

SECURED REVOLVING FACILITY AGREEMENT

THIS SECURED REVOLVING FACILITY AGREEMENT (this "Agreement") is dated as of October 21, 2015 (the "Effective Date"), by and between DRYSHIPS INC., a corporation organized under the laws of the Republic of the Marshall Islands (the "Borrower"), and SIFNOS SHAREHOLDERS INC., a corporation organized under the laws of the Republic of the Marshall Islands (the "Lender").

W I T N E S S E T H:

WHEREAS, the Borrower has requested that the Lender lend an amount not to exceed \$50,000,000 (a) in order to finance a portion of the purchase price of all of the issued and outstanding capital stock (the "Acquisition") of (i) Mezzanine Financing Investment III Ltd., a corporation organized under the laws of the Republic of the Marshall Islands ("Mezzanine"), and (ii) Oil and Gas Ships Investor Limited, a corporation organized under the laws of the Republic of the Marshall Islands ("Oil & Gas" and, together with Mezzanine, collectively, the "Nautilus Shareholders"), both of which collectively own a substantial, indirect controlling interest in Nautilus Shareholdings Limited, a corporation organized under the laws of the Republic of the Marshall Islands ("Nautilus"), and (b) for general corporate purposes of the Borrower or any of its subsidiaries (collectively, the "Purposes"); and

WHEREAS, the Lender is willing, on the terms and subject to the conditions hereinafter set forth, to make Loans to the Borrower.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Borrower and the Lender hereby agree as follows:

1. DEFINITIONS

"Acquisition" has the meaning specified in the first recital hereof.

"Agreement" has the meaning specified in the preamble hereof.

"Borrower" has the meaning specified in the preamble hereof.

"Broker" means Deutsche Bank Trust Company Americas or any other financial institution acting in the capacity of a "securities intermediary" (as such term is defined in the UCC) and approved by the Lender.

"Business Day" means any day (other than a Saturday or Sunday) on which banks are open for general business in London, Athens and New York.

"Commitment" means, on any date, Fifty Million Dollars (US\$50,000,000).

"Commitment Termination Date" has the meaning specified in Section 2.01 hereof.

"Control Agreement" means an agreement granting to the Lender "control" (as such term is defined in the UCC) with respect to the Securities Account and all financial assets (as such term is defined in the UCC), cash and other

property credited thereto from time to time, executed between the Borrower, the Lender and the Broker in the agreed form, as amended, amended and restated, supplemented or otherwise modified from time to time.

"Default" means any Event of Default or any condition, occurrence or event which, after notice or lapse of time or both, would constitute an Event of Default.

"Effective Date" has the meaning specified in the preamble hereof.

"Event of Default" has the meaning specified in Section 10 hereof.

"Facility Documents" means this Agreement, the Note and the Security Documents.

"Guaranty" means the Guaranty, dated as of the date hereof, by Roscoe Marine Ltd., a corporation organized under the laws of the Republic of the Marshall Islands to the Lender, as amended, amended and restated, supplemented or otherwise modified from time to time.

"Lender" has the meaning specified in the preamble hereof.

"LIBOR Rate" means, in relation to any Loan, (a) the applicable Screen Rate, (b) if no Screen Rate is available for the Interest Period of such Loan, the applicable Interpolated Screen Rate; or (c) if no Screen Rate is available for the currency or the Interest Period of such Loan and it is not possible to calculate an Interpolated Screen Rate for such Loan, then the Reference Bank Rate, each as of 11:00 a.m., London time, on the Quotation Day for dollars for such Loan and for a period equal in length to the Interest Period of such Loan and, if any such rate is below zero, LIBOR Rate shall be deemed to be zero; provided that notwithstanding the foregoing, for purposes of this Agreement, the LIBOR Rate for any Loan shall not ever be less than one percent (1.00%).

"Lien" means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"Loans" has the meaning specified in Section 2.01 hereof.

