Ocean Rig UDW Inc.
Form 6-K
November 10, 2014
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2014

Commission File Number 001-35298

OCEAN RIG UDW INC.

10 Skopa Street, Tribune House
2nd Floor, Office 202, CY 1075
Nicosia, Cyprus
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [X] Form 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [ ].

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [ ].

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached hereto as Exhibit 99.1 to this Report on Form 6-K are the Management's Discussion and Analysis of Financial Condition and Results of Operations and the unaudited interim condensed consolidated financial statements and related information and data of Ocean Rig UDW Inc. (the "Company") as of and for the nine-month period ended September 30, 2014.

This Report on Form 6-K and the exhibits hereto are hereby incorporated by reference into the Company's Registration Statement on Form F-3 ASR (Registration No. 333-184450) filed with the Securities and Exchange Commission on October 16, 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	OCEAN RIG UDW INC.
Dated: November 10, 2014	By: /s/George Economou George Economou Chief Executive Officer

Exhibit 99.1

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise specified herein, references to "Ocean Rig" or the "Company" or "we" shall include Ocean Rig UDW Inc. and its applicable subsidiaries. The following management's discussion and analysis should be read in conjunction with our unaudited interim condensed consolidated financial statements and related notes included herein. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth in the section entitled "Risk Factors" included in Company's Annual Report on Form 20-F (File No. 001-35298) for the fiscal year ended December 31, 2013 filed with the Securities and Exchange Commission (the "Commission") on February 21, 2014 and our Registration Statement on Form F-3ASR, filed with the Commission on October 16, 2012. See also the discussion in the section entitled "Forward Looking Statements" below.

Unaudited Results of Operations

Nine-months ended September 30, 2014 compared to the nine-months ended September 30, 2013.

Selected Financial Data

(Expressed in thousands of U.S. Dollars)

	Nine-months ended September 30,		Change	
	2013	2014	Amount	%
REVENUES:				
Service revenue, net	$834,792	$1,317,711	$482,919	57.8 %
	834,792	1,317,711	482,919	57.8 %
EXPENSES:				
Drilling rigs and drillships operating expenses	366,646	533,017	166,371	45.4 %
Depreciation and amortization	170,198	239,835	69,637	40.9 %
General and administrative expenses	85,686	96,915	11,229	13.1 %
Legal settlement and other, net	6,000	2,733	(3,267)	(54.5)%
Operating income	206,262	445,211	238,949	115.8 %
OTHER INCOME/(EXPENSES):				
Interest and finance costs	(170,236)	(234,705)	(64,469)	37.9 %
Interest income	6,219	9,130	2,911	46.8 %
Gain/ (loss) on interest rate swaps	11,000	(6,224)	(17,224)	(156.6)%
Other, net	5,513	759	(4,754)	(86.2)%
Total other expenses, net	(147,504)	(231,040)	(83,536)	56.6 %
INCOME BEFORE INCOME TAXES	58,758	214,171	155,413	264.5 %
Income taxes	(35,099)	(41,873)	(6,774)	19.3 %
NET INCOME	$23,659	$172,298	$148,639	628.3 %

Revenues

Revenues from drilling contracts increased by $482.9 million, or 57.8%, to $1,317.7 million for the nine-month period ended September 30, 2014, as compared to $834.8 million for the nine-month period ended September 30, 2013. The increase is primarily attributable to the operations of the Ocean Rig Athena and the Ocean Rig Skyros that were recently added to the fleet, which contributed, in aggregate, $234.6 million as well as to the operation of Ocean Rig Mylos which was added to the fleet in the end of the third quarter of 2013, resulting to increased revenues amounting to $171.0 million. Moreover, the operations of the Ocean Rig Mykonos, the Ocean Rig Poseidon, the Ocean Rig Olympia and the Ocean Rig Corcovado contributed, in aggregate, $589.6 million revenues during the nine-month period ended September 30, 2014, as compared to $544.0 million during the same period in 2013 and the operations of the Eirik Raude and Leiv Eiriksson, contributed $320.0 million during the nine-month period ended September 30, 2014 as compared to $288.5 million during the same period in 2013. The maximum day rates for the contracts on which our drilling units were employed during the nine-month period ended September 30, 2014, ranged between approximately $443,016 and $690,100 per day. The maximum day rates for the contracts on which our drilling units were employed during the nine-month period ended September 30, 2013, ranged between approximately $431,000 and $670,000 per day.

