

Ocean Rig UDW Inc.
Form F-4
September 01, 2011

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**As filed with the Securities and Exchange Commission on September 1, 2011
Registration No. 333-**

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

**Form F-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Ocean Rig UDW Inc.
(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands
*(State or other jurisdiction of
incorporation or organization)*

1381
*(Primary Standard Industrial
Classification Code Number)*

N/A
*(I.R.S. Employer
Identification Number)*

Ocean Rig UDW Inc.
10 Skopa Street, Tribune House
2nd Floor, Office 202, CY 1075
Nicosia, Cyprus
011 357 22767517
*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive
offices)*

Seward & Kissel LLP
Attention: Gary J. Wolfe
One Battery Park Plaza
New York, New York 10004
(212) 574-1200
*(Name, address and telephone number of
agent for service)*

Copies to:

Philip Richter
Robert Mollen
Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
(212) 859-8000

Gary J. Wolfe
Seward & Kissel LLP
One Battery Park Plaza
New York, NY 10004
(212) 574-1200 (telephone number)
(212) 480-8421 (facsimile number)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement is declared effective and all conditions to the merger contemplated by the Agreement and Plan of Merger, dated as of July 26, 2011, described in the enclosed proxy statement / prospectus, have been satisfied or waived and the merger has been completed as described in the enclosed proxy statement / prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, par value \$0.01	1,541,171(1)	N/A	\$13,224,513.74(2)	\$1,535.37(3)
Preferred stock purchase rights(4)				
Total	1,541,171	N/A	\$13,224,513.74	\$1,535.37

(1) The number of common shares, par value \$0.01 per share, of the registrant, being registered represents the estimated maximum number of the registrant's common shares to be issued in connection with the merger described herein. The number of common shares is based upon the product obtained by multiplying 2,945,326 shares of Class A common stock, par value \$0.01 per share, of OceanFreight Inc., or OceanFreight common stock, estimated to be outstanding immediately prior to the merger described herein and entitled to receive the merger consideration at the closing of the merger described herein by the exchange ratio in the merger of 0.52326.

(2) Pursuant to Rules 457(f)(1), 457(f)(3) and 457(c) under the Securities Act and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is (i) the product obtained by multiplying (x) \$15.74 (the average of the high and low prices of OceanFreight common stock on August 30,

2011), by (y) 2,945,326 shares of OceanFreight common stock (the number of shares of OceanFreight common stock estimated to be outstanding immediately prior to the merger described herein and entitled to receive the merger consideration at the closing of the merger described herein), minus (ii) \$33,134,917.50 (the estimated amount of cash to be paid by DryShips Inc. to OceanFreight Inc. s shareholders in the merger described herein). The cash consideration was calculated as (i) 2,945,326 shares of OceanFreight common stock (the number of shares of OceanFreight common stock estimated to be outstanding immediately prior to the merger described herein and entitled to receive the merger consideration at the closing of the merger described herein) and (ii) multiplied by the cash consideration of \$11.25.

- (3) Determined in accordance with Section 6(b) of the Securities Act to be \$1,535.37, which is equal to 0.00011610 multiplied by the proposed maximum aggregate offering price of \$13,224,513.74.
- (4) Preferred stock purchase rights are not currently separable from the common stock and are not currently exercisable. The value attributable to the preferred stock purchase rights, if any, will be reflected in the market price of the common stock.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the U.S. Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be by any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED SEPTEMBER 1, 2011

PROPOSED MERGER TRANSACTION

Dear Shareholders of OceanFreight Inc.:

I am pleased to inform you that OceanFreight Inc., or OceanFreight, and DryShips Inc., or DryShips, have entered into an agreement and plan of merger, or the merger agreement, pursuant to which DryShips will acquire all of the outstanding shares of OceanFreight Class A common stock, or OceanFreight common stock. If the merger is completed, OceanFreight will become a wholly-owned subsidiary of DryShips and you will be entitled to receive \$11.25 in cash and 0.52326 shares of Ocean Rig common stock for each of your shares of OceanFreight common stock.

You are cordially invited to attend a special meeting of our shareholders, or the special meeting, which will be held at OceanFreight's offices located at 80 Kifissias Avenue, GR 151 25, Amaroussion, Athens, Greece, on _____, 2011, at 10:00 a.m. local time, to vote on the approval of the merger agreement. As described in the accompanying proxy statement / prospectus, a special committee of independent directors established by the OceanFreight board of directors, or the OceanFreight Special Committee, and the OceanFreight board of directors have each unanimously approved the merger agreement and declared that the merger, the merger agreement and the transactions contemplated thereby are in the best interests of OceanFreight's shareholders. The OceanFreight Special Committee and the OceanFreight board of directors each unanimously recommends that you vote **FOR** the adoption and approval of the merger agreement.

OceanFreight cannot complete the merger unless OceanFreight's shareholders holding a majority of the outstanding shares of OceanFreight common stock approve the merger agreement.

The notice of special meeting and the proxy statement / prospectus that accompany this letter provide you with extensive information about the merger agreement, the merger and the special meeting. We encourage you to read these materials carefully, including the section in the proxy statement / prospectus entitled "Risk Factors" beginning on page 28 of the proxy statement / prospectus.

Approximately 50.5% of the outstanding shares of OceanFreight common stock, which were held by certain entities controlled by our Chief Executive Officer, Antonis Kandylidis, were purchased by DryShips on August 24, 2011 for \$11.25 in cash and 0.52326 shares of Ocean Rig common stock for each share of OceanFreight common stock pursuant to a separate purchase agreement approved by the OceanFreight Special Committee and the OceanFreight board of directors. DryShips has committed to vote those shares in favor of the approval of the merger agreement. Accordingly, approval of the merger agreement is assured.

Your vote is important. Whether or not you plan to attend the special meeting, please read the enclosed proxy statement / prospectus and promptly complete, sign, date and return the enclosed proxy card in the postage-paid envelope provided in accordance with the directions set forth on the proxy card. Thank you for your support.

Sincerely,

Professor John Liveris
Chairman of the Special Committee and
the Board of Directors

For a discussion of risk factors which you should consider in evaluating the transaction, see Risk Factors beginning on page 28.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, OR THE SEC, NOR HAS THE SEC PASSED UPON THE FAIRNESS OR MERITS OF THIS TRANSACTION OR THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS PROXY STATEMENT / PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

This proxy statement / prospectus is dated _____, 2011, and is first being mailed, along with the attached proxy card, to OceanFreight shareholders on or about _____, 2011.

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON _____, 2011**

To Shareholders of OceanFreight Inc.:

The special meeting of shareholders of OceanFreight Inc., or OceanFreight, will be held at OceanFreight's principal executive offices at 80 Kifissias Avenue, GR 151 25, Amaroussion, Athens, Greece, on _____, 2011, at 10:00 a.m. local time, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of July 26, 2011, or the merger agreement, by and among DryShips Inc., or DryShips, Pelican Stockholdings Inc. and OceanFreight, pursuant to which OceanFreight will become a wholly-owned subsidiary of DryShips.
2. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only holders of record of OceanFreight Class A common stock, or OceanFreight common stock, at the close of business on _____, 2011, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements thereof. Each share of OceanFreight common stock entitles its holder to one vote on all matters that come before the special meeting.

A special committee of independent directors of OceanFreight established to consider the proposed transaction and the OceanFreight board of directors each unanimously recommends that OceanFreight's shareholders vote **FOR** the approval of the merger agreement. Approval of the merger agreement requires the affirmative vote by the holders of a majority of the outstanding shares of OceanFreight common stock on the record date.

The merger is described in the accompanying proxy statement / prospectus, which you are urged to read carefully. A copy of the merger agreement is included in the proxy statement / prospectus as Annex A.

Whether or not you plan to attend the special meeting, please complete, date, sign and return the enclosed proxy in the enclosed envelope, which does not require postage if mailed in the United States. If you do attend the special meeting and wish to vote in person, you may do so notwithstanding the fact that you previously submitted or appointed a proxy. Please note, however, that if your shares are held of record by a broker, bank, trustee or other nominee and you wish to vote at the meeting, you must obtain from your nominee a proxy issued in your name.

Please do not send your stock certificates at this time. If the merger is completed, you will be sent instructions regarding the surrender of your stock certificates.

Very truly yours,

Stefanos Delatolas
Corporate Secretary of OceanFreight Inc.

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ANNEXES

Annex A: Agreement and Plan of Merger

Annex B: Purchase Agreement

Annex C: Opinion of Fearnley Fonds ASA

Annex D: OceanFreight s Annual Report on Form 20-F for the Year Ended December 31, 2010

Annex E: Updated information relating to OceanFreight Inc., its fleet and recent developments and other updates related to the passage of time, together with Management s Discussion and Analysis of Financial Condition and Results of Operation and interim consolidated unaudited financial statements and related information and data of OceanFreight Inc. as of and for the six-month period ended June 30, 2011

PART II INFORMATION NOT REQUIRED IN THE PROSPECTUS

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**QUESTIONS AND ANSWERS ABOUT THE VOTING PROCEDURES FOR
THE SPECIAL MEETING**

The following are answers to some questions that you, as a shareholder of OceanFreight, may have regarding the merger and the other matters being considered at the shareholder meeting of OceanFreight, or the special meeting or the OceanFreight special meeting. OceanFreight urges you to read carefully the remainder of this proxy statement / prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the special meeting. Additional important information is also contained in the Annexes to this proxy statement / prospectus.

Q: What am I being asked to vote on?

A: OceanFreight Inc., or OceanFreight, and DryShips Inc., or DryShips, have entered into the Agreement and Plan of Merger, dated July 26, 2011, or the merger agreement, pursuant to which DryShips has agreed to acquire OceanFreight. You are being asked to vote to approve the merger agreement. Under the terms of the merger agreement, a newly-formed wholly-owned subsidiary of DryShips will merge with and into OceanFreight, with OceanFreight continuing as the surviving corporation and a wholly-owned subsidiary of DryShips.

Q: What will I receive for my OceanFreight shares in the merger?

A: If the merger is completed, you will receive, with respect to each share of OceanFreight Class A common stock, or OceanFreight common stock, you own, \$11.25 in cash and 0.52326 shares of Ocean Rig common stock.

Q: When and where is the OceanFreight special meeting?

A: The special meeting of shareholders of OceanFreight will be held on _____, 2011, at 10:00 a.m. local time, at OceanFreight's principal executive offices at 80 Kifissias Avenue, GR 151 25, Amaroussion, Athens, Greece, unless adjourned or postponed to a later time.

Q: Who can vote at the special meeting?

A: Shareholders of record as of the close of business on _____, 2011, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. On the record date, approximately _____ shares of OceanFreight common stock, held by approximately _____ shareholders of record, were outstanding and entitled to vote at the special meeting. You may vote all shares you owned as of the close of business on the record date. All shares of OceanFreight common stock that were outstanding as of the close of business on the record date are entitled to one vote per share.

Some of OceanFreight's shareholders hold their shares through a broker, bank, trustee or other nominee rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially:

SHAREHOLDER OF RECORD If your OceanFreight shares are registered directly in your name with OceanFreight's transfer agent, American Stock Transfer & Trust Company, LLC, then you are considered the shareholder of record of those shares and these proxy materials are being sent directly to you by OceanFreight. As the shareholder of record, you have the right to grant a proxy or vote in person at the meeting.

BENEFICIAL OWNER If your OceanFreight shares are held in a stock brokerage account or otherwise, by a broker, bank, trustee or other nominee, then you are considered to be the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your broker, bank, trustee or other nominee who is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your broker, bank, trustee or other nominee on how to vote your shares. You are also invited to attend the special meeting. However, because you are not the shareholder of record, you may not vote these shares in person at the meeting unless you first obtain a legal proxy from your broker, bank, trustee or other nominee holding your shares.

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Q: What vote is required to approve the merger agreement?

A: The merger agreement must be approved by a majority of the outstanding shares of OceanFreight common stock on the record date for the special meeting. Approximately 50.5% of the outstanding shares of OceanFreight common stock, which were held by certain entities controlled by OceanFreight's Chief Executive Officer, Antonis Kandylidis, were purchased by DryShips on August 24, 2011 for \$11.25 in cash and 0.52326 shares of Ocean Rig common stock for each share of OceanFreight common stock under a separate purchase agreement approved by a special committee of independent directors established by the OceanFreight board of directors, or the OceanFreight Special Committee, and the OceanFreight board of directors. DryShips has committed to vote those shares in favor of the approval of the merger agreement. Accordingly, approval of the merger agreement is assured.

Q: What if I do not vote or do not fully complete my proxy card?

A: If you do not vote your shares of OceanFreight common stock with respect to the proposal to approve the merger agreement, it will have the same effect as a vote against the proposal. However, if the proposal to approve the merger agreement is approved and the merger is completed, your OceanFreight common stock will be converted into the right to receive the merger consideration even though you did not vote.

If you submit a proxy without specifying the manner in which you would like your shares to be voted, your shares will be voted **FOR** approval of the merger agreement.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this document, please fill out, sign and date the proxy card and then mail your signed proxy card in the enclosed envelope, as soon as possible so that your shares may be voted at the OceanFreight special meeting. See The Special Meeting Voting; Proxies; Revocation.

Q: If my shares are held in street name by my bank, broker, trustee or other nominee, will my bank, broker, trustee or other nominee vote my shares for me?

A: You should instruct your bank, broker, trustee or other nominee to vote your shares. If you do not instruct your bank, broker, trustee or other nominee, your bank, broker, trustee or other nominee will not be able to vote your shares. Please check with your bank, broker, trustee or other nominee and follow the voting procedures your bank, broker, trustee or other nominee provides. Your bank, broker, trustee or other nominee will advise you whether you may submit voting instructions by telephone or via the Internet. See The Special Meeting Voting; Proxies; Revocation.

Q: When do you expect the merger to be completed?

We currently expect to complete the merger in the fourth quarter of 2011. However, we cannot assure you when or if the merger will be completed.

Q: What are the material United States federal income tax consequences of the merger to OceanFreight shareholders?

A: For a U.S. Holder (as defined in Taxation Certain Material Tax Consequences), the merger will be treated for United States, or U.S., federal income tax purposes as a taxable sale by such holder of the OceanFreight shares

that such holder surrenders in the merger for the shares of Ocean Rig common stock and cash received in the merger.

For a Non-U.S. Holder (as defined in Taxation Certain Material Tax Consequences), any gain realized on the receipt of shares of Ocean Rig common stock and cash in the merger generally will not be subject to U.S. federal income or withholding tax unless such Non-U.S. Holder has certain connections to the United States.

See Taxation Certain Material Tax Consequences for a discussion of certain material U.S. federal income tax consequences of (i) the merger and (ii) owning and disposing of shares of Ocean common stock.

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Q: May I change my vote after I have submitted a proxy?

A: Yes. If your shares of OceanFreight common stock are registered directly in your name, there are three ways you can change your vote after you have submitted your proxy:

First, you may complete and submit a signed written notice of revocation to the Secretary of OceanFreight at the address below:

OceanFreight Inc.
80 Kifissias Avenue
Amaroussion 151 25
Athens, Greece

Second, you may complete and submit a new proxy card. Your latest vote actually received by OceanFreight before the special meeting will be counted, and any earlier votes will be revoked.

Third, you may attend the special meeting and vote in person. Any earlier proxy will thereby be revoked. However, simply attending the meeting without voting will not revoke any earlier proxy you may have given.

If your OceanFreight shares are held in street name by a bank, broker, trustee or other nominee, you must follow the directions you receive from your bank, broker, trustee or other nominee in order to change or revoke your vote and any deadlines for the receipt of those instructions.

Q: If I want to attend the special meeting, what do I do?

A: You should come to OceanFreight's principal executive offices at 80 Kifissias Avenue, GR 151 25, Amaroussion, Athens, Greece at 10:00 a.m. local time, on _____, 2011. If you hold your shares in street name, you will need to bring proof of ownership (by means of a recent brokerage statement, letter from your bank or broker or similar means) to be admitted to the meeting. Shareholders of record as of the record date for the special meeting can vote in person at the special meeting. If your shares of OceanFreight common stock are held in street name, then you are not the shareholder of record and you must ask your bank, broker, trustee or other nominee how you can vote at the special meeting.

Q: Should I send my stock certificates now?

A: No. Shortly after the merger is completed, you will receive a letter of transmittal with instructions informing you how to send your OceanFreight stock certificates to the exchange agent in order to receive the per share merger consideration. You should use the letter of transmittal to exchange your OceanFreight stock certificates for the per share merger consideration to which you are entitled as a result of the merger. **Please do not send in your OceanFreight stock certificates with your proxy card.**

Q: What if I cannot find my stock certificates?

A: There will be a procedure for you to receive the merger consideration in the merger, even if you have lost one or more of your OceanFreight stock certificates. This procedure, however, may take time to complete. In order to ensure that you will be able to receive the merger consideration promptly after the merger is completed, if you cannot locate your OceanFreight stock certificates after looking for them carefully, we urge you to contact OceanFreight's transfer agent, American Stock Transfer & Trust Company, LLC, as soon as possible and follow

the procedures they explain to you for replacing your OceanFreight stock certificates. American Stock Transfer & Trust Company, LLC can be reached at 1-800-937-5449 or on their website at www.amstock.com and at the email address info@amstock.com, or you can write them at the following address:

American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219

Q: Are there risks I should consider in deciding whether to vote for the merger agreement?

A: Yes. We have set forth a non-exhaustive list of risk factors that you should consider carefully in connection with the merger. See Risk Factors beginning on page 28.

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Q: How will OceanFreight shareholders receive the merger consideration?

A: Following the merger, you will receive a letter of transmittal and instructions on how to obtain the merger consideration in exchange for your shares of OceanFreight common stock. You must return the completed letter of transmittal and surrender your OceanFreight stock certificates as described in the instructions, and you will receive the merger consideration after the exchange agent receives your completed letter of transmittal, OceanFreight stock certificates and/or such other documents that may be required by the exchange agent. See The Transaction Procedures for Exchanging Shares of OceanFreight Stock and Distribution of the Merger Consideration.

Q: Who can help answer my additional questions about the merger or voting procedures?

A: If you have more questions about the merger, including the procedures to voting your shares you should contact OceanFreight:

OceanFreight Inc.
80 Kifissias Avenue
Amaroussion 15125
Athens, Greece

If your broker holds your shares, then you should also contact your broker for additional information.

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TRANSACTION SUMMARY

This summary is not intended to be complete and is qualified in all respects by the more detailed information appearing elsewhere in this proxy statement / prospectus. You should review carefully the entire proxy statement / prospectus, including the Annexes. As used throughout this proxy statement / prospectus, (i) unless otherwise indicated, all references to dollars and \$ are to, and amounts are presented in, U.S. Dollars, (ii) all references to OceanFreight shares, OceanFreight common shares, OceanFreight common stock and shares of OceanFreight common stock refer to shares of Class A common stock, par value \$0.01 per share, of OceanFreight, (iii) all references to Ocean Rig shares, Ocean Rig common shares, Ocean Rig common stock and shares of Ocean Rig common stock refer to shares of common stock, par value \$0.01 per share, of Ocean Rig and (iv) all references to the SEC refer to the U.S. Securities and Exchange Commission.

Parties to the Merger Agreement

DryShips

DryShips Inc., or DryShips, is an owner of drybulk carriers and tankers that operate worldwide. Through its majority owned subsidiary, Ocean Rig UDW Inc., or Ocean Rig, DryShips owns and operates nine offshore ultra deepwater drilling units, comprising of two ultra deepwater semisubmersible drilling rigs and seven ultra deepwater drillships, four of which remain to be delivered to Ocean Rig during 2011 and 2013. DryShips owns a fleet of 36 drybulk carriers (including newbuildings), comprising eight Capesize, 26 Panamax and two Supramax, with a combined deadweight tonnage of over 3.4 million tons, and 12 tankers (including newbuildings), comprising six Suezmax and six Aframax, with a combined deadweight tonnage of over 1.6 million tons.

DryShips common stock is listed on the NASDAQ Global Select Market where it trades under the symbol DRYS.

Pelican Stockholdings Inc.

Pelican Stockholdings Inc. is a wholly-owned subsidiary of DryShips. Pelican Stockholdings Inc. was organized on July 22, 2011 solely for the purpose of effecting the merger with OceanFreight. It has not carried on any activities other than in connection with the transaction.

OceanFreight

OceanFreight Inc., or OceanFreight, is an owner and operator of drybulk vessels that operate worldwide. OceanFreight owns a fleet of six vessels, comprised of six drybulk vessels (four Capesize and two Panamaxes) and has contracted to purchase five newbuilding Very Large Ore Carriers, or VLOCs, currently under construction, with a combined deadweight tonnage of about 1.9 million tons. Detailed information about OceanFreight is included in Annexes D and E to this document.

OceanFreight's common stock is listed on the NASDAQ Global Market where it trades under the symbol OCNF.

The Merger

On July 26, 2011, DryShips, Pelican Stockholdings Inc. and OceanFreight entered into an Agreement and Plan of Merger, or the merger agreement, pursuant to which, subject to the terms and conditions of the merger agreement and in accordance with the Marshall Islands Business Corporations Act, or the MIBCA, Pelican Stockholdings Inc. will

merge with and into OceanFreight. Following the merger, OceanFreight will continue its corporate existence under the MIBCA as the surviving corporation in the merger and will be a wholly-owned subsidiary of DryShips. The merger agreement is included as Annex A to this proxy statement / prospectus and you are encouraged to read the merger agreement carefully and in its entirety because it is the legal agreement that governs the merger. OceanFreight and Ocean Rig currently expect that the merger will be completed during the fourth quarter of 2011. However, OceanFreight and Ocean Rig cannot assure you when or if the merger will occur.

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Merger Consideration

At the effective time of the merger, each share of OceanFreight common stock outstanding (other than shares of OceanFreight common stock held by DryShips or OceanFreight or any of their respective direct or indirect subsidiaries) will be converted into the right to receive:

\$11.25 in cash; and

0.52326 shares of Ocean Rig common stock.

OceanFreight shareholders will not receive fractional shares of Ocean Rig common stock in the merger. Instead, each holder of shares of OceanFreight common stock otherwise entitled to a fraction of a share of Ocean Rig common stock will upon surrender of the certificate representing such holder's shares of OceanFreight common stock, or the certificate, be entitled to receive an amount of cash (without interest) determined by multiplying \$21.50 by the fractional share interest to which the holder would otherwise be entitled.

Among certain other conditions (described below), the obligations of OceanFreight and DryShips to complete the merger are conditioned upon (i) the registration statement, of which this proxy statement / prospectus forms a part, having been declared effective and no stop order having been issued by the U.S. Securities and Exchange Commission, or the SEC, and (ii) the shares of Ocean Rig common stock included in the merger consideration payable to the holders of shares of OceanFreight common stock pursuant to the merger agreement having been approved for listing on NASDAQ, subject to the completion of the merger.

See The Merger Agreement Closing; Effective Time Merger Consideration.

Purchase and Sale Agreement

Concurrently with the execution of the merger agreement, DryShips entered into a purchase and sale agreement, or the purchase agreement, with Basset Holdings Inc., Steel Wheel Investments Limited and Haywood Finance Limited, or, collectively, the Sellers (each of which is controlled by Mr. Antonis Kandylidis, the Chief Executive Officer of OceanFreight), and OceanFreight, pursuant to which DryShips purchased from the Sellers, on August 24, 2011, approximately 50.5% of the outstanding shares of OceanFreight common stock, or the Seller Shares. The consideration paid by DryShips for each share of OceanFreight common stock owned by the Sellers consisted of (x) \$11.25 in cash and (y) 0.52326 shares of Ocean Rig common stock (with cash paid in lieu of fractional shares). See The Purchase and Sale Agreement.

Comparative Market Prices and Share Information

OceanFreight common stock is listed and traded on the NASDAQ Global Market under the symbol OCNF. Ocean Rig common stock currently trades on the OTC market maintained by the Norwegian Association of Stockbroking Companies, or the Norwegian OTC, under the symbol OCRG. On July 25, 2011, the last trading day in the United States, or the U.S., before the announcement of the transaction between OceanFreight and DryShips, the closing price of OceanFreight common stock on the NASDAQ Global Market was \$9.47 per share and the last traded value of the Ocean Rig common stock on the Norwegian OTC was NOK89.00 (or approximately \$16.44 based on the NOK / USD exchange rate of NOK5.41 / \$1 on July 25, 2011). Based on the foregoing, the merger consideration of \$11.25 and 0.52326 shares of Ocean Rig common stock per share of OceanFreight common stock reflected a value as of July 25, 2011 of \$19.85 and a premium of approximately 109.6% over the closing price of OceanFreight common

stock on July 25, 2011.

On _____, 2011, the most recent practicable trading day prior to the printing of this proxy statement / prospectus, the closing price of OceanFreight common stock was \$ _____ per share and the last traded value of the Ocean Rig common stock on the Norwegian OTC was NOK _____ (or approximately \$ _____ based on the NOK / USD exchange rate of NOK _____ / \$1 on _____, 2011).

See Comparative Per Share Market Price Information.

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The OceanFreight Special Committee s and the OceanFreight Board of Directors Reasons for the Transaction; the OceanFreight Special Committee and the OceanFreight Board of Directors Unanimously Recommend that the OceanFreight Shareholders Vote FOR the Merger

As discussed in detail elsewhere in this proxy statement / prospectus, a special committee of independent directors established by the OceanFreight board of directors, or the OceanFreight Special Committee, and the OceanFreight board of directors have determined that the merger agreement and the transactions contemplated by the merger agreement are in the best interests of OceanFreight s shareholders (other than DryShips, Pelican Stockholdings Inc., Basset Holdings Inc., Steel Wheel Investments Limited and Haywood Finance Limited) and have unanimously approved the merger agreement and the transactions contemplated thereby. The OceanFreight Special Committee and the OceanFreight board of directors unanimously recommend that OceanFreight s shareholders vote FOR the approval of the merger agreement.

In the course of reaching their decision to approve the merger agreement and the transactions contemplated thereby, the OceanFreight Special Committee and the OceanFreight board of directors considered a number of factors in their deliberations. Those factors are described in the section entitled The Transaction OceanFreight s Reasons for the Merger; Recommendation of the OceanFreight Special Committee and Board of Directors. Among others, the following factors supported the decision of the OceanFreight Special Committee and the OceanFreight board of directors:

The current and historical prices of OceanFreight s common stock and the fact that the per share merger consideration of \$11.25 in cash and 0.52326 shares of Ocean Rig common stock represents a premium of approximately 109.6% over the closing price of \$9.47 per share of OceanFreight s common stock on July 25, 2011, the last trading day before the public announcement of the merger;

The OceanFreight Special Committee s and the OceanFreight board of directors view that the merger is more favorable to OceanFreight s shareholders than the possible alternatives to the merger, including continuing to operate OceanFreight as an independent publicly traded company or pursuing other strategic alternatives, because of the uncertain returns to such shareholders in light of OceanFreight s business, operations, financial condition and obligations (including OceanFreight s debt and newbuilding obligations), strategy and prospects, as well as the risks involved in achieving those returns, the uncertainties surrounding the availability of future equity or debt financing, the nature of the dry bulk shipping industry, and general industry, economic and market conditions, both on a historical and on a prospective basis; and

The fact that the merger consideration contains a significant cash component, so that the transaction allows OceanFreight s shareholders to realize immediately a considerable portion of their investment in cash and provides such shareholders with a level of certainty as to the value of their shares, while also providing such shareholders with the opportunity to participate in the potential growth of Ocean Rig following the merger.

See The Transaction OceanFreight s Reasons for the Merger; Recommendation of the OceanFreight Special Committee and Board of Directors.

The OceanFreight Special Committee has Received an Opinion from OceanFreight s Financial Advisor

On July 25, 2011, Fearnley Fonds ASA, or Fearnley, rendered its oral opinion to the OceanFreight Special Committee, which was subsequently confirmed in writing, that as of the date of the opinion, and based upon and subject to the considerations and limitations set forth in its written opinion, its work described in its written opinion and other factors it deemed relevant, the merger consideration to be received by the holders of OceanFreight common stock, was fair from a financial point of view to such holders. The full text of the written opinion of Fearnley, which

sets forth the various assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included as Annex C to this proxy statement / prospectus. Fearnley's opinion was provided for the benefit of the OceanFreight Special Committee in connection with, and for the purpose of, its evaluation of the merger. The opinion does not constitute a recommendation as to how any holder of OceanFreight common stock should vote with respect to the merger or any matter related thereto. Holders of shares of OceanFreight common stock are urged to read the opinion of Fearnley carefully and in its entirety.

See The Transaction Opinion of OceanFreight's Financial Advisor.

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Tax Considerations

For a U.S. Holder (as defined in Taxation Certain Material Tax Consequences), the merger will be treated for U.S. federal income tax purposes as a taxable sale by such holder of the OceanFreight shares that such holder surrenders in the merger for the Ocean Rig shares and cash received in the merger.

For a Non-U.S. Holder (as defined in Taxation Certain Material Tax Consequences), any gain realized on the receipt of Ocean Rig shares and cash in the merger generally will not be subject to U.S. federal income or withholding tax unless such Non-U.S. Holder has certain connections to the United States.

See Taxation Certain Material Tax Consequences for a discussion of certain material U.S. federal income tax consequences of (i) the merger and (ii) owning and disposing of Ocean Rig shares.

The Interests of Some OceanFreight Executive Officers and Directors in the Merger may Differ from those of the Holders of Shares of OceanFreight Common Stock

Some of the members of OceanFreight's board of directors and certain of OceanFreight's executive officers have financial interests in the merger that are in addition to, and/or different from, the interests of holders of OceanFreight common stock. The independent members of OceanFreight's board of directors were aware of these additional and/or differing interests and potential conflicts and considered them, among other matters, in evaluating, negotiating and approving the merger agreement. These interests include the following:

As indicated above, entities controlled by Mr. Kandylidis, the Chief Executive Officer of OceanFreight, are parties to the purchase agreement under which DryShips purchased the Seller Shares owned by these entities at a per share purchase price equal to the per share merger consideration on August 24, 2011. See The Purchase and Sale Agreement.

OceanFreight's consultancy agreement with Steel Wheel Investments Limited, a company wholly-owned by Mr. Kandylidis, the Chief Executive Officer of OceanFreight, as modified by an addendum dated July 25, 2011, entitles Steel Wheel Investments Limited to a change of control payment of 2.7 million upon closing of the merger and, pursuant to the addendum noted above, entitles Steel Wheel Investments Limited to the continued payment of its monthly consultancy fee of 75,000 until the later of December 31, 2011 or the closing of the merger.

DryShips has agreed to use reasonable efforts to enter into employment agreements with OceanFreight's President and Chief Operating Officer, Demetris Nenes and OceanFreight's Chief Financial Officer, Solon Dracoulis.

The merger agreement provides for director and officer indemnification arrangements for each of OceanFreight's directors and officers and provides existing directors' and officers' liability insurance to the OceanFreight directors and officers that will continue for six years following completion of the merger.

All legal and advisory fees up to \$1,500,000 incurred by entities controlled by Mr. Kandylidis in connection with the sale of their shares of OceanFreight common stock to DryShips will be paid for by OceanFreight.

The closing of the purchase agreement caused shares of OceanFreight restricted stock (approximately 35,222 shares) held by OceanFreight's officers and directors and their affiliates to vest.

See The Transaction Interests of OceanFreight's Directors and Officers in the Merger.

Key Terms of the Merger Agreement

Conditions to the Merger Agreement

As more fully described in this proxy statement / prospectus and in the merger agreement, the obligations of OceanFreight and DryShips to complete the merger are conditioned upon:

the approval of the merger and the merger agreement by OceanFreight's shareholders in accordance with the MIBCA;

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no law, rule or regulation or any order, injunction, judgment, decree or similar requirement of any governmental authority to which any of the parties or by which any of the parties is subject or bound preventing or prohibiting the consummation of the merger shall be in effect;

the registration statement, of which this proxy statement / prospectus forms a part, having been declared effective and no stop order having been issued by the SEC; and

the shares of Ocean Rig common stock included in the merger consideration payable to the holders of shares of OceanFreight common stock pursuant to the merger having been approved for listing on NASDAQ, subject to the completion of the merger.

Also, the obligations of OceanFreight and DryShips to complete the merger are conditioned upon:

the other party's representations and warranties being true and correct, except for failures that individually or in the aggregate would not reasonably be expected to have a material adverse effect on that party;

the other party having complied in all material respects with its obligations under the merger agreement; and

the absence of any material adverse effect on the other party's financial condition, business or results of operations taken as a whole.