"Interpolated Screen Rate" means, in relation to LIBOR Rate for any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of such Loan; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of such Loan,

each as of 11:00 a.m., London time, on the Quotation Day for the currency of such Loan.

"Interest Period" means, as to any Loan, the period beginning on (and including) the date on which such Loan is made or continued and shall end on (but exclude) the day which numerically corresponds to such date one, two, three or six months thereafter (or, if such month has no numerically corresponding day, on the last Business Day of such month), as the Borrower may select in its borrowing request pursuant to Section 2.02 hereof; provided that:

- (a) Loans shall have one Interest Period only at any time;
- (b) if such Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next following Business Day (unless such next following Business Day is the first Business Day of a calendar month, in which case such Interest Period shall end on the Business Day next preceding such numerically corresponding day); and
- (c) no Interest Period for any Loan may end later than the Maturity Date.

"Maturity Date" has the meaning specified in Section 3.01 hereof.

"Nautilus" has the meaning specified in the first recital hereof.

"Nautilus Shareholders" has the meaning specified in the first recital hereof.

"Note" has the meaning specified in Section 2.03 hereof.

"Ocean Rig" means Ocean Rig UDW Inc. a corporation incorporated in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands.

"Ocean Rig Common Stock" means the duly authorized and issued common stock of Ocean Rig with a par value of \$0.01 per share.

"Ocean Rig Shares" means the aggregate of the shares of Ocean Rig Common Stock beneficially owned by the Borrower and credited to the Securities Account at any time, which on the Effective Date shall consist of at least 53,129,069 shares.

"Pledge Agreement" means the Pledge and Security Agreement, dated as of the date hereof, between the Borrower and the Lender, creating a first priority Lien under the UCC in the Securities Account in favor of the Lender, as amended, amended and restated, supplemented or otherwise modified from time to time.

"Purposes" has the meaning specified in the first recital hereof.

"Quarterly Payment Date" means the last day of March, June, September and December, or, if any such day is not a Business Day, the next succeeding Business Day.

"Quotation Day" means, in relation to any Interest Period for which an interest rate is to be determined, the first day of that period.

"Rapallo" means the *MV Rapallo* Panamax bulk carrier built in 2009.

"Reference Bank Rate" means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Lender at its request by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in dollars for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

"Reference Banks" means the Broker and any other bank or financial institutions as may be appointed by the Lender

in consultation with the Borrower.

"Screen Rate" means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for dollars for the relevant Interest Period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service that publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Lender may specify another page or service displaying the relevant rate after consultation with the Borrower.

"Securities Account" means an account in the name of the Borrower with the Broker in New York, New York designated "DryShips Inc.—Securities Account" that is a "securities account" (as such term is defined in the UCC), or any other such "securities account" in the name of the Borrower (with that or another office of the Broker) that is designated by the Lender as the Securities Account for the purposes of this Agreement and the other Facility Documents.

"Security Documents" means the Pledge Agreement, the Control Agreement, the Ship Mortgage, the Guaranty, the Institutional Cash and Securities Services agreement with respect to Securities Intermediary/Trust Roles, dated as of October 19, 2015, between the Lender and Deutsche Bank Trust Company Americas, all security agreements and documents that may be reasonably required by the Lender with respect to the Rapallo, any other document (whether or not it creates a Lien) that is executed as security for, or for the purpose of establishing any priority or subordination arrangement in relation to, the obligations hereunder, and any other document designated as such by the Lender and the Borrower, each as amended, amended and restated, supplemented or otherwise modified from time to time.

"Ship Mortgage" means a first priority mortgage on the Rapallo, as may be amended, supplemented or otherwise modified from time to time.

"Trading Day" means a day on which (a) trading in Ocean Rig Common Stock or the Borrower's common stock generally occurs and (b) a closing sale price for Ocean Rig Common Stock or the Borrower's common stock is provided on the principal U.S. national or regional securities exchange on which Ocean Rig Common Stock or the Borrower's common stock is then listed or, if Ocean Rig Common Stock or the Borrower's common stock is not listed, on a U.S. national or regional securities exchange, on the principal other market on which Ocean Rig Common Stock or the Borrower's common stock is then traded; provided that if Ocean Rig Common Stock or the Borrower's common stock is not so listed or traded, "Trading Day" means a Business Day.