Operating expenses

Drilling rigs and drillships operating expenses increased by $166.4 million, or 45.4%, to $533.0 million for the nine-month period ended September 30, 2014, compared to $366.6 million for the nine-month period ended September 30, 2013. The increase in operating expenses was mainly due to operation of the Ocean Rig Skyros and Ocean Rig Athena, which were added to the fleet, resulting in operating expenses of $92.1 million, the increase of the Ocean Rig Mylos, amounting to $66.7 million, which was added to the fleet in the end of the third quarter of 2013 and therefore had decreased operating expenses in the corresponding period and the increase in operating expenses of the Leiv Eiriksson, the Ocean Rig Olympia, the Ocean Rig Poseidon and the Ocean Rig Mykonos amounting to $27.8 million. These increases were partly offset by a decrease of $20.2 million in operating expenses of the Eirik Raude and Ocean Rig Corcovado.

Depreciation and amortization

Depreciation and amortization expense increased by $69.6 million, or 40.9%, to $239.8 million for the nine-month period ended September 30, 2014, as compared to $170.2 million for the nine-month period ended September 30, 2013. The increase in depreciation and amortization expense was mainly attributable to the operation of the Ocean Rig Skyros and Ocean Rig Athena, amounting to $38.4 million, which were recently added to the fleet, the increase in depreciation expense of Ocean Rig Mylos, by $19.7 million since it was delivered in the end of the third quarter of 2013. Additionally, the depreciation of Leiv Eiriksson, Eirik Raude, Ocean Rig Mykonos and Ocean Rig Corcovado increased by $11.7 million in aggregate. The depreciation expense charged for the Ocean Rig Olympia and Ocean Rig Poseidon remained approximately the same for the nine-month period ended September 30, 2014 as compared to the relevant period in 2013.

General and administrative expenses

General and administrative expenses increased by $11.2 million, or 13.1%, to $96.9 million for the nine-month period ended September 30, 2014, as compared to $85.7 million for the nine-month period ended September 30, 2013, due to the increased cost for the operation of the offices in Angola and Athens.

Legal settlement and other, net

Legal settlements and other, net decreased by $3.3 million, or 55.0%, to a loss of $2.7 million for the nine-month period ended September 30, 2014, as compared to a loss of $6.0 million for the nine-month period ended September 30, 2013. The amount of $1.6 million concerns cancellation fees from a blow-out preventer order for the Leiv Eiriksson and the remaining amount concerns the write off of warranty claims.

Interest and finance costs

Interest and finance costs increased by $64.5 million, or 37.9%, to $234.7 million for the nine-month period ended September 30, 2014, as compared to $170.2 million for the nine-month period ended September 30, 2013. The increase is mainly associated with the non-cash write-offs and breakage costs associated with the full repayment of the $1.35 billion Senior Secured Credit Facility totaling $22.0 million and write-offs and redemption costs associated with the full refinancing of the Company's $500.0 million 9.5% senior unsecured notes due 2016, totaling $32.6 million as well as the higher level of debt during the nine-month period ended September 30, 2014.

Interest income

Interest income increased by $2.9 million, or 46.8%, to $9.1 million for the nine-month period ended September 30, 2014, compared to $6.2 million for the nine-month period ended September 30, 2013. The increase was mainly due to an increased average cash balance and higher interest rates on our deposits during the nine month period ended September 30, 2014, as compared to the relevant period in 2013.

Gain/ (loss) on interest rate swaps

For the nine-month period ended September 30, 2014 we incurred losses on interest rate swaps of $6.2 million, as compared to gains of $11.0 million for the nine-month period ended September 30, 2013, a decrease of 156.4%. The loss for the nine-month period ended September 30, 2014, was mainly due to mark to market losses of outstanding swap positions.

Other, net

Other, net decreased by $4.7 million, or a decrease of 85.5%, to $0.8 million for the nine-month period ended September 30, 2014, compared to a gain of $5.5 million for the nine-month period ended September 30, 2013. The decrease is mainly due to foreign currency exchange rate differences.

Income taxes

Income taxes increased by $6.8 million, or an increase of 19.4%, to $41.9 million for the nine-month period ended September 30, 2014, compared to $35.1 million for the nine-month period ended September 30, 2013. As our drilling units operate around the world, they may become subject to taxation in many different jurisdictions. The basis for such taxation depends on the relevant regulation in the countries in which we operate. Consequently, there is no expected relationship between the income tax expense or benefit for the period and the income or loss before taxes.

Liquidity

As of September 30, 2014, we had $495.8 million of cash and cash equivalents and $1.4 million restricted cash.