However, since the consummation of the purchase agreement (described above), DryShips' obligation to complete the merger is no longer conditioned upon (i) OceanFreight's representations and warranties being true or (ii) the absence of any material adverse effect on OceanFreight's financial condition, business or results of operations.

No Solicitation; Withdrawal of Board Recommendation

OceanFreight and its subsidiaries and representatives may not, among other things:

solicit, initiate or knowingly take any action designed to facilitate or encourage any acquisition proposal;

enter into or participate in any discussions or negotiations with, furnish any information relating to OceanFreight or any of its subsidiaries or provide access to the business, properties, assets, books or records of OceanFreight or any of its subsidiaries to any third party with respect to inquiries regarding, or the making of, an acquisition proposal;

fail to make, withdraw, or modify or amend in a manner adverse to DryShips the recommendation of either the OceanFreight Special Committee or the OceanFreight board of directors, or recommend any other acquisition proposal;

grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of OceanFreight or any of its subsidiaries;

approve, endorse, recommend, enter into, or make a public proposal regarding, any agreement in principle, letter of intent, term sheet, merger agreement, acquisition agreement, option agreement or other similar agreement relating to an acquisition proposal, with the exception of a confidentiality agreement with a permitted third party;

approve any transaction under Article K of OceanFreight's third amended and restated articles of incorporation (which relates to business combinations); or

redeem the rights issued to holders of OceanFreight's common stock pursuant to the Second Amended and Restated Stockholder Rights Agreement, dated as of April 8, 2011, or OceanFreight's rights plan, amend or modify or terminate OceanFreight's rights plan or exempt any person from, or approve any transaction under, OceanFreight's rights plan.

Notwithstanding these prohibitions:

Prior to August 23, 2011, OceanFreight was permitted to:

engage in negotiations or discussions with any third party, that made an unsolicited written acquisition proposal after the date of the merger agreement if the OceanFreight Special Committee reasonably

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believed in good faith, after consulting with external legal and financial advisors, that the proposal would reasonably have been expected to lead to a superior proposal;

thereafter furnish to such third party non-public information relating to OceanFreight or any of its subsidiaries pursuant to a confidentiality agreement; and

if, in the case of the actions described in the two subbullets above, the OceanFreight Special Committee determined in good faith, after consultation with outside legal counsel, that the failure to take such action would have been reasonably likely to result in a breach of its fiduciary duties under applicable law and OceanFreight had provided DryShips two business days notice of its intention to take any action discussed in the two subbullets above; and

Prior to OceanFreight's shareholders approving the merger, the OceanFreight Special Committee or the OceanFreight board of directors may withdraw its recommendation in favor of the proposed merger in response to a material fact, event, change, development or set of circumstances (other than an acquisition proposal) arising during the period after the date of the merger agreement and before the approval of OceanFreight shareholders, which was not known or reasonably foreseeable by the OceanFreight Special Committee or the OceanFreight board of directors on the date of the merger agreement, if the failure to withdraw, modify or amend the recommendation would be reasonably likely to result in a breach of its fiduciary duties under applicable law; however, DryShips must be given at least five business days prior written notice by OceanFreight and, if requested by DryShips, OceanFreight must engage in good faith negotiations with DryShips to amend the merger agreement in such a manner that obviates the need for a withdrawal of the recommendation in favor of the proposed merger.

In addition, prior to August 23, 2011, OceanFreight had the right to terminate the merger agreement to enter into a definitive agreement with respect to a superior proposal or make a recommendation in connection with a superior proposal if the superior proposal did not result from a breach of the non-solicitation provisions of the merger agreement, and the OceanFreight Special Committee reasonably determined in good faith after consultation with its outside counsel and financial advisors that the failure to take any such action would have breached its fiduciary duties to OceanFreight shareholders, subject to certain conditions.

For additional information on limitations on solicitation and withdrawal of board recommendations, see *The Merger Agreement - No Solicitation*.

Termination of the Merger Agreement

The merger agreement provides for certain termination rights for OceanFreight and DryShips (even after the vote of the OceanFreight shareholders), including the right of:

both parties to terminate the merger agreement by mutual agreement;

either party to terminate the merger agreement if the merger has not become effective by March 26, 2012 or applicable law prohibits the consummation of the merger;

OceanFreight to terminate the merger agreement if either DryShips or Pelican Stockholdings Inc. has materially breached the merger agreement, including by failing to perform covenants or obligations under the merger agreement or because certain of its representations and warranties have become untrue, or upon certain other events, and that breach has not been cured; and

DryShips to terminate the merger agreement if OceanFreight has materially breached the merger agreement by failing to perform covenants or obligations under the merger agreement, and that breach has not been cured.

Additionally, DryShips or OceanFreight had the right to terminate the merger agreement in two additional circumstances that are no longer applicable. First, DryShips had the right to terminate the merger agreement prior to the purchase agreement closing date, which occurred on August 24, 2011, if: the OceanFreight Special Committee made an adverse recommendation in respect of the merger; OceanFreight entered into a binding agreement (other than a confidentiality agreement contemplated by the merger agreement) with a third party relating to any

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acquisition proposal; the OceanFreight Special Committee or the OceanFreight board of directors failed publicly to reaffirm its recommendation of the merger agreement or the merger within five business days of receipt of a written request by DryShips or Pelican Stockholdings Inc. to provide such reaffirmation following an acquisition proposal from a third party; or OceanFreight or any of its representatives materially breached any of its obligations under the non-solicitation provisions under the merger agreement.

Second, OceanFreight had the right to terminate the merger agreement, prior to August 23, 2011, in relation to a superior proposal (in accordance with the requirements set out above), provided that OceanFreight paid to DryShips the termination fee described below, and immediately following termination of the merger agreement, OceanFreight entered into a definitive agreement with respect to a superior proposal.

For additional information on OceanFreight's and DryShips' rights to terminate the merger agreement, see *The Merger Agreement - Termination*.

Termination Fee

If (i) the merger agreement is terminated by DryShips (i) as a result of a material breach by OceanFreight of its covenants or obligations, (ii) an acquisition proposal is made prior to termination of the merger agreement, and (iii) prior to the first anniversary of the date of termination, OceanFreight enters into a definitive agreement with respect to or recommends to its shareholders any acquisition proposal or any such acquisition proposal shall have been consummated, then OceanFreight will be required to pay a termination fee of \$4.5 million in cash to DryShips.

Additionally, a termination fee would have been payable in two additional circumstances that are no longer applicable. First, if the merger agreement was terminated by DryShips prior to the closing of the purchase agreement, which occurred on August 24, 2011, and pursuant to the merger agreement, in the event that (i) prior to the purchase agreement closing date, the OceanFreight Special Committee or the OceanFreight board of directors made an adverse recommendation, (ii) OceanFreight entered into a binding agreement (other than a confidentiality agreement contemplated by the merger agreement) relating to any third-party acquisition proposal, (iii) the OceanFreight Special Committee or the OceanFreight board of directors failed publicly to reaffirm its recommendation of the merger agreement or the transaction contemplated thereby within five business days of receipt of a written request by DryShips or Pelican Stockholdings Inc. to provide such a reaffirmation following any third-party acquisition proposal, or (iv) OceanFreight or any of its representatives materially breached any of its obligations relating to the prohibition on solicitation under the merger agreement, then OceanFreight would have been required to pay to DryShips in immediately available funds a termination fee of \$4.5 million in cash.

Second, if the merger agreement was terminated by OceanFreight prior to August 23, 2011 after receipt of a superior proposal (and in accordance with the provisions set out above), then OceanFreight would have been required to pay to DryShips in immediately available funds a termination fee of \$4.5 million in cash.

For additional information on the termination fee and reimbursement of expenses, see *The Merger Agreement - Termination Fee and Expenses*.

Risk Factors

In evaluating the transaction, the merger agreement or the transactions contemplated by the merger agreement, you should carefully read this proxy statement / prospectus and especially consider the factors discussed in the section entitled *Risk Factors* beginning on page 28.

Table of Contents**OCEAN RIG SUMMARY****Ocean Rig**

Ocean Rig is an international offshore drilling contractor providing oilfield services for offshore oil and gas exploration, development and production drilling and specializing in the ultra-deepwater and harsh-environment segment of the offshore drilling industry. Ocean Rig seeks to utilize its high-specification drilling units to the maximum extent of their technical capability and Ocean Rig believes that it has earned a reputation for operating performance excellence. Ocean Rig currently owns and operates two modern, fifth generation ultra-deepwater semi-submersible offshore drilling rigs, the *Leiv Eiriksson* and the *Eirik Raude*, and three sixth generation, advanced capability ultra-deepwater drillships, the *Ocean Rig Corcovado*, the *Ocean Rig Olympia* and the *Ocean Rig Poseidon*, delivered in January 2011, March 2011 and July 2011, respectively, by Samsung Heavy Industries Co. Ltd., or Samsung.

Ocean Rig has additional newbuilding contracts with Samsung for the construction of one sixth generation, advanced capability ultra-deepwater drillship, the *Ocean Rig Mykonos*, and three seventh generation newbuilding drillships, or Ocean Rig's seventh generation hulls. These four newbuilding drillships are currently scheduled for delivery in September 2011, July 2013, September 2013 and November 2013, respectively. The *Ocean Rig Corcovado*, the *Ocean Rig Olympia*, the *Ocean Rig Poseidon* and the *Ocean Rig Mykonos* are sister-ships constructed by the same shipyard to the same high-quality vessel design and specifications and are capable of drilling in water depths of 10,000 feet. The design of Ocean Rig's seventh generation hulls reflects additional enhancements that, with the purchase of additional equipment, will enable the drillship to drill in water depths of 12,000 feet.

Ocean Rig also has options with Samsung for the construction of up to three additional seventh generation ultra-deepwater drillships at an estimated total project cost, excluding financing costs, of \$638.0 million per drillship, based on a shipyard contract price of \$570.0 million, costs of approximately \$38.0 million for upgrades to the existing drillship specifications and construction-related expenses of \$30.0 million. These options are exercisable by Ocean Rig at any time on or prior to January 31, 2012.

Ocean Rig believes that the *Ocean Rig Corcovado*, the *Ocean Rig Olympia* and the *Ocean Rig Poseidon*, as well as its four newbuilding drillships, will be among the most technologically advanced drillships in the world. The S10000E design, used for the *Ocean Rig Corcovado*, the *Ocean Rig Olympia*, the *Ocean Rig Poseidon* and the *Ocean Rig Mykonos*, was originally introduced in 1998 and according to Fearnley Offshore AS, including these four drillships, a total of 45 drillships have been ordered using this base design, which has been widely accepted by customers, of which 24 had been delivered as of July 2011, including the *Ocean Rig Corcovado* and the *Ocean Rig Olympia*. Among other technological enhancements, Ocean Rig drillships are equipped with dual activity drilling technology, which involves two drilling systems using a single derrick that permits two drilling-related operations to take place simultaneously. Ocean Rig estimates this technology saves between 15% and 40% in drilling time, depending on the well parameters. Each of Ocean Rig's newbuilding drillships will be capable of drilling 40,000 feet at water depths of 10,000 feet or, in the case of its seventh generation hulls, 12,000 feet. Ocean Rig currently has a team of its employees at Samsung overseeing the construction of the four newbuilding drillships to help ensure that those drillships are built on time, to Ocean Rig's exact vessel specifications and on budget, as was the case for the *Ocean Rig Corcovado*, the *Ocean Rig Olympia* and the *Ocean Rig Poseidon*.

The total cost of construction and construction-related expenses for the *Ocean Rig Corcovado*, the *Ocean Rig Olympia* and the *Ocean Rig Poseidon* amounted to approximately \$754.8 million, \$755.3 million and \$788.5 million, respectively. As of August 15, 2011, Ocean Rig had made an aggregate of \$451.7 million of construction and

construction-related payments for the *Ocean Rig Mykonos*. Construction-related expenses include equipment purchases, commissioning, supervision and commissions to related parties, excluding financing costs and fair value adjustments. As of August 15, 2011, the remaining total construction and construction-related payments for the *Ocean Rig Mykonos* was approximately \$331.0 million in the aggregate. As of August 15, 2011, Ocean Rig had made an aggregate of \$726.7 million of construction and construction-related payments for its three seventh generation hulls and have remaining total construction and construction-related payments relating to these drillships of approximately \$1.2 billion in the aggregate.

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Ocean Rig's revenue, earnings before interest, taxes, depreciation and amortization, or EBITDA, and net income for the twelve-months ended June 30, 2011 were \$452.4 million, \$242.2 million and \$114.0 million, respectively. Ocean Rig believes EBITDA provides useful information to investors because it is a basis upon which it measures its operations and efficiency. Please see Selected Historical Consolidated Financial and Other Data of Ocean Rig for a reconciliation of EBITDA to net income, the most directly comparable U.S. generally accepted accounting principles, or U.S. GAAP, financial measure.

Ocean Rig's Fleet

Set forth below is summary information concerning Ocean Rig's offshore drilling units as of August 15, 2011.

	Year Built or Scheduled Delivery/ Generation	Water Depth to the Wellhead (ft)	Drilling Depth to the Oil Field (ft)	Customer	Contract Term	Maximum Dayrate	Drilling Location
Existing Drilling Rigs							
<i>Eiriksson</i>	2001 / 5th	7,500	30,000	Cairn Energy plc	Q2 2011 - Q4 2011	\$ 560,000	Greenland
				Borders & Southern plc	Q4 2011 - Q2 2012	\$ 530,000	Falkland Isl
<i>Raude</i>	2002 / 5th	10,000	30,000	Tullow Oil plc	Q4 2008 - Q4 2011	\$ 665,000	Ghana
Existing Drillships							
<i>En Rig</i>	2011 / 6th	10,000	40,000	Cairn Energy plc	Q1 2011 - Q4 2011	\$ 560,000	Greenland
<i>Novado(A)</i>				Petróleo Brasileiro S.A.	Q4 2011 - Q4 2014	\$ 460,000	Brazil
<i>En Rig Olympia(A)</i>	2011 / 6th	10,000	40,000	Vanco Cote d'Ivoire Ltd. and Vanco Ghana Ltd.	Q2 2011 - Q2 2012	\$ 415,000	West Africa
<i>En Rig Poseidon(A)</i>	2011 / 6th	10,000	40,000	Petrobras Tanzania Limited	Q3 2011 - Q3 2013	\$ 632,000	Tanzania and West Africa
Existing Newbuilding Drillships							
<i>En Rig Mykonos(A)</i>	Q3 2011 / 6th	10,000	40,000	Petróleo Brasileiro S.A.	Q3 2011 - Q4 2014	\$ 455,000	Brazil
<i>En1 (TBN)(A)</i>	Q3 2013 / 7th	12,000	40,000				
<i>En2 (TBN)(A)</i>	Q4 2013 / 7th	12,000	40,000				
<i>En3 (TBN)(A)</i>	Q4 2013 / 7th	12,000	40,000				
Additional Newbuilding Drillships							
<i>Option #1(A)</i>		12,000	40,000				
<i>Option #2(A)</i>		12,000	40,000				

Option #3(A) 12,000 40,000

(A) Represents sister ship vessels built to the same or similar design and specifications.

Employment of Ocean Rig's Fleet

In April 2011, the *Leiv Eiriksson* commenced a contract with a term of approximately six months with Cairn Energy plc, or Cairn, for drilling operations in Greenland at a maximum operating dayrate of \$560,000 and a mobilization fee of \$7.0 million plus fuel costs. The contract period is scheduled to expire on October 31, 2011, subject to Ocean Rig's customer's option to extend the contract period through November 30, 2011. Following the expiration of its contract with Cairn, the *Leiv Eiriksson* is scheduled to commence a contract with Borders & Southern for drilling operations offshore the Falkland Islands at a maximum operating dayrate of \$530,000 and a \$3.0 million fee payable upon commencement of mobilization as well as mobilization and demobilization fees, including fuel costs, of \$15.4 million and \$12.6 million, respectively. The contract was originally a two-well program at a maximum dayrate of \$540,000; however, on May 19, 2011, Borders & Southern exercised its option to

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extend the contract to drill an additional two wells, which it assigned to Falkland Oil and Gas Limited, or Falkland Oil and Gas, and the maximum dayrate decreased to \$530,000. Borders & Southern has the option to further extend this contract to drill an additional fifth well, in which case the dayrate would increase to \$540,000. The estimated duration for the four-well contract, including mobilization/demobilization periods, is approximately 230 days, and Ocean Rig estimates that the optional period to drill the additional fifth well would extend the contract term by approximately 45 days.

The *Eirik Raude* is employed under a contract, or the Tullow Oil contract, with Tullow Oil plc, or Tullow Oil, for development drilling offshore of Ghana at a weighted average dayrate of \$637,000, based upon 100% utilization. On February 15, 2011, the dayrate increased to a maximum of \$665,000, which rate will be effective until expiration of the contract in October 2011.

The *Ocean Rig Corcovado* is employed under a contract with Cairn for a period of approximately ten months, under which the drillship commenced drilling and related operations in Greenland in May 2011 at a maximum operating dayrate of \$560,000. In addition, Ocean Rig is entitled to a mobilization fee of \$17.0 million, plus fuel costs, and winterization upgrading costs of \$12.0 million, plus coverage of yard stay costs at \$200,000 per day during the winterization upgrade. The contract period is scheduled to expire on October 31, 2011, subject to Ocean Rig's customer's option to extend the contract period through November 30, 2011. On July 20, 2011, Ocean Rig entered into a three-year contract with Petróleo Brasileiro S.A., or Petrobras Brazil, for the *Ocean Rig Corcovado* for drilling operations offshore Brazil at a maximum dayrate of \$460,000, plus a mobilization fee of \$30.0 million. The contract is scheduled to commence upon the expiration of the drillship's contract with Cairn.

The *Ocean Rig Olympia* is employed under contracts to drill a total of five wells with Vanco Cote d'Ivoire Ltd. and Vanco Ghana Ltd., or, collectively, Vanco, for exploration drilling offshore of Ghana and Cote d'Ivoire at a maximum operating dayrate of \$415,000 and a daily mobilization rate of \$180,000, plus fuel costs. The aggregate contract term is for approximately one year, subject to Ocean Rig's customer's option to extend the term at the same dayrate for (i) one additional well, (ii) one additional year or (iii) one additional well plus one additional year. Vanco is required to exercise the option no later than the date on which the second well in the five-well program reaches its target depth.

The *Ocean Rig Poseidon* commenced a contract with Petrobras Tanzania Limited, or Petrobras Tanzania, a company related to Petrobras Oil & Gas B.V., or Petrobras Oil & Gas, on July 29, 2011 for drilling operations in Tanzania and West Africa for a period of 544 days, plus a mobilization period, at a maximum dayrate of \$632,000, including a bonus of up to \$46,000. In addition, Ocean Rig is entitled to receive a separate dayrate of \$422,500 for up to 60 days during relocation and a mobilization dayrate of \$317,000, plus the cost of fuel. The *Ocean Rig Poseidon* is currently earning mobilization fees under the contract. Drilling operations have not commenced.

On July 20, 2011, Ocean Rig entered into a three-year contract with Petrobras Brazil for the *Ocean Rig Mykonos* for drilling operations offshore Brazil at a maximum dayrate of \$455,000, plus a mobilization fee of \$30.0 million. The contract is scheduled to commence in the third quarter of 2011.

Ocean Rig has not arranged employment for its three seventh generation hulls, which are scheduled to be delivered in July 2013, September 2013 and November 2013, respectively.

Option to Purchase Additional New Drillships

On November 22, 2010, DryShips, Ocean Rig's parent company, entered into a contract with Samsung that granted DryShips options for the construction of up to four additional ultra-deepwater drillships, which would be sister-ships to the *Ocean Rig Corcovado*, the *Ocean Rig Olympia*, the *Ocean Rig Poseidon* and the *Ocean Rig Mykonos* with certain upgrades to vessel design and specifications. The option agreement required DryShips to pay a non-refundable

slot reservation fee of \$24.8 million per drillship. The option agreement was novated by DryShips to Ocean Rig on December 30, 2010, at a cost of \$99.0 million, which Ocean Rig paid from the net proceeds of a private offering of its common shares that Ocean Rig completed in December 2010. In addition, Ocean Rig paid additional deposits totaling \$20.0 million to Samsung in the first quarter of 2011 to maintain favorable costs and yard slot timing under the option contract.

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On May 16, 2011, Ocean Rig entered into an addendum to the option contract with Samsung, pursuant to which Samsung granted Ocean Rig the option for the construction of up to two additional ultra-deepwater drillships, which would be sister-ships to its drillships and its seventh generation hulls, with certain upgrades to vessel design and specifications. Ocean Rig did not pay slot reservation fees in connection with its entry into this addendum.

As of the date of this proxy statement / prospectus, Ocean Rig has exercised three of the six options and, as a result, has entered into shipbuilding contracts for its seventh generation hulls with deliveries scheduled in July 2013, September 2013 and November 2013, respectively. Ocean Rig made payments of \$632.4 million to the shipyard in the second quarter of 2011 in connection with its exercise of the three newbuilding drillship options. The estimated total project cost per drillship is \$638.0 million, which consists of \$570.0 million of construction costs, costs of approximately \$38.0 million for upgrades to the existing drillship specifications and construction-related expenses of \$30.0 million. These upgrades include a 7 ram blowout preventer, or BOP, a dual mud system and, with the purchase of additional equipment, the capability to drill up to 12,000 feet water depth.

Ocean Rig may exercise the three remaining newbuilding drillship options at any time on or prior to January 31, 2012, with vessel deliveries ranging from the first to the third quarter of 2014, depending on when the options are exercised. Ocean Rig estimates the total project cost, excluding financing costs, for the remaining three optional drillships to be \$638.0 million per drillship, based on the construction and construction-related expenses for its seventh generation hulls described above.

As part of the novation of the contract described above, the benefit of the slot reservation fees passed to Ocean Rig. The amount of the slot reservation fees for the seventh generation hulls has been applied towards the drillship contract prices and the amount of the slot reservation fees applicable to one of the remaining three newbuilding drillship options will be applied towards the drillship contract price if the option is exercised.

Management of Ocean Rig's Drilling Units

Ocean Rig's existing drilling rigs, the *Leiv Eiriksson* and the *Eirik Raude*, are managed by Ocean Rig AS, Ocean Rig's wholly-owned subsidiary. Ocean Rig AS also provides supervisory management services, including onshore management, to the *Ocean Rig Corcovado*, the *Ocean Rig Olympia*, the *Ocean Rig Poseidon* and Ocean Rig's newbuilding drillships pursuant to separate management agreements entered into with each of the drillship-owning subsidiaries. Under the terms of these management agreements, Ocean Rig AS, through its offices in Stavanger, Norway, Aberdeen, United Kingdom and Houston, Texas, is responsible for, among other things, (i) assisting in construction contract technical negotiations, (ii) securing contracts for the future employment of the drillships, and (iii) providing commercial, technical and operational management for the drillships.

Pursuant to the Global Services Agreement between DryShips and Cardiff Marine Inc., or Cardiff, a related party, effective December 21, 2010, DryShips has engaged Cardiff to act as consultant on matters of chartering and sale and purchase transactions for the offshore drilling units operated by Ocean Rig. Under the Global Services Agreement, Cardiff, or its subcontractor, will (i) provide consulting services related to identifying, sourcing, negotiating and arranging new employment for offshore assets of DryShips and its subsidiaries, including Ocean Rig's drilling units and (ii) identify, source, negotiate and arrange the sale or purchase of the offshore assets of DryShips and its subsidiaries, including Ocean Rig's drilling units. The services provided by Ocean Rig AS and Cardiff overlap mainly with respect to negotiating shipyard orders and providing marketing for potential contractors. Cardiff has an established reputation within the shipping industry, and has developed expertise and a network of strong relationships with shipbuilders and oil companies, which supplement the management capabilities of Ocean Rig AS. Ocean Rig may benefit from services provided in accordance the Global Services Agreement. See **Business Management of Ocean Rig's Drilling Units** Global Services Agreement.

Ocean Rig s Competitive Strengths

Ocean Rig believes that its prospects for success are enhanced by the following aspects of its business:

Proven track record in ultra-deepwater drilling operations. Ocean Rig has a well-established record of operating drilling equipment with a primary focus on ultra-deepwater offshore locations and harsh environments.

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Established in 1996, Ocean Rig employed 1,070 people as of August 15, 2011, and has gained significant experience operating in challenging environments with a proven track record for operations excellence through Ocean Rig's completion of 102 wells. Ocean Rig capitalizes on its high-specification drilling units to the maximum extent of their technical capability, and Ocean Rig believes that it has earned a reputation for operating performance excellence. Ocean Rig has operated the *Leiv Eiriksson* since 2001 and the *Eirik Raude* since 2002. From February 24, 2010 through February 3, 2011, the *Leiv Eiriksson* performed drilling operations in the Black Sea under its contract with Petrobras Oil & Gas, or the Petrobras contract, and achieved a 91% earnings efficiency. The *Eirik Raude* has been operating in deep water offshore of Ghana under the Tullow Oil contract and achieved a 98% earnings efficiency for the period beginning October 2008, when the rig commenced the contract, through June 30, 2011.

Technologically advanced deepwater drilling units. According to Fearnley Offshore AS, the *Leiv Eiriksson* and the *Eirik Raude* are two of only 15 drilling units worldwide as of July 2011 that are technologically equipped to operate in both ultra-deepwater and harsh environments. Additionally, each of Ocean Rig's drillships will be either a sixth or seventh generation, advanced capability, ultra-deepwater drillship built based on a proven design that features full dual derrick enhancements. The *Ocean Rig Corcovado*, the *Ocean Rig Olympia* and the *Ocean Rig Poseidon* have, and the newbuilding drillships will have, the capacity to drill 40,000 feet at water depths of 10,000 feet or, in the case of Ocean Rig's seventh generation hulls, 12,000 feet. One of the key benefits of each of Ocean Rig's drillships is its dual activity drilling capabilities, which involves two drilling systems that use a single derrick and which permits two drilling-related operations to take place simultaneously. Ocean Rig estimates that this capability reduces typical drilling time by approximately 15% to 40%, depending on the well parameters, resulting in greater utilization and cost savings to Ocean Rig's customers. According to Fearnley Offshore AS, of the 34 ultra-deepwater drilling units to be delivered worldwide in 2011, only 11 are expected to have dual activity drilling capabilities, including Ocean Rig's four drillships. As a result of the *Deepwater Horizon* offshore drilling accident in the Gulf of Mexico in April 2010, in which Ocean Rig was not involved, Ocean Rig believes that independently and nationally owned oil companies and international governments will increase their focus on safety and the prevention of environmental disasters and, as a result, Ocean Rig expects that high quality and technologically advanced drillships such as Ocean Rig's will be in high demand and at the forefront of ultra-deepwater drilling activity.

Long-term blue-chip customer relationships. Since the commencement of its operations, Ocean Rig has developed relationships with large independent oil producers such as Chevron Corporation, or Chevron, Exxon Mobil Corporation, or ExxonMobil, Petrobras Oil & Gas, Royal Dutch Shell plc, or Shell, BP plc, or BP, Total S.A., or Total, Statoil ASA, or Statoil, and Tullow Oil. Together with its predecessor, Ocean Rig ASA, Ocean Rig has drilled 102 wells in 15 countries for 22 clients, including those listed above. Currently, Ocean Rig has employment contracts with Petrobras Oil & Gas, Petrobras Tanzania, Petrobras Brazil, Tullow Oil, Borders & Southern, Cairn and Vanco. Ocean Rig believes these strong customer relationships stem from its proven track record for dependability and for delivering high-quality drilling services in the most extreme operating environments. Although Ocean Rig's former clients are not obligated to use its services, it expects to use its relationships with its current and former customers to secure attractive employment contracts for its drilling units.

High barriers to entry. There are significant barriers to entry in the ultra-deepwater offshore drilling industry. Given the technical expertise needed to operate ultra-deepwater drilling rigs and drillships, operational know-how and a track record of safety play an important part in contract awards. The offshore drilling industry in some jurisdictions is highly regulated, and compliance with regulations requires significant operational expertise and financial and management resources. With the negative press around the *Deepwater Horizon* drilling rig accident, Ocean Rig expects regulators worldwide to implement more stringent regulations and oil companies to place a premium on drilling firms with a proven track record for safety. There are also significant capital requirements for building ultra-deepwater drillships. Further, there is limited shipyard availability for new drillships and required lead times are typically in excess of two years. Additionally, due to the recent financial crisis, access to bank lending, the traditional source for ship and offshore financing, has become constrained. According to Fearnley Offshore AS, as of July 2011,

there were 85 ultra-deepwater drilling units in operation with another 62 under construction, including the *Ocean Rig Poseidon* and Ocean Rig's four newbuilding drillships.

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Anticipated strong free cash flow generation. Based on current and expected supply and demand dynamics in ultra-deepwater drilling, Ocean Rig expects dayrates to be above its estimated daily cash breakeven rate, based on estimated daily operating costs, general and administrative costs and debt service requirements, thereby generating substantial free cash flow going forward. According to Fearnley Offshore AS, the most recent charterhire in the industry for a modern ultra-deepwater drillship or rig (June 2011) was at a gross dayrate of \$450,000 for a two-year contract commencing in the third quarter of 2012. Once drilling operations have commenced with the *Ocean Rig Poseidon* under the contract with Petrobras Tanzania, Ocean Rig's five-unit fleet will generate a maximum average dayrate of \$560,000.

Leading shipbuilder constructing Ocean Rig's newbuildings. Only a limited number of shipbuilders possess the necessary construction and underwater drilling technologies and experience to construct drillships. The *Ocean Rig Corcovado*, the *Ocean Rig Olympia* and the *Ocean Rig Poseidon* were, and Ocean Rig's four newbuilding drillships are being, built by Samsung, which is one of the world's largest shipbuilders in the high-tech and high-value shipbuilding sectors, which include drillships, ultra-large container ships, liquefied natural gas carriers and floating production storage and offshore units, or FPSOs. According to Fearnley Offshore AS, of the 74 drillships ordered on a global basis since 2005, Samsung has delivered or will deliver 40, representing a 54% market share. To date, construction of Ocean Rig's newbuilding drillships has progressed on time and on budget.

Experienced management and operations team. Ocean Rig has an experienced management and operations team with a proven track record and an average of 24 years of experience in the offshore drilling industry. Many of the core members of Ocean Rig's management team have worked together since 2006, and certain members of Ocean Rig's management team have worked at leading oil-related and shipping companies such as ExxonMobil, Statoil, Transocean Ltd., ProSafe and Smedvig (acquired by Seadrill Limited). In addition to the members of the management team, Ocean Rig had at August 15, 2011, 38 employees of Ocean Rig overseeing construction of its newbuilding drillships and will have highly trained personnel operating the drillships once they are delivered from the yard. Ocean Rig also had at August 15, 2011 an onshore team of 109 people in management functions as well as administrative and technical staff and support functions, ranging from marketing, human resources, accounting, finance, technical support and health, environment, safety and quality, or HES&Q. Ocean Rig believes the focus and dedication of its personnel in each step of the process, from design to construction to operation, has contributed to its track record of safety and consistently strong operational performance.

Business Strategy

Ocean Rig's business strategy is predicated on becoming a leading company in the offshore ultra-deepwater drilling industry and providing customers with safe, high quality service and state-of-the-art drilling equipment. The following outlines the primary elements of this strategy:

Create a pure play model in the ultra-deepwater and harsh environment markets. Ocean Rig's mission is to become the preferred offshore drilling contractor in the ultra-deepwater and harsh environment regions of the world and to deliver excellent performance to its clients by exceeding their expectations for operational efficiency and safety standards. Ocean Rig believes the *Ocean Rig Corcovado*, the *Ocean Rig Olympia* and the *Ocean Rig Poseidon* are, and its four newbuilding drillships will be, among the most technologically advanced in the world. Ocean Rig currently has an option to purchase up to three additional newbuilding drillships and it intends to grow its fleet over time in order to continue to meet its customers' demands while optimizing its fleet size from an operational and logistical perspective.

Capitalize on the operating capabilities of Ocean Rig's drilling units. Ocean Rig plans to capitalize on the operating capabilities of its drilling units by entering into attractive employment contracts. The focus of its marketing effort is to maximize the benefits of the drilling units' ability to operate in ultra-deepwater drilling locations. As described above,

the *Leiv Eiriksson* and *Eirik Raude* are two of only 15 drilling units worldwide as of July 2011 that are technologically equipped to operate in both ultra-deepwater and harsh environments, and its drillships will have the capacity to drill 40,000 feet at water depths of 10,000 feet or, in the case of Ocean Rig's seventh generation hulls, 12,000 feet with dual activity drilling capabilities. Ocean Rig aims to secure firm employment contracts for the drilling units at or near the highest dayrates available in the industry at that time while balancing appropriate contract lengths. As Ocean Rig works towards its goal of securing firm contracts for its

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drilling units at attractive dayrates, Ocean Rig believes it will be able to differentiate itself based on its prior experience operating drilling rigs and its safety record.