"UCC" means the Uniform Commercial Code as in effect, from time to time, in the State of New York.

"VWAP" means the volume weighted average price (which shall be the aggregate sales price of all trades of Ocean Rig Common Stock or the Borrower's common stock, as applicable, during each Trading Day divided by the total number of shares of Ocean Rig Common Stock or the Borrower's common stock, as applicable, traded during such Trading Day) of Ocean Rig Common Stock or the Borrower's common stock, as applicable, during any Trading Day as reported by Bloomberg, L.P. using the AQR function.

2. COMMITMENT AND LOANS; BORROWING PROCEDURES; NOTES

Section 2.01 *Commitment*. Subject to the terms of this Agreement and from time to time on any

Business Day occurring from and after the Effective Date until one month prior to the Maturity Date (the "Commitment Termination Date"), the Lender agrees that it will make loans ("Loans") to the Borrower on such Business Day in such amount as requested by the Borrower that shall not exceed the then available amount of the Commitment. The Lender shall not be permitted or required to make any Loan if, after giving effect thereto, the aggregate principal amount of all outstanding Loans would exceed the amount of the Commitment. On the terms and subject to the conditions hereof, the Borrower may from time to time borrow, prepay and reborrow Loans.

Section 2.02 *Method of Advances*. The Borrower shall request each Loan by delivering to the Lender a written borrowing request by 10:00 a.m., New York City time, not less than three (3) Business Days prior to the requested Business Day of disbursement, or such other period as may be agreed between the Borrower and the Lender, in a minimum amount of \$5,000,000 and an integral multiple of \$1,000,000 or, if less, in the then available amount of the Commitment. Such borrowing request shall specify an Interest Period applicable to such Loan. On or before 11:00 a.m. on the date of each disbursement, and so long as such borrowing request complies with the requirements under this Agreement (including, but not limited to, the aggregate principal borrowing limit set forth in Section 2.01), the Lender shall make available the amount of the Loan by depositing by wire transfer the same in immediately available funds by in the bank account of the Borrower as specified in such borrowing request.

Section 2.03 *Notes*. The Borrower agrees that, upon the request by the Lender, the Borrower will execute and deliver to the Lender a promissory note in the form attached hereto as Exhibit A (the "Note") evidencing the Loans made by, and payable to the order of, the Lender in a maximum principal amount equal to the Commitment. The Borrower hereby irrevocably authorizes the Lender to make (or cause to be made) appropriate notations on the grid attached to the Note (or on any continuation of such grid), which notations, if made, shall evidence, among others, the date of, the outstanding principal amount of, and the interest rate and applicable Interest Period of each Loan. Such notations shall be conclusive and binding on the Borrower absent manifest error; provided that the failure of the Lender to make any such notations shall not limit or otherwise affect any obligations of the Borrower.

3. MATURITY, PAYMENT AND PREPAYMENT; FEES

Section 3.01 *Maturity*. The Borrower shall repay the aggregate principal amount of all outstanding Loans, together with interest as calculated in accordance with Section 4.01, to the Lender on the third anniversary of the Effective Date (the "Maturity Date").

Section 3.02 *Optional Prepayment*. The Borrower may, at its option, at any time prepay in whole or in part any Loan without any premium or penalty, together with interest as calculated in accordance with Section 4.01, in a minimum amount of \$5,000,000 and an integral multiple of \$1,000,000.

Section 3.03 *Arrangement Fee*. The Borrower shall pay to the Lender an arrangement fee of 1.0% of the initial Commitment in effect on the Effective Date no later than 3 Business Days after the Effective Date.

