

---

**SUPPLEMENT NO. 1 TO  
PROXY STATEMENT  
FOR  
ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON SEPTEMBER 6, 2010**

---

**INFORMATION CONCERNING SOLICITATION AND VOTING**

This Supplement No. 1 supplements the proxy statement of DryShips Inc. (the “Company”) dated July 26, 2010 and mailed to shareholders on or about that date in connection with the Company’s 2010 Annual Meeting of Shareholders to be held on September 6, 2010. This Supplement No. 1 can be found on the Company’s website at <http://drys.agmdocuments.com/ASM2010.html>. Shareholders may also receive a hard copy of this Supplement No. 1 free of charge upon request.

**VOTING RIGHTS AND OUTSTANDING SHARES**

On July 19, 2010 (the “Record Date”), the Company had outstanding 294,827,321 shares of common stock, par value \$0.01 per share (the “Common Shares”) and 52,238,806 shares of Series A Convertible Preferred Stock, par value \$0.01 per share (the “Preferred Shares” and, together with the Common Shares, the “Voting Shares”). Each shareholder of record at the close of business on the Record Date is entitled to one vote for each Voting Share then held. One or more shareholders representing at least a majority of the Voting Shares issued and outstanding and entitled to vote at the Meeting, whether represented in person or by proxy, shall be a quorum for the purposes of the Meeting.

The Common Shares are listed on The Nasdaq Global Select Market under the symbol “DRYS.” The Preferred Shares are not publicly traded.