Maintain high drilling units utilization and profitability. Ocean Rig has a proven track record of optimizing equipment utilization. Until February 2011, the *Leiv Eiriksson* was operating in the Black Sea under the Petrobras contract and maintained a 91% earnings efficiency from February 24, 2010 through February 3, 2011, for the period it performed drilling operations under the contract. The *Eirik Raude* has been operating offshore of Ghana under the Tullow Oil contract and maintained a 98% earnings efficiency from October 2008, when it commenced operations under the contract, through March 31, 2011. Ocean Rig aims to maximize the revenue generation of its drilling units by maintaining its track record of high drilling unit utilization as a result of the design capabilities of its drilling units that can operate in harsh environmental conditions.

Capitalize on favorable industry dynamics. Ocean Rig believes the demand for offshore deepwater drilling units will be positively affected by increasing global demand for oil and gas and increased exploration and development activity in deepwater markets. The International Energy Agency, or the IEA, projected that oil demand for 2010 increased by 3.4% compared to 2009 levels, and that oil demand will further increase to 89.2 million barrels per day in 2011, an increase of 1.5% compared to 2010 levels. As the Organization for Economic Co-operation and Development, or OECD, countries resume their growth and the major non-OECD countries continue to develop, led by China and India, oil demand is expected to grow. Ocean Rig believes it will become increasingly difficult to find the incremental barrels of oil needed, due to depleting existing oil reserves. This is expected to force oil companies to continue to explore for oil farther offshore for growing their proven reserves. According to Fearnley Offshore AS, from 2005 to 2010, the actual spending directly related to ultra-deepwater drilling units increased from \$4.7 billion to \$19.0 billion, a compound average growth rate, or CAGR, of 32.2%.

Continue to prioritize safety as a key focus of Ocean Rig's operations. Ocean Rig believes safety is of paramount importance to its customers and a key differentiator for Ocean Rig when securing drilling contracts from its customers. Ocean Rig has a zero incident philosophy embedded in its corporate culture, which is reflected in its policies and procedures. Despite operating under severely harsh weather conditions, Ocean Rig has a proven track record of high efficiency deepwater and ultra-deepwater drilling operations. Ocean Rig employed 1,070 people as of August 15, 2011 and has been operating ultra-deepwater drilling rigs since 2001. Ocean Rig has extensive experience working in varying environments and regulatory regimes across the globe, including Eastern Canada, Angola, Congo, Ireland, the Gulf of Mexico, the U.K., West of Shetlands, Norway, including the Barents Sea, Ghana and Turkey.

Both of Ocean Rig's drilling rigs and one of its drillships, the *Ocean Rig Corcovado*, have a valid and updated safety case under U.K. Health and Safety Executive, or HSE, regulations, and both of Ocean Rig's drilling rigs hold a Norwegian sector certificate of compliance (called an Acknowledgement of Compliance), which evidences that the rigs and Ocean Rig's management system meet the requirements set by the U.K. and Norwegian authorities.

Ocean Rig believes that this safety record has enabled it to hire and retain highly-skilled employees, thereby improving its overall operating and financial performance. Ocean Rig expects to continue its strong commitment to safety across all of its operations by investing in the latest technologies, performing regular planned maintenance on its drilling units and investing in the training and development of new safety programs for its employees.

Implement and sustain a competitive cost structure. Ocean Rig believes that it has a competitive cost structure due to its operating experience and successful employee retention policies and that its retention of highly-skilled personnel leads to significant transferable experience and knowledge of drilling rig operation through deployment of seasoned crews across its fleet. By focusing on the ultra-deepwater segment, Ocean Rig believes that it is able to design and implement best-in-class processes to streamline its operations and improve efficiency. As Ocean Rig grows, it hopes to benefit from significant economies of scale due to an increased fleet size and a fleet of sister-ships to its drillships,

where Ocean Rig expects to benefit from the standardization of these drilling units, resulting in lower training and operating costs. In addition, Ocean Rig's drillships have high-end specifications, including advanced technology and safety features, and, therefore, Ocean Rig expects that the need for upgrades will be limited in the near term. Ocean Rig expects the increase from five to nine drilling units to enable it to bring more than one unit into a drilling region in which it operates. To the extent Ocean Rig operates more than one drilling unit in a drilling region, Ocean Rig expects to benefit from economies of scale and improved logistic coordination managing more units from the same onshore bases.

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Risk Factors

Ocean Rig faces a number of risks associated with its business and industry and must overcome a variety of challenges to utilize its strengths and implement its business strategy. These risks include, among others, changes in the offshore drilling market, including supply and demand, utilization rates, dayrates, customer drilling programs, and commodity prices; a downturn in the global economy; hazards inherent in the drilling industry and marine operations resulting in liability for personal injury or loss of life, damage to or destruction of property and equipment, pollution or environmental damage; inability to comply with loan covenants; inability to finance shipyard and other capital projects; and inability to successfully employ its drilling units.

This is not a comprehensive list of risks to which Ocean Rig is subject, and you should carefully consider all the information in this proxy statement / prospectus in connection with its common shares. In particular, Ocean Rig urges you to carefully consider the risk factors set forth in the section of this proxy statement / prospectus entitled Risk Factors beginning on page 28.

Industry Overview

In recent years, the international drilling market has seen an increasing trend towards deep and ultra-deepwater oil and gas exploration. As shallow water resources mature, deep and ultra-deepwater regions are expected to play an increasing role in offshore oil and gas production. According to Fearnley Offshore AS, the ultra-deepwater market has seen rapid development over the last six years, with dayrates increasing from approximately \$180,000 in 2004 to above \$600,000 in 2008, before declining to a level of approximately \$453,000 in July 2011. The ultra-deepwater market rig utilization rate has been stable above 80% since 2000 and above 97% since 2006. The operating units capable of drilling in ultra-deepwater depths of greater than 7,500 feet consist mainly of fifth- and sixth-generation units, but also include certain older upgraded units. The in-service fleet as of July 2011 totaled 85 units, and is expected to grow to 147 units upon the scheduled delivery of the current newbuild orderbook by the middle of 2014. Historically, an increase in supply has caused a decline in utilization and dayrates until drilling units are absorbed into the market. Accordingly, dayrates have been very cyclical. Ocean Rig believes that the largest undiscovered offshore reserves are mostly located in ultra-deepwater fields and primarily located in the golden triangle between West Africa, Brazil and the Gulf of Mexico. The location of these large offshore reserves has resulted in more than 90% of the floater orderbook being represented by ultra-deepwater units. Furthermore, due to increased focus on technically challenging operations and the inherent risk of developing offshore fields in ultra-deepwater, particularly in light of the *Deepwater Horizon* oil spill in the Gulf of Mexico, oil companies have already begun to show a preference for modern units more capable of drilling in these harsh environments. See The Offshore Drilling Industry.

Dividend Policy

Ocean Rig's long-term objective is to pay a regular dividend in support of its main objective to maximize shareholder returns. However, Ocean Rig has not paid any dividends in the past and it is currently focused on the development of capital intensive projects in line with its growth strategy and this focus will limit any dividend payment in the medium term. Furthermore, since Ocean Rig is a holding company with no material assets other than the shares of its subsidiaries through which it conducts its operations, Ocean Rig's ability to pay dividends will depend on its subsidiaries distributing their earnings and cash flow to it. Some of Ocean Rig's other loan agreements limit or prohibit its subsidiaries' ability to make distributions without the consent of its lenders.

Any future dividends declared will be at the discretion of Ocean Rig's board of directors and will depend upon its financial condition, earnings and other factors, including the financial covenants contained in Ocean Rig's loan

agreements and its 9.5% senior unsecured notes due 2016. Ocean Rig's ability to pay dividends is also subject to Marshall Islands law, which generally prohibits the payment of dividends other than from operating surplus or while a company is insolvent or would be rendered insolvent upon the payment of such dividend. In addition, under Ocean Rig's \$800.0 million senior secured term loan agreement, which matures in 2016, Ocean Rig is prohibited from paying dividends without the consent of its lenders.

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Corporate Structure

Ocean Rig is a corporation incorporated under the laws of the Republic of the Marshall Islands on December 10, 2007 under the name Primelead Shareholders Inc. Primelead Shareholders Inc. was formed in December 2007 for the purpose of acquiring the shares of Ocean Rig's predecessor, Ocean Rig ASA, which was incorporated in September 1996 under the laws of Norway. Ocean Rig acquired control of Ocean Rig ASA on May 14, 2008. Prior to the private placement of Ocean Rig's common shares in December 2010, it was a wholly-owned subsidiary of DryShips. As of the date of this proxy statement / prospectus, DryShips owns approximately 77% of Ocean Rig's outstanding common shares. Each of Ocean Rig's drilling units is owned by a separate wholly-owned subsidiary. For further information concerning Ocean Rig's organizational structure, please see Business Corporate Structure.

Ocean Rig maintains its principal executive offices at 10 Skopa Street, Tribune House, 2nd Floor, Office 202, CY 1075, Nicosia, Cyprus and Ocean Rig's telephone number at that address is 011 357 22767517. Ocean Rig's website is located at www.ocean-rig.com. The information on Ocean Rig's website is not a part of this proxy statement / prospectus.

Private Offering of Common Shares

On December 21, 2010, Ocean Rig completed the sale of an aggregate of 28,571,428 of its common shares (representing approximately 22% of its outstanding common stock) in an offering made to both non-U.S. persons in Norway in reliance on Regulation S under the Securities Act and to qualified institutional buyers in the U.S. in reliance on Rule 144A under the Securities Act, or the private offering.

On August 26, 2011, Ocean Rig commenced an offer to exchange an aggregate of 28,571,428 registered shares of common stock for an equivalent number of unregistered common shares issued in the private offering, or the Exchange Offer. A company controlled by Ocean Rig's Chairman, President and Chief Executive Officer, Mr. George Economou, purchased 2,869,428 common shares, or 2.38% of its outstanding common shares, in the private offering at the offering price of \$17.50 per share. Ocean Rig received approximately \$488.3 million of net proceeds from the private offering, of which it used \$99.0 million to purchase an option contract from DryShips, Ocean Rig's parent company, for the construction of up to four additional ultra-deepwater drillships as described above. Ocean Rig applied the remaining proceeds to partially fund remaining installment payments for its newbuilding drillships and for general corporate purposes.

Recent Developments

During April 2011, Ocean Rig borrowed an aggregate of \$48.1 million from DryShips through shareholder loans for capital expenditures and general corporate purposes. On April 20, 2011, these intercompany loans, along with shareholder loans of \$127.5 million that Ocean Rig borrowed from DryShips in March 2011, were fully repaid.

On April 15, 2011, Ocean Rig held a special shareholders meeting at which its shareholders approved proposals (i) to adopt Ocean Rig's second amended and restated articles of incorporation and (ii) to designate the class of each member of Ocean Rig's board of directors and related expiration of term of office.

On April 18, 2011, Ocean Rig entered into an \$800 million senior secured term loan agreement to partially finance the construction costs of the *Ocean Rig Corcovado* and the *Ocean Rig Olympia*. On April 20, 2011, Ocean Rig drew down the full amount of this facility and prepaid its \$325.0 million short-term loan agreement.

On April 18, 2011, Ocean Rig exercised the first of its six newbuilding drillship options under its option contract with Samsung and, as a result, entered into a shipbuilding contract for one of Ocean Rig's seventh generation hulls and paid \$207.6 million to the shipyard on April 20, 2011.

On April 27, 2011, Ocean Rig entered into an agreement with the lenders under its two \$562.5 million loan agreements, or the Deutsche Bank credit facilities, to restructure these facilities. As a result of this restructuring (i) the maximum amount permitted to be drawn is reduced from \$562.5 million to \$495.0 million under each facility, (ii) in addition to the guarantee already provided by DryShips, Ocean Rig provided an unlimited recourse guarantee that includes certain financial covenants, and (iii) Ocean Rig is permitted to draw under the facility with

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respect to the *Ocean Rig Poseidon* based upon the employment of the drillship under its drilling contract with Petrobras Tanzania, and on April 27, 2010, the cash collateral deposited for this vessel was released. On August 10, 2011, Ocean Rig amended the terms of the credit facility for the construction of the *Ocean Rig Mykonos* to allow for full drawdowns to finance the remaining installment payments for this drillship based on the Petrobras Brazil contract and on August 10, 2011, the cash collateral deposited for the drillship was released. The amendment also requires that the *Ocean Rig Mykonos* be re-employed under a contract acceptable to the lenders meeting certain minimum terms and dayrates at least six months, in lieu of 12 months, prior to the expiration of the Petrobras Brazil contract. All other material terms of the credit facility were unchanged.

On April 27, 2011, Ocean Rig issued \$500.0 million aggregate principal amount of its 9.5% senior unsecured notes due 2016 offered in a private placement. The net proceeds of the offering of approximately \$487.5 million are expected to be used to finance Ocean Rig's newbuilding drillships program and for general corporate purposes.

On April 27, 2011, Ocean Rig exercised the second of six newbuilding drillship options under its option contract with Samsung and, as a result, entered into a shipbuilding contract for the second of Ocean Rig's seventh generation hulls and paid \$207.4 million to the shipyard on May 5, 2011.

On May 3, 2011, following the approval by Ocean Rig's board of directors and shareholders, Ocean Rig amended and restated its amended and restated articles of incorporation to, among other things, increase its authorized share capital to 1,000,000,000 common shares and 500,000,000 shares of preferred stock, each with a par value of \$0.01 per share.

On May 5, 2011, Ocean Rig terminated its contract with Borders & Southern for the *Eirik Raude* for drilling operations offshore the Falkland Islands and entered into a new contract with Borders & Southern for the *Leiv Eiriksson* on the same terms as the original contract for the *Eirik Raude* with exceptions for the fees payable upon mobilization and demobilization and certain other terms specific to the *Leiv Eiriksson*, including off-hire dates, period surveys and technical specifications.

On May 16, 2011, Ocean Rig entered into an addendum to its option contract with Samsung, pursuant to which Samsung granted Ocean Rig the option for the construction of up to two additional ultra-deepwater drillships, for a total of up to six additional ultra-deepwater drillships, which would be sister-ships to its drillships and its seventh generation hulls, with certain upgrades to vessel design and specifications. Pursuant to the addendum, the two additional newbuilding drillship options and the remaining drillship option under the original contract may be exercised at any time on or prior to January 31, 2012.

On May 19, 2011, Borders & Southern exercised its option to drill an additional two wells under its contract with Ocean Rig for the *Leiv Eiriksson*. Borders & Southern assigned the two optional wells to Falkland Oil and Gas. The maximum operating dayrate under the contract, which was originally \$540,000, decreased to \$530,000 as a result of the exercise of the optional wells. Borders & Southern has a further option under the contract to drill a fifth well, for which, if exercised, the dayrate would be \$540,000.

On May 20, 2011, Ocean Rig paid \$10.0 million to Samsung in exchange for Samsung's agreement to deliver the third optional newbuilding drillship by November 2013 if Ocean Rig exercises its option to construct the drillship by November 22, 2011 under its contract with Samsung.

On June 23, 2011, Ocean Rig exercised the third of Ocean Rig's six newbuilding drillship options under its option contract with Samsung and, as a result, entered into a shipbuilding contract for the third of its seventh generation hulls and paid \$207.4 million to the shipyard.

On July 20, 2011, Ocean Rig entered into contracts with Petrobras Brazil for the *Ocean Rig Corcovado* and the *Ocean Rig Mykonos* for drilling operations offshore Brazil. The term of each contract is 1,095 days, with a total combined value of \$1.1 billion. The contract for the *Ocean Rig Mykonos* is scheduled to commence directly after delivery of the drillship in September 2011 and the contract for the *Ocean Rig Corcovado* is scheduled to commence upon the expiration of the drillship's current contract with Cairn.

On July 26, 2011, DryShips and OceanFreight entered into the merger agreement described in this proxy statement/prospectus, pursuant to which DryShips agreed to acquire the outstanding shares of OceanFreight common stock for consideration per share consisting of \$11.25 in cash and 0.52326 of a share of Ocean Rig

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common stock. The Ocean Rig common shares that will be received by the OceanFreight shareholders will be from currently outstanding shares held by DryShips. Based on the July 25, 2011 closing price of NOK89.00 (or approximately \$16.44 based on the NOK/USD exchange rate of NOK5.41/\$1 on July 25, 2011) for the shares of Ocean Rig common stock on the Norwegian OTC market, the transaction consideration reflects a total equity value for OceanFreight of approximately \$118 million and a total enterprise value of approximately \$239 million, including the assumption of debt. The transaction has been approved by the boards of directors of DryShips and OceanFreight, by the audit committee of the board of directors of DryShips, which negotiated the proposed transaction on behalf of DryShips, and by the OceanFreight Special Committee. The shareholders of OceanFreight, other than the entities controlled by Mr. Kandylidis, the Chief Executive Officer of OceanFreight, will receive the consideration for their shares pursuant to a merger of OceanFreight with a subsidiary of DryShips.

Simultaneously with the execution of the merger agreement, DryShips, entities controlled by Mr. Kandylidis and OceanFreight, entered into a separate purchase agreement. Under the purchase agreement, DryShips acquired from the entities controlled by Mr. Kandylidis all their OceanFreight shares, representing a majority of the outstanding shares of OceanFreight, for the same consideration per share that the OceanFreight shareholders will receive in the merger. This acquisition closed on August 24, 2011. DryShips has committed to vote the OceanFreight shares it acquired in favor of the merger, which requires approval by a majority vote. Mr. Kandylidis is the son of one of the directors of DryShips and the nephew of Mr. Economou. The Ocean Rig shares paid by DryShips to the entities controlled by Mr. Kandylidis are subject to a six-month lock-up period.

On July 28, 2011, Ocean Rig took delivery of its newbuilding drillship, the *Ocean Rig Poseidon*, the third of Ocean Rig's four sixth-generation, advanced capability ultra-deepwater sister drillships that are being constructed by Samsung. In connection with the delivery of the *Ocean Rig Poseidon*, the final yard installment of \$309.3 million was paid, which was financed with additional drawdowns in July 2011 under the Deutsche Bank credit facility.

On August 4, 2011, the board of directors of DryShips announced that it approved the partial spin-off, or the Spin Off, of its interest in Ocean Rig. DryShips will distribute approximately 2,967,359 shares of common stock of Ocean Rig. The number of shares of Ocean Rig common stock to be distributed for each share of common stock of DryShips will be determined by dividing 2,967,359 by the aggregate number of issued and outstanding shares of common stock of DryShips on September 21, 2011, the record date for the distribution. As of August 4, 2011, DryShips had outstanding 399,151,783 common shares, which would have resulted in the distribution of 0.007434 shares of Ocean Rig common stock for every one share of common stock of DryShips. Ocean Rig has been advised that DryShips intends to conduct the Spin Off in order to satisfy the initial listing criteria of the NASDAQ Global Select Market, which require that Ocean Rig have a minimum number of round lot shareholders (shareholders who own 100 or more shares), and thereby increase the liquidity of its shares of common stock. Ocean Rig believes that listing its shares of common stock on the NASDAQ Global Select Market and thereby increasing the liquidity of its shares of common stock will benefit its shareholders by improving the ability of its shareholders to monetize their investment by selling its common shares, reducing volatility in the market price of its common shares, enhancing its ability to access the capital markets and increasing the likelihood of attracting coverage by research analysts which, in turn, would provide additional information to shareholders upon which to base an investment decision. The Spin Off will not require any action on the part of DryShips' shareholders. In connection with the Spin Off, Ocean Rig has applied to have its common shares listed for trading on the NASDAQ Global Select Market; however Ocean Rig cannot assure you that the Spin Off will be completed or that its common shares will be approved for listing on the NASDAQ Global Select Market.

On August 26, 2011, Ocean Rig commenced the Exchange Offer pursuant to a registration statement on Form F-4 (File No. 333-175940) of Ocean Rig filed with the SEC on August 1, 2011, as amended by Amendment No. 1 to Form F-4 and Post-Effective Amendment No. 1 to Form F-4 filed with the SEC on August 17, 2011 and August 30, 2011, respectively.

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The following table sets forth selected consolidated financial and other data of OceanFreight for the period from September 11, 2006 (date of inception) through December 31, 2006 and for the years ended December 31, 2007, 2008, 2009 and 2010 as well as for the six-month periods ended June 30, 2011 and 2010. You should read the notes to OceanFreight's consolidated financial statements for a discussion of the basis on which OceanFreight's consolidated financial statements are presented. The information provided below should be read in conjunction with Item 5

Operating and Financial Review and Prospects and the consolidated financial statements, related notes and other financial information included in OceanFreight's Form 20-F included as Annex D to this proxy statement / prospectus and the other financial information included in Annex E to this proxy statement / prospectus.

Following the 3:1 and the 20:1 reverse stock splits effected on June 17, 2010 and July 6, 2011, respectively, pursuant to which every three and twenty shares, respectively, of OceanFreight's common stock issued and outstanding were converted into one share of common stock, all share and per share amounts in the selected consolidated financial and other data of OceanFreight in the following table have been retroactively restated to reflect these changes in capital structure.

(Expressed in thousands of U.S. Dollars except for share and per share data and average daily results)

	September 11, 2006 (inception) to December 31, 2006	2007	Year Ended December 31,			Six Month Period Ended June 30, 2010 2011 (Unaudited)	
			2008	2009	2010		
Income Statement Data:							
Voyage revenue and imputed deferred revenue	\$	41,133	157,434	132,935	102,190	54,377	30,963
Gain/(loss) on forward freight agreements				570	(4,342)	(4,218)	
Voyage expenses		(1,958)	(14,275)	(5,549)	(5,196)	(2,616)	(2,206)
Vessels operating expenses		(9,208)	(28,980)	(43,915)	(41,078)	(21,551)	(12,091)
General and administrative expenses	(111)	(3,460)	(9,127)	(8,540)	(8,264)	(2,687)	(3,903)
Survey and drydocking costs		(1,685)	(736)	(5,570)	(1,784)	(1,336)	
Impairment				(52,700)			
Depreciation		(13,210)	(43,658)	(48,272)	(24,853)	(13,581)	(8,253)
Gain/(loss) on sale of vessels and vessels held for sale				(133,176)	(62,929)	2,476	(1,993)
Operating income/(loss)	(111)	11,612	60,658	(164,217)	(46,256)	10,864	2,517
Interest income	6	2,214	776	271	119	110	230

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Interest and finance costs		(5,671)	(16,528)	(12,169)	(6,775)	(3,086)	(1,888)
Gain/(loss) on derivative instruments			(17,184)	(2,567)	(8,713)	(6,671)	(1,740)
Net Income/(loss)	\$	(105)	8,155	27,722	(178,682)	(61,625)	1,217
Earnings/(losses) per common share, basic and diluted	\$		50.4	116.4	(136.4)	(17.4)	0.4
Earnings/(losses) per subordinated share, basic and diluted	\$	(1.00)	11.4				
Weighted average number of common shares, basic and diluted			139,221	238,691	1,309,272	3,524,427	3,155,041
Weighted average number of subordinated shares, basic and diluted	100,000		102,128				
Cash dividends declared per share			42.2	184.8			
Balance Sheet Data:							
Cash and cash equivalents	499	19,044	23,069	37,272	9,549	11,895	19,275
Total current assets	503	20,711	28,677	100,299	109,754	46,001	24,237
Vessels, net of accumulated depreciation		485,280	587,189	423,242	311,144	459,855	303,010
Total assets	776	507,925	625,570	549,272	478,863	568,542	423,617
Total current liabilities	285	33,884	116,381	73,328	111,311	67,791	43,539
Long-term imputed deferred revenue including current portion		26,349	16,031	1,558			
Sellers credit			25,000				
Long term debt including current portion		260,600	308,000	265,674	209,772	235,761	142,843
Total stockholders equity	491	213,410	246,961	256,611	235,236	297,371	260,398

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	September 11, 2006 (inception) to December 31, 2006	2007	Year Ended December 31,			Six Month Period Ended June 30, 2010 2011 (Unaudited)	
			2008	2009	2010		
Other Financial Data:							
Net cash flow provided by operating activities	1	24,434	81,369	26,552	28,449	16,433	5,802
Net cash flow provided by/(used in) investing activities	(2)	(467,216)	(120,665)	(130,786)	(42,678)	(53,299)	68,793
Net cash flow provided by/(used in) financing activities	500	461,327	42,381	118,437	(13,494)	11,489	(64,869)
Cash dividends per common and subordinated share		42.2	154.8				
Cash paid for common and subordinated stock dividend		13,048	47,772				
Adjusted EBITDA(1)		20,841	96,699	55,502	41,032	21,013	14,204
Fleet Data:							
Average number of vessels(2)		3.7	11.4	12.7	12	12.3	7.7
Number of vessels		10.0	13	13	11	12	6
Average age of fleet		12.2	13.9	12.3	9.7	9.8	6.7
Total calendar days for fleet(3)		1,364	4,164	4,650	4,371	2,220	1,386
Total voyage days for fleet(4)		1,282	4,125	4,466	4,213	2,115	1,353
Fleet utilization(5)		94.0%	99.1%	96.1%	96.4%	95.3%	97.6%
Average Daily Results:							
Time charter equivalent (TCE) rate(6)		30,558	34,705	28,523	23,022	22,479	21,254
Daily vessel operating expenses(7)		6,751	6,960	9,444	9,397	9,708	8,724

(1)

Adjusted EBITDA represents net income before interest, taxes, depreciation, loss on sale of vessels and impairment charges on vessels. Adjusted EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by U.S. GAAP. OceanFreight's calculation of Adjusted EBITDA may not be comparable to that reported by other companies. Adjusted EBITDA is included herein because it is a basis upon which OceanFreight assesses its liquidity position, because it is used by OceanFreight's lenders as a measure of OceanFreight's compliance with certain loan covenants and because OceanFreight believes that it presents useful information to investors regarding its ability to service and/or incur indebtedness. The table reconciles net cash from operating activities, as reflected in the consolidated statements of cash flows for the years ended December 31, 2007, 2008, 2009 and 2010 and for the six month periods ended June 30, 2010 and 2011, to Adjusted EBITDA.

	2007	2008	2009	2010	2010 (Unaudited)	2011
Net cash from operating activities	24,434	81,369	26,552	28,449	16,433	5,802
Net increase/(decrease) in operating assets	1,665	4,881	9,988	(481)	6,155	(6,966)
Net (increase)/decrease in operating liabilities	(7,556)	(5,865)	143	(1,214)	(8,543)	10,293
Net interest expense(*)	3,457	16,789	19,563	14,816	7,260	5,314
Amortization of deferred financing costs included in interest expense	(1,159)	(475)	(744)	(538)	(292)	(239)
Adjusted EBITDA	20,841	96,699	55,502	41,032	21,013	14,204

(*) Net interest expense includes the realized loss of interest rate swaps included in Loss on derivative instrument in the consolidated statements of operations.

(2) Average number of vessels is the number of vessels that constituted the fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of the fleet during the period divided by the number of calendar days in the related period.

(3) Calendar days are the total days the vessels were in OceanFreight's possession for the relevant period including off-hire and drydock days.

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- (4) Total voyage days for the fleet are the total days during which the vessels were in OceanFreight's possession for the relevant period, net of off-hire days.
- (5) Fleet utilization is the percentage of time that the vessels were available for revenue generating voyage days, and is determined by dividing voyage days by fleet calendar days for the relevant period.
- (6) Time charter equivalent, or TCE, is a measure of the average daily revenue performance of a vessel on a per voyage basis. OceanFreight's method of calculating TCE is consistent with industry standards and is determined by dividing voyage revenues (net of voyage expenses) by voyage days for the relevant time period. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as commissions. TCE is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods.
- (7) Daily vessel operating expenses, which include vessel management fees, crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs, are calculated by dividing vessel operating expenses by fleet calendar days for the relevant time period.

Total revenues	209,095	99,172	218,663	388,122	405,712	189,228	235,955
Drilling rigs operating expenses	123,543	48,144	86,229	133,256	119,369	59,508	104,137
Goodwill impairment			761,729				
Gain/(Loss) on disposal of assets					1,458	430	87
Depreciation and amortization	53,239	19,367	45,432	75,348	75,092	37,966	64,908
General and administrative	14,062	12,140	14,462	17,955	19,443	10,075	15,730
Total operating expenses	190,844	79,651	907,852	226,559	215,362	107,979	184,862

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	Ocean Rig ASA (Predecessor)		Ocean Rig UDW Inc. (Successor)				
	Year Ended December 31, 2007	January 1, 2008 to May 14, 2008	Year Ended December 31, 2008	Year Ended December 31, 2009, as Restated	Year Ended December 31, 2010	Six-Month Period Ended June 30, 2010	Six-Month Period Ended June 30, 2011
	(U.S. dollars in thousands)						
Operating income/(loss)	18,251	19,521	(689,189)	161,563	190,350	81,249	51,093
Interest and finance costs	(60,630)	(41,661)	(71,692)	(46,120)	(8,418)	(5,738)	(22,214)
Interest income	3,234	381	3,033	6,259	12,464	5,825	10,394
Gain/(loss) on interest rate swaps				4,826	(40,303)	(34,501)	(18,616)
Other income/(expense)	(1,559)		(2,300)	2,023	1,104	(3,752)	(446)
Total finance expenses, net	(58,955)	(41,280)	(70,959)	(33,012)	(35,153)	(38,166)	(30,882)
Income/(loss) before taxes	(40,704)	(21,759)	(760,148)	128,551	155,197	43,083	20,211
Income/(loss) taxes	(6,683)	(1,637)	(2,844)	(12,797)	(20,436)	(11,938)	(9,778)
Equity in income/(loss) of investee			(1,055)				
Net income/(loss)	(47,387)	(23,396)	(764,047)	115,754	134,761	31,145	10,433
Less: Net income attributable to non controlling interest			(1,800)				
Net income/(loss)	\$ (47,387)	\$ (23,396)	\$ (765,847)	\$ 115,754	\$ 134,761	\$ 31,145	\$ 10,433

	Ocean Rig ASA (Predecessor)		Ocean Rig UDW Inc. (Successor)			
	December 31, 2007	May 14, 2008	December 31, 2008	December 31, 2009, as Restated	December 31, 2010	June 30, 2011
	(U.S. dollars in thousands)					
Balance sheet data:						
Cash and cash equivalents	\$ 31,002		\$ 272,940	\$ 234,195	\$ 95,707	\$ 191,744
Other current assets	62,646	96,471	93,379	324,363	576,299	252,251
Total current assets	93,648	96,471	366,319	558,558	672,006	443,995
	1,141,771	1,132,867	1,377,359	1,317,607	1,249,333	2,940,888

Drilling rigs, machinery and equipment, net						
Intangibles, asset, net			13,391	11,948	10,506	9,784
Other non current assets	7		3,612	43,480	523,363	221,011
Rigs under construction				1,178,392	1,888,490	1,704,350
Total assets	1,235,426	1,229,338	1,760,681	3,109,985	4,343,698	5,320,028
Current liabilities, including current portion of long term debt	147,810	538,679	885,039	682,287	667,918	434,591
Total long term debt, excluding current portion	656,548	281,307	788,314	662,362	697,797	1,891,319
Other non current liabilities	1,180	2,470	63,697	64,219	96,901	89,128
Total liabilities	805,538	822,456	1,737,050	1,408,868	1,462,616	2,415,038
Stockholders equity	429,888	406,882	23,631	1,701,117	2,881,082	2,904,990
Total liabilities and stockholders equity	\$ 1,235,426	\$ 1,229,338	\$ 1,760,681	\$ 3,109,985	\$ 4,343,698	\$ 5,320,028

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	Ocean Rig ASA (Predecessor)			Ocean Rig UDW Inc. (Successor)			
	Year Ended December 31, 2007	January 1, 2008 to May 14, 2008	Year Ended December 31, 2008	Year Ended December 31, 2009, as Restated	Year Ended December 31, 2010	Six-Month Period Ended June 30, 2010	Six-Month Period Ended June 30, 2011
(U.S. dollars in thousands, except for operating data)							
Cash flow data:							
Cash provided							
(used in):							
Operating activities	\$ 35,455	\$ (29,089)	\$ 21,119	\$ 211,075	\$ 221,798	\$ 99,055	\$ 93,915
Investing activities	(48,507)	(10,463)	(1,020,673)	(146,779)	(1,441,347)	(521,161)	(850,833)
Financing activities	(47,611)	8,550	1,257,390	(103,041)	1,081,061	341,710	852,950
Other financial data							
EBITDA(1) (unaudited)	69,931	38,888	(648,912)	243,760	226,243	80,962	96,930
Cash paid for interest (unaudited)	55,524	22,628	23,103	51,093	43,203	16,511	14,490
Capital expenditures (unaudited)	(48,507)	(10,463)	(16,584)	(14,152)	(6,834)	(3,671)	(10,000)
Payments for drillships under construction (unaudited)				(125,896)	(705,022)	(483,312)	(1,187,740)
Operating data, when available (unaudited)							
Operating units	2	2	2	2	2	2	4
Average earning efficiency %	88.0%	83.3%	88.7%	95.2%	92.7%	95.2%	92.5%

(1) EBITDA represents net income before interest, taxes, depreciation and amortization. EBITDA is a non-U.S. GAAP measure and does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by GAAP, and Ocean Rig's calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included herein because it is a basis upon which Ocean Rig measures its operations and efficiency. EBITDA is also used by Ocean Rig's lenders as a measure of its compliance with certain loan covenants and because Ocean Rig believes that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness.