Section 3.04 *Commitment Fee*. The Borrower agrees to pay to the Lender, for the period commencing on the Effective Date and continuing through the Commitment Termination Date, a commitment fee in an amount equal to 0.50% per annum on the sum of the average daily unused portion of the Commitment. All commitment fees payable pursuant to this Section 3.04 shall be calculated on a year comprised of 360 days and payable by the Borrower in arrears on the Effective Date and thereafter on each Quarterly Payment Date, commencing with the first Quarterly Payment Date following the Effective Date, and on the Commitment Termination Date.

Section 3.05 *Payment*. Except to the extent otherwise agreed between the Borrower and the Lender, all payments of principal of, and interest on, the Loans to be made by the Borrower under this Agreement shall be made in United States Dollars, in immediately available funds, without set-off or counterclaim, to the Lender.

4. INTEREST AND SECURITY

Section 4.01 *Interest Rate*. The unpaid principal of each Loan shall bear interest, during each Interest Period applicable thereto, equal to the sum of the LIBOR Rate for such Interest Period plus six and a half percent (6.50%) per annum until the date upon which all amounts owing under such Loan have been repaid in full. All interest and fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest or fee is payable over a year comprised of 360 days and be payable in arrears on each Quarterly Payment Date. Payments due on other than a Business Day shall (except as otherwise required by clause (b) of the definition of "Interest Period") be made on the next succeeding Business Day and such extension of time shall be included in computing interest and fees in connection with that payment.

Section 4.02 *Default Rate*. On and after the date any Event of Default has occurred and for so long as such Event of Default is continuing, the Borrower shall pay, but only to the extent permitted by law, interest (after as well as before judgment) on all outstanding Loans at a rate per annum equal to the rate of interest that otherwise would be applicable to such Loan plus 2% per annum.

Section 4.03 *Security*. The Loans shall be secured by the Ocean Rig Shares and the Rapallo in accordance with the Security Documents.

5. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE LENDER

Section 5.01 *Initial Loan*. The obligations of the Lender to make the initial Loan shall be subject to the satisfaction of each of the following conditions precedent:

(a) The Lender shall have received executed counterparts of the Facility Documents (other than those that are required to be delivered pursuant to Section 7.09 hereof), duly executed and delivered by an authorized officer of the Borrower.

(b) The Lender shall have received documentary evidence acceptable to the Lender of the filing of UCC financing statements suitable in form for naming the Borrower as a debtor and the Lender as the secured party, or other similar instruments or documents to be filed under the UCC of all jurisdictions as may be necessary or, in the opinion of the Lender, desirable to perfect the security interests of the Lender pursuant to the Security Documents.

(c) The Lender shall have received the arrangement fee in accordance with Section 3.03 hereof and all other fees, costs and expenses due from the Borrower pursuant to Section 11 hereof.

(d) The Borrower shall have satisfied all conditions precedent to consummate the Acquisition and provided wire instructions for the initial Loan proceeds to be paid directly to the owners of the Nautilus Shareholders.

Section 5.02 *All Loans*. The obligation of the Lender to make any Loan shall be subject to the satisfaction of each of the following conditions precedent:

(a) Both before and after giving effect to any Loan, (i) the representations and warranties set forth in each Facility Document shall be true and correct in all material respects with the same effect as if then made (unless stated to relate solely to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date), in each case other than representations and warranties that are subject to a Material Adverse Effect or a materiality qualifier, in which case such representations and warranties shall be (or shall have been) true and correct in all respects, and (ii) no Default shall have then occurred and be continuing.

(b) The Lender shall have received a borrowing request in accordance with Section 2.02, executed and delivered by an authorized officer of the Borrower. Each of the delivery of a borrowing request and the acceptance by the Borrower of the proceeds of such Loan shall constitute a representation and warranty by the Borrower that on the date of such Loan (both immediately before and after giving effect to such Loan and the application of the proceeds thereof) the statements made in Section 6 hereof are true and correct.

6. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender that, as of the Effective Date and as of the date of each disbursement:

Section 6.01 *Existence and Power*. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the Marshall Islands and has full power, authority and legal right to execute, deliver and perform this Agreement and each of the Facility Documents to which the Borrower is a party.

