2022
Revenues:		
Contract drilling	\$ 176,879	\$ 150,252
Revenues related to reimbursable expenses	28,823	35,987
Total revenues	205,702	186,239
Operating expenses:		
Contract drilling, excluding depreciation	142,150	144,902
Reimbursable expenses	28,554	35,613
Depreciation	25,693	26,952
General and administrative	19,753	16,732
Gain on disposition of assets	(685)	(4,044)
Total operating expenses	215,465	220,155
Operating loss	(9,763)	(33,916)
Other income (expense):		
Interest income	—	1
Interest expense	(10,103)	(8,325)
Foreign currency transaction gain (loss)	1,607	(2,129)
Other, net	(47)	1,362
Loss before income tax (expense) benefit	(18,306)	(43,007)
Income tax (expense) benefit	(3,623)	8,653
Net loss	\$ (21,929)	\$ (34,354)
Loss per share, Basic and Diluted	\$ (0.22)	\$ (0.34)
Weighted-average shares outstanding, Basic and Diluted	100,108	100,075

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

	June 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 42,897	\$ 38,388
Restricted cash	14,727	24,341
Accounts receivable, net of allowance for credit losses	151,374	146,335
Prepaid expenses and other current assets	65,871	61,440
Asset held for sale	—	1,000
Total current assets	274,869	271,504
Drilling and other property and equipment, net of accumulated depreciation	1,159,535	1,175,895
Other assets	80,319	84,041
Total assets	<u>\$ 1,514,723</u>	<u>\$ 1,531,440</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Other current liabilities	\$ 237,847	\$ 232,762
Long-term debt	306,438	266,241
Noncurrent finance lease liabilities	140,087	148,358
Deferred tax liability	2,306	1,626
Other liabilities	104,193	114,748
Stockholders' equity	723,852	767,705
Total liabilities and stockholders' equity	<u>\$ 1,514,723</u>	<u>\$ 1,531,440</u>

DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Six Months Ended June 30, 2022
Operating activities:	
Net loss	\$ (56,283)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	52,645
Loss on impairment of assets	—
Gain on disposition of assets	(4,729)
Deferred tax provision	(1,975)
Stock-based compensation expense	12,658
Contract liabilities, net	(20,870)
Contract assets, net	(3,348)
Deferred contract costs, net	(3,859)
Collateral deposits	17,464
Other assets, noncurrent	(443)
Other liabilities, noncurrent	428
Other	842
Net changes in operating working capital	(3,335)
Net cash provided by (used in) operating activities	<u>(10,805)</u>
Investing activities:	
Capital expenditures	(32,353)
Proceeds from disposition of assets, net of disposal costs	5,788
Net cash used in investing activities	<u>(26,565)</u>
Financing activities:	
Borrowings under credit facility	40,000
Principal payments of finance lease liabilities	(7,735)
Net cash provided by financing activities	<u>32,265</u>
Net change in cash, cash equivalents and restricted cash	(5,105)
Cash, cash equivalents and restricted cash, beginning of period	62,729
Cash, cash equivalents and restricted cash, end of period	<u><u>\$ 57,624</u></u>

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

TOTAL FLEET					
Second Quarter 2022			First Quarter 2022		
Average Dayrate ⁽¹⁾	Utilization ⁽²⁾	Revenue Efficiency ⁽³⁾	Average Dayrate ⁽¹⁾	Utilization ⁽²⁾	Revenue Efficiency ⁽³⁾
\$228	57%	96.3%	\$225	53%	89.1%

- (1) Average dayrate is defined as total contract drilling revenue for all of the rigs in our fleet (including managed rigs) 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 rigs in our fleet (including managed and cold-stacked rigs).
- (3) Revenue efficiency is calculated as actual contract drilling revenue earned divided by potential revenue, assuming a full dayrate is earned.

Non-GAAP Financial Measures (Unaudited)

To supplement the Company's unaudited condensed consolidated financial statements presented on a basis in conformity with generally accepted accounting principles in the United States (GAAP), this press release provides investors with adjusted earnings before interest, taxes and depreciation and amortization (or Adjusted EBITDA), which is a non-GAAP financial measure. Management believes that this measure provides meaningful information about the Company's performance by excluding certain items 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 a supplement to, and not as a substitute for, or superior to, contract drilling revenue, contract drilling expense, operating income or loss, cash flows from operations or other measures of financial performance prepared in accordance with GAAP.

Reconciliation of Loss Before Income Tax Benefit to Adjusted EBITDA:

(In thousands)

	Three Months Ended	
	June 30, 2022	March 31, 2022
As reported loss before income tax (expense) benefit	\$ (18,306)	\$ (43,007)
Interest expense	10,103	8,325
Interest income	—	(1)
Foreign currency transaction (gain) loss	(1,607)	2,129
Depreciation	25,693	26,952
Gain on disposition of assets	(685)	(4,044)
Other, net	47	(1,362)
Adjusted EBITDA	\$ 15,245	\$ (11,008)



Diamond Offshore Drilling, Inc.

Rig Status Report

August 10, 2022

Updated information noted in bold print

Rig Name	Water Depth ¹ (feet)	Type ²	Year Built ³	Location	Operator	Estimated Start Date	Estimated End Date
Gulf of Mexico (GOM)							
Ocean BlackHornet	12,000	DS 15K DP	2014	US GOM	BP	Feb-2020	1Q 2025
Ocean BlackLion	12,000	DS 15K DP	2015	US GOM	BP	Sep-2020	3Q 2024
Auriga ⁴	12,000	DS 15K DP	2013	US GOM	BP	Mar-2022	1Q 2024
Vela ⁴	12,000	DS 15K DP	2013	US GOM	Woodside	Sep-2022	Dec-22
North Sea / Mediterranean / W. Africa							
Ocean Patriot	3,000	SS 15K	1983	UK	Apache	Jun-2021	4Q 2024
Ocean Endeavor	10,000	SS 15K	2007	UK	Shell	May-2019	1Q 2024
Ocean GreatWhite	10,000	SS 15K DP	2016	UK	BP	1Q 2023	1Q 2024
Ocean BlackHawk	12,000	DS 15K DP	2014	Senegal	Woodside	Jul-2022	2Q 2023
Ocean BlackRhino	12,000	DS 15K DP	2014	Senegal	Woodside	Jul-2021	1Q 2024
Australasia							
Ocean Apex	6,000	SS 15K	2014	Australia	Woodside	Jun-2022	Jan-2023
				Australia	Woodside	May-2023	Jul-2023
				Australia	Chevron	Jul-2023	4Q 2023
				Australia	Santos	2Q 2024	4Q 2024
South America							
Ocean Courage	10,000	SS 15K DP	2009	Brazil	Petrobras	Jun-2021	3Q 2023
Stacked							
Ocean Valiant	5,500	SS 15K	1988	UK	—	—	—
Ocean Onyx	6,000	SS 15K	2014	Australia	—	Sep-2022	—
Ocean Monarch	10,000	SS 15K	2008	Malaysia	—	May-2022	—

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

(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) Managed on behalf of Aquadrill LLC.



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