	Ocean Rig ASA (Predecessor)			Ocean Rig UDW Inc. (Successor)			
	Year Ended December 31,	January 1, 2008 to May 14,	Year Ended December 31,	Year Ended December 31,	Year Ended December 31,	Six-Month Period Ended June 30,	Six-Month Period Ended June 30,
	December 31,	May 14,	December 31,	2009, as	December 31,	June 30,	June 30,

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	2007	2008	2008	Restated	2010	2010	2011
	(U.S. dollars in thousands)						
As adjusted financial data (unaudited)							
EBITDA reconciliation							
Net income/(loss)	\$ (47,387)	\$ (23,396)	\$ (765,047)	\$ 115,754	\$ 134,761	\$ 31,145	\$ 10,433
Add: Depreciation and amortization	53,239	19,367	45,432	75,348	75,092	37,966	64,908
Add: Net interest expense	57,396	41,280	68,659	39,861	(4,046)	(87)	11,820
Add: Income taxes	6,683	1,637	2,844	12,797	20,436	11,938	9,778
EBITDA	\$ 69,931	\$ 38,888	\$ (648,912)	\$ 243,760	\$ 226,243	\$ 80,962	\$ 96,939

Table of Contents**COMPARATIVE PER SHARE DATA**

The following tables present, as at the dates and for the periods indicated, selected historical per share financial information of OceanFreight and Ocean Rig.

You should read this information in conjunction with, and the information is qualified in its entirety by, the respective audited and unaudited consolidated financial statements and accompanying notes of OceanFreight and Ocean Rig included elsewhere in this proxy statement / prospectus and the unaudited pro forma condensed combined financial statements and accompanying notes related to such combined financial statements included elsewhere in this proxy statement / prospectus.

OceanFreight and Ocean Rig Historical Common Share Data

The following table presents the earnings per share, dividends per share and book value per share with respect to OceanFreight and Ocean Rig respectively on a historical basis.

	As at and for the Six Months Ended June 30, 2011	As at and for the Year Ended December 31, 2010
<i>Basic Earnings (Losses) Per Share:</i>		
OceanFreight historical	\$ (0.18)	\$ (17.40)
Ocean Rig historical	\$ 0.08	\$ 1.30
<i>Diluted Earnings (Losses) Per Share:</i>		
OceanFreight historical	\$ (0.18)	\$ (17.40)
Ocean Rig historical	\$ 0.08	\$ 1.30
<i>Dividends Per Share:</i>		
OceanFreight historical	\$	\$
Ocean Rig historical	\$	\$
<i>Book Value Per Share at Period End:</i>		
OceanFreight historical	\$ 43.79	\$ 56.50
Ocean Rig historical	\$ 22.06	\$ 21.88

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE INFORMATION**

OceanFreight common shares are listed on the NASDAQ Global Market under the trading symbol OCNF. Ocean Rig common stock is traded over the Norwegian OTC market under the trading symbol OCRG. The following table sets forth, for the respective calendar year and quarters indicated, the high and low sale prices of Ocean Rig common shares and the high and low sale prices per share of OceanFreight common shares.

	Ocean Rig Common Stock*		OceanFreight Common Stock**	
	High	Low	High	Low
Year Ended December 31, 2010	\$ N/A	\$ N/A	\$ 1.48	\$ 0.44
Quarterly for 2010				
First Quarter	\$ N/A	\$ N/A	\$ 1.10	\$ 0.70
Second Quarter	\$ N/A	\$ N/A	\$ 1.42	\$ 0.44
Third Quarter	\$ N/A	\$ N/A	\$ 1.48	\$ 0.73
Fourth Quarter	\$ N/A	\$ N/A	\$ 1.15	\$ 0.91
Quarterly for 2011				
First Quarter	\$ 22.49	\$ 17.82	\$ 0.99	\$ 0.64
Second Quarter	\$ 21.84	\$ 18.18	\$ 0.72	\$ 0.30
Third Quarter (through August 31, 2011)	\$ 18.13	\$ 14.72	\$ 17.53	\$ 0.32

The table below sets forth the high and low sale prices for each of the respective calendar months indicated for Ocean Rig common stock and OceanFreight common stock.

	Ocean Rig Common Stock*		OceanFreight Common Stock**	
	High	Low	High	Low
November 2010	\$ N/A	\$ N/A	\$ 1.13	\$ 0.95
December 2010	\$ N/A	\$ N/A	\$ 1.09	\$ 0.91
January 2011	\$ 20.28	\$ 17.82	\$ 0.99	\$ 0.80
February 2011	\$ 21.12	\$ 19.86	\$ 0.84	\$ 0.76
March 2011	\$ 22.49	\$ 20.50	\$ 0.77	\$ 0.64
April 2011	\$ 21.84	\$ 20.80	\$ 0.72	\$ 0.52
May 2011	\$ 21.62	\$ 19.10	\$ 0.58	\$ 0.30
June 2011	\$ 18.38	\$ 18.18	\$ 0.45	\$ 0.30
July 2011	\$ 18.13	\$ 16.44	\$ 17.53	\$ 0.32
August 2011	\$ 16.53	\$ 14.72	\$ 17.01	\$ 11.46

* As reported in U.S. Dollars by Bloomberg, which reports are based upon the historical NOK/USD rate (see Currency Exchange Rate Data).

**

OceanFreight conducted 1 for 3 and 1 for 20 reverse stock splits on June 17, 2010 and July 6, 2011, respectively. The figures set forth in this table have not retroactively been adjusted to reflect these stock splits.

Following the completion of the merger, there will be no further market for shares of OceanFreight common stock.

The table below sets forth the closing prices of OceanFreight common stock and Ocean Rig common stock and the implied per share value in the merger to holders of OceanFreight common stock, on July 25, 2011, the last trading day before the public announcement of the merger, and on , 2011, the last practicable trading day before the distribution of this proxy statement / prospectus.

	OceanFreight Common Stock	Ocean Rig Common Stock	Implied Value of One Share of OceanFreight Common Stock(1)
July 25, 2011	\$ 9.47	\$ 16.44	\$ 19.85
, 2011	\$	\$	\$

- (1) The implied value per share reflects the value of shares of Ocean Rig common stock that holders of OceanFreight common stock would receive in exchange for each share of OceanFreight common stock if the merger were completed on the date indicated. Such price reflects the 0.52326 shares of Ocean Rig common stock that OceanFreight stockholders will be entitled to receive for each share of OceanFreight common stock in the merger and a cash payment in the amount of \$11.25 per share. Holders of OceanFreight common stock will also receive cash in lieu of any fractional share interests.

Table of Contents**CURRENCY EXCHANGE RATE DATA**

The following tables show, for the date or periods indicated, certain information regarding the U.S. Dollar / Norwegian Kroner exchange rate and the Norwegian Kroner / U.S. Dollar exchange rate as reported by Bloomberg.

	NOK per USD\$1	USD\$ per NOK1
July 25, 2011 (closing price as of the last trading date before public announcement of the transaction between OceanFreight and DryShips)	NOK5.4154	USD\$0.1847
	Average*	
	NOK per USD\$1	USD\$ per NOK1
Year Ended December 31,		
2006	NOK6.3534	USD\$0.1577
2007	5.8364	0.1722
2008	6.1955	0.1639
2009	6.3737	0.1582
2010	5.8077	0.1722
Three Months Ended March 31, 2011	5.6830	0.1760
Six Months Ended June 30, 2011	5.5356	0.1809

* The average rate means the average of the daily closing prices during the relevant period as reported by Bloomberg.

The following tables, for the months indicated, shows the high and low U.S. Dollar/ Norwegian Kroner exchange rate and Norwegian Kroner / U.S. Dollar exchange rate as reported by Bloomberg.

	NOK per USD\$1	
	High	Low
January 2011	NOK6.0056	NOK5.7319
February 2011	5.8848	5.5604
March 2011	5.7234	5.5081
April 2011	5.5639	5.2304
May 2011	5.6302	5.2174
June 2011	5.5964	5.3235
July 2011	5.6318	5.3358
August 2011	5.5807	5.3309
	USD\$ per NOK1	

	High	Low
January 2011	USD\$0.1745	USD\$0.1665
February 2011	0.1798	0.1699
March 2011	0.1816	0.1747
April 2011	0.1912	0.1797
May 2011	0.1917	0.1776
June 2011	0.1878	0.1787
July 2011	0.1874	0.1776
August 2011	0.1876	0.1792

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RISK FACTORS

*The merger, the drilling industry, the Ocean Rig business and holding shares of Ocean Rig common stock involve a high degree of risk. By voting in favor of the proposals submitted to current OceanFreight shareholders, you will be choosing to invest in shares of Ocean Rig common stock. An investment in shares of Ocean Rig common stock involves a high degree of risk. In addition to the other information contained in this proxy statement / prospectus, including the matters under the section entitled *Cautionary Note Regarding Forward-Looking Statements*, you should carefully consider all of the following risk factors relating to the proposed merger, the drilling industry, the Ocean Rig business and shares of Ocean Rig common stock.*

Risk Factors Relating to the Merger

Because the market price of shares of Ocean Rig common stock may fluctuate, you cannot be certain of the precise value of the merger consideration that you will receive in the merger.

The value of the portion of the merger consideration comprised of shares of Ocean Rig common stock to be received at closing will vary depending on the market price of shares of Ocean Rig common stock on the date of the closing of the merger.

In addition, the prices of shares of Ocean Rig common stock and shares of OceanFreight common stock at the closing of the merger may vary from their respective prices on the date the merger agreement was executed, on the date of this proxy statement / prospectus and on the date of the special meeting.

See *Comparative Per Share Market Price Information* for certain historical market price information of the shares of Ocean Rig common stock and OceanFreight common stock.

These variations in stock prices may be the result of various factors, including:

changes in the dry bulk charter market and in values of dry bulk vessels;

changes in the international offshore drilling or offshore oil and gas exploration, development and production drilling industry (for additional risk factors relating to Ocean Rig's industry see *Risk Factors - Risk Factors Relating to the Drilling Industry*).

changes in the business prospects of OceanFreight or Ocean Rig;

governmental, regulatory and/or litigation developments;

market assessments as to whether and when the merger will be consummated;

the timing of the consummation of the merger;

increased competition in the respective markets; and

general market, economic and political conditions.

At the time of the special meeting holders of OceanFreight common stock will not know the precise value of the merger consideration they will receive for their shares of OceanFreight common stock on the day the merger closes. Holders of OceanFreight common stock are urged to obtain a current market quotation for OceanFreight and Ocean Rig common stock.

The market price for OceanFreight common stock may be affected by factors different from those affecting the shares of Ocean Rig common stock.

Upon completion of the merger, holders of shares of OceanFreight common stock will become holders of shares of Ocean Rig common stock. OceanFreight's businesses differ from those of Ocean Rig, and accordingly the results of operations of Ocean Rig will be affected by factors different from those currently affecting the results of operations of OceanFreight. For a discussion of the businesses of OceanFreight and Ocean Rig and of other factors to consider in connection with those businesses, you should carefully review the documents included as Annexes to this proxy statement / prospectus.

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Certain of OceanFreight executive officers may have interests in the merger that may differ from, or be in addition to, the interests of holders of shares of OceanFreight common stock.

Certain of OceanFreight's executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of OceanFreight shareholders. In particular, companies owned by OceanFreight's Chief Executive Officer, Mr. Kandylidis, which held approximately 50.5% of the common stock of OceanFreight, agreed to sell their shares to DryShips in advance of the merger, and Mr. Kandylidis and other officers are entitled to compensation on a change of control of OceanFreight on completion of the merger. For a detailed discussion of the interests that OceanFreight's directors and executive officers may have in the merger, please see "The Transaction Interests of OceanFreight's Directors and Officers in the Merger."

The merger agreement contains provisions that could discourage a potential competing acquirer of OceanFreight or could result in any competing proposal being at a lower price than it might otherwise be.

The merger agreement contains no shop provisions that, subject to certain exceptions, restrict OceanFreight's ability to solicit, encourage, facilitate or discuss competing third-party proposals to acquire all or a significant part of OceanFreight. Further, even if the OceanFreight board of directors withdraws or qualifies its recommendation in favor of adopting the merger agreement, OceanFreight will still be required to submit the matter to a vote of the OceanFreight shareholders at the OceanFreight special meeting, unless the merger agreement is terminated. In addition, DryShips generally has an opportunity to offer to modify the terms of the proposed merger in response to any competing acquisition proposal that may be made before the OceanFreight board of directors may withdraw or qualify its recommendation. In some circumstances upon termination of the merger agreement, OceanFreight may be required to pay to DryShips a termination fee of \$4.5 million. Since August 23, 2011, OceanFreight is prohibited from responding to any competing third-party proposals and is not permitted to terminate the merger agreement to enter into a definitive agreement with respect to any superior proposal.

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of OceanFreight from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than that market value proposed to be received or realized in the merger, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances.

OceanFreight shareholders will have a reduced ownership and voting interest in Ocean Rig after the merger and will exercise less influence over management.

OceanFreight shareholders currently have the right to vote in the election of directors of OceanFreight and on certain other matters affecting OceanFreight. Following the merger, each holder of shares of OceanFreight common stock will be entitled to become a shareholder of Ocean Rig with a percentage ownership of Ocean Rig that is much smaller than the shareholder's percentage ownership of OceanFreight. It is expected that the former shareholders of OceanFreight as a group will own approximately 2.3% of the outstanding shares of Ocean Rig common stock immediately after the completion of the merger. Because of this, OceanFreight's shareholders will have substantially less influence on the management and policies of Ocean Rig than they now have with respect to the management and policies of OceanFreight.

Risk Factors Relating to the Drilling Industry

The Ocean Rig business in the offshore drilling sector depends on the level of activity in the offshore oil and gas industry, which is significantly affected by, among other things, volatile oil and gas prices and may be materially

and adversely affected by a decline in the offshore oil and gas industry.

The offshore contract drilling industry is cyclical and volatile. Ocean Rig's business in the offshore drilling sector depends on the level of activity in oil and gas exploration, development and production in offshore areas worldwide. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development and political and regulatory environments affect customers' drilling programs. Oil and gas

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prices and market expectations of potential changes in these prices also significantly affect this level of activity and demand for drilling units.

Oil and gas prices are extremely volatile and are affected by numerous factors beyond Ocean Rig's control, including the following:

- worldwide production and demand for oil and gas;
- the cost of exploring for, developing, producing and delivering oil and gas;
- expectations regarding future energy prices;
- advances in exploration, development and production technology;
- the ability of OPEC to set and maintain levels and pricing;
- the level of production in non-OPEC countries;
- government regulations;
- local and international political, economic and weather conditions;
- domestic and foreign tax policies;
- development and exploitation of alternative fuels;
- the policies of various governments regarding exploration and development of their oil and gas reserves; and
- the worldwide military and political environment, including uncertainty or instability resulting from an escalation or additional outbreak of armed hostilities, insurrection or other crises in the Middle East or other geographic areas or further acts of terrorism in the United States, or elsewhere.

Declines in oil and gas prices for an extended period of time, or market expectations of potential decreases in these prices, could negatively affect Ocean Rig's business in the offshore drilling sector. Crude oil inventories remain at high levels compared to historical levels, which may place downward pressure on the price of crude oil and demand for offshore drilling units. Sustained periods of low oil prices typically result in reduced exploration and drilling because oil and gas companies' capital expenditure budgets are subject to their cash flow and are therefore sensitive to changes in energy prices. These changes in commodity prices can have a dramatic effect on rig demand, and periods of low demand can cause excess rig supply and intensify the competition in the industry which often results in drilling units, particularly lower specification drilling units, being idle for long periods of time. Ocean Rig cannot predict the future level of demand for its services or future conditions of the oil and gas industry. Any decrease in exploration, development or production expenditures by oil and gas companies could reduce Ocean Rig's revenues and materially harm its business and results of operations.

In addition to oil and gas prices, the offshore drilling industry is influenced by additional factors, including:

- the availability of competing offshore drilling vessels;
- the level of costs for associated offshore oilfield and construction services;

oil and gas transportation costs;

the discovery of new oil and gas reserves;

the cost of non-conventional hydrocarbons, such as the exploitation of oil sands; and

regulatory restrictions on offshore drilling.

Any of these factors could reduce demand for Ocean Rig's services and adversely affect Ocean Rig's business and results of operations.

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Any renewal of the recent worldwide economic downturn could have a material adverse effect on Ocean Rig's revenue, profitability and financial position.

There is considerable instability in the world economy and in the economies of countries such as Greece, Spain, Portugal, Ireland and Italy which could initiate a new economic downturn, or introduce volatility in the global markets. A decrease in global economic activity would likely reduce worldwide demand for energy and result in an extended period of lower crude oil and natural gas prices. In addition, continued hostilities and insurrections in the Middle East and the occurrence or threat of terrorist attacks against the United States or other countries could adversely affect the economies of the United States and of other countries. Any prolonged reduction in crude oil and natural gas prices would depress the levels of exploration, development and production activity. Moreover, even during periods of high commodity prices, customers may cancel or curtail their drilling programs, or reduce their levels of capital expenditures for exploration and production for a variety of reasons, including their lack of success in exploration efforts. These factors could cause Ocean Rig's revenues and margins to decline, decrease daily rates and utilization of Ocean Rig's drilling units and limit its future growth prospects. Any significant decrease in daily rates or utilization of Ocean Rig drilling units could materially reduce its revenues and profitability. In addition, any instability in the financial and insurance markets, as experienced in the recent financial and credit crisis, could make it more difficult for Ocean Rig to access capital and to obtain insurance coverage that Ocean Rig considers adequate or are otherwise required by its contracts.

The offshore drilling industry is highly competitive with intense price competition, and as a result, Ocean Rig may be unable to compete successfully with other providers of contract drilling services that have greater resources than Ocean Rig has.

The offshore contract drilling industry is highly competitive with several industry participants, none of which has a dominant market share, and is characterized by high capital and maintenance requirements. Drilling contracts are traditionally awarded on a competitive bid basis. Price competition is often the primary factor in determining which qualified contractor is awarded the drilling contract, although drilling unit availability, location and suitability, the quality and technical capability of service and equipment, reputation and industry standing are key factors which are considered. Mergers among oil and natural gas exploration and production companies have reduced, and may from time to time further reduce, the number of available customers, which would increase the ability of potential customers to achieve pricing terms favorable to them.

Many of Ocean Rig's competitors in the offshore drilling industry are significantly larger than Ocean Rig are and have more diverse drilling assets and significantly greater financial and other resources than Ocean Rig has. In addition, because of the relatively small size of its drilling segment, Ocean Rig may be unable to take advantage of economies of scale to the same extent as some of its larger competitors. Given the high capital requirements that are inherent in the offshore drilling industry, Ocean Rig may also be unable to invest in new technologies or expand its drilling segment in the future as may be necessary for it to succeed in this industry, while Ocean Rig's larger competitors with superior financial resources, and in many cases less leverage than Ocean Rig, may be able to respond more rapidly to changing market demands and compete more efficiently on price for drillship and drilling rig employment. Ocean Rig may not be able to maintain its competitive position, and Ocean Rig believes that competition for contracts will continue to be intense in the future. Ocean Rig's inability to compete successfully may reduce its revenues and profitability.

An over-supply of drilling units may lead to a reduction in dayrates and therefore may materially impact Ocean Rig's profitability in its offshore drilling segment.

During the recent period of high utilization and high dayrates, industry participants have increased the supply of drilling units by ordering the construction of new drilling units. Historically, this has resulted in an over-supply of

drilling units and has caused a subsequent decline in utilization and dayrates when the drilling units enter the market, sometimes for extended periods of time until the units have been absorbed into the active fleet. According to Fearnley Offshore AS, the worldwide fleet of ultra-deepwater drilling units as of July 2011 consisted of 85 units, comprised of 44 semi-submersible rigs and 41 drillships. An additional 17 semi-submersible rigs and 45 drillships are under construction or on order as of July 2011, which would bring the total fleet to 147 drilling units by the middle of 2014. A relatively large number of the drilling units currently under construction have been contracted for

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future work, which may intensify price competition as scheduled delivery dates occur. The entry into service of these new, upgraded or reactivated drilling units will increase supply and has already led to a reduction in dayrates as drilling units are absorbed into the active fleet. In addition, the new construction of high-specification rigs, as well as changes in its competitors' drilling rig fleets, could require Ocean Rig to make material additional capital investments to keep its fleet competitive. Lower utilization and dayrates could adversely affect Ocean Rig's revenues and profitability. Prolonged periods of low utilization and dayrates could also result in the recognition of impairment charges on its drilling units if future cash flow estimates, based upon information available to Ocean Rig's management at the time, indicate that the carrying value of these drilling units may not be recoverable.

Consolidation of suppliers may increase the cost of obtaining supplies, which may have a material adverse effect on Ocean Rig's results of operations and financial condition.

Ocean Rig relies on certain third parties to provide supplies and services necessary for its offshore drilling operations, including but not limited to drilling equipment suppliers, catering and machinery suppliers. Recent mergers have reduced the number of available suppliers, resulting in fewer alternatives for sourcing key supplies. Such consolidation, combined with a high volume of drilling units under construction, may result in a shortage of supplies and services thereby increasing the cost of supplies and/or potentially inhibiting the ability of suppliers to deliver on time. These cost increases or delays could have a material adverse effect on Ocean Rig's results of operations and result in rig downtime, and delays in the repair and maintenance of its drilling rigs.

Ocean Rig's international operations in the offshore drilling sector involve additional risks, including piracy, which could adversely affect Ocean Rig's business.

Ocean Rig operates in various regions throughout the world. Ocean Rig's two existing drilling rigs, the *Leiv Eiriksson* and the *Eirik Raude*, are currently operating offshore of Greenland and Ghana, respectively, and Ocean Rig's drillship, the *Ocean Rig Corcovado*, commenced drilling and related operations in Greenland in May 2011 and is scheduled to commence a contract for drilling operations offshore Brazil upon the expiration of the drillship's current contract. On March 31, 2011, directly upon its delivery, the *Ocean Rig Olympia* commenced contracts for exploration drilling offshore of Ghana and Cote D'Ivoire. In addition, the *Ocean Rig Poseidon*, commenced a contract on July 29, 2011, directly upon its delivery, for drilling offshore of Tanzania and West Africa and the *Ocean Rig Mykonos* is scheduled to commence a contract in the third quarter of 2011 for drilling operations offshore Brazil. In the past Ocean Rig has operated the *Eirik Raude* in the Gulf of Mexico, offshore of Canada, Norway, the U.K., and Ghana, while the *Leiv Eiriksson* has operated offshore of West Africa, Turkey, Ireland, west of the Shetland Islands and in the North Sea. As a result of Ocean Rig's international operations, Ocean Rig may be exposed to political and other uncertainties, including risks of:

terrorist acts, armed hostilities, war and civil disturbances;

acts of piracy, which have historically affected ocean-going vessels trading in regions of the world such as the South China Sea and in the Gulf of Aden off the coast of Somalia and which have increased significantly in frequency since 2008, particularly in the Gulf of Aden and off the west coast of Africa;

significant governmental influence over many aspects of local economies;

seizure, nationalization or expropriation of property or equipment;

repudiation, nullification, modification or renegotiation of contracts;

limitations on insurance coverage, such as war risk coverage, in certain areas;

political unrest;

foreign and U.S. monetary policy and foreign currency fluctuations and devaluations;

the inability to repatriate income or capital;

complications associated with repairing and replacing equipment in remote locations;

import-export quotas, wage and price controls, imposition of trade barriers;

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regulatory or financial requirements to comply with foreign bureaucratic actions;

changing taxation policies, including confiscatory taxation;

other forms of government regulation and economic conditions that are beyond its control; and

governmental corruption.

In addition, international contract drilling operations are subject to various laws and regulations in countries in which Ocean Rig operates, including laws and regulations relating to:

the equipping and operation of drilling units;

repatriation of foreign earnings;

oil and gas exploration and development;

taxation of offshore earnings and earnings of expatriate personnel; and

use and compensation of local employees and suppliers by foreign contractors.

Some foreign governments favor or effectively require (i) the awarding of drilling contracts to local contractors or to drilling rigs owned by their own citizens, (ii) the use of a local agent or (iii) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices may adversely affect Ocean Rig's ability to compete in those regions. It is difficult to predict what governmental regulations may be enacted in the future that could adversely affect the international drilling industry. The actions of foreign governments, including initiatives by OPEC, may adversely affect Ocean Rig's ability to compete. Failure to comply with applicable laws and regulations, including those relating to sanctions and export restrictions, may subject Ocean Rig to criminal sanctions or civil remedies, including fines, denial of export privileges, injunctions or seizures of assets.

Ocean Rig's business and operations involve numerous operating hazards.

Ocean Rig's operations are subject to hazards inherent in the drilling industry, such as blowouts, reservoir damage, loss of production, loss of well control, lost or stuck drill strings, equipment defects, punch throughs, craterings, fires, explosions and pollution, including spills similar to the events on April 20, 2010 related to the *Deepwater Horizon*, in which Ocean Rig was not involved. Contract drilling and well servicing require the use of heavy equipment and exposure to hazardous conditions, which may subject Ocean Rig to liability claims by employees, customers and third parties. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations. Ocean Rig's offshore drilling segment is also subject to hazards inherent in marine operations, either while on-site or during mobilization, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal drilling conditions, and failure of subcontractors to perform or supply goods or services, or personnel shortages. Ocean Rig customarily provides contract indemnity to its customers for claims that could be asserted by Ocean Rig relating to damage to or loss of its equipment, including rigs and claims that could be asserted by Ocean Rig or its employees relating to personal injury or loss of life.

Damage to the environment could also result from Ocean Rig's operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in drilling operations, leaks and blowouts or extensive uncontrolled fires. Ocean Rig may also be subject to property, environmental and other damage claims by oil and gas companies. Ocean Rig's insurance policies and contractual indemnity rights with its customers may not adequately cover losses, and Ocean Rig does not have insurance coverage or rights to indemnity for all risks. Consistent with standard industry practice, Ocean Rig's clients generally assume, and indemnify Ocean Rig against, well control and subsurface risks under dayrate contracts. These are risks associated with the loss of control of a well, such as blowout or cratering, the cost to regain control of or re-drill a well and associated pollution. However, there can be no assurance that these clients will be willing or financially able to indemnify Ocean Rig against all these risks. Ocean Rig has no insurance coverage for named storms in the Gulf of Mexico and war risk worldwide. Furthermore, pollution and environmental risks generally are not totally insurable.

Table of Contents***Ocean Rig's insurance coverage may not adequately protect it from certain operational risks inherent in the drilling industry.***

Ocean Rig's insurance is intended to cover normal risks in its current operations, including insurance against property damage, occupational injury and illness, loss of hire, certain war risk and third-party liability, including pollution liability.

Insurance coverage may not, under certain circumstances, be available, and if available, may not provide sufficient funds to protect Ocean Rig from all losses and liabilities that could result from its operations. Ocean Rig has also obtained loss of hire insurance which becomes effective after 45 days of downtime with coverage that extends for approximately one year, except for its operations offshore Greenland under its contracts with Cairn, where the loss of hire insurance becomes effective after 60 days. Ocean Rig received insurance payments under this policy when, in the first quarter of 2007, the *Eirik Raude* experienced 62 days of downtime operating offshore Newfoundland due to drilling equipment failure and hull structure repair that were the result of design issues. The principal risks which may not be insurable are various environmental liabilities and liabilities resulting from reservoir damage caused by Ocean Rig's gross negligence. Moreover, Ocean Rig's insurance provides for premium adjustments based on claims and is subject to deductibles and aggregate recovery limits. In the case of pollution liabilities, Ocean Rig's deductible is \$10,000 per event and \$250,000 for protection and indemnity claims brought before any U.S. jurisdiction. Ocean Rig's aggregate recovery limits are \$625.0 million for oil pollution, or \$750.0 million for the *Ocean Rig Corcovado* and the *Leiv Eiriksson* under the contracts with Cairn, and \$500.0 million for all other claims under its protection and indemnity insurance which is provided by mutual protection and indemnity associations. Ocean Rig's deductible is \$1.5 million per hull and machinery insurance claim, except for its operations offshore Greenland under its contracts with Cairn, where the deductible is \$3.0 million for the *Ocean Rig Corcovado* and \$4.5 million for the *Leiv Eiriksson*. In addition, insurance policies covering physical damage claims due to a named windstorm in the Gulf of Mexico generally impose strict recovery limits, which may result in losses on any damage to Ocean Rig's drilling units that may be operated in that region in the future. Ocean Rig's insurance coverage may not protect fully against losses resulting from a required cessation of rig operations for environmental or other reasons. Insurance may not be available to Ocean Rig at all or on terms acceptable to Ocean Rig, Ocean Rig may not maintain insurance or, if Ocean Rig is so insured, its policy may not be adequate to cover its loss or liability in all cases. The occurrence of a casualty, loss or liability against which Ocean Rig may not be fully insured could significantly reduce its revenues, make it financially impossible for it to obtain a replacement rig or to repair a damaged rig, cause it to pay fines or damages which are generally not insurable and that may have priority over the payment obligations under its indebtedness or otherwise impair Ocean Rig's ability to meet its obligations under its indebtedness and to operate profitably.

Governmental laws and regulations, including environmental laws and regulations, may add to Ocean Rig's costs or limit its drilling activity.

Ocean Rig's business in the offshore drilling industry is affected by laws and regulations relating to the energy industry and the environment in the geographic areas where it operates. The offshore drilling industry is dependent on demand for services from the oil and gas exploration and production industry, and, accordingly, Ocean Rig is directly affected by the adoption of laws and regulations that, for economic, environmental or other policy reasons, curtail exploration and development drilling for oil and gas. Ocean Rig may be required to make significant capital expenditures to comply with governmental laws and regulations. It is also possible that these laws and regulations may, in the future, add significantly to Ocean Rig's operating costs or significantly limit drilling activity. Ocean Rig's ability to compete in international contract drilling markets may be limited by foreign governmental regulations that favor or require the awarding of contracts to local contractors or by regulations requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Governments in some countries are increasingly active in regulating and controlling the ownership of concessions, the exploration for oil and gas, and other aspects of the oil and gas industries. Offshore drilling in certain areas has been curtailed and, in certain cases, prohibited because of concerns

over protection of the environment. Operations in less developed countries can be subject to legal systems that are not as mature or predictable as those in more developed countries, which can lead to greater uncertainty in legal matters and proceedings.

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To the extent new laws are enacted or other governmental actions are taken that prohibit or restrict offshore drilling or impose additional environmental protection requirements that result in increased costs to the oil and gas industry, in general, or the offshore drilling industry, in particular, Ocean Rig's business or prospects could be materially adversely affected. The operation of Ocean Rig's drilling units will require certain governmental approvals, the number and prerequisites of which cannot be determined until Ocean Rig identifies the jurisdictions in which it will operate on securing contracts for the drilling units. Depending on the jurisdiction, these governmental approvals may involve public hearings and costly undertakings on Ocean Rig's part. Ocean Rig may not obtain such approvals or such approvals may not be obtained in a timely manner. If Ocean Rig fails to timely secure the necessary approvals or permits, its customers may have the right to terminate or seek to renegotiate their drilling contracts to Ocean Rig's detriment. The amendment or modification of existing laws and regulations or the adoption of new laws and regulations curtailing or further regulating exploratory or development drilling and production of oil and gas could have a material adverse effect on Ocean Rig's business, operating results or financial condition. Future earnings may be negatively affected by compliance with any such new legislation or regulations.