Section 6.02 *Authority*. The execution and delivery by the Borrower of this Agreement and each of the other Facility Documents to which it is or will be a party, and the performance by it of its obligations hereunder and thereunder (a) have been duly authorized by all necessary corporate action on its part; (b) do not violate any provision of the Borrower's organizational documents or any laws of the United States, the Marshall Islands or any other applicable jurisdiction, or any governmental rule, regulation or order thereunder, or of any indenture, agreement or other instrument, license, judgment or order applicable to it or by which its properties are bound; and (c) do not breach, create a default under (with or without any passage of time or giving of notice or both) or result in the creation or imposition of any Lien upon any of its revenues, assets or properties under, any agreement, contract or instrument by which any of the Borrower's revenues, assets or properties may be bound or affected.

Section 6.03 *Governmental Approvals*. No authorization, consent, approval, order, license or permit from, or filing registration or qualification with, any governmental agency is required to authorize or permit the execution, deliver and performance by the Borrower of the Facility Documents.

Section 6.04 *Binding Obligations*. Each Facility Document constitutes the legal, valid and binding obligations of the Borrower enforceable in accordance with its terms, enforceable against the Borrower in accordance with its terms.

7. COVENANTS OF THE BORROWER

Section 7.01 *No Liens*. The Borrower will not, and will not permit any of its subsidiaries to, create, incur, assume or permit to exist any Lien on (a) any of the shares and assets of Nautilus or (b) the Rapallo without the prior written consent of the Lender, except Liens securing payment of its obligations under the Facility Documents or Liens created under the indebtedness of Nautilus existing prior to the Acquisition.

Section 7.02 *No Indebtedness*. The Borrower will not create, incur, assume or permit to exist any unsecured indebtedness without the prior written consent of the Lender, except indebtedness in respect of its obligations under the Facility Documents.

Section 7.03 *No Disposition*. The Borrower will not dispose of any of its assets to any person in one transaction or series of transactions unless such disposition is in the ordinary course of its business.

Section 7.04 *Use of Proceeds*. The Borrower will apply the proceeds of each Loan exclusively for the Purposes.

Section 7.05 *Notices*. As soon as possible and in any event within three (3) Business Days after the Borrower obtains knowledge thereof, the Borrower will notify the Lender of:

(a) the occurrence of a Default or an Event of Default, along with a detailed description thereof and the action that the Borrower has taken and proposes to take with respect thereto; and

(b) the occurrence of any default or event of default under any agreement or other contractual obligation to which the Borrower is a party, which could reasonably be expected to have a material adverse effect on the rights and remedies of the Lender under any Facility Document or the ability of the Borrower to perform its obligations under any Facility Document.

Section 7.06 *Maintenance of Existence; Compliance with Contracts, Laws, etc.* The Borrower will preserve and maintain its legal existence, perform in all material respects their obligations under material agreements to which the Borrower is a party, and comply in all material respects with all applicable laws, rules, regulations and orders, including the payment (before the same become delinquent), of all taxes, imposed upon the Borrower or upon their property except to the extent being diligently contested in good faith by appropriate proceedings.

Section 7.07 *Maintenance of Properties*. The Borrower will maintain, preserve, protect and keep its and their respective properties in good repair, working order and condition (ordinary wear and tear excepted), and make necessary repairs, renewals and replacements so that the business carried on by the Borrower may be properly conducted at all times, unless the Borrower determines in good faith that the continued maintenance of such property is no longer economically desirable, necessary or useful to the business of the Borrower or any of its subsidiaries.

Section 7.08 *Future Security, etc.* Promptly, and in any event within fifteen (15) Business Days, following the request of the Lender, the Borrower will, and, if applicable, will cause Ocean Rig to, execute any documents, UCC financing statements, agreements and instruments, and take all further action (including filing or registering the Ship Mortgage) that may be required under applicable law, and do all things reasonably requested by the Lender, in order to effectuate the transactions contemplated by the Facility Documents in order to grant, preserve, protect and perfect the validity and first priority (subject to Liens permitted by Section 7.01 hereof) of the Liens created or intended to be created by the Facility Documents.

