



OCEAN RIG UDW INC. ANNOUNCES CANCELLATION OF TWO DRILLING CONTRACTS

Nicosia, Cyprus – February 15, 2016 - Ocean Rig UDW Inc. (NASDAQ:ORIG) (“Ocean Rig”), a global provider of offshore deepwater drilling services, announced today that two of its drilling contracts have been terminated.

Specifically, TOTAL E&P Congo on February 11, 2016 has given notification to terminate for convenience the long-term contract of the 7th generation ultra-deepwater drillship Ocean Rig Apollo. As per the contract Ocean Rig is entitled to a termination fee that varies from 50% to 95% of the operating daily rate that will be payable over the balance of the contract. The Ocean Rig Apollo will demobilize from Congo in due course and is available for alternative employment. In connection with the termination of the drilling contract of the Ocean Rig Apollo, the Company has notified the agent under the respective loan agreement and is currently in discussions with its lenders about the consequences of such termination.

In addition, Premier Oil Plc. on February 12, 2016 has terminated the contract for the ultra-deepwater semisubmersible drilling rig the Eirik Raude operating in the Falkland Islands. Ocean Rig has accepted Premier Oil Plc.’s termination for convenience and is entitled to a termination fee of up to \$62.9m. In case Premier Oil Plc. contests the payment of such fee we intend to commence arbitration proceedings without any further notice. The Eirik Raude will demobilize from the Falkland Islands in due course and is available for alternative employment.

George Economou, Chairman and CEO commented:

“It is really regrettable that two of our clients have decided to terminate drilling contracts for convenience. This is a reminder of the extremely challenging times facing the offshore drilling industry and oil companies taking unprecedented action to reduce their capital expenditures. The prospects for the industry remain bleak and we currently see limited prospects of a recovery before 2018 at the earliest.”

About Ocean Rig UDW Inc.

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. The Company owns and operates 13 offshore ultra deepwater drilling units, comprising of 2 ultra deepwater semisubmersible drilling rigs and 11 ultra deepwater drillships, 1 of which is scheduled to be delivered to the Company during 2017, 1 of which is scheduled to be delivered during 2018 and 1 of which is scheduled to be delivered during 2019.

Ocean Rig's common stock is listed on the NASDAQ Global Select Market where it trades under the symbol "ORIG".

Visit the Company's website at www.ocean-rig.com.

NOTE: Matters discussed in this release may constitute forward-looking statements. Forward-looking statements relate to Ocean Rig's expectations, beliefs, intentions or strategies regarding the future. These statements may be identified by the use of words like "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "project", "should", "seek", and similar expressions. Forward-looking statements reflect Ocean Rig's current views and assumptions with respect to future events and are subject to risks and uncertainties.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in Ocean Rig's records and other data available from third parties. Although Ocean Rig believes 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 Ocean Rig's control, Ocean Rig cannot assure you that it will achieve or accomplish these expectations, beliefs or projections described in the forward-looking statements contained herein. Actual and future results and trends could differ materially from those set forth in such statements.

Important factors that, in Ocean Rig's view, could cause actual results to differ materially from those discussed in the forward-looking statements include (i) factors related to the offshore drilling market, including supply and demand, utilization, day rates and customer drilling programs; (ii) 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; (iii) changes in laws and governmental regulations, particularly with respect to environmental matters; (iv) the availability of competing offshore drilling vessels; (v) political and other uncertainties, including 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; 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; regulatory or financial requirements to comply with foreign bureaucratic actions; changing taxation policies; and other forms of government regulation and economic conditions that are beyond our control; (vi) the performance of our rigs; (vii) our ability to procure or have access to financing and comply with our loan covenants; (viii) our ability to successfully employ our drilling units; (ix) our capital expenditures, including the timing and cost of completion of capital projects; and (x) our revenues and expenses. Due to such uncertainties and risks, investors are cautioned not to place undue reliance upon such forward-looking statements.

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