Ocean Rig is subject to complex laws and regulations, including environmental laws and regulations, that can adversely affect the cost, manner or feasibility of doing business.

Ocean Rig's operations are subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which its vessels operate or are registered, which can significantly affect the ownership and operation of its vessels. These requirements include, but are not limited to, the International Convention on Civil Liability for Oil Pollution Damage of 1969, the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter of 1975, the International Convention for the Prevention of Marine Pollution of 1973, the International Convention for the Safety of Life at Sea of 1974, the International Convention on Load Lines of 1966, the U.S. Oil Pollution Act of 1990, or OPA, the U.S. Clean Air Act, U.S. Clean Water Act and the U.S. Maritime Transportation Security Act of 2002. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of Ocean Rig's vessels. Ocean Rig may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions, including greenhouse gases, the management of ballast waters, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of Ocean Rig's ability to address pollution incidents. These costs could have a material adverse effect on Ocean Rig's business, results of operations, cash flows and financial condition. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of Ocean Rig's operations. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject Ocean Rig to liability without regard to whether it was negligent or at fault. Under OPA, for example, owners, operators and bareboat charterers are jointly and severally strictly liable for the discharge of oil in U.S. waters, including the 200-nautical mile exclusive economic zone around the United States. An oil spill could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages under other international and U.S. federal, state and local laws, as well as third-party damages. Ocean Rig is required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents and its insurance may not be sufficient to cover all such risks. As a result, claims against Ocean Rig could result in a material adverse effect on its business, results of operations, cash flows and financial condition.

Ocean Rig's drilling units are separately owned by its subsidiaries and, under certain circumstances, a parent company and all of the ship-owning affiliates in a group under common control engaged in a joint venture could be held liable for damages or debts owed by one of the affiliates, including liabilities for oil spills under OPA or other environmental laws. Therefore, it is possible that Ocean Rig could be subject to liability upon a judgment against it or any one of its subsidiaries.

Ocean Rig drilling units could cause the release of oil or hazardous substances, especially as Ocean Rig's drilling units age. Any releases may be large in quantity, above its permitted limits or occur in protected or sensitive areas where public interest groups or governmental authorities have special interests. Any releases of oil or

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hazardous substances could result in fines and other costs to Ocean Rig, such as costs to upgrade its drilling rigs, clean up the releases, and comply with more stringent requirements in its discharge permits. Moreover, these releases may result in Ocean Rig's customers or governmental authorities suspending or terminating its operations in the affected area, which could have a material adverse effect on Ocean Rig's business, results of operation and financial condition.

If Ocean Rig is able to obtain from its customers some degree of contractual indemnification against pollution and environmental damages in its contracts, such indemnification may not be enforceable in all instances or the customer may not be financially able to comply with its indemnity obligations in all cases. And, Ocean Rig may not be able to obtain such indemnification agreements in the future.

Ocean Rig's insurance coverage may not be available in the future or Ocean Rig may not obtain certain insurance coverage. If it is available and Ocean Rig has the coverage, it may not be adequate to cover its liabilities. Any of these scenarios could have a material adverse effect on Ocean Rig's business, operating results and financial condition.

Regulation of greenhouse gases and climate change could have a negative impact on Ocean Rig's business.

In 2005, the Kyoto Protocol to the 1992 United Nations Framework Convention on Climate Change, which establishes a binding set of targets for reduction of greenhouse gas emissions, became binding on all those countries that had ratified it. International discussions are currently underway to develop a treaty to replace the Kyoto Protocol after its expiration in 2012. Although the United States is not a party to the Kyoto Protocol, it has taken a number of steps to limit emissions of greenhouse gas emissions, including imposing reporting and permitting requirements on certain categories of sources.

Because Ocean Rig's business depends on the level of activity in the offshore oil and gas industry, existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on Ocean Rig's business if such laws, regulations, treaties or international agreements reduce the worldwide demand for oil and gas. In addition, such laws, regulations, treaties or international agreements could result in increased compliance costs or additional operating restrictions, which may have a negative impact on Ocean Rig's business.

The Deepwater Horizon oil spill in the Gulf of Mexico may result in more stringent laws and regulations governing deepwater drilling, which could have a material adverse effect on Ocean Rig's business, operating results or financial condition.

On April 20, 2010, there was an explosion and a related fire on the *Deepwater Horizon*, an ultra-deepwater semi-submersible drilling unit that is not connected to Ocean Rig, while it was servicing a well in the Gulf of Mexico. This catastrophic event resulted in the death of 11 workers and the total loss of that drilling unit, as well as the release of large amounts of oil into the Gulf of Mexico, severely impacting the environment and the region's key industries. This event is being investigated by several federal agencies, including the U.S. Department of Justice, and by the U.S. Congress and is also the subject of numerous lawsuits. On May 30, 2010, the U.S. Department of the Interior issued a six-month moratorium on all deepwater drilling in the outer continental shelf regions of the Gulf of Mexico and the Pacific Ocean.

On October 12, 2010, the U.S. government lifted the drilling moratorium, subject to compliance with enhanced safety requirements, including those set forth in Notices to Lessees 2010-N05 and 2010-N06, both of which were implemented during the drilling ban. Additionally, all drilling in the Gulf of Mexico will be required to comply with the Interim Final Rule to Enhance Safety Measures for Energy Development on the Outer Continental Shelf (Drilling Safety Rule) and the Workplace Safety Rule on Safety and Environmental Management Systems, both of which were issued on September 30, 2010. On January 11, 2011, the National Commission on the BP Deepwater Horizon Oil

Spill and Offshore Drilling released its final report, with recommendations for new regulations.

Ocean Rig does not currently operate its drilling rigs in these regions but may do so in the future. In any event, those developments could have a substantial impact on the offshore oil and gas industry worldwide. The ongoing

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investigations and proceedings may result in significant changes to existing laws and regulations and substantially stricter governmental regulation of Ocean Rig's drilling units. For example, Norway's Petroleum Safety Authority is assessing the results of the investigations into the Deepwater Horizon oil spill and has issued a preliminary report of its recommendations on June 9, 2011, and Oil & Gas UK has established the Oil Spill Prevention and Response Advisory Group to review industry practices in the UK. In addition, BP plc, the rig operator of the Deepwater Horizon, has reached an agreement with the U.S. government to establish a claims fund of \$20 billion, which far exceeds the \$75 million strict liability limit set forth under OPA. Amendments to existing laws and regulations or the adoption of new laws and regulations curtailing or further regulating exploratory or development drilling and production of oil and gas, may be highly restrictive and require costly compliance measures that could have a material adverse effect on Ocean Rig's business, operating results or financial condition. Ocean Rig's future earnings may be negatively affected by compliance with any such amended or new legislation or regulations.

Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties, drilling contract terminations and an adverse effect on Ocean Rig's business.

Ocean Rig currently operates, and historically has operated, its drilling units outside of the United States in a number of countries throughout the world, including some with developing economies. Also, the existence of state or government-owned shipbuilding enterprises puts Ocean Rig in contact with persons who may be considered foreign officials under the U.S. Foreign Corrupt Practices Act of 1977. Ocean Rig is committed to doing business in accordance with applicable anti-corruption laws and has adopted a code of business conduct and ethics which is consistent and in full compliance with the U.S. Foreign Corrupt Practices Act. Ocean Rig is subject, however, to the risk that it, its affiliated entities or its or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the U.S. Foreign Corrupt Practices Act. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect Ocean Rig's business, results of operations or financial condition. In addition, actual or alleged violations could damage Ocean Rig's reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of its senior management.

Acts of terrorism and political and social unrest could affect the markets for drilling services, which may have a material adverse effect on Ocean Rig's results of operations.

Acts of terrorism and political and social unrest, brought about by world political events or otherwise, have caused instability in the world's financial and insurance markets in the past and may occur in the future. Such acts could be directed against companies such as Ocean Rig's. Ocean Rig's drilling operations could also be targeted by acts of piracy. In addition, acts of terrorism and social unrest could lead to increased volatility in prices for crude oil and natural gas and could affect the markets for drilling services and result in lower dayrates. Insurance premiums could increase and coverage may be unavailable in the future. U.S. government regulations may effectively preclude Ocean Rig from actively engaging in business activities in certain countries. These regulations could be amended to cover countries where Ocean Rig currently operates or where it may wish to operate in the future. Increased insurance costs or increased cost of compliance with applicable regulations may have a material adverse effect on Ocean Rig's results of operations.

Hurricanes may impact Ocean Rig's ability to operate its drilling units in the Gulf of Mexico or other U.S. coastal waters, which could reduce Ocean Rig's revenues and profitability.

Hurricanes Ivan, Katrina, Rita, Gustav and Ike caused damage to a number of drilling units in the Gulf of Mexico. Drilling units that were moved off their locations during the hurricanes damaged platforms, pipelines, wellheads and other drilling units. The Minerals Management Service of the U.S. Department of the Interior, now known as the

Bureau of Ocean Energy Management, Regulation and Enforcement, or BOEMRE, issued guidelines for tie-downs on drilling units and permanent equipment and facilities attached to outer continental shelf production platforms, and moored drilling rig fitness that apply through the 2013 hurricane season. These guidelines effectively impose new requirements on the offshore oil and natural gas industry in an attempt to improve the stations that house the moored units and increase the likelihood of survival of offshore drilling units during a hurricane. The

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guidelines also provide for enhanced information and data requirements from oil and natural gas companies operating properties in the Gulf of Mexico. BOEMRE may issue similar guidelines for future hurricane seasons and may take other steps that could increase the cost of operations or reduce the area of operations for Ocean Rig's ultra-deepwater drilling units, thus reducing their marketability. Implementation of new BOEMRE guidelines or regulations that may apply to ultra-deepwater drilling units may subject Ocean Rig to increased costs and limit the operational capabilities of its drilling units. Ocean Rig's drilling units do not currently operate in the Gulf of Mexico or other U.S. Coastal waters but may do so in the future.

Any failure to comply with the complex laws and regulations governing international trade could adversely affect Ocean Rig's operations.

The shipment of goods, services and technology across international borders subjects Ocean Rig's offshore drilling segment to extensive trade laws and regulations. Import activities are governed by unique customs laws and regulations in each of the countries of operation. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner materially impacting Ocean Rig's operations. Shipments can be delayed and denied export or entry for a variety of reasons, some of which are outside Ocean Rig's control and some of which may result from failure to comply with existing legal and regulatory regimes. Shipping delays or denials could cause unscheduled operational downtime. Any failure to comply with applicable legal and regulatory trading obligations also could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, seizure of shipments and loss of import and export privileges.

New technologies may cause Ocean Rig's current drilling methods to become obsolete, resulting in an adverse effect on its business.

The offshore contract drilling industry is subject to the introduction of new drilling techniques and services using new technologies, some of which may be subject to patent protection. As competitors and others use or develop new technologies, Ocean Rig may be placed at a competitive disadvantage and competitive pressures may force it to implement new technologies at substantial cost. In addition, competitors may have greater financial, technical and personnel resources that allow them to benefit from technological advantages and implement new technologies before Ocean Rig can. Ocean Rig may not be able to implement technologies on a timely basis or at a cost that is acceptable to Ocean Rig.

Risk Factors Relating to Ocean Rig

Ocean Rig may be unable to comply with covenants in its credit facilities or any future financial obligations that impose operating and financial restrictions on it.

Ocean Rig's credit facilities impose, and future financial obligations may impose, operating and financial restrictions on it. These restrictions may prohibit or otherwise limit Ocean Rig's ability to, among other things:

enter into other financing arrangements;

incur additional indebtedness;

create or permit liens on its assets;

sell its drilling units or the shares of its subsidiaries;

make investments;

change the general nature of its business;

pay dividends to its shareholders;

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change the management and/or ownership of the drilling units;

make capital expenditures; and

compete effectively to the extent its competitors are subject to less onerous restrictions.

In addition, certain of Ocean Rig's current loan agreements and related guarantees contain restrictions requiring it to maintain a minimum amount of total available cash ranging from \$5.0 million to \$100.0 million and also impose maximum capital expenditure restrictions, such that expenditures over \$30.0 million require consent of the lender. These restrictions could limit Ocean Rig's ability to fund its operations or capital needs, make acquisitions or pursue available business opportunities. Furthermore, under the terms of its \$800.0 million senior secured term loan agreement, which matures in 2016, Ocean Rig is not permitted to pay dividends without the consent of a majority of the lenders. Ocean Rig's credit facilities require (i) Ocean Rig to maintain specified financial ratios and satisfy financial covenants, including covenants related to the market value of its drilling units and (ii) DryShips, because it is a guarantor of certain of Ocean Rig's facilities, to comply with financial covenants relating to liquidity, equity ratios, interest coverage ratios and net worth. As of June 30, 2011, Ocean Rig was in compliance with all of these ratios and covenants. Events beyond its control, including changes in the economic and business conditions in the deepwater offshore drilling market in which Ocean Rig operates, may affect its ability to comply with these ratios and covenants. Ocean Rig cannot assure you that it will continue to meet these ratios or satisfy these covenants. A breach of any of the covenants in, or its inability to maintain the required financial ratios under, the credit facilities would prevent Ocean Rig from borrowing additional amounts under the credit facilities and could result in a default under the credit facilities. In addition, each of Ocean Rig's loan agreements also contains a cross-default provision which can be triggered by a default under one of its other loan agreements. A violation of these covenants constitutes an event of default under its credit facilities, which, unless waived by Ocean Rig's lenders, would provide its lenders with the right to accelerate the outstanding debt, together with accrued interest and other fees, to be immediately due and payable and proceed against the collateral securing that debt, which could constitute all or substantially all of Ocean Rig's assets. A default by DryShips under one of its loan agreements would trigger a cross-default under Ocean Rig's Deutsche Bank credit facilities and would provide its lenders with the right to accelerate the outstanding debt under these facilities. Further, if DryShips defaults under one of its loan agreements, and the related debt is accelerated, this would trigger a cross-default under its \$1.04 billion credit facility and its \$800.0 million secured term loan agreement and would provide its lenders with the right to accelerate the outstanding debt under these facilities. Ocean Rig's lenders' interests are different from Ocean Rig's, and Ocean Rig cannot guarantee that it will be able to obtain its lenders' waiver or consent with respect to any noncompliance with the specified financial ratios and financial covenants under its credit facilities or future financial obligations. Any such non-compliance may prevent Ocean Rig from taking business actions that are otherwise in its best interest.

Ocean Rig's parent company, DryShips, has obtained waiver agreements for violations of various covenants under certain of its loan agreements. Due to the cross-default provisions in Ocean Rig loan agreements that are triggered in the event of a default by Ocean Rig under one of its other loan agreements or, in certain cases, a default by DryShips under one of its loan agreements, when those waivers expire, Ocean Rig's lenders could accelerate its indebtedness if DryShips fails to (i) successfully extend the existing waiver agreements or (ii) comply with the applicable covenants in the original loan agreements.

Ocean Rig's loan agreements, which are secured by mortgages on its drilling units, require Ocean Rig to (i) comply with specified financial ratios and (ii) satisfy certain financial and other covenants. As of June 30, 2011, Ocean Rig had (i) \$597.1 million outstanding under its \$1.04 billion credit facility (Ocean Rig has repaid approximately \$18.7 million in the third quarter of 2011); (ii) a total of \$272.6 million outstanding under its Deutsche Bank credit facilities; (iii) \$800.0 million outstanding under its \$800 million Nordea senior secured term loan agreement; and

(iv) \$500.0 million outstanding under its \$500 million of aggregate principal amount of 9.5% senior unsecured notes due in 2016.

DryShips currently provides guarantees under Ocean Rig's Deutsche Bank credit facilities and Ocean Rig's \$800.0 million senior secured term loan agreement, which require DryShips to comply with certain financial covenants, including covenants to maintain minimum liquidity, equity ratio, interest coverage, net worth and debt

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service coverage ratio. All of Ocean Rig's loan agreements contain a cross-default provision that may be triggered by a default under one of its other loan agreements. A cross-default provision means that a default on one loan would result in a default on all of Ocean Rig's other loans. A default by DryShips under one of its loan agreements would trigger a cross-default under Ocean Rig's Deutsche Bank credit facilities and would provide its lenders with the right to accelerate the outstanding debt under these facilities. Further, if DryShips defaults under one of its loan agreements, and the related debt is accelerated, this would trigger a cross-default under Ocean Rig's \$1.04 billion credit facility and its \$800.0 million secured term loan agreement and would provide Ocean Rig's lenders with the right to accelerate the outstanding debt under these facilities.

DryShips and its shipping subsidiaries have several secured term loan agreements totaling \$959.1 million of gross indebtedness outstanding at June 30, 2011. Due to the decline in vessel values in the drybulk shipping sector, DryShips was in breach of certain of its financial covenants as of December 31, 2008 and, as a result, obtained waiver agreements from its lenders waiving the violations of such covenants. Certain of these waiver agreements expire during 2011 and 2012, at which time the original covenants under the loan agreements come back into effect. As of June 30, 2011, DryShips had either regained compliance with the covenants under its loan agreements or had the ability to remedy short falls in collateral maintenance requirements within specified grace periods.

If DryShips is not in compliance with all of the covenants under its loan agreements, there can be no assurance that it will be successful in obtaining additional waivers or amendments to the credit facilities or that the lenders will extend their waivers (which under each loan agreement requires the unanimous consent of the applicable lenders) prior to their expiration. Absent a waiver or amendment, a default by DryShips under one of its loan agreements would trigger a cross-default under Ocean Rig's Deutsche Bank credit facilities and would provide its lenders with the right to accelerate the outstanding debt under these facilities and if DryShips defaults under one of its loan agreements, and the related debt is accelerated, this would trigger a cross-default under Ocean Rig's \$1.04 billion credit facility and Ocean Rig's \$800.0 million secured term loan agreement and would provide its lenders with the right to accelerate the outstanding debt under these facilities, even if Ocean Rig were otherwise in compliance with its loan agreements. Ocean Rig's management does not expect that cash on hand and cash generated from operations will be sufficient to repay those loans with cross-default provisions if such debt is accelerated by the lenders. In such a scenario, Ocean Rig would have to seek to access the capital markets to fund the mandatory payments, although such financing may not be available on attractive terms or at all. In addition, if Ocean Rig otherwise fails to comply with the covenants applicable to its operations in its secured loan agreements, its lenders could accelerate its indebtedness and foreclose their liens on its drilling units, which would impair its ability to continue its operations.

Ocean Rig will need to procure significant additional financing, which may be difficult to obtain on acceptable terms, in order to complete the construction of its seventh generation hulls and any of the three additional newbuilding drillships for which Ocean Rig may exercise its option.

In April 2011, Ocean Rig exercised two of its options for the construction of two newbuild drillships by Samsung, which are scheduled to be delivered in July 2013 and September 2013, respectively, and in June 2011, Ocean Rig exercised a third option with Samsung for the construction of a newbuild drillship to be delivered in November 2013. The estimated total project cost of its seventh generation hulls is \$638.0 million per drillship, which consists of \$570.0 million of construction costs, costs of approximately \$38.0 million for upgrades to the existing drillship specifications and construction-related expenses of \$30.0 million. Ocean Rig also completed the issuance of \$500.0 million in aggregate principal amount of 9.5% senior unsecured notes due 2016 in April 2011. Ocean Rig intends to apply the net proceeds of the notes issuance to partially finance the construction of its seventh generation hulls. In order to complete the construction of its seventh generation hulls, Ocean Rig will need to procure additional financing and, if Ocean Rig fails to take delivery of one or more of the seventh generation hulls for any reason, it will be prevented from realizing potential revenues from the applicable drillship and it could lose its deposit money, which amounted to \$726.7 million in the aggregate, as of August 15, 2011. Ocean Rig may also incur additional costs and

liability to the shipyards, which may pursue claims against Ocean Rig under its newbuilding construction contract and retain and sell its seventh generation hulls to third parties.

The remaining three optional newbuilding drillships have an estimated total project cost of \$638.0 million each, excluding financing costs. The options may be exercised by Ocean Rig at any time on or prior to January 31,

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2012, with vessel deliveries ranging from the first to the third quarter of 2014, depending on when the options are exercised. To the extent Ocean Rig exercises any of the three newbuilding options, which have an estimated aggregate cost of \$1.9 billion, Ocean Rig will incur additional payment obligations for which Ocean Rig has not arranged financing. If, on the other hand, Ocean Rig does not exercise any of the remaining options, Ocean Rig will sacrifice the corresponding deposits, for which it paid approximately \$24.8 million in the aggregate as of August 15, 2011.

As of August 15, 2011, Ocean Rig had remaining yard installments of \$305.6 million, all of which are payable in 2011, for the construction of the *Ocean Rig Mykonos*, which is scheduled to be delivered to Ocean Rig in September 2011. Ocean Rig intends to fund the balance of the remaining installments for the *Ocean Rig Mykonos* with borrowings under the Deutsche Bank credit facility. On August 10, 2011, Ocean Rig amended this credit facility to allow for full drawdowns to fund the remaining installment payments for the *Ocean Rig Mykonos* and the release of the cash collateral deposited for this drillship based on the Petrobras Brazil contract and on August 10, 2011, the cash collateral deposited for the drillship was released.

Ocean Rig may be unable to meet its capital expenditure requirements.

As of August 15, 2011, Ocean Rig had substantial purchase commitments mainly representing remaining yard installments of \$305.6 million for the delivery of the *Ocean Rig Mykonos*, which is scheduled to be delivered in September 2011. In addition, Ocean Rig has exercised three of its newbuilding drillship options under its contract with Samsung and entered into construction contracts for its seventh generation hulls for a total estimated yard cost of \$608.0 million each, of which Ocean Rig paid an aggregate amount of \$632.4 million in the second quarter of 2011, not including the \$94.3 million it paid in slot reservation fees relating to these drillships prior to the second quarter of 2011. The remaining amount is payable on delivery of each drillship, which is scheduled to be in July 2013, September 2013 and November 2013, respectively, for which Ocean Rig has not arranged financing.

Ocean Rig expects to finance the delivery payments due in 2013 for its seventh generation hulls with cash on hand, operating cash flow and bank debt that Ocean Rig intends to arrange. Should Ocean Rig exercise the remaining three newbuilding drillship options under its contract with Samsung, Ocean Rig would expect to incur additional capital commitments of at least \$701.8 million payable at the time of exercise, for which Ocean Rig would be dependent upon obtaining additional financing, which it has not yet arranged. Should such financing not be available, this could severely impact Ocean Rig's ability to satisfy its liquidity requirements, meet its obligations and finance future obligations.

Ocean Rig may be unable to secure ongoing drilling contracts, including for its three uncontracted seventh generation hulls under construction, due to strong competition, and the contracts that Ocean Rig enter into may not provide sufficient cash flow to meet its debt service obligations with respect to its indebtedness.

Ocean Rig has not yet secured drilling contracts for three of its seventh generation hulls under construction, scheduled to be delivered to Ocean Rig in July 2013, September 2013 and November 2013, respectively. The existing drilling contracts for Ocean Rig's drilling units currently employed are scheduled to expire from the fourth quarter of 2011 through the fourth quarter of 2014. Ocean Rig cannot guarantee that Ocean Rig will be able to obtain contracts for its three uncontracted newbuilding drillships or, upon the expiration or termination of the current contracts, for its drilling units currently employed or that there will not be a gap in employment between current contracts and subsequent contracts. In particular, if the price of crude oil is low, or it is expected that the price of crude oil will decrease in the future, at a time when Ocean Rig is seeking to arrange employment contracts for its drilling units, Ocean Rig may not be able to obtain employment contracts at attractive rates or at all.

If the rates which Ocean Rig receives for the reemployment of its current drilling units are reduced, Ocean Rig will recognize less revenue from their operations. In addition, delays under existing contracts could cause Ocean Rig to

lose future contracts if a drilling unit is not available to start work at the agreed date. Ocean Rig's ability to meet its cash flow obligations will depend on its ability to consistently secure drilling contracts for its drilling units at sufficiently high dayrates. Ocean Rig cannot predict the future level of demand for its services or future conditions in the oil and gas industry. If the oil and gas companies do not continue to increase exploration,

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development and production expenditures, Ocean Rig may have difficulty securing drilling contracts, including for the three newbuilding drillships Ocean Rig has agreed to acquire, or it may be forced to enter into contracts at unattractive dayrates. Either of these events could impair Ocean Rig's ability to generate sufficient cash flow to make principal and interest payments under its indebtedness and meet its capital expenditure and other obligations.

Ocean Rig has a substantial amount of debt, and Ocean Rig may lose the ability to obtain future financing and suffer competitive disadvantages.

Ocean Rig had outstanding indebtedness of \$2.2 billion as of June 30, 2011. Ocean Rig expects to incur substantial additional indebtedness in order to fund the remaining total construction costs and construction related expenses for the *Ocean Rig Mykonos* in the aggregate amount of approximately \$331.0 million as of August 15, 2011, in addition to the remaining \$18.1 million of construction-related expenses for the *Ocean Rig Corcovado*, the *Ocean Rig Olympia* and the *Ocean Rig Poseidon* the total estimated project costs of \$1.9 billion for its seventh generation hulls, of which \$726.7 million amounted to previously-funded construction installment payments as of August 15, 2011, and any further growth of Ocean Rig's fleet. This substantial level of debt and other obligations could have significant adverse consequences on Ocean Rig's business and future prospects, including the following:

Ocean Rig may not be able to obtain financing in the future for working capital, capital expenditures, acquisitions, debt service requirements or other purposes;

Ocean Rig may not be able to use operating cash flow in other areas of its business because Ocean Rig must dedicate a substantial portion of these funds to service the debt;

Ocean Rig could become more vulnerable to general adverse economic and industry conditions, including increases in interest rates, particularly given its substantial indebtedness, some of which bears interest at variable rates;

Ocean Rig may not be able to meet financial ratios included in its loan agreements due to market conditions or other events beyond its control, which could result in a default under these agreements and trigger cross-default provisions in Ocean Rig's other loan agreements and debt instruments;

less leveraged competitors could have a competitive advantage because they have lower debt service requirements; and

Ocean Rig may be less able to take advantage of significant business opportunities and to react to changes in market or industry conditions than its competitors.

Ocean Rig's ability to service its debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond Ocean Rig's control. If Ocean Rig's operating income is not sufficient to service its current or future indebtedness, Ocean Rig will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. Ocean Rig may not be able to affect any of these remedies on satisfactory terms, or at all. In addition, a lack of liquidity in the debt and equity markets could hinder Ocean Rig's ability to refinance its debt or obtain additional financing on favorable terms in the future.

Ocean Rig may be unable to pay dividends.

As a result of various covenant restrictions imposed by its lenders, Ocean Rig may be unable to pay dividends to its shareholders. Under the terms of Ocean Rig's \$800.0 million senior secured term loan agreement, which matures in 2016, Ocean Rig is not permitted to pay dividends without the consent of a majority of the lenders. In addition, the payment of any future dividends will be subject at all times to the discretion of Ocean Rig's board of directors. The timing and amount of dividends will depend on Ocean Rig's earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in its loan agreements, the provisions of Marshall Islands law affecting the payment of dividends and other factors. Marshall Islands law generally prohibits the payment of dividends other than from surplus or while a company is insolvent or would be rendered insolvent

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upon the payment of such dividends, or if there is no surplus, dividends may be declared or paid out of net profits for the fiscal year.

Construction of drillships is subject to risks, including delays and cost overruns, which could have an adverse impact on Ocean Rig's available cash resources and results of operations.

Ocean Rig has entered into contracts with Samsung for the construction of four ultra-deepwater newbuilding drillships, which Ocean Rig expects to take delivery of in September 2011, July 2013, September 2013 and November 2013, respectively.

From time to time in the future, Ocean Rig may undertake new construction projects and conversion projects. In addition, Ocean Rig makes significant upgrade, refurbishment, conversion and repair expenditures for its fleet from time to time, particularly as its drilling units become older. Some of these expenditures are unplanned. These projects together with Ocean Rig's existing construction projects and other efforts of this type are subject to risks of cost overruns or delays inherent in any large construction project as a result of numerous factors, including the following:

- shipyard unavailability;
- shortages of equipment, materials or skilled labor;
- unscheduled delays in the delivery of ordered materials and equipment;
- local customs strikes or related work slowdowns that could delay importation of equipment or materials;
- engineering problems, including those relating to the commissioning of newly designed equipment;
- latent damages or deterioration to the hull, equipment and machinery in excess of engineering estimates and assumptions;
- work stoppages;
- client acceptance delays;
- weather interference or storm damage;
- disputes with shipyards and suppliers;
- shipyard failures and difficulties;
- failure or delay of third-party equipment vendors or service providers;
- unanticipated cost increases; and
- difficulty in obtaining necessary permits or approvals or in meeting permit or approval conditions.

These factors may contribute to cost variations and delays in the delivery of Ocean Rig's ultra-deepwater newbuilding drillships. Delays in the delivery of these newbuilding drillships or the inability to complete construction in accordance with their design specifications may, in some circumstances, result in a delay in contract commencement, resulting in a loss of revenue to Ocean Rig, and may also cause customers to renegotiate, terminate or shorten the term

of a drilling contract for the drillship pursuant to applicable late delivery clauses. In the event of termination of one of these contracts, Ocean Rig may not be able to secure a replacement contract on as favorable terms. Additionally, capital expenditures for drillship upgrades, refurbishment and construction projects could materially exceed Ocean Rig's planned capital expenditures. Moreover, Ocean Rig's drillships that may undergo upgrade, refurbishment and repair may not earn a dayrate during the periods they are out of service. In addition, in the event of a shipyard failure or other difficulty, Ocean Rig may be unable to enforce certain provisions under its newbuilding contracts such as its refund guarantee, to recover amounts paid as installments under such contracts. The occurrence of any of these events may have a material adverse effect on Ocean Rig's results of operations, financial condition or cash flows.

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As its current operating fleet is comprised of two ultra-deepwater drilling rigs and three drillships, Ocean Rig relies heavily on a small number of customers and the loss of a significant customer could have a material adverse impact on Ocean Rig's financial results.

Ocean Rig has five customers for its current operating fleet of two ultra-deepwater drilling rigs and three drillships and it is subject to the usual risks associated with having a limited number of customers for its services. If these customers terminate, suspend or seek to renegotiate the contracts for these drilling units, as they are entitled to do under various circumstances, or cease doing business Ocean Rig's results of operations and cash flows could be adversely affected. Although Ocean Rig expects that a limited number of customers will continue to generate a substantial portion of its revenues, Ocean Rig will have to expand its pool of customers as it takes delivery of its four newbuilding drillships and further grow its business.

Currently, Ocean Rig's revenues depend on two ultra-deepwater drilling rigs and three drillships, which are designed to operate in harsh environments. The damage or loss of either of these drilling rigs could have a material adverse effect on Ocean Rig's results of operations and financial condition.

Ocean Rig's revenues are dependent on the drilling rig *Eirik Raude*, which is currently operating offshore of Ghana, the drilling rig *Leiv Eiriksson* and the drillship *Ocean Rig Corcovado*, which are currently operating offshore of Greenland since May 2011, the *Ocean Rig Olympia*, which commenced contracts to drill five exploration wells with Vanco off the coast of Ghana and Cote d'Ivoire directly upon its delivery on March 31, 2011, and the *Ocean Rig Poseidon*, which commenced a contract for drilling operations in Tanzania and West Africa in July 2011. Ocean Rig's drilling units may be exposed to risks inherent in deepwater drilling and operating in harsh environments that may cause damage or loss. The drilling of oil and gas wells, particularly exploratory wells where little is known of the subsurface formations involves risks, such as extreme pressure and temperature, blowouts, reservoir damage, loss of production, loss of well control, lost or stuck drill strings, equipment defects, punch throughs, craterings, fires, explosions, pollution and natural disasters such as hurricanes and tropical storms. In addition, offshore drilling operations are subject to perils peculiar to marine operations, either while on-site or during mobilization, including capsizing, sinking, grounding, collision, marine life infestations, and loss or damage from severe weather. The replacement or repair of a rig or drillship could take a significant amount of time, and Ocean Rig may not have any right to compensation for lost revenues during that time. As long as Ocean Rig has only five drilling units in operation, loss of or serious damage to one of the drilling units could materially reduce its revenues in its offshore drilling segment for the time that a rig or drillship is out of operation. In view of the sophisticated design of the drilling units, Ocean Rig may be unable to obtain a replacement unit that could perform under the conditions that its drilling units are expected to operate, which could have a material adverse effect on Ocean Rig's results of operations and financial condition.