Section 7.09 *Ocean Rig Shares and Ship Mortgage*. Within seven (7) Business Days after the Effective Date, the Borrower will deliver to the Lender (i) documentary evidence that the Ocean Rig Shares accompanied by undated instruments of transfer duly executed in blank have been irrevocably credited to the Securities Account free of any Lien other than in favor of the Lender, (ii) duly executed copies of the Pledge Agreement and the Control Agreement and (iii) documentary evidence of the registration of the Ship Mortgage in Malta and the execution and delivery of all other security agreements and documents that may be reasonably

required by the Lender with respect to the Rapallo.

8. CONVERSION RIGHT; PREFERRED STOCK RIGHT

Section 8.01 *Conversion Right.*

(a) Upon three (3) Business Days' prior notice to the Borrower, the Lender may elect, in its sole discretion at any time prior to the Maturity Date, to convert all or a portion of the principal amount of the outstanding Loans in integral multiples of \$5,000,000 and at the Lender's option, all accrued but unpaid interest on such principal amount being converted (such principal and interest, the "Converted Loan Amount") into either (i) Ocean Rig Shares that are beneficially owned by the Borrower or (ii) shares of the Borrower's common stock (collectively, the "Conversion Common Stock"). The number of shares of Conversion Common Stock to be issued upon such conversion shall be equal to the quotient obtained by dividing (i) the Converted Loan Amount by (ii) the Conversion Price (as hereinafter defined) per share of the Conversion Common Stock, rounded to the nearest whole share. For purposes of this Section 8.01, the "Conversion Price" of one share of Conversion Common Stock shall be equal to the average of the VWAP of the Ocean Rig Common Stock or the Borrower's common stock, as applicable, for the five (5) consecutive Trading Days immediately prior to the date of notice of any such conversion (or, if no sales take place on any such Trading Day, the average of the closing bid and asked prices on such Trading Day), plus a premium of 10% of such 5-day average VWAP.

(b) Upon such conversion, the Lender hereby agrees to execute and deliver to the Borrower or Ocean Rig, as applicable, all transaction documents related to the issuance by the Borrower or Ocean Rig, as applicable, of the Conversion Common Stock, including customary agreements including transfer restrictions and other ancillary instruments reasonably required.

(c) No fractional shares of the Conversion Common Stock of the Borrower or Ocean Rig will be issued upon conversion of any Loans. In lieu of any fractional share to which the Lender would otherwise be entitled, the Borrower will pay to the Lender in cash the amount of the unconverted principal and interest balance of the outstanding Loans that would otherwise be converted into such fractional share. Upon conversion of all of the outstanding Loans pursuant to this Section 8.01, the Lender shall surrender the Note, duly endorsed, at the principal offices of the Borrower or any transfer agent of the Borrower. At its expense, the Borrower will, as soon as practicable thereafter, issue and deliver to the Lender, at such principal office, a certificate or certificates for the number of shares to which the Lender is entitled upon such conversion, together with any other securities and property to which the Lender is entitled upon such conversion under the terms of this Agreement, including a check payable to the Lender for any cash amounts payable as described herein. Upon conversion of any Loans, the Borrower will be forever released from all of its obligations and liabilities under this Agreement and the Note with regard to that portion of the principal amount and accrued interest being converted including without limitation the obligation to pay such portion of the principal amount and accrued interest.

Section 8.02 *Preferred Stock Right.* Upon three (3) Business Days' prior notice to the Lender, the Borrower may elect, at any time prior to the Maturity Date, to convert \$10,000,000 of the outstanding principal amount of Loans into 100,000,000 preferred shares of the Borrower (the "Conversion Preferred Stock"). Each Conversion Preferred Stock shall have five (5) votes and be mandatorily converted to common stock of the Borrower, on a one for one basis, on any Business Day selected by the Borrower within three (3) months after the issuance thereof.

