



OCEAN RIG UDW INC. ANNOUNCES EXCHANGE OFFER OF COMMON SHARES

Nicosia, Cyprus – August 29, 2011 – Ocean Rig UDW Inc. (the “Company” or “Ocean Rig”), a global provider of offshore deepwater drilling services, today announced the commencement of an offer to exchange up to 28,571,428 shares of its new common stock (the “Exchange Shares”) that have been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) for an equivalent number of its common shares previously sold in a private offering in December 2010 (the “Original Shares”). The exchange offer is being conducted upon the terms and subject to the conditions set forth in the prospectus dated August 26, 2011, and the related letter of transmittal. The Exchange Shares are identical to the Original Shares, except that the Exchange Shares have been registered under the Securities Act and, therefore, will not bear legends restricting their transfer.

The exchange offer will expire at 5:00 p.m., New York City time, 11:00 p.m., Oslo time, on September 27, 2011, unless extended by the Company. Tenders of the Original Shares must be properly made before the exchange offer expires and may be withdrawn at any time before the expiration of the exchange offer.

This release does not constitute an offer to sell, or the solicitation of an offer to buy, securities. The exchange offer is being made only pursuant to a prospectus and the related letter of transmittal and only to such persons and in such jurisdictions as is permitted under applicable law.

About 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. The Company owns and operates two ultra-deepwater semi-submersible offshore drilling rigs, and three ultra-deepwater drillships. In addition, the Company has new building contracts with Samsung for the construction of four state-of-the-art advanced capability ultra-deepwater drillships.

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

Forward-Looking Statements

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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