Ocean Rig is subject to certain risks with respect to its counterparties on drilling contracts, and failure of these counterparties to meet their obligations could cause Ocean Rig to suffer losses or otherwise adversely affect its business.

Ocean Rig enters into drilling services contracts with its customers, newbuilding contracts with shipyards, interest rate swap agreements and forward exchange contracts, and has employed and may employ its drilling rigs and newbuild drillships on fixed-term and well contracts. Ocean Rig's drilling contracts, newbuilding contracts, and hedging agreements subject Ocean Rig to counterparty risks. The ability of each of Ocean Rig's counterparties to perform its obligations under a contract with it will depend on a number of factors that are beyond Ocean Rig's control and may include, among other things, general economic conditions, the condition of the offshore contract drilling industry, the overall financial condition of the counterparty, the dayrates received for specific types of drilling rigs and drillships and various expenses. In addition, in depressed market conditions, Ocean Rig's customers may no longer need a drilling unit that is currently under contract or may be able to obtain a comparable drilling unit at a lower dayrate. As a

result, customers may seek to renegotiate the terms of their existing drilling contracts or avoid their obligations under those contracts. Should a counterparty fail to honor its obligations under an agreement with Ocean Rig, Ocean Rig could sustain significant losses which could have a material adverse effect on its business, financial condition, results of operations and cash flows.

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If Ocean Rig's drilling units fail to maintain their class certification or fail any annual survey or special survey, that drilling unit would be unable to operate, thereby reducing Ocean Rig's revenues and profitability and violating certain covenants under its credit facilities.

Every drilling unit must be classed by a classification society. The classification society certifies that the drilling unit is in-class, signifying that such drilling unit has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the drilling unit's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned. Both of Ocean Rig's drilling rigs are certified as being in class by Det Norske Veritas. Both of Ocean Rig's operating drillships are certified as being in class by American Bureau of Shipping. The *Leiv Eiriksson* was credited with completing its last Special Periodical Survey in April 2011 and the *Eirik Raude* completed the same in 2007. The *Eirik Raude* is due for its next Special Periodical Survey in the second quarter 2012, while Ocean Rig's three existing drillships and the *Ocean Rig Mykonos* are due for their first Special Periodical Survey in 2016. Ocean Rig's seventh generation hulls are due for their first Special Periodical Survey in 2018. If any drilling unit does not maintain its class and/or fails any annual survey or special survey, the drilling unit will be unable to carry on operations and will be unemployable and uninsurable which could cause Ocean Rig to be in violation of certain covenants in its credit facilities. Any such inability to carry on operations or be employed, or any such violation of covenants, could have a material adverse impact on Ocean Rig's financial condition and results of operations. That status could cause Ocean Rig to be in violation of certain covenants in its credit facilities.

Ocean Rig's drilling rigs and its drillships following their delivery to Ocean Rig may suffer damage and it may face unexpected yard costs, which could adversely affect Ocean Rig's cash flow and financial condition.

If Ocean Rig's drilling rigs and Ocean Rig's drillships following their delivery to Ocean Rig suffer damage, they may need to be repaired at a yard. The costs of yard repairs are unpredictable and can be substantial. The loss of earnings while Ocean Rig's drilling rigs and drillships are being repaired and repositioned, as well as the actual cost of these repairs, would decrease its earnings. Ocean Rig may not have insurance that is sufficient to cover all or any of these costs or losses and may have to pay dry docking costs not covered by its insurance.

Ocean Rig may not be able to maintain or replace its drilling units as they age.

The capital associated with the repair and maintenance of Ocean Rig's fleet increases with age. Ocean Rig may not be able to maintain its existing drilling units to compete effectively in the market, and Ocean Rig's financial resources may not be sufficient to enable it to make expenditures necessary for these purposes or to acquire or build replacement drilling units.

Ocean Rig may have difficulty managing its planned growth properly.

Ocean Rig intends to continue to grow its fleet and Ocean Rig may exercise one or more of its purchase options to purchase up to an additional three newbuilding drillships. Ocean Rig's future growth will primarily depend on its ability to:

locate and acquire suitable drillships;

identify and consummate acquisitions or joint ventures;

enhance its customer base;

manage its expansion; and

obtain required financing on acceptable terms.

Growing any business by acquisition presents numerous risks, such as undisclosed liabilities and obligations, the possibility that indemnification agreements will be unenforceable or insufficient to cover potential losses and difficulties associated with imposing common standards, controls, procedures and policies, obtaining additional

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qualified personnel, managing relationships with customers and integrating newly acquired assets and operations into existing infrastructure. Ocean Rig may experience operational challenges as it begins operating its new drillships which may result in low earnings efficiency and/or reduced dayrates compared to maximum dayrates. Ocean Rig may be unable to successfully execute its growth plans or Ocean Rig may incur significant expenses and losses in connection with its future growth which would have an adverse impact on its financial condition and results of operations.

The market value of Ocean Rig's current drilling units and drilling units Ocean Rig may acquire in the future may decrease, which could cause Ocean Rig to incur losses if it decides to sell them following a decline in their values or accounting charges that may affect Ocean Rig's ability to comply with its loan agreement covenants.

If the offshore contract drilling industry suffers adverse developments in the future, the fair market value of Ocean Rig's drilling units may decline. The fair market value of the drilling units Ocean Rig currently owns or may acquire in the future may increase or decrease depending on a number of factors, including:

prevailing level of drilling services contract dayrates;

general economic and market conditions affecting the offshore contract drilling industry, including competition from other offshore contract drilling companies;

types, sizes and ages of drilling units;

supply and demand for drilling units;

costs of newbuildings;

governmental or other regulations; and

technological advances.

In the future, if the market values of the Ocean Rig drilling units deteriorate significantly, Ocean Rig may be required to record an impairment charge in its financial statements, which could adversely affect Ocean Rig's results of operations. If Ocean Rig sells any drilling unit when drilling unit prices have fallen and before Ocean Rig has recorded an impairment adjustment to its financial statements, the sale may be at less than the drilling unit's carrying amount on Ocean Rig's financial statements, resulting in a loss. Additionally, any such deterioration in the market values of Ocean Rig's drilling units could trigger a breach of certain financial covenants under its credit facilities and its lenders may accelerate loan repayments. Such charge, loss or repayment could materially and adversely affect Ocean Rig's business prospects, financial condition, liquidity, and results of operations.

Because Ocean Rig generates all of its revenues in U.S. Dollars, but incurs a significant portion of its employee salary and administrative and other expenses in other currencies, exchange rate fluctuations could have an adverse impact on its results of operations.

Ocean Rig's principal currency for its operations and financing is the U.S. Dollar. The dayrates for the drilling rigs, its principal source of revenues, are quoted and received in U.S. Dollars. The principal currency for operating expenses is also the U.S. Dollar; however, a significant portion of employee salaries and administration expenses, as well as parts of the consumables and repair and maintenance expenses for the drilling rigs, may be paid in Norwegian Kroner (NOK), Great British Pound (GBP), Canadian dollar (CAD), Euro (EUR) or other currencies depending in part on the location of its drilling operations. This could lead to fluctuations in net income due to changes in the value of the

U.S. Dollar relative to the other currencies. Expenses incurred in foreign currencies against which the U.S. Dollar falls in value can increase, resulting in higher U.S. Dollar denominated expenses. Ocean Rig employs derivative instruments in order to economically hedge its currency exposure; however, Ocean Rig may not be successful in hedging its currency exposure and its U.S. Dollar denominated results of operations could be materially and adversely affected upon exchange rate fluctuations determined by events outside of Ocean Rig's control.

Table of Contents***Ocean Rig is dependent upon key management personnel.***

Ocean Rig's operations depend to a significant extent upon the abilities and efforts of its key management personnel. The loss of Ocean Rig's key management personnel's service to Ocean Rig could adversely affect its efforts to obtain employment for Ocean Rig's drillships and discussions with its lenders and, therefore, could adversely affect its business prospects, financial condition and results of operations. Ocean Rig does not currently, nor does it intend to, maintain key man life insurance on any of its personnel.

Failure to attract or retain key personnel, labor disruptions or an increase in labor costs could adversely affect Ocean Rig's operations.

Ocean Rig requires highly skilled personnel to operate and provide technical services and support for its business in the offshore drilling sector worldwide. As of August 15, 2011, Ocean Rig employed 1,070 employees, the majority of whom are full-time crew employed on its drilling units. Ocean Rig will need to recruit additional qualified personnel as Ocean Rig takes delivery of its newbuilding drillships. Competition for the labor required for drilling operations has intensified as the number of rigs activated, added to worldwide fleets or under construction has increased, leading to shortages of qualified personnel in the industry and creating upward pressure on wages and higher turnover. If turnover increases, Ocean Rig could see a reduction in the experience level of its personnel, which could lead to higher downtime, more operating incidents and personal injury and other claims, which in turn could decrease revenues and increase costs. In response to these labor market conditions, Ocean Rig is increasing efforts in its recruitment, training, development and retention programs as required to meet its anticipated personnel needs. If these labor trends continue, Ocean Rig may experience further increases in costs or limits on its offshore drilling operations.

Currently, none of Ocean Rig's employees are covered by collective bargaining agreements. In the future, some of Ocean Rig's employees or contracted labor may be covered by collective bargaining agreements in certain jurisdictions such as Brazil, Nigeria, Norway and the U.K. As part of the legal obligations in some of these agreements, Ocean Rig may be required to contribute certain amounts to retirement funds and pension plans and have restricted ability to dismiss employees. In addition, many of these represented individuals could be working under agreements that are subject to salary negotiation. These negotiations could result in higher personnel costs, other increased costs or increased operating restrictions that could adversely affect Ocean Rig's financial performance. Labor disruptions could hinder Ocean Rig's operations from being carried out normally and if not resolved in a timely cost-effective manner, could have a material impact its business. If Ocean Rig chooses to cease operations in one of those countries or if market conditions reduce the demand for Ocean Rig's drilling services in such a country, Ocean Rig would incur costs, which may be material, associated with workforce reductions.

Ocean Rig's operating and maintenance costs with respect to its offshore drilling rigs will not necessarily fluctuate in proportion to changes in operating revenues, which may have a material adverse effect on Ocean Rig's results of operations, financial condition and cash flows.

Operating revenues may fluctuate as a function of changes in dayrates. However, costs for operating a rig are generally fixed regardless of the dayrate being earned. Therefore, Ocean Rig's operating and maintenance costs with respect to its offshore drilling rigs will not necessarily fluctuate in proportion to changes in operating revenues. In addition, should Ocean Rig's drilling units incur idle time between contracts, Ocean Rig typically will not de-man those drilling units but rather use the crew to prepare the rig for its next contract. During times of reduced activity, reductions in costs may not be immediate, as portions of the crew may be required to prepare rigs for stacking, after which time the crew members are assigned to active rigs or dismissed. In addition, as Ocean Rig's drilling units are mobilized from one geographic location to another, labor and other operating and maintenance costs can vary significantly. In general, labor costs increase primarily due to higher salary levels and inflation. Equipment maintenance expenses fluctuate depending upon the type of activity the unit is performing and the age and condition

of the equipment. Contract preparation expenses vary based on the scope and length of contract preparation required and the duration of the firm contractual period over which such expenditures are incurred. If Ocean Rig experiences increased operating costs without a corresponding increase in earnings, this may have a material adverse effect on Ocean Rig's results of operations, financial condition and cash flows.

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In the event Samsung does not perform under its agreements with Ocean Rig and Ocean Rig is unable to enforce certain refund guarantees, Ocean Rig may lose all or part of its investment, which would have a material adverse effect on Ocean Rig's results of operations, financial condition and cash flows.

Ocean Rig took delivery of its newbuilding drillships, the *Ocean Rig Corcovado*, the *Ocean Rig Olympia* and the *Ocean Rig Poseidon*, on January 3, 2011, March 30, 2011 and July 28, 2011, respectively, from Samsung, which is located in South Korea. Currently, Ocean Rig has newbuilding contracts with Samsung for the construction of an additional sixth generation, advanced capability ultra-deepwater drillship, the *Ocean Rig Mykonos*, which is scheduled to be delivered in September 2011. As of August 15, 2011, Ocean Rig had made total yard payments in the amount of approximately \$426.9 million for the *Ocean Rig Mykonos* and it has remaining yard installments in the amount of \$305.6 million before it takes possession of the drillship.

In addition, Ocean Rig paid \$632.4 million in the second quarter of 2011 in connection with its exercise of three of the drillship newbuilding options under Ocean Rig's contract with Samsung and, as a result, has entered into shipbuilding contracts for three seventh generation, advanced capability ultra-deepwater drillship, scheduled to be delivered in July 2013, September 2013 and November 2013, respectively, for a total estimated project cost, excluding financing costs, of \$638.0 million per drillship. In addition, Ocean Rig has additional options under its contract with Samsung to construct up to three additional seventh generation, ultra-deepwater drillships, with an estimated total project cost, excluding financing costs, of \$638.0 million per drillship. These options may be exercised at any time by Ocean Rig on or prior to January 31, 2012, with vessel deliveries ranging between the first and third quarter of 2014, depending on when the options are exercised. DryShips, Ocean Rig's parent company, paid a non-refundable deposit of \$99.2 million in the aggregate to secure this contract. Ocean Rig paid \$99.0 million to DryShips when the contract was novated to Ocean Rig. In addition, Ocean Rig paid deposits totaling \$20.0 million to Samsung in the first quarter of 2011 to maintain favorable costs and yard slot timing under the option contract.

In the event Samsung does not perform under its agreements with Ocean Rig and Ocean Rig is unable to enforce certain refund guarantees with third-party bankers due to an outbreak of war, bankruptcy or otherwise, Ocean Rig may lose all or part of its investment, which would have a material adverse effect on Ocean Rig's results of operations, financial condition and cash flows.

Military action, other armed conflicts, or terrorist attacks have caused significant increases in political and economic instability in geographic regions where Ocean Rig operates and where the newbuilding drillships are being constructed.

Military tension involving North and South Korea, the Middle East, Africa and other attacks, threats of attacks, terrorism and unrest, have caused instability or uncertainty in the world's financial and commercial markets and have significantly increased political and economic instability in some of the geographic areas where Ocean Rig (i) operates and (ii) has contracted with Samsung to build its four newbuilding drillships. Acts of terrorism and armed conflicts or threats of armed conflicts in these locations could limit or disrupt Ocean Rig's operations, including disruptions resulting from the cancellation of contracts or the loss of personnel or assets. In addition, any possible reprisals as a consequence of ongoing military action in the Middle East, such as acts of terrorism in the United States or elsewhere, could materially and adversely affect Ocean Rig in ways it cannot predict at this time.

The derivative contracts Ocean Rig has entered into to hedge its exposure to fluctuations in interest rates could result in higher than market interest rates and charges against Ocean Rig's income.

As of June 30, 2011, Ocean Rig has entered into interest rate swaps for the purpose of managing its exposure to fluctuations in interest rates applicable to indebtedness under its credit facilities, which was drawn at a floating rate based on LIBOR. Ocean Rig's hedging strategies, however, may not be effective and it may incur substantial losses if

interest rates move materially differently from Ocean Rig's expectations. Ocean Rig's existing interest rate swaps do not, and future derivative contracts may not, qualify for treatment as hedges for accounting purposes. Ocean Rig recognizes fluctuations in the fair value of these contracts in its income statement. In addition, Ocean Rig's financial condition could be materially adversely affected to the extent it does not hedge its exposure to interest rate fluctuations under its financing arrangements, under which loans have been advanced at a floating rate based on

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LIBOR and for which it has not entered into an interest rate swap or other hedging arrangement. Any hedging activities Ocean Rig engages in may not effectively manage its interest rate exposure or have the desired impact on its financial conditions or results of operations. At June 30, 2011, the fair value of Ocean Rig's interest rate swaps was a liability of \$93.4 million.

A change in tax laws, treaties or regulations, or their interpretation, of any country in which Ocean Rig operates could result in a higher tax rate on its worldwide earnings, which could result in a significant negative impact on Ocean Rig's earnings and cash flows from operations.

Ocean Rig conducts its worldwide drilling operations through various subsidiaries. Tax laws and regulations are highly complex and subject to interpretation. Consequently, Ocean Rig is subject to changing tax laws, treaties and regulations in and between countries in which it operates. Ocean Rig's income tax expense is based upon its interpretation of tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, treaties or regulations, or in the interpretation thereof, or in the valuation of Ocean Rig's deferred tax assets, could result in a materially higher tax expense or a higher effective tax rate on its worldwide earnings, and such change could be significant to its financial results. If any tax authority successfully challenges Ocean Rig's operational structure, inter-company pricing policies or the taxable presence of its operating subsidiaries in certain countries; or if the terms of certain income tax treaties are interpreted in a manner that is adverse to Ocean Rig's structure; or if it loses a material tax dispute in any country, particularly in the U.S., Canada, the U.K., Turkey, Angola, Cyprus, Korea, Ghana or Norway, Ocean Rig's effective tax rate on its worldwide earnings could increase substantially and Ocean Rig's earnings and cash flows from these operations could be materially adversely affected.

Ocean Rig's subsidiaries may be subject to taxation in the jurisdictions in which its offshore drilling activities are conducted. Such taxation would result in decreased earnings available to its shareholders. In the fourth quarter of 2008, Ocean Rig ASA initiated the process of transferring the domicile of its Norwegian entities that owned, directly or indirectly, the *Leiv Eiriksson* and the *Eirik Raude* to the Republic of the Marshall Islands and to liquidate the four companies in the Norwegian rig owning structure. The *Leiv Eiriksson* and the *Eirik Raude* were transferred to Marshall Islands corporations in December 2008. The present status of the four companies of the former Norwegian rig owning structure is that two of the companies were formally liquidated during December 2010 and the two remaining companies were formally liquidated during the second quarter of 2011.

OceanFreight shareholders are encouraged to consult their own tax advisors concerning the overall tax consequences of the ownership of the Ocean Rig shares arising in its particular situation under U.S. federal, state, local or foreign law.

United States tax authorities may treat Ocean Rig as a passive foreign investment company for United States federal income tax purposes, which may reduce Ocean Rig's ability to raise additional capital through the equity markets.

A foreign corporation will be treated as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of passive income or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of passive income. For purposes of these tests, passive income includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute passive income. U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Ocean Rig does not believe that it is currently a PFIC, although certain of its wholly-owned subsidiaries may be or have been classified as PFICs at any time through the conclusion of the 2008 taxable year. Based on Ocean Rig's current operations and future projections, it does not believe that it or any of Ocean Rig's subsidiaries have been, are or will be a PFIC with respect to any taxable year beginning with the 2009 taxable year.

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However, no assurance can be given that the U.S. Internal Revenue Service, or IRS, or a court of law will accept Ocean Rig's position, and there is a risk that the IRS or a court of law could determine that Ocean Rig or one of its subsidiaries is a PFIC. Moreover, no assurance can be given that Ocean Rig or one of its subsidiaries would not constitute a PFIC for any future taxable year if there were to be changes in the nature and extent of its operations.

If the IRS were to find that Ocean Rig is or has been a PFIC for any taxable year, Ocean Rig's U.S. shareholders will face adverse U.S. tax consequences. Under the PFIC rules, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders, as discussed below under Taxation Certain Material Tax Consequences Material Tax Considerations with Respect to the Ownership and Disposition of Ocean Rig Common Stock), such shareholders would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of the Ocean Rig shares, as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of the Ocean Rig shares. In the event Ocean Rig's U.S. shareholders face adverse U.S. tax consequences as a result of investing in shares of Ocean Rig common stock, this could adversely affect Ocean Rig's ability to raise additional capital through the equity markets. See Taxation Certain Material Tax Consequences Material Tax Considerations with Respect to the Ownership and Disposition of Ocean Rig Common Stock for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. shareholders if Ocean Rig was treated as a PFIC.

Ocean Rig may be subject to litigation that, if not resolved in its favor and not sufficiently insured against, could have a material adverse effect on Ocean Rig.

Ocean Rig may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of Ocean Rig's business. Ocean Rig cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on it. Insurance may not be applicable or sufficient in all cases, insurers may not remain solvent and policies may not be located.

Ocean Rig has restated its previously reported financial statements for 2009. Investor confidence may be adversely impacted if Ocean Rig is unable to remediate the material weakness for the assessment under Section 404 of the Sarbanes-Oxley Act of 2002.

As an operating subsidiary of DryShips, Ocean Rig has implemented procedures in order to meet the evaluation requirements of Rules 13a-15(c) and 15d-15 (c) under the Securities Exchange Act of 1934, or the Exchange Act, for the assessment under Section 404 of the Sarbanes-Oxley Act of 2002. Following the effectiveness on August 26, 2011 of the registration statement on Form F-4 that Ocean Rig filed in connection with the Exchange Offer, Ocean Rig became a public company and Ocean Rig will be required to include in its annual report on Form 20-F its management's report on, and assessment of, the effectiveness of Ocean Rig's internal controls over financial reporting. In addition, Ocean Rig's independent registered public accounting firm will be required to attest to and report on management's assessment of the effectiveness of its internal controls over financial reporting. These management assessment and auditor attestation requirements will first apply to Ocean Rig's annual report on Form 20-F for the year ending December 31, 2012. Ocean Rig restated its previously-reported consolidated financial statements for the year ended December 31, 2009 to reflect the correction of errors due to a material weakness in its internal control over financial reporting. For additional information see Management's Discussion and Analysis of Financial Condition and Results of Operations Restatement of previously-issued financial statements for 2009 and Note 3 to Ocean Rig's consolidated financial statements included elsewhere in this proxy statement / prospectus. If Ocean Rig fails to remediate the material weakness and therefore its internal controls over financial reporting remain ineffective, this

could result in an adverse perception of Ocean Rig in the financial marketplace and cause Ocean Rig investors to lose confidence in its reported results.

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Risk Factors Relating to Ocean Rig's Common Stock

There is currently no market for Ocean Rig common stock in the U.S. and a market for Ocean Rig common stock may not develop, which could adversely affect the liquidity and price of Ocean Rig's common stock.

Ocean Rig's common stock currently trades in the Norwegian OTC market and there is currently no established trading market for Ocean Rig's common stock in the U.S. Holders of Ocean Rig common stock therefore have limited access to information about prior market history on which to base their investment decision.

Under the merger agreement, one of the conditions to closing of the merger is that the Ocean Rig common stock become listed on NASDAQ. After the Ocean Rig common stock is listed on NASDAQ, the market value for shares of Ocean Rig common stock may be highly volatile and could be subject to wide fluctuations. Some of the factors that could negatively affect the share price of Ocean Rig common stock include:

- actual or anticipated variations in Ocean Rig's operating results;
- changes in Ocean Rig's cash flow, EBITDA or earnings estimates;
- publication of research reports about Ocean Rig or the industry in which Ocean Rig operates;
- increases in market interest rates that may lead purchasers of common stock to demand a higher expected yield which, if Ocean Rig distributions are not expected to rise, will mean Ocean Rig share price will fall;
- changes in applicable laws or regulations, court rulings and enforcement and legal actions;
- changes in market valuations of similar companies;
- adverse market reaction to any increased indebtedness Ocean Rig incurs in the future;
- additions or departures of Ocean Rig key personnel;
- actions by institutional shareholders;
- speculation in the press or investment community; and
- general market and economic conditions.

Future sales of Ocean Rig's common stock could have an adverse effect on Ocean Rig's share price.

In order to finance the currently contracted and future growth of its fleet, Ocean Rig will have to incur substantial additional indebtedness and possibly issue additional equity securities. Additional common share issuances, directly or indirectly through convertible or exchangeable securities, options or warrants, will generally dilute the ownership interests of Ocean Rig's existing common shareholders, including their relative voting rights, and could require substantially more cash to maintain the then existing level, if any, of Ocean Rig's dividend payments to its common shareholders, as to which no assurance can be given. Preferred shares, if issued, will generally have a preference on dividend payments, which could prohibit or otherwise reduce Ocean Rig's ability to pay dividends to its common shareholders. Ocean Rig's debt will be senior in all respects to its shares of common stock, will generally include

financial and operating covenants with which Ocean Rig must comply and will include acceleration provisions upon defaults thereunder, including Ocean Rig's failure to make any debt service payments, and possibly under other debt. Because Ocean Rig's decision to issue equity securities or incur debt in the future will depend on a variety of factors, including market conditions and other matters that are beyond Ocean Rig's control, Ocean Rig cannot predict or estimate the timing, amount or form of its capital raising activities in the future. Such activities could, however, cause the price of Ocean Rig's shares of common stock to decline significantly.

As of August 15, 2011, DryShips owned 101,555,274 shares of Ocean Rig common stock. Following the Spin Off and merger of DryShips and OceanFreight, DryShips is expected to continue to own a majority of Ocean Rig's outstanding shares of common stock. The shares of Ocean Rig common stock held by DryShips are restricted securities within the meaning of Rule 144 under the Securities Act and may not be transferred unless they have been registered under the Securities Act or an exemption from registration is available. Upon satisfaction of certain conditions, Rule 144 permits the sale of certain amounts of restricted securities six months following the date of acquisition of the restricted securities from us. As shares of Ocean Rig common stock become eligible for sale under

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Rule 144, the volume of sales of Ocean Rig common stock on applicable securities markets may increase, which could reduce the market value of shares of Ocean Rig common stock.

At the closing of the purchase agreement, which occurred on August 24, 2011, the transferee of the Sellers acquired 1,570,226 shares of Ocean Rig common stock. Pursuant to the terms of the purchase agreement the shares acquired by such transferee are subject to a six-month restriction on post-acquisition transfer, or lock up. As shares of Ocean Rig common stock become eligible for sale, the volume of sales of Ocean Rig common stock on applicable securities markets may increase, which could reduce the market value of Ocean Rig common stock.

Ocean Rig is incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law, and as a result, shareholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the U.S.

Ocean Rig's corporate affairs are governed by its second amended and restated articles of incorporation and second amended and restated bylaws and by the MIBCA. The provisions of the MIBCA resemble provisions of the corporation laws of a number of states in the U.S. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the MIBCA. The rights and fiduciary responsibilities of directors under the law of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions. Shareholder rights may differ as well. While the MIBCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, Ocean Rig public shareholders may have more difficulty in protecting their interests in the face of actions by management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction.

It may not be possible for investors to enforce U.S. judgments against Ocean Rig.

Ocean Rig and all of its subsidiaries are incorporated in jurisdictions outside the U.S. and a substantial portion of Ocean Rig's assets and those of its subsidiaries are located outside the U.S. In addition, a majority of Ocean Rig's directors and officers and the experts named in this proxy statement / prospectus reside outside the U.S. and a substantial portion of the assets of its directors and officers and such experts are located outside the U.S. As a result, it may be difficult or impossible for U.S. investors to serve process within the U.S. upon Ocean Rig, its subsidiaries or its directors and officers and such experts or to enforce a judgment against Ocean Rig for civil liabilities in U.S. courts. In addition, you should not assume that courts in the countries in which Ocean Rig or its subsidiaries are incorporated or where Ocean Rig's assets or the assets of its subsidiaries, directors or officers and such experts are located (i) would enforce judgments of U.S. courts obtained in actions against Ocean Rig or its subsidiaries, directors or officers and such experts based upon the civil liability provisions of applicable U.S. federal and state securities laws or (ii) would enforce, in original actions, liabilities against Ocean Rig or its subsidiaries, directors or officers and such experts based on those laws.

DryShips, Ocean Rig's parent company, controls the outcome of matters on which Ocean Rig's shareholders are entitled to vote.

DryShips owns approximately 77% of Ocean Rig's outstanding common shares as of the date of this proxy statement / prospectus. Following the Spin Off and merger of DryShips and OceanFreight, DryShips is expected to continue to own a majority of Ocean Rig's outstanding shares of common stock. DryShips will control the outcome of matters on which Ocean Rig's shareholders are entitled to vote, including the election of directors and other significant corporate actions. DryShips' interests may be different from the interests of holders of Ocean Rig common stock and the commercial goals of DryShips as a shareholder, and Ocean Rig's goals, may not always be aligned. The substantial equity interests held by DryShips may make it more difficult for Ocean Rig to maintain its business independence

from other companies owned by DryShips and DryShips affiliates.

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Ocean Rig depends on directors who are associated with affiliated companies which may create conflicts of interest.

Ocean Rig's Chairman, President and Chief Executive Officer, Mr. Economou, is also the Chairman, President and Chief Executive Officer of DryShips, its parent company, and has significant shareholdings in DryShips.

Mr. Economou owes fiduciary duties to DryShips and its shareholders and may have conflicts of interest in matters involving or affecting Ocean Rig and Ocean Rig's customers. In addition they may have conflicts of interest when faced with decisions that could have different implications for DryShips than they do for Ocean Rig.

In addition, Cardiff provides services relating to Ocean Rig's drilling units, under the Global Services Agreement. 70% of the issued and outstanding capital stock of Cardiff is owned by a foundation which is controlled by Mr. Economou. The remaining 30% of the issued and outstanding capital stock of Cardiff is owned by a company controlled by the sister of Mr. Economou, who is also a director of DryShips. Vivid Finance Ltd., a company controlled by Mr. Economou, has been engaged by DryShips to act as a consultant on financing matters for DryShips and its subsidiaries, including Ocean Rig. See Ocean Rig Related Party Transactions. If any of these conflicts of interest are not resolved in Ocean Rig's favor, the result could have a material adverse effect on Ocean Rig's business.

Ocean Rig expects to incur increased costs as a result of becoming a public company.

On August 26, 2011, the SEC declared effective Ocean Rig's registration statement on Form F-4 relating to the Exchange Offer. From the date that the registration statement has been declared effective, Ocean Rig has been a public reporting company. As a public company, Ocean Rig will incur significant legal, accounting, investor relations and other expenses that Ocean Rig did not incur prior to such date. In addition, Ocean Rig has become subject to the provisions of the Sarbanes-Oxley Act of 2002 and SEC rules and Ocean Rig expects to become subject to stock exchange requirements. Ocean Rig expects these rules and regulations to increase its legal and financial compliance costs and to make some activities more time-consuming and costly. Ocean Rig estimates that it will have increased costs of approximately \$0.7 million per year as a public company.

Anti-takeover provisions contained in Ocean Rig's organizational documents could make it difficult for Ocean Rig shareholders to replace or remove Ocean Rig's current board of directors or have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of Ocean Rig's securities.

Several provisions of Ocean Rig's second amended and restated articles of incorporation and second amended and restated bylaws could make it difficult for Ocean Rig's shareholders to change the composition of Ocean Rig's board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable.

These provisions include:

- authorizing Ocean Rig's board of directors to issue blank check preferred stock without shareholder approval;
- providing for a classified board of directors with staggered, three-year terms;
- prohibiting cumulative voting in the election of directors;
- authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of a majority of the outstanding shares of Ocean Rig's common stock entitled to vote generally in the election of directors;

limiting the persons who may call special meetings of shareholders; and

establishing advance notice requirements for nominations for election to Ocean Rig's board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings.

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In addition, Ocean Rig entered into an Amended and Restated Stockholders Rights Agreement that makes it more difficult for a third party to acquire Ocean Rig without the support of Ocean Rig's board of directors. Under the Amended and Restated Stockholders Rights Agreement, Ocean Rig's board of directors has declared a dividend of one preferred share purchase right, or a right, to purchase one one-thousandth of a share of Ocean Rig's Series A Participating Preferred Stock for each outstanding share of Ocean Rig's common stock. Each right entitles the registered holder, upon the occurrence of certain events, to purchase from Ocean Rig one one-thousandth of a share of Series A Participating Preferred Stock. The rights may have anti-takeover effects. The rights will cause substantial dilution to any person or group that attempts to acquire Ocean Rig without the approval of Ocean Rig's board of directors. As a result, the overall effect of the rights may be to render more difficult or discourage any attempt to acquire Ocean Rig. Because Ocean Rig's board of directors will be able to approve a redemption of the rights or a permitted offer, the rights should not interfere with a merger or other business combination approved by Ocean Rig's board of directors.