9. WITHHOLDING; GROSS-UP

Section 9.01 *Withholding.* If any withholding or deduction from any payment to be made by the

Borrower under this Agreement is required in respect of any taxes pursuant to any applicable law, rule or regulation, the Borrower will: (a) pay to the relevant authority the full amount required to be so withheld or deducted; (b) promptly forward to the Lender an official receipt or other documentation satisfactory to the Lender evidencing such payment to such authority; and (c) make such payment to the Lender net of any such withholding deduction.

Section 9.02 *Gross-Up*. If the Borrower makes a payment under Section 9.01, and the Lender is subsequently unable to obtain a credit or a refund in the full amount of such withholding or deduction, the Lender will so notify the Borrower. In that case, the Borrower must pay to the Lender, on demand, such additional amount as is necessary to ensure that the net amount received by the Lender with respect of such payment is equal to the full amount the Lender would have received had no such withholding or deduction been required.

10. EVENTS OF DEFAULT

Each of the following events or occurrences described in this Section 10 shall constitute an "Event of Default":

(a) Non-payment. Failure of the Borrower to pay when due any principal, interest or fee amount payable under this Agreement or the Note at the place at and in the currency in which it is expressed to be payable, unless such failure is cured within three (3) Business Days of its due date.

(b) Cross-Acceleration. The occurrence of any event or condition that results in any indebtedness of the Borrower in excess of \$10,000,000 under any agreement of the Borrower becoming due prior to its scheduled maturity or requires the prepayment, repurchase, redemption or defeasance thereof prior to its scheduled maturity.

(c) Bankruptcy, Insolvency, etc. The Borrower shall:

(i) become insolvent or generally fail to pay, or admit in writing its inability or unwillingness generally to pay, debts as they become due;

(ii) apply for, consent to, or acquiesce in the appointment of a trustee, receiver, sequestrator or other custodian for any substantial part of the property of any thereof, or make a general assignment for the benefit of creditors;

(iii) in the absence of such application, consent or acquiescence, permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for a substantial part of the property of any thereof, and such trustee, receiver, sequestrator or other custodian shall not be discharged within 60 days; provided that the Borrower hereby expressly authorizes the Lender to appear in any court conducting any relevant proceeding during such 60-day period to preserve, protect and defend their rights under the Facility Documents;

(iv) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law or any dissolution, winding up or liquidation proceeding, in respect thereof, and, if any such case or proceeding is not commenced by the Borrower, such case or proceeding shall be consented to or acquiesced in by the Borrower or shall result in the entry of an order for relief or shall remain for 60 days undismissed; provided that the Borrower hereby expressly authorizes the Lender to appear in any court conducting any such case or proceeding during such 60-day period to preserve, protect and defend their rights under the Facility Documents; or

(v) take any action authorizing, or in furtherance of, any of the foregoing.

(d) Others. (i) Failure of the Borrower to satisfy its obligations under Section 7.9(b) hereof and (ii) failure by the Borrower to default in the due performance or observance of any other agreement contained in any Facility Document unless such failure is cured after 30 days after the earlier to occur of notice thereof given to the Borrower by the Lender or the date on which the Borrower has knowledge of such default.

Upon the occurrence and continuation of any Event of Default, the Lender may by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Lender to enforce its claims against the Borrower:

(x) declare the Lender's obligation to make Loans terminated, whereupon such obligation shall forthwith terminate immediately; and

(y) declare the principal of, and any accrued interest in respect of, the Loans and all obligations and damages owing by the Borrower to the Lender under this Agreement to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower;

Provided that if any Event of Default described in clause (c) of Section 10 with respect to the Borrower shall occur, the Commitment (if not theretofore terminated) shall automatically terminate and the outstanding principal amount of all outstanding Loans and all other obligations under this Agreement shall automatically be and become immediately due and payable, without notice or demand to any Person.