Although the MIBCA does not contain specific provisions regarding business combinations between corporations organized under the laws of the Republic of Marshall Islands and interested shareholders, Ocean Rig's second amended and restated articles of incorporation include provisions that prohibit Ocean Rig from engaging in a business combination with an interested shareholder for a period of three years after the date of the transaction in which the person became an interested shareholder, unless:

upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of Ocean Rig's voting stock outstanding at the time the transaction commenced;

at or subsequent to the date of the transaction that resulted in the shareholder becoming an interested shareholder, the business combination is approved by Ocean Rig's board of directors and authorized at an annual or special meeting of Ocean Rig's shareholders by the affirmative vote of at least 66²/₃% of the outstanding Ocean Rig voting stock that is not owned by the interested shareholder; or

the shareholder became an interested shareholder prior to the consummation of Ocean Rig's initial public offering under the Securities Act.

For purposes of these provisions, a business combination includes mergers, consolidations, exchanges, asset sales, leases and other transactions resulting in a financial benefit to the interested shareholder and an interested shareholder is any person or entity that beneficially owns 15% or more of Ocean Rig's outstanding voting stock and any person or entity affiliated with or controlling or controlled by that person or entity, other than DryShips, provided, however, that the term interested shareholder does not include any person whose ownership of shares in excess of the 15% limitation is the result of action taken solely by Ocean Rig; provided that such person shall be an interested shareholder if thereafter such person acquires additional shares of Ocean Rig's voting shares, except as a result of further action by Ocean Rig not caused, directly or indirectly, by such person. Further, the term business combination, when used in reference to Ocean Rig and any interested shareholder does not include any transactions for which definitive agreements were entered into prior to May 3, 2011, the date the second amended and restated articles of incorporation were filed with the Republic of the Marshall Islands.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical or present facts or conditions.

This proxy statement / prospectus and any other written or oral statements made by OceanFreight, Ocean Rig or on behalf of OceanFreight or Ocean Rig may include forward-looking statements which reflect OceanFreight's or Ocean Rig's current views and assumptions with respect to future events and financial performance and are subject to risks and uncertainties. The words believe, anticipate, intend, estimate, forecast, project, plan, potential, expect and similar expressions identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, Ocean Rig's management's or OceanFreight's management's examination of historical operating trends, data contained in OceanFreight or Ocean Rig records and other data available from third parties. Although OceanFreight or Ocean Rig, as applicable, believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond OceanFreight's or Ocean Rig's control, OceanFreight and Ocean Rig cannot assure you that OceanFreight or Ocean Rig, as applicable, will achieve or accomplish these expectations, beliefs or projections. Without limiting the foregoing, statements contained in the sections The Transaction OceanFreight's Reasons for the Merger; Recommendation of the OceanFreight Special Committee and Board of Directors and The Transaction Opinion of OceanFreight's Financial Advisor include forward-looking statements, which are not historical facts but instead represent only OceanFreight's expectations, estimates and projections regarding future events.

In addition to these important factors and matters discussed elsewhere in this proxy statement / prospectus, important factors that, in OceanFreight's, and Ocean Rig's view, could cause actual results to differ materially from those discussed in the forward-looking statements include factors related to:

the offshore drilling market, including supply and demand, utilization rates, dayrates, customer drilling programs, commodity prices, effects of new rigs on the market and effects of declines in commodity prices and downturn in global economy on market outlook for Ocean Rig's various geographical operating sectors and classes of rigs;

hazards inherent in the drilling industry and marine operations causing personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations;

customer contracts, including contract backlog, contract commencements, contract terminations, contract option exercises, contract revenues, contract awards and rig mobilizations, newbuildings, upgrades, shipyard and other capital projects, including completion, delivery and commencement of operations dates, expected downtime and lost revenue;

political and other uncertainties, including political unrest, risks of terrorist acts, war and civil disturbances, piracy, significant governmental influence over many aspects of local economies, seizure, nationalization or expropriation of property or equipment;

repudiation, nullification, modification or renegotiation of contracts;

limitations on insurance coverage, such as war risk coverage, in certain areas;

foreign and U.S. monetary policy and foreign currency fluctuations and devaluations;

the inability to repatriate income or capital;

complications associated with repairing and replacing equipment in remote locations;

import-export quotas, wage and price controls imposition of trade barriers;

regulatory or financial requirements to comply with foreign bureaucratic actions;

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changing taxation policies and other forms of government regulation and economic conditions that are beyond Ocean Rig's control;

the level of expected capital expenditures and the timing and cost of completion of capital projects;

Ocean Rig's ability to successfully employ its drilling units, procure or have access to financing, comply with loan covenants, liquidity and adequacy of cash flow for Ocean Rig's obligations;

factors affecting Ocean Rig's results of operations and cash flow from operations, including revenues and expenses, uses of excess cash, including debt retirement, timing and proceeds of asset sales, tax matters, changes in tax laws, treaties and regulations, tax assessments and liabilities for tax issues, legal and regulatory matters, including results and effects of legal proceedings, customs and environmental matters, insurance matters, debt levels, including impacts of the financial and credit crisis;

the effects of accounting changes and adoption of accounting policies;

recruitment and retention of personnel; and

other important factors described in this proxy statement / prospectus under Risk Factors.

OceanFreight and Ocean Rig caution readers of this proxy statement / prospectus not to place undue reliance on these forward-looking statements, which speak only as of their dates. Ocean Rig and OceanFreight undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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THE SPECIAL MEETING

This proxy statement / prospectus is being provided to OceanFreight shareholders as part of a solicitation of proxies by the OceanFreight board of directors for use at the OceanFreight special meeting.

Date, Time and Place

The special meeting will be held at OceanFreight's offices located at 80 Kifissias Avenue, GR 151 25, Amaroussion, Athens, Greece on [redacted], 2011, at 10:00 a.m. local time.

Purpose of the Special Meeting

The purpose of the special meeting is to:

consider and vote upon the approval of the Agreement and Plan of Merger, dated as of July 26, 2011, among DryShips, Pelican Stockholdings Inc., and OceanFreight, as it may be amended or supplemented from time to time, pursuant to which Pelican Stockholdings Inc., a wholly-owned subsidiary of DryShips, will merge with and into OceanFreight, the separate corporate existence of Pelican Stockholdings Inc. will cease and OceanFreight will continue its corporate existence as the surviving corporation in the merger; and

transact such other business as may properly come before the special meeting or any adjournment thereof.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of shares of OceanFreight common stock at the close of business on the record date, [redacted], 2011, are entitled to notice of and to vote at the OceanFreight special meeting. As of the record date, there were [redacted] shares of OceanFreight common stock outstanding and entitled to vote at the OceanFreight special meeting, held by [redacted] holders of record. Each holder of OceanFreight common stock is entitled to one vote for each share of OceanFreight common stock owned as of the record date.

Upon the request of any shareholder at the special meeting or prior thereto, OceanFreight will provide at the special meeting a list of registered shareholders as of the record date, and of holders of bearer shares who as of the record date have qualified for voting.

Recommendation of the OceanFreight Special Committee

The OceanFreight Special Committee has:

unanimously determined that the merger agreement and transactions contemplated thereby, including the merger, are fair to and in the best interests of OceanFreight and OceanFreight's shareholders (other than DryShips, Pelican Stockholdings Inc., Basset Holdings Inc., Steel Wheel Investments Limited and Haywood Finance Limited);

unanimously approved, adopted and declared advisable the merger agreement and purchase agreement and the transactions contemplated thereby, including the merger;

unanimously recommended that the adoption of the merger agreement be submitted to OceanFreight's special meeting to consummate the merger; and

unanimously adopted the recommendation for approval and adoption of the merger agreement by the shareholders of OceanFreight.

Approval and Recommendation of the OceanFreight Board of Directors

The OceanFreight board of directors has:

unanimously determined that the merger agreement and transactions contemplated thereby, including the merger, are fair to and in the best interests of OceanFreight and OceanFreight's shareholders (other than DryShips, Pelican Stockholdings Inc., Basset Holdings Inc., Steel Wheel Investments Limited and Haywood Finance Limited);

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unanimously approved, adopted and declared advisable the merger agreement and purchase agreement and the transactions contemplated thereby, including the merger;

unanimously directed that the adoption of the merger agreement be submitted to OceanFreight's special meeting to consummate the merger; and

unanimously adopted the recommendation by the OceanFreight board of directors for approval and adoption of the merger agreement by the shareholders of OceanFreight.

Quorum and Vote Required

A majority of the shares of OceanFreight common stock entitled to vote at any meeting of shareholders must be present in person or represented by proxy at the OceanFreight special meeting to constitute a quorum. A quorum must be present before a vote can be taken on the proposal to approve the merger agreement or any other matter except adjournment of the meeting due to the absence of a quorum.

The approval of the proposal to approve the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of OceanFreight common stock entitled to vote thereon.

Simultaneously with the execution of the merger agreement, DryShips; Basset Holdings Inc., Steel Wheel Investments Limited and Haywood Finance Limited, entities controlled by Mr. Kandylidis, the Chief Executive Officer of OceanFreight; and OceanFreight entered into a purchase agreement. Under the purchase agreement, DryShips acquired from the entities controlled by Mr. Kandylidis, on August 24, 2011, all their OceanFreight shares, representing a majority of the outstanding shares of OceanFreight, for the same consideration per share that the OceanFreight shareholders will receive in the merger. DryShips has agreed to vote the OceanFreight shares it acquired FOR the approval of the merger agreement. Accordingly, approval of the merger agreement is assured.

If you do not vote, or you abstain from voting your shares with respect to the proposal to approve the merger agreement, it will have the same effect as a vote against the approval of the merger agreement.

The affirmative vote of a majority of the votes cast by the holders of OceanFreight common stock at the special meeting is required to approve the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies. If you do not vote, or you abstain from voting, your shares with respect to the proposal to approve such adjournment or postponement, it will have no effect on such proposal.

Broker non-votes are shares held by a broker or other nominee that are represented at the meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on the proposal. If an OceanFreight shareholder's broker holds such shareholder's OceanFreight common stock in street name, the broker will vote such shareholder's shares only if the shareholder provides instructions on how to vote by filling out the voter instruction form sent to the shareholder by his or her broker with this proxy statement / prospectus. Brokers and other nominees will not have discretionary authority to vote on the proposal to adopt the merger agreement. A broker non-vote will have the same effect as a vote against the adoption of the merger agreement. Abstentions also will have the same effect as a vote against the proposal to approve the plan of merger contained in the merger agreement.

Voting; Proxies; Revocation

Holders of OceanFreight's common stock as of the record date may submit a proxy or vote in person at the special meeting.

Voting in Person

OceanFreight shareholders who plan to attend the special meeting and wish to vote in person will be given a ballot at the special meeting. Please note, however, that OceanFreight shareholders who hold their shares in street name, and who wish to vote in person at the special meeting, must bring to the special meeting a proxy from the record holder of the shares authorizing such OceanFreight shareholder to vote at the special meeting.

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Voting by Proxy

The vote of each OceanFreight shareholder is very important. Accordingly, OceanFreight shareholders who hold their shares as a record holder should complete, sign and return the enclosed proxy card whether or not they plan to attend the special meeting in person. OceanFreight shareholders should submit their proxy even if they plan to attend the special meeting. OceanFreight shareholders can always change their vote prior to the vote being taken at the special meeting. Voting instructions are included on the enclosed proxy card. If an OceanFreight shareholder properly gives his or her proxy, and submits it to OceanFreight in time to vote, one of the individuals named as such OceanFreight shareholder's proxy will vote the shares as such OceanFreight shareholder has directed. A proxy card is enclosed for use by OceanFreight shareholders of record.

The method of voting by proxy differs for shares held as a record holder and shares held in street name. If an OceanFreight shareholder holds shares of OceanFreight common stock as a record holder, he or she may submit a proxy by completing, dating and signing the enclosed proxy card and promptly returning it in the enclosed, pre-addressed, postage-paid envelope or otherwise mailing it to OceanFreight. If an OceanFreight shareholder holds shares of OceanFreight common stock in street name, the OceanFreight shareholder will receive instructions from his or her broker, bank or other nominee that the OceanFreight shareholder must follow in order to vote his or her shares. OceanFreight shareholders who hold their shares in street name should refer to the voting instructions from their broker, bank or nominee that accompany this proxy statement / prospectus.

All properly signed proxies that are received prior to the special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted FOR the proposal to approve and adopt the plan of merger contained in the merger agreement and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate.

Revocation of Proxies

An OceanFreight shareholder may revoke his or her proxy, and change his or her vote at any time before the proxy is voted at the special meeting. If you are a holder of record, you can change your vote at any time before your proxy is voted at the special meeting by:

delivering a signed written notice of revocation to the Secretary of OceanFreight at:

OceanFreight Inc.
80 Kifissias Avenue
Amaroussion, 15125
Athens, Greece
Attn.: Secretary

submitting another proxy bearing a later date (in any of the permitted forms); or

attending and casting a ballot in person at the special meeting, although your attendance alone will not revoke your proxy.

If you hold your shares in street name, contact your broker, bank or other nominee regarding how to instruct your broker, bank or other nominee to revoke your proxy and change your vote and any deadlines for the receipt of these instructions.

Delivery of Proxy Materials

To reduce the expenses of delivering duplicate proxy materials to OceanFreight shareholders, OceanFreight is relying upon SEC rules that permit OceanFreight to deliver only one proxy statement / prospectus to multiple shareholders who share an address unless OceanFreight receives contrary instructions from any shareholder at that address. If you share an address with another shareholder and have received only one proxy statement / prospectus,

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you may call or write OceanFreight as specified below to request a separate copy of this document and OceanFreight will promptly send it to you at no cost to you:

OceanFreight Inc.
80 Kifissias Avenue
Amaroussion, 15125
Athens, Greece
+30-210-6140283

Solicitation of Proxies

The enclosed proxy is being solicited by or on behalf of the OceanFreight board of directors. In addition to solicitation of proxies by mail, OceanFreight will request that banks, brokers and other record holders send proxies and proxy materials to the beneficial owners of OceanFreight common stock and secure their voting instructions, if necessary. OceanFreight will reimburse the record holders for their reasonable expenses in taking those actions.

Proxies may be solicited by directors, officers and employees of OceanFreight in person or by telephone or other means, for which such persons will receive no special compensation.

Dissenters Rights of Appraisal

Under the MIBCA, a shareholder of a corporation has the right to vote against any plan of merger to which the corporation is a party. If such shareholders vote against the plan of merger, they may have the right to seek payment from their corporation of the appraised fair value of their shares (instead of the contractual merger consideration). However, the right of a dissenting shareholder under the MIBCA to receive payment of the appraised fair value of his shares is not available for the shares of any class or series of stock, which shares or depository receipts in respect thereof, at the record date fixed to determine the shareholders entitled to receive notice of and to vote at the meeting of the shareholders to act upon the agreement of merger or consolidation, were either (i) listed on a securities exchange or admitted for trading on an interdealer quotation system or (ii) held of record by more than 2,000 holders. It is the view of OceanFreight that since shares of OceanFreight common stock are listed on the NASDAQ Global Market, a dissenting holder of shares of OceanFreight common stock has no right under the MIBCA to receive payment for the appraised fair value of the shares.

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THE TRANSACTION

The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement and the purchase agreement included as Annex A and Annex B to this proxy statement / prospectus, respectively. Ocean Rig and OceanFreight urge you to read carefully this entire proxy statement / prospectus, including the merger agreement and the purchase agreement included as Annex A and Annex B to this proxy statement / prospectus, for a more complete understanding of the transaction.

General Description of the Transaction

The boards of directors of DryShips and OceanFreight, the Audit Committee of the board of directors of DryShips, and the OceanFreight Special Committee have approved the merger agreement and the purchase agreement.

The merger agreement provides that Pelican Stockholdings Inc., a wholly-owned subsidiary of DryShips formed for the purpose of effecting the merger, will merge with and into OceanFreight. Following the merger, OceanFreight will become a wholly-owned subsidiary of DryShips and will continue its corporate existence under the laws of the Marshall Islands. Concurrently, the separate corporate existence of Pelican Stockholdings Inc. will terminate.

In the merger, each outstanding share of OceanFreight common stock (other than shares owned by OceanFreight, DryShips, Pelican Stockholdings Inc., or any of their respective direct or indirect subsidiaries, which will be cancelled) will be converted at the effective time of the merger into the right to receive (i) \$11.25 in cash and (ii) 0.52326 shares of Ocean Rig common stock. Based on the last traded price as of July 25, 2011 of NOK89.00 (approximately \$16.44 based on an exchange ratio of NOK5.41 / USD\$1 as of July 25, 2011) for the shares of Ocean Rig on the Norwegian OTC, the transaction consideration reflects a total equity value for OceanFreight of approximately \$118 million and a total enterprise value of approximately \$239 million, including the assumption of debt.

Under a purchase and sale agreement with entities controlled by Mr. Kandylidis, DryShips acquired from the entities controlled by Mr. Kandylidis all their OceanFreight shares, representing a majority of the outstanding shares of OceanFreight, for the same consideration per share that the OceanFreight shareholders will receive in the merger. This acquisition closed on August 24, 2011.

DryShips has committed to vote the OceanFreight shares it acquired in favor of the merger, which requires approval by a majority vote.

For additional and more detailed information regarding the legal documents that govern the transaction, including information about the conditions to the completion of the transaction and the provisions for terminating or amending the merger agreement and the purchase agreement, see [The Merger Agreement](#) and [The Purchase and Sale Agreement](#).

Background of the Transaction

On May 23, 2011, Pankaj Khanna, the Chief Operating Officer of DryShips, informed Mr. Kandylidis, the Chief Executive Officer of OceanFreight, that DryShips was interested in investigating possible strategic transactions between DryShips and OceanFreight.

On May 27, 2011, OceanFreight held a board meeting during which Mr. Kandylidis informed the OceanFreight board of directors that he received an expression of interest from DryShips and the OceanFreight board of directors

constituted a special committee comprised of its independent members, Messrs. John Liveris, George Biniaris and Panagiotis Korakas to evaluate, discuss and negotiate any proposal by DryShips for a strategic transaction and to make a recommendation to the OceanFreight board of directors at the appropriate time. Mr. John Liveris was appointed chairman of the OceanFreight Special Committee.

On June 1, 2011, Mr. Liveris sent a letter to Mr. Khanna requesting that all future communications be directed to him and that further clarification be provided on the type and nature of the strategic alternatives transaction that DryShips wished to pursue with OceanFreight. Mr. Liveris further asked what type of information DryShips wished

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to receive in connection with any further discussions and expressed the OceanFreight Special Committee's preparedness to engage appropriate advisors and sign a non-disclosure agreement to facilitate an exchange of information and further discussions.

On June 8, 2011, Mr. Khanna sent a letter to the OceanFreight Special Committee outlining a proposed transaction. Pursuant to the proposal, DryShips would acquire a majority interest in OceanFreight held directly or indirectly by Mr. Kandylidis, and DryShips, as the new controlling shareholder of OceanFreight, would support its prospects by, among other things, offering to replace the existing credit facilities with new facilities or amend and guarantee the existing credit facilities. According to Mr. Khanna, DryShips' guarantee would enable OceanFreight to borrow on modified terms that would enhance OceanFreight's financial flexibility. Mr. Khanna stated that he believed that the DryShips' investment and sponsorship, along with the flexibility created by the restructured credit facilities, would be perceived positively by OceanFreight investors, and that OceanFreight would have the opportunity to reintroduce itself to the public markets with the benefit of a high-profile strategic investor, solidified capital structure, and increased financial flexibility. Mr. Khanna noted that, although OceanFreight had improved its prospects over the last year by significantly lowering its average fleet age, lowering its leverage profile and expanding its charter coverage, it faced significant challenges. At the same time, Mr. Khanna provided a high priority due diligence list to the OceanFreight Special Committee and asked that OceanFreight enter into a non-disclosure agreement with DryShips.

On June 15, 2011, the OceanFreight Special Committee responded to Mr. Khanna's letter acknowledging the benefits of a potential transaction with DryShips but stated its strong preference that all shareholders of OceanFreight participate in the transaction and receive the same consideration. The OceanFreight Special Committee requested that DryShips consider acquiring all the shares of OceanFreight, thereby potentially gaining full ownership of OceanFreight. Mr. Liveris noted that the OceanFreight Special Committee could not proceed with the execution of a non-disclosure agreement until a revised offer was received.

On June 17, 2011, Mr. Khanna sent a response to the OceanFreight Special Committee reiterating the rationale and benefits of the proposed transaction and, in addition, offering for DryShips to acquire, at a mutually acceptable price, OceanFreight's newbuild contracts for its five VLOCs, of which two are unfinanced.

On June 21, 2011, the OceanFreight Special Committee responded to Mr. Khanna reiterating its preference for a transaction on equal terms for all OceanFreight shareholders either in the form of an offer being made for all shares on equal terms or in the form of an undertaking by Mr. Kandylidis whereby he would commit to extend DryShips' offer for the shares held directly or indirectly by Mr. Kandylidis on a pro-rata basis to the remaining shareholders. The OceanFreight Special Committee informed Mr. Khanna that it may consider other alternatives to realize the value of OceanFreight's stock for all shareholders. The OceanFreight Special Committee however indicated its willingness to sign a non-disclosure agreement and exchange due diligence material with DryShips.

On June 28, 2011, Mr. Khanna informed the OceanFreight Special Committee that DryShips was willing to proceed with a transaction which would involve an acquisition of all of the outstanding shares of OceanFreight common stock in which all shareholders would receive the same consideration per share, and that DryShips was willing to acquire all of the outstanding common stock of OceanFreight for \$0.60 per share (or \$12 per share on a 1-for-20 reverse stock split adjustment) in an all cash transaction, subject to satisfactory due diligence. A non-disclosure agreement was executed on the same day and on June 29, 2011, a full due diligence request list was provided to the OceanFreight Special Committee by DryShips.

On June 30, 2011, the OceanFreight Special Committee began to provide due diligence material to DryShips.

On July 1, 2011, the OceanFreight Special Committee held a meeting by telephone, attended by its financial advisor, Fearnley, and its legal advisor, Seward & Kissel LLP, to discuss various matters, including (i) informal discussions

between Mr. Liveris and Mr. Khanna of DryShips concerning the terms of the indicative expression of interest contained in DryShips June 28, 2011 letter to the OceanFreight Special Committee, and (ii) the general process, securities law and other considerations to be taken into account in connection with the proposed transaction, including Fearnley's views on possible alternatives to the proposed transaction.

On July 4, 2011, Mr. Khanna requested that the OceanFreight Special Committee make management available for a due diligence call to review outstanding diligence items, which occurred on July 13, 2011.

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On July 5, 2011, OceanFreight announced a 1-for-20 reverse stock split.

On July 8, 2011, DryShips held a Board Meeting where the OceanFreight transaction was discussed and the DryShips board of directors authorized the Audit Committee to negotiate the purchase of OceanFreight. The Audit Committee of independent directors of DryShips chaired by Harry Kerames was authorized by the board of directors of DryShips to formally review the terms and conditions of any proposed transaction and make its recommendation to the board of directors of DryShips at the appropriate time.

On July 11, 2011, Mr. Khanna informed the OceanFreight Special Committee that DryShips had reviewed the diligence materials that had been made available to it and had revised its proposal to acquire all of the outstanding shares of OceanFreight. Mr. Khanna noted that DryShips proposed to acquire (i) the approximately 50.5% ownership interest in OceanFreight held directly or indirectly by Mr. Kandylidis for \$14 per share in cash and (ii) the remaining OceanFreight shares for shares of Ocean Rig presently owned by DryShips with an implied value of \$16 per OceanFreight share. Mr. Khanna noted that the transaction would provide OceanFreight public shareholders with consideration reflecting a 148% premium to the then current trading price of OceanFreight shares as well as the opportunity to benefit from the potential upside in the Ocean Rig shares, and that DryShips believed that the shares of Ocean Rig were undervalued due to their lack of a public listing. Mr. Khanna offered to provide the OceanFreight Special Committee with any required diligence materials on Ocean Rig so that it could develop its own view on the value of the Ocean Rig shares. Mr. Khanna further noted that Ocean Rig was in the final stage of registering its shares with the SEC, and that DryShips management expected the Ocean Rig shares to begin trading on NASDAQ within the following months. Mr. Khanna suggested that the transaction be structured as a two-step transaction as follows: (i) acquisition of the shares held directly or indirectly by Mr. Kandylidis concurrently with the execution of a merger agreement between DryShips and OceanFreight and (ii) acquisition of the remaining OceanFreight shares after SEC registration of the Ocean Rig shares. The acquisition of these remaining OceanFreight shares would be completed either via an exchange offer or a one-step merger.

On July 12, 2011, the OceanFreight Special Committee informed DryShips that it could not recommend DryShips offer and that, in light of the underlying values of OceanFreight, the OceanFreight Special Committee deemed the offer price as insufficient. The OceanFreight Special Committee indicated that it believed an offer of at least \$22.50 per share was warranted. The OceanFreight Special Committee also noted that it was not willing to present or recommend to the OceanFreight shareholders an offer which would preclude possible third-party offers. Therefore, Mr. Liveris suggested that the shares held directly or indirectly by Mr. Kandylidis be released to DryShips 60 days after the execution of the merger agreement, during which period the OceanFreight Special Committee should have the right to solicit and accept potential higher offers by third parties.

On July 13, 2011, the OceanFreight Special Committee made OceanFreight management available for a due diligence call to review outstanding diligence items.

On July 14, 2011, Mr. Khanna informed the OceanFreight Special Committee that DryShips had further revised its proposal and was willing to proceed with a transaction in which DryShips would acquire the shares held directly or indirectly by Mr. Kandylidis for \$16 per share in cash and all other OceanFreight shares for shares of Ocean Rig in an offer which DryShips believed reflected an implied value of \$18 per OceanFreight share.

On July 14, 2011, the OceanFreight Special Committee reiterated the position set out in its July 12th correspondence that the proposed offer did not reflect the underlying value of OceanFreight and that the offer did not address the OceanFreight Special Committee's desire for equal treatment of all of OceanFreight's shareholders. The OceanFreight Special Committee proposed that 50% of the consideration to all shareholders be paid in cash and the remaining 50% in the form of Ocean Rig shares valued at \$17.50 per Ocean Rig share (the then trading level). The OceanFreight Special Committee communicated its view that an offer on this basis should be priced at \$26 per OceanFreight share

and all shareholders should be paid at the same time. The OceanFreight Special Committee indicated that it would want to seek third-party offers for a period of three weeks.

On July 15, 2011, Mr. Khanna informed the OceanFreight Special Committee that DryShips was willing to modify the proposed terms of the acquisition so that all shareholders of OceanFreight would receive the same cash and stock consideration. DryShips also proposed that while OceanFreight would not be permitted to solicit third-party acquisition proposals, in the event that the OceanFreight Special Committee were to receive an unsolicited

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superior proposal before the closing of the Exchange Offer, the OceanFreight Special Committee would be permitted to terminate the merger agreement with DryShips to accept the superior proposal after giving DryShips a customary opportunity to match the superior proposal. DryShips stated that it would expect to sign an agreement with Mr. Kandylidis in which he would agree to support the transaction, and that the agreement would terminate in the event the OceanFreight Special Committee terminated the merger agreement to accept an unsolicited superior proposal. In connection with the termination of the merger agreement, OceanFreight would be required to pay DryShips an agreed customary termination fee based on an enterprise value of OceanFreight reflecting the value of DryShips offer. Mr. Khanna noted that DryShips continued to review the diligence materials and would revert to the OceanFreight Special Committee in the following days to propose an aggregate cash and share purchase price.

On July 15, 2011, the OceanFreight Special Committee agreed, in light of the revised proposal from DryShips, to meet in person with DryShips and its advisors in Athens the following week to further discuss the transaction.

On July 19, 2011, the Audit Committee chairman of DryShips, Mr. Kerames, along with Mr. Khanna and the DryShips advisors, met with members of the OceanFreight Special Committee and its advisors to discuss the potential transaction. At the conclusion of the negotiations, the parties agreed in principle, subject to negotiation of definitive agreements reflecting other terms of the proposed transaction, DryShips completion of its due diligence review and board approval, on a transaction that would occur in two stages: (i) no less than four weeks after signing, DryShips would acquire the approximately 50.5% equity interest in OceanFreight held directly or indirectly by Mr. Kandylidis at a price per OceanFreight share equal to \$11.25 in cash and 0.52326 shares of Ocean Rig and (ii) DryShips would acquire all other shares of OceanFreight for the same consideration by means of a one-step merger of a newly-formed subsidiary of DryShips with OceanFreight.

On July 20, 2011, OceanFreight requested certain due diligence material regarding Ocean Rig, which was thereafter provided.

On July 20, 2011, a meeting of the Audit Committee of DryShips was held at which the Audit Committee of DryShips indicated its preliminary approval to certain key proposed business terms of the transaction, subject to further advice from its advisors and final agreement on the terms and documentation.

On July 22, 2011, OceanFreight reached an agreement, subject to the negotiation of satisfactory documentation, with its lenders under its senior credit facility to waive the change of control event of default that the transaction would have triggered.

On July 25, 2011, the DryShips board of directors met to consider the transaction. After discussions by the DryShips board of directors with its advisors, the Audit Committee of DryShips recommended the transaction to the board of directors of DryShips. The board of directors of DryShips approved the transaction on the same date.

On July 25, 2011, the OceanFreight Special Committee met to approve the transaction. Fearnley, which acted as the financial advisor to the OceanFreight Special Committee, delivered its fairness opinion at the meeting by presenting its conclusion that the merger consideration to be received by the holders of OceanFreight common stock was fair from a financial point of view to such holders. Fearnley also delivered its written fairness opinion to the OceanFreight Special Committee on the same date. Subsequently, Seward & Kissel LLP, the legal advisor to OceanFreight, presented the structure of the transaction and discussed the duties and obligations applicable to the OceanFreight Special Committee. After the presentations, the OceanFreight Special Committee, among other things, unanimously approved and recommended the transaction to the board of directors of OceanFreight and unanimously approved and recommended that the merger agreement be submitted to the OceanFreight shareholders for their approval and that OceanFreight's rights plan, the interested shareholder provisions of OceanFreight's third amended and restated articles of incorporation, and the standstill provisions contained in its non-disclosure agreement with DryShips, be modified

and/or waived in order to permit the consummation of the transaction. After reviewing the OceanFreight Special Committee's recommendations, the OceanFreight board of directors, among other things, unanimously approved the transaction, unanimously directed that the merger agreement be submitted to the OceanFreight shareholders for their approval, and unanimously approved the foregoing modifications and/or waivers to OceanFreight's rights plan, the interested shareholder provisions of OceanFreight's third amended and restated articles of incorporation, and the standstill provisions contained in its non-disclosure agreement with DryShips, on the same date.

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On July 26, 2011, the parties signed the merger agreement and the purchase agreement and announced the transaction.

On August 24, 2011, pursuant to the terms of the purchase agreement, DryShips acquired the OceanFreight shares held by the entities controlled by Mr. Kandylidis, representing a majority of the outstanding shares of OceanFreight. The consideration paid by DryShips for each OceanFreight share consisted of (x) \$11.25 in cash and (y) 0.52326 shares of Ocean Rig common stock, with cash paid in lieu of fractional shares.

OceanFreight's Reasons for the Merger; Recommendation of the OceanFreight Special Committee and Board of Directors

OceanFreight Special Committee

On May 27, 2011, following the receipt by Mr. Kandylidis of an expression of interest from DryShips, the OceanFreight board of directors constituted a special committee comprised of its independent members, Messrs. John Liveris, George Biniaris and Panagiotis Korakas, and authorized the OceanFreight Special Committee to review the transactions proposed by DryShips and alternatives thereto, and to evaluate, negotiate and make recommendations to the OceanFreight board of directors in connection with any proposed transaction. The OceanFreight Special Committee, with the advice and assistance of its legal and financial advisors, evaluated and negotiated the transaction, including the terms and conditions of the merger agreement and the related agreements, with DryShips. Following the negotiations, the OceanFreight Special Committee, among other things, (i) unanimously determined that the transactions contemplated by the merger agreement are fair and reasonable to, and in the best interests of, the OceanFreight shareholders (other than DryShips, Pelican Stockholdings Inc., Basset Holdings Inc., Steel Wheel Investments Limited and Haywood Finance Limited) and (ii) unanimously approved and recommended to the OceanFreight board of directors that the merger agreement and the transactions contemplated thereby, including the merger, be submitted to the OceanFreight shareholders for their approval.

In the course of reaching its determination and making the recommendation described above, the OceanFreight Special Committee considered a number of factors and a significant amount of information, including substantial discussions with its legal and financial advisors. The principal factors and benefits that the OceanFreight Special Committee believes support its conclusion are set forth below:

The current and historical prices of OceanFreight's common stock and the fact that the per share merger consideration of \$11.25 in cash and 0.52326 shares of Ocean Rig common stock represents a premium of approximately 109.6% over the closing price of \$9.47 per share of OceanFreight's common stock on July 25, 2011, the last trading day before the public announcement of the merger.

The OceanFreight Special Committee's familiarity with the business, financial condition, results of operations, prospects and competitive position of OceanFreight, including the challenges faced by OceanFreight in the international dry bulk shipping industry and the prospects and challenges for continued growth and profitability of OceanFreight.

The OceanFreight Special Committee's view that the merger is more favorable to OceanFreight's shareholders than the possible alternatives to the merger, including continuing to operate OceanFreight as an independent publicly traded company or pursuing other strategic alternatives, because of the uncertain returns to such shareholders in light of OceanFreight's business, operations, financial condition and obligations (including OceanFreight's debt and newbuilding obligations), strategy and prospects, as well as the risks involved in achieving those returns, the uncertainties surrounding the availability of future equity or debt financing, the nature of the dry bulk shipping industry, and general industry, economic and market conditions, both on a historical and on a prospective basis.

The fact that the merger consideration contains a significant cash component, so that the transaction allows OceanFreight's shareholders to realize immediately a considerable portion of their investment in cash and provides such shareholders with a level of certainty as to the value of their shares.

OceanFreight's shareholders' ability to participate in the potential growth of Ocean Rig following the merger, with the added condition that if the merger is not completed by January 26, 2012, due to delays with

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respect to the registration of the Ocean Rig shares with the SEC or the NASDAQ listing of such shares, the merger consideration payable for each OceanFreight share will be converted into \$22.50 in cash.

The terms and conditions of the merger agreement, including (i) the limited conditions to DryShips' obligations to close the merger, (ii) the ability of OceanFreight under certain conditions to consider unsolicited alternative acquisition proposals prior to August 23, 2011, and (iii) the restrictions on the conduct of Ocean Rig's business prior to the completion of the merger.

Prior to the effective time of the merger, DryShips will not vote any shares of OceanFreight common stock owned beneficially or of record by it, Pelican Stockholdings Inc. or any of DryShips' other subsidiaries in favor of the removal of any OceanFreight director or in favor of the election of any director not approved by the OceanFreight Special Committee.

The opinion of Fearnley, dated July 25, 2011, to the OceanFreight Special Committee as to the fairness as of such date, from a financial point of view, of the merger consideration to the holders of OceanFreight's common stock, based upon and subject to the factors and assumptions, limitations, qualifications and other matters set forth in the written opinion. See Opinion of OceanFreight's Financial Advisor and Annex C to this proxy statement prospectus.

The OceanFreight Special Committee also considered a variety of risks and other potential negative factors concerning the merger agreement, the merger and the transactions contemplated thereby, including the following:

The risks and costs associated with the merger not being completed in a timely manner or at all, including the diversion of management and employee attention, potential employee attrition, the potential effect on business and customer relationships and potential litigation arising from the merger agreement or the transactions contemplated thereby.

The recent decline in dry bulk charter rates and the uncertainty as to whether and to what extent the dry bulk charter market would recover, including the impact that this decline may have had on the price that DryShips was willing to pay to acquire OceanFreight.

DryShips would acquire the OceanFreight shares held by entities controlled by Mr. Kandylidis, representing a majority of the outstanding shares of OceanFreight, prior to the merger. DryShips would commit to vote the OceanFreight shares so acquired FOR the approval of the merger agreement.

Under the terms of the merger agreement, (i) OceanFreight may not solicit other acquisition proposals and (ii) OceanFreight, in certain circumstances, may be required to pay DryShips a \$4.5 million termination fee if the merger agreement is terminated.

The risk that, while the merger is expected to be completed, there can be no assurance that all conditions to the parties' obligations to consummate the merger will be satisfied, and, as a result, it is possible that the merger may not be completed even if approved by OceanFreight's shareholders.

The restrictions on the conduct of OceanFreight's business prior to the completion of the merger.

The fact that the OceanFreight Special Committee did not solicit alternative proposals prior to executing the merger agreement.

That the merger consideration was fixed and therefore the value of the consideration payable to OceanFreight shareholders would decrease in the event that the value of Ocean Rig shares decreased prior to closing.

That OceanFreight shareholders will not be entitled to appraisal rights under Marshall Islands law.

The substantial transactional costs and expenses expected to be incurred by OceanFreight in connection with the proposed transaction.

The interests of OceanFreight's directors and management in the merger, including those described under the section entitled Interests of OceanFreight's Directors and Officers in the Merger.

Various other applicable risks associated with OceanFreight and the merger, including those described under the section entitled Risk Factors beginning on page 28.

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The above discussion is not exhaustive, but it addresses the material factors considered by the OceanFreight Special Committee in connection with the proposed transaction. In view of the variety of factors and the amount of information considered, as well as the complexity of that information, the OceanFreight Special Committee does not find it practicable to, and did not, quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. In addition, individual members of the OceanFreight Special Committee may have given different weight to different factors. This explanation of the OceanFreight Special Committee's reasoning, and all other information presented in this section, is forward-looking in nature and, therefore, should be read in light of the factors discussed under the section entitled **Cautionary Note Regarding Forward-Looking Statements**.

The OceanFreight Special Committee unanimously recommends that OceanFreight's shareholders vote **FOR** the approval of the proposal to adopt the merger agreement and to approve the merger.

OceanFreight Board of Directors

The OceanFreight board of directors met on July 25, 2011, to consider the merger agreement and the transactions contemplated thereby. On the basis of the OceanFreight Special Committee's recommendations and the other factors described below, the OceanFreight board of directors, among other things, (i) determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair and reasonable to, and in the best interests of, OceanFreight and its shareholders (other than DryShips, Pelican Stockholdings Inc., Basset Holdings Inc., Steel Wheel Investments Limited and Haywood Finance Limited), (ii) adopted and approved the merger agreement and the transactions contemplated thereby, including the merger, and (iii) resolved to recommend to the OceanFreight shareholders that they approve the merger agreement and the transactions contemplated thereby, including the merger. See **Background of the Transaction**.

In determining that the merger agreement and the transactions contemplated thereby, including the merger, are fair and reasonable to, and in the best interests of OceanFreight and its shareholders (other than DryShips, Pelican Stockholdings Inc., Basset Holdings Inc., Steel Wheel Investments Limited and Haywood Finance Limited), the OceanFreight board of directors considered:

the unanimous determination and recommendation of the OceanFreight Special Committee; and

the factors considered by the OceanFreight Special Committee as described in **OceanFreight's Reasons for the Merger; Recommendation of the OceanFreight Special Committee and Board of Directors** **OceanFreight Special Committee**, including the positive factors and potential benefits of the merger agreement and the merger and the risks and potentially negative factors relating to the merger agreement and the merger.

The above discussion is not exhaustive, but it addresses the material factors considered by the OceanFreight board of directors in connection with the proposed transaction. In view of the variety of factors and the amount of information considered, as well as the complexity of that information, the OceanFreight board of directors does not find it practicable to, and did not, quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. The OceanFreight board of directors discussed the factors described above and asked questions of OceanFreight's management and its advisors. This determination was made after the OceanFreight board of directors considered all of the factors as a whole. In addition, individual members of the OceanFreight board of directors may have given different weight to different factors. This explanation of the OceanFreight board of directors reasoning, and all other information presented in this section, is forward-looking in nature and, therefore, should be read in light of the factors discussed under the section entitled **Cautionary Note Regarding Forward-Looking Statements**.

Based in part on the recommendation of the OceanFreight Special Committee, the OceanFreight board of directors, by the unanimous vote of the directors, recommends that OceanFreight's shareholders vote FOR the approval of the proposal to adopt the merger agreement and to approve the merger.

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Opinion of OceanFreight's Financial Advisor

On July 25, 2011, at a meeting of the OceanFreight Special Committee held to evaluate the proposed transaction, Fearnley delivered to the OceanFreight Special Committee an oral opinion, which opinion was confirmed by delivery of a written opinion dated July 25, 2011, to the effect that, as of that date and based upon and subject to various assumptions, matters considered and limitations described in its opinion, the merger consideration to be received by the holders of OceanFreight common stock was fair from a financial point of view to such holders.

The full text of Fearnley's opinion describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Fearnley. This opinion is included as Annex C to this proxy statement / prospectus. Fearnley's opinion was provided for the benefit of the OceanFreight Special Committee in connection with, and for the purpose of, its evaluation of the merger, and addresses only the fairness of the merger consideration to be received by the holders of OceanFreight common stock from a financial point of view. The opinion does not address any other aspect of the proposed transaction, and does not constitute a recommendation as to how any holder of OceanFreight common stock should vote with respect to the merger or any matter related thereto. The summary of Fearnley's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Holders of shares of OceanFreight common stock are urged to read Fearnley's opinion carefully and in its entirety.

In arriving at its opinion, Fearnley, among other things:

reviewed the merger agreement;

reviewed certain publicly available financial and other information about OceanFreight, and held discussions with members of senior management of OceanFreight concerning such matters;

reviewed certain information furnished to Fearnley by the management of OceanFreight, including financial forecasts and analyses, relating to the business, operations and prospects of OceanFreight, and held discussions with members of senior management of OceanFreight concerning such matters;

reviewed the share trading price history and valuation multiples for OceanFreight common stock and Ocean Rig common stock and compared them with those of certain publicly traded companies that Fearnley deemed relevant;

compared the proposed financial terms of the merger with the financial terms of certain other transactions that Fearnley deemed relevant; and

conducted such other financial studies, analyses and investigations as Fearnley deemed appropriate.

In connection with its review and analysis and in rendering its opinion, Fearnley assumed and relied upon, but did not assume any responsibility to independently investigate or verify, the accuracy and completeness of all financial and other information that was supplied or otherwise made available by OceanFreight and DryShips or that was publicly available (including, without limitation, the information described above), or that was otherwise reviewed by Fearnley. Fearnley relied upon the assurances of the respective managements of OceanFreight and DryShips that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. In connection with its review, Fearnley did not obtain any independent evaluation or appraisal of any of the assets or liabilities of, nor did it conduct a physical inspection of any of the properties or facilities of, OceanFreight or

DryShips, nor did Fearnley assume any responsibility to obtain any such evaluations or appraisals.

Projecting future results of any company is inherently subject to uncertainty. With respect to the financial forecasts provided to and examined by Fearnley, OceanFreight informed Fearnley, and Fearnley assumed, that such financial forecasts were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of OceanFreight as to the future financial performance of OceanFreight. Fearnley expressed no opinion as to the financial forecasts provided to it by OceanFreight or the assumptions on which they were made.

Fearnley's opinion was based on economic, monetary, regulatory, market and other conditions existing and which could be evaluated as of the date of the opinion. Fearnley expressly disclaimed any undertaking or obligation

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to advise any person of any change in any fact or matter affecting its opinion of which it became aware after the date of the opinion.

Fearnley made no independent investigation of any legal or accounting matters affecting OceanFreight or DryShips, and Fearnley assumed the correctness in all respects material to its analysis of all legal and accounting advice given to OceanFreight, the OceanFreight Special Committee and the OceanFreight board of directors, including, without limitation, advice as to the legal, accounting and tax consequences of the terms of, and transactions contemplated by, the merger agreement to OceanFreight and its shareholders. In addition, in preparing its opinion, Fearnley did not take into account any tax consequences of the transaction to any holder of OceanFreight common stock. Fearnley also assumed that in the course of obtaining the necessary regulatory or third-party approvals, consents and releases for the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on OceanFreight, DryShips, Ocean Rig or the contemplated benefits of the merger.

Fearnley's opinion does not address the relative merits of the transactions contemplated by the merger agreement as compared to any alternative transaction or opportunity that might be available to OceanFreight, nor does it address the underlying business decision by OceanFreight to engage in the merger or the terms of the merger agreement or the documents referred to therein. In addition, Fearnley was not asked to address, and its opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of OceanFreight, other than the holders of shares of OceanFreight common stock. Fearnley expressed no opinion as to the price at which shares of OceanFreight common stock or Ocean Rig common stock would trade at any time. Furthermore, Fearnley did not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable or to be received by any of OceanFreight's officers, directors or employees, or any class of such persons, in connection with the merger.

The following is a brief summary of the material financial analyses presented to the OceanFreight Special Committee in connection with Fearnley's opinion on July 25, 2011. The financial analyses summarized below include information presented in tabular format. In order to fully understand Fearnley's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Fearnley's financial analyses. Quantitative information set forth below, to the extent it is based on market data, is, except as otherwise indicated, based on market data as it existed at or prior to July 25, 2011, and is not necessarily indicative of current or future market conditions. Financial data of OceanFreight set forth below was based on OceanFreight public filings and certain financial forecasts and estimates prepared by OceanFreight's management that the OceanFreight Special Committee directed Fearnley to utilize for purposes of its analyses.

Analysis

Calculation of offer value

Fearnley assumed that the offer value to the holders of OceanFreight common stock corresponded to approximately \$20.14 per share of OceanFreight as of July 22, 2011, the last trading day prior to the release of Fearnley's opinion. This offer value would consist of the cash consideration of \$11.25 and the assumed market value of the Ocean Rig settlement shares which would amount to approximately \$8.89 per share of OceanFreight.

Fearnley noted that there was considerable uncertainty in the valuation of the Ocean Rig settlement shares, as these were at the relevant time only traded in the over-the-counter market in Oslo, Norway. The assumed value of the Ocean Rig settlement shares was based on the trading price on the over-the-counter market as of July 22, 2011, which was approximately \$17 per share. Fearnley noted that Ocean Rig had undertaken a \$500 million share placement in

December 2010 at \$17.50 per share, and also noted that the trading price had fluctuated since that placement. Fearnley further noted that a contemplated listing of Ocean Rig's shares on NASDAQ could have a positive impact on the trading volume and investor attractiveness and potentially on the pricing of Ocean Rig's shares.

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Comparison of offer value to share price

Fearnley noted that the closing price of OceanFreight common stock on July 22, 2011, the last trading day prior to the release of Fearnley's opinion was \$7.06. Based on this closing price and the offer value as set out above, the offer value represented a premium of approximately 185%.

Fearnley also noted that the trading price of the OceanFreight common stock had been subject to a significant decline over a period of at least 36 months. Similar declines have been experienced for many other companies in the maritime sector, and may be a reflection of declines in underlying ship values.

Net asset value analysis

Fearnley performed a net asset value analysis for OceanFreight's fleet using two alternative valuation estimates that OceanFreight management had received from outside ship valuation companies. The estimates included fair market value estimates for each vessel in OceanFreight's fleet as well as fair market value estimates of each of OceanFreight's contracted vessels under construction (referred to as "new-build vessels"), as if each such new-build vessel was a readily delivered vessel.

Fearnley subtracted OceanFreight's net debt and remaining new-build commitments, as estimated by OceanFreight's management as of June 2011, from the total fair market value of OceanFreight's fleet, to arrive at a Steel Net Asset Value.

As the fair market value estimates assume that each vessel can be chartered at prevailing market rates, to the extent applicable, Fearnley adjusted values to reflect the anticipated cash flows over the life of the vessel's existing charter. Fearnley added these values to the Steel Net Asset Value to arrive at an implied net asset value for OceanFreight's owned fleet. In the calculation of such charter values, Fearnley discounted the difference between actual rates under the respective charters and the assumed market rates for similar charters, with a discount rate of 8% p.a. The assumed market rates were based on available market sources, in-house assessments and discussions with OceanFreight management.

The fair market value estimates provided were, as is customary in ship valuation, based on an assessment of the values that could be achieved in transactions involving a willing buyer and a willing seller. There can be no assurance that these values can be realized in actual transactions. Fearnley noted, in particular, that current sale and purchase activity in the maritime market is limited and that the valuations must therefore be regarded as uncertain. In order to reflect this uncertainty, Fearnley provided calculations of alternative net asset values if the aggregate value of vessels and charters were to be reduced by 10% and 20%.

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The results of these analyses were as follows:

Value in \$ millions
except per share data

	Estimate 1	Estimate 2
Fair market of sailing vessels	196	204
Fair market value of new-build vessel	265	250
Other fixed assets	5	5
Less: Net debt	(133)	(133)
Less: New-build commitments	(254)	(254)
Steel net asset value	79	72
Plus: Charter rate impact	57	57
Net asset value	137	130
Number of shares outstanding	5.9	5.9
Net asset value per share	\$ 23.03	\$ 21.85
Impact of 10% reduction in value of vessels, new-build vessels and charters		
Net asset value	85	79
Net asset value per share	\$ 14.31	\$ 13.25
Impact of 20% reduction in value of vessels, new-build vessels and charters		
Net asset value	33	28
Net asset value per share	\$ 5.60	\$ 4.66

Based on these analyses, Fearnley derived an implied net asset value per share range for OceanFreight's common stock of \$21.85 to \$23.03, before application of any adjustments to reflect the uncertainty of such valuations. Fearnley's calculations of alternative net asset values based on such adjustments resulted in a significantly lower implied net asset value per share range for OceanFreight's common stock.

Fearnley further noted that OceanFreight has large new-build obligations that are partially unfunded. While part of the funding requirements can be assumed to be available in the debt market, there is also a strong likelihood that such funding will also require additional equity. Fearnley noted that in its view, equity raising is challenging at present and may therefore be dilutive to shareholders. Such dilution is not taken into account in the calculation of net asset value above.

Fearnley's opinion was provided for the information of the OceanFreight Special Committee in its evaluation of the merger and did not constitute a recommendation of the merger to OceanFreight or a recommendation to any holder of OceanFreight common stock as to how that holder should vote on any matters relating to the merger.

The preceding discussion is a summary of the material financial analyses furnished by Fearnley to the OceanFreight Special Committee, but does not purport to be a complete description of the analyses performed by Fearnley or of its presentation to the OceanFreight Special Committee. The preparation of financial analyses and fairness opinions is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. Fearnley made no attempt to assign specific weights to particular analyses or factors considered, but rather made qualitative judgments as to the significance and relevance of all the analyses and factors considered and determined to give its fairness opinion as described above. Accordingly, Fearnley believes that its analyses, and the summary set forth above, must be considered as a whole, and that selecting portions of the analyses and of the factors

considered by Fearnley, without considering all of the analyses and factors, could create a misleading or incomplete view of the processes underlying the analyses conducted by Fearnley and its opinion.

In its analyses, Fearnley made numerous assumptions with respect to OceanFreight, DryShips, Ocean Rig, industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of OceanFreight, DryShips and Ocean Rig. Any estimates contained in Fearnley's

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analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by these analyses. Estimates of values of companies do not purport to be appraisals or to necessarily reflect the prices at which companies may actually be sold. Because these estimates are inherently subject to uncertainty, none of OceanFreight, DryShips, Ocean Rig, the OceanFreight Special Committee or board of directors, the DryShips board of directors, Ocean Rig or any other person assumes responsibility if future results or actual values differ materially from the estimates.

Fearnley's analyses were prepared solely as part of Fearnley's analysis of the fairness of the merger consideration and were provided to the OceanFreight Special Committee in that connection. The opinion of Fearnley was only one of the factors taken into consideration by the OceanFreight Special Committee in making its determination to approve the merger agreement and the merger. See the section of this proxy statement / prospectus entitled "OceanFreight's Reasons for the Merger; Recommendation of the OceanFreight Special Committee and Board of Directors."

Miscellaneous

Under the terms of Fearnley's engagement, OceanFreight has agreed to pay Fearnley for its financial advisory services in connection with the proposed transaction an aggregate fee of approximately \$501,709, of which approximately \$351,709 is contingent upon the consummation of the merger. In addition, OceanFreight has agreed to reimburse Fearnley for its reasonable and documented out-of-pocket expenses, and to indemnify Fearnley and related parties against liabilities relating to or arising out of its engagement.

In the ordinary course of its business, Fearnley and its affiliates may trade or hold securities of OceanFreight, DryShips, Ocean Rig and/or their respective affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions in those securities. In addition, Fearnley may seek to, in the future, provide financial advisory and financing services to OceanFreight, DryShips, Ocean Rig or entities that are affiliated with OceanFreight, DryShips or Ocean Rig, for which Fearnley would expect to receive compensation. Fearnley has in the past provided services to Ocean Rig, including as a lead manager in its \$500 million private placement of equity in December 2010 and as a lead manager in its \$500 million private placement of unsecured bonds in April 2011.

Interests of OceanFreight's Directors and Officers in the Merger

In considering the recommendation of the OceanFreight board of directors to vote for the approval of the merger agreement, OceanFreight's shareholders should be aware that certain members of the OceanFreight board of directors and executive officers have interests that are different from, and/or in addition to, the interests of OceanFreight's shareholders generally. These interests, to the extent material, are described below. The independent members of the OceanFreight board of directors were aware of these differing interests and potential conflicts and considered them, among other matters, in evaluating and negotiating the merger agreement, the merger, and other transactions contemplated by the merger agreement and in recommending to OceanFreight's shareholders that the merger agreement be approved.

Purchase and Sale Agreement

Entities controlled by Mr. Kandylidis, the Chief Executive Officer of OceanFreight, are parties to the purchase agreement under which DryShips purchased on August 24, 2011 the Seller Shares owned by these entities for consideration per share equal to (x) \$11.25 in cash and (y) 0.52326 shares of Ocean Rig common stock (with cash paid in lieu of fractional shares). See "The Purchase and Sale Agreement."

Consultancy Agreement

OceanFreight and Steel Wheel Investments Limited, a company wholly-owned by Mr. Kandylidis, the Chief Executive Officer of OceanFreight, entered into a consultancy agreement, effective January 1, 2008, which granted Steel Wheel Investments Limited the right, upon a change of control of OceanFreight, to cease providing services to OceanFreight and collect from OceanFreight a change of control payment equal to three times the annual base fee under the consultancy agreement. The consultancy agreement, as subsequently amended, provided for an annual

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base fee payable to Steel Wheel Investments Limited of \$900,000. Pursuant to an addendum to the consultancy agreement dated July 25, 2011, OceanFreight and Steel Wheel Investments Limited modified the consultancy agreement to provide that the consultancy agreement would terminate upon the closing of the merger (rather than upon the earlier change of control resulting from DryShips' acquisition of OceanFreight shares pursuant to the purchase agreement) at which time Steel Wheel Investments Limited would receive its \$2.7 million change of control payment (3x the \$900,000 annual base fee). Under the addendum, OceanFreight and Steel Wheel Investments Limited agreed that Mr. Kandylidis will continue to provide his services as Chief Executive Officer and member of the OceanFreight board of directors, and Steel Wheel Investments Limited is entitled to the continued payment of its base fee, until the later of December 31, 2011 or the closing of the merger.

Employment Agreements

Under the terms of the merger agreement, DryShips has agreed to use its reasonable best efforts to enter into employment agreements with OceanFreight's President and Chief Operating Officer, Demetris Nenes, and Chief Financial Officer, Solon Dracoulis.

Director and Officer Indemnification and Insurance

Under the terms of the merger agreement, from the effective time of the merger through the sixth anniversary of the effective time of the merger, DryShips will cause OceanFreight, as the surviving corporation, to indemnify and hold harmless to the fullest extent permitted by law each current and former director and officer of OceanFreight and its subsidiaries against all claims, losses, liabilities, damages, judgments, inquiries, fines and reasonable fees, costs and expenses, including attorneys' fees and disbursements, incurred in connection with any litigation, claim, actions, proceedings, arbitrations, mediations or investigations, whether civil, criminal, administrative or investigative, arising out of or pertaining to the fact that such person was a director, officer or fiduciary agent of OceanFreight or its subsidiaries, whether such fact existed or occurred at or prior to the effective time of the merger.

Under the terms of the merger agreement, for six years after the effective date of the merger, DryShips must cause OceanFreight, as the surviving corporation, to maintain provisions in the articles of incorporation and bylaws of OceanFreight or any successor regarding elimination of liability of directors and officers of OceanFreight, indemnification of directors and officers of OceanFreight and advancement of expenses that are no less advantageous to the intended beneficiaries than the provisions existing on the date of the merger agreement.

Under the terms of the merger agreement, either OceanFreight must obtain and fully pay the premium for the non-cancellable extension of directors' and officers' insurance policies and OceanFreight's existing fiduciary liability insurance policies for a discovery period of at least six years for claims relating to any time before the effective time of the merger or DryShips must cause OceanFreight, as the surviving corporation, to maintain OceanFreight's existing cover or equivalent cover for at least six years, subject to a cap on the cost of such cover.

Legal and Advisory Fees

Under the purchase agreement, all legal fees and other advisory fees up to an aggregate of \$1,500,000 incurred by entities controlled by Mr. Kandylidis in connection with the sale of their shares of OceanFreight common stock to DryShips will be paid by OceanFreight upon the consummation of the merger.

Restricted Stock

In connection with the closing of the purchase agreement, which occurred on August 24, 2011, restricted OceanFreight stock held by certain of OceanFreight's officers and directors and their affiliates vested.

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The table below sets forth the restricted OceanFreight common stock held by certain of OceanFreight's directors and officers and their affiliates and the amount of stock that vested in connection with the closing of the purchase agreement:

Name	Outstanding Shares of OceanFreight Restricted Stock that Vested in Connection with the Closing of the Purchase Agreement
Steel Wheel Investments Limited (a company controlled by Mr. Kandylidis)	33,333
Tsunami Shipping Inc. (a company controlled by Demetris Nenes)	556
Waylon International Limited (a company controlled by Solon Dracoulis)	222
Sturgeon International Corp. (a company controlled by Konstandia Papaefthymiou)	111
John Liveris	778
Panagiotis Korakas	111
Konstantinos Kandylidis	111
TOTAL:	35,222

Procedures for Exchanging Shares of OceanFreight Stock and Distribution of the Merger Consideration

Prior to the completion of the merger, DryShips will deposit or cause to be deposited with an exchange agent, which will be appointed by DryShips, the cash portion of the merger consideration and shares of Ocean Rig common stock to be issued in the merger. DryShips will make available to the exchange agent, from time to time, additional cash sufficient to pay cash in lieu of fractional shares of OceanFreight common stock that would be issued in the merger and any dividends or other distributions with respect to the shares of Ocean Rig common stock to which holders of shares of unsurrendered shares of OceanFreight common stock after the completion of the merger may be entitled.

Shortly after the completion of the merger, the exchange agent will send a letter of transmittal and instructions to each OceanFreight shareholder for use in effecting the surrender of the OceanFreight stock certificates in exchange for the merger consideration. Upon proper surrender of an OceanFreight stock certificate for exchange and cancellation to the exchange agent, together with a letter of transmittal and such other documents as may be specified in the instructions, an OceanFreight shareholder will be entitled to receive the merger consideration.

Six months after the completion of the merger, DryShips may require the exchange agent to deliver to it the remaining cash and shares of Ocean Rig common stock held by the exchange agent. Any OceanFreight shareholder who has not by that time exchanged the shares of OceanFreight common stock may be entitled to look to DryShips for the merger consideration. DryShips, Pelican Stockholdings Inc. or the exchange agent will not be liable to any person in the event that any merger consideration is delivered to a public official pursuant to abandoned property, escheat and other similar laws.

Until an OceanFreight shareholder exchanges its OceanFreight stock certificates for merger consideration, such shareholder will not receive any dividends or other distributions in respect of any shares of Ocean Rig common stock to which the OceanFreight shareholder is entitled in connection with that exchange. Once an OceanFreight

shareholder exchanges its OceanFreight stock certificates, such shareholder will receive, without interest, any dividends or distributions with a record date after the completion of the merger and payable with respect to the shares of Ocean Rig common stock such shareholder received.

If an OceanFreight shareholder's OceanFreight stock certificate has been lost, stolen or destroyed, such shareholder may receive the merger consideration upon the making of an affidavit of that fact. Such shareholder may be required to post a bond in a reasonable amount as an indemnity against any claim that may be made with respect to the lost, stolen or destroyed OceanFreight stock certificate.

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After the completion of the merger, there will be no further transfer on the stock transfer books of OceanFreight and any certificated shares of OceanFreight common stock presented to the exchange agent or OceanFreight for any reason will be cancelled and exchanged for the merger consideration.

Accounting Treatment of the Merger

DryShips intends to account for the merger under the acquisition method as defined under ASC 805 *Business Combinations*. Under the acquisition method, the aggregate consideration paid by DryShips in connection with the transaction will be allocated to OceanFreight's net assets based on their estimated fair values as of the completion of the merger. The excess of the total purchase consideration over the fair value of the identifiable net assets acquired will be allocated to goodwill. This method may result in the carrying value of assets, including goodwill, acquired from OceanFreight being substantially different from the former carrying values of those assets. The purchase price allocation is subject to refinement as DryShips completes the valuation of the assets acquired and liabilities assumed. The results of operations of OceanFreight will be included in DryShips' consolidated results of operations only for periods subsequent to the completion of the acquisition.

Delisting and Deregistration of OceanFreight Common Stock

Shares of OceanFreight common stock currently trade on the NASDAQ Global Market under the stock symbol OCNF. When the merger is completed, the OceanFreight common stock currently listed on the NASDAQ Global Market will cease to be quoted on the NASDAQ Global Market and will be deregistered under the Exchange Act.

THE MERGER AGREEMENT

The following is a summary of the material provisions of the merger agreement. The description may not contain all of the information that is important to you. This summary is qualified in its entirety by reference to the merger agreement, which is included as Annex A to this document. Ocean Rig urges you to read the entire merger agreement carefully.

The merger agreement contains representations and warranties that each of DryShips, Pelican Stockholdings Inc. and OceanFreight have made as of specific dates. The assertions made in those representations and warranties were made solely for purposes of the contract among DryShips, Pelican Stockholdings Inc. and OceanFreight and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating the terms of the merger agreement. In addition, some of those representations and warranties may not be accurate or complete as of any specified date, may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders, or may have been used for purposes of allocating risk between the respective parties rather than establishing matters as facts. Shareholders and other investors are not third-party beneficiaries under the merger agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or conditions of DryShips, Pelican Stockholdings Inc. and OceanFreight or any of their respective subsidiaries or affiliates.

The Merger

Subject to the terms and conditions of the merger agreement and in accordance with the MIBCA, Pelican Stockholdings Inc. will merge with and into OceanFreight. Following the merger, the separate existence of Pelican Stockholdings Inc. will cease and OceanFreight will continue its corporate existence under the MIBCA as the surviving corporation in the merger.

Closing; Effective Time

Closing

Unless the parties agree otherwise, the closing of the merger will occur no later than the third business day after the satisfaction or waiver of all of the closing conditions (other than conditions that, by their nature, cannot be satisfied until the closing). See Conditions to the Merger for a description of the conditions that must be satisfied or waived prior to the closing of the merger.

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Effective Time

The merger will become effective when the articles of merger have been duly filed with the Registrar or Deputy Registrar of Corporations of the Marshall Islands or such time as DryShips, OceanFreight and Pelican Stockholdings Inc. may agree and specify in the articles of merger in accordance with the MIBCA. OceanFreight and Pelican Stockholdings Inc. will cause the articles of merger to be filed at the closing of the merger.

Merger Consideration

Except as described in the following paragraph, each share of OceanFreight common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive \$11.25 in cash and 0.52326 shares of Ocean Rig common stock, less any applicable withholding taxes; provided, however, if the closing of the merger occurs at any time after 5:30 p.m. New York time on January 26, 2012, at the effective time of the merger, each share of OceanFreight common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive \$22.50 in cash.

Each share of OceanFreight common stock held by OceanFreight as treasury stock immediately prior to the effective time will be canceled, and no payment will be made with respect thereto. Each share of OceanFreight common stock held by DryShips or any subsidiary of either OceanFreight or DryShips (including but not limited to Pelican Stockholdings Inc.) immediately prior to the effective time will be canceled, and no payment will be made with respect thereto.

Each share of Pelican Stockholdings Inc. common stock outstanding immediately prior to the effective time will be converted into and become one share of OceanFreight common stock with the same rights, powers and privileges as the shares so converted and will constitute the only outstanding shares of OceanFreight capital stock.

Exchange and Payment Procedures

Prior to the effective time of the merger, DryShips will deliver to an exchange agent reasonably acceptable to OceanFreight, for purposes of exchanging for the OceanFreight common stock, the appropriate amount of cash and certificates representing the appropriate number of shares of Ocean Rig common stock comprising the merger consideration. As soon as practicable after the effective time of the merger, the exchange agent will mail a letter of transmittal and instructions to the shareholders, which will explain how to surrender OceanFreight common stock certificates in exchange for the merger consideration.

Shareholders will not be entitled to receive the merger considerat