11. PAYMENT OF COSTS AND EXPENSES

Until all of the obligations of the Borrower are satisfied in full, the Borrower agrees to pay on demand all expenses of the Lender (including the fees and expenses of Orrick, Herrington & Sutcliffe LLP, counsel to the Lender and of local counsel, if any, who may be retained by or on behalf of the Lender) in connection with:

(a) the negotiation, preparation, execution and delivery of each Facility Document, including schedules and exhibits, and any amendments, waivers, consents, supplements or other modifications to any Facility Document as may from time to time hereafter be required, whether or not the transactions contemplated hereby are consummated;

(b) the filing, registration or recording of any Facility Document (including any UCC financing statement) and all amendments, supplements, amendment and restatements and other modifications to any thereof, searches made following the Effective Date in jurisdictions where UCC financing statements (or other documents evidencing Liens in favor of the Lender) have been recorded and any and all other documents or instruments of further assurance required to be filed or recorded by the terms of any Facility Document;

(c) the preparation and review of the form of any document or instrument relevant to any Facility Document; and

(d) any fees and expenses that the Lender incurs on the Effective Date and will incur thereafter with respect to any Facility Document.

The Borrower further agrees to pay, and to hold the Lender harmless from all liability for, any stamp or

other taxes that may be payable in connection with the execution or delivery of each Facility Document, the Loans or the issuance of the Note. The Borrower also agrees to reimburse the Lender upon demand for all reasonable out-of-pocket expenses (including reasonable attorneys' fees and expenses of counsel to the Lender) incurred by the Lender in connection with (x) the negotiation of any restructuring or "work-out" with the Borrower, whether or not consummated, of any obligations under the Facility Documents and (y) the enforcement of any obligations under the Facility Documents.

12. OTHER ACTIONS

Each of the parties hereby undertakes to the other that it will do all such acts and things and execute all such instruments and documents as may be necessary to carry into effect or to give legal effect to the provisions of this Agreement and the other Finance Documents.

13. NOTICES

All notices under this Agreement shall be in writing and shall be deemed effective when delivered via courier, or transmitted by any standard form of telecommunication to the applicable address or facsimile number set forth below (or such other addresses as one party identifies to the other in writing):

If to the Lender:

Sifnos Shareholders Inc.
c/o IES SERVICES S.A.
52, Agiou Konstantinou street, GR 151 24, Amaroussion, Athens, Greece
Attention: *Ms. Evgenia Papapontikou*
Tel: (+30) 210 6140271
Fax: (+30) 210 6140275
E-mail: general@ies-services.gr

If to the Borrower:

DryShips Inc.
109 Kifissias Avenue and Sina Street
151 24, Marousi
Athens, Greece
Attention: Ziad Nakhleh
Facsimile: (+30) 210 80 90 585
Email: finance@dryships.com

14. PARTIAL INVALIDITY AND WAIVER

The illegality, or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

15. ASSIGNMENT

Neither party is permitted to transfer any of its rights, benefits and obligations hereunder without the prior written consent of the other party except that the Lender may assign (including collaterally) this Agreement, or any portion of this Agreement to Lender's lender or other financing party in connection with a credit facility of Lender.

16. AMENDMENTS

Except as otherwise provided in this Agreement, the terms and conditions of this Agreement may only be changed, modified or altered by a written agreement signed by each of the parties to this Agreement.

17. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

18. GOVERNING LAW

This Agreement and the Notes shall be governed by and construed in accordance with the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

19. SUBMISSION TO JURISDICTION

The Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in the Borough of Manhattan in the City of New York in any action or proceeding arising out of or relating to this Agreement or the Notes, and hereby agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. The Borrower hereby agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 19 shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Borrower or its property in the courts of other jurisdictions.

20. WAIVER OF JURY TRIAL

EACH PARTY HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, COUNTERCLAIM OR OTHER LITIGATION BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER FACILITY DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY SUCH PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER ENTERING INTO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and date first set forth above.

LEGAL ADDRESSES AND BANKING DETAILS OF THE PARTIES