Our cash and cash equivalents decreased by $109.7 million, or 18.1%, to $495.8 million as of September 30, 2014, compared to $605.5 million as of December 31, 2013, and our restricted cash decreased by $52.2 million, or 97.4%, to $1.4 million as of September 30, 2014, compared to $53.6 million as of December 31, 2013. The decrease in our cash and cash equivalents was mainly due to loan repayments and payment of financing costs amounting to $1,896.4 million, the payment of dividends amounting to $50.2 million, the payment for the delivery of the Ocean Rig Athena amounting to $395.7 million, the payment of $262.7 million for our drillships under construction and payments of loan and swap interest amounting to approximately $223.6 million in aggregate, which were partly offset with loan proceeds amounting to $2,250.0 million. Working capital is defined as current assets minus current liabilities (including the current portion of long-term debt). Our working capital surplus amounted to $579.1 million as of September 30, 2014, compared to a working capital surplus of $466.1 million as of December 31, 2013. We believe that we will be able to satisfy our liquidity needs for the next 12 months with the cash we generate from our operations and, if required, proceeds, from future debt or equity issuances.

As of September 30, 2014, we had total indebtedness of $4.5 billion under our senior secured credit facilities and secured notes, excluding unamortized deferred financing costs. As of September 30, 2014, we were in compliance with all covenants related to our credit facilities.
As of September 30, 2014, we had $1.9 billion of remaining installment payments under our drillship newbuilding contracts relating to our four newbuilding drillships. The drillships under construction, Ocean Rig Apollo, the Ocean Rig Santorini and the two 7th generation, new integrated design drillships under construction, will be financed with cash on hand, operating cash flow, equity financing and additional bank debt.

Cash flow

Net cash provided by operating activities was $246.5 million for the nine-month period ended September 30, 2014. For the nine-month period ended September 30, 2014, net income was adjusted for the effects of certain non-cash items including $281.5 million of depreciation and amortization of deferred financing costs. Moreover for the nine-month period ended September 30, 2014, net income was also adjusted for the effects of non-cash items, such as the loss in the change in fair value of derivatives of $15.5 million. Net cash provided by operating activities was $131.7 million for the nine-month period ended September 30, 2013.

Net cash used in investing activities was $659.6 million for the nine-month period ended September 30, 2014, compared to $611.9 million used in for the nine-month period ended September 30, 2013. We made shipyard payments and expenditures related to drilling rigs, drillships machinery, equipment and other improvements of approximately $316.1 million and the payment for the delivery of the Ocean Rig Athena amounting to $395.7 for the nine-month period ended September 30, 2014, compared to $777.5 million in the corresponding period of 2013. The decrease in restricted cash was $52.2 million during the nine-month period ended September 30, 2014 compared to a decrease of $165.7 million in the corresponding period of 2013.

Net cash provided by financing activities was $303.4 million for the nine-month period ended September 30, 2014, consisting of loan and senior notes proceeds amounting to $2,250.0 million which were offset with loan and senior notes repayments and payment of financing costs amounting to $1,896.4 million and dividend payments of $50.2 million. This compares to net cash used in financing activities of $664.4 million for the nine-month period ended September 30, 2013, consisting mainly of repayments of credit facilities and the payment of financing costs.

Financing activities

Long-term debt

As of September 30, 2014, the Company was in compliance with the covenants in its credit facilities.

The annual principal payments required to be made after September 30, 2014, including balloon payments, totaling $4.5 billion due through July 2021, are as follows:

Twelve months ending:	Total (in thousands)
September 30, 2015	$32,000
September 30, 2016	32,000
September 30, 2017	32,000
September 30, 2018	832,000
September 30, 2019	532,000
September 30, 2020 and thereafter	3,021,000
Total principal payments	4,481,000
Less: Deferred financing costs	(104,292)
Total debt	$4,376,708

Off-balance sheet arrangements

We do not have any off-balance sheet arrangements.

Recent developments

- On October 14, 2014, Ocean Rig Partners LP (the "MLP"), our wholly-owned subsidiary, filed a registration statement on Form F-1 with the SEC relating to a possible initial public offering of units in a majority-owned master limited partnership, which has been formed to own interests in equity securities or assets currently owned by certain of our subsidiaries. The completion of any such possible MLP initial public offering is subject to Company's Board authorization, market conditions and completion of the SEC filing and review process.

- On October 15, 2014, our Board of Directors declared a quarterly cash dividend with respect to the quarter ended September 30, 2014 of $0.19 per common share, to shareholders of record as of October 31, 2014 and has been paid by November 10, 2014.

- On October 17, 2014, we were awarded extensions of the drilling contracts for its two ultra deepwater drillships, the Ocean Rig Corcovado and the Ocean Rig Mykonos by Petróleo Brasileiro S.A. ("Petrobras") for drilling offshore Brazil. The term of each extension is for 1,095 days with a total combined revenue backlog of over $1.1 billion, excluding reimbursement by Petrobras for contract related equipment upgrades. The new contracts will commence in direct continuation from the end of the current agreements with Petrobras, in the first and second quarters of 2015, respectively.

- On October 20, 2014, we agreed to lend our parent company, DryShips, with up to $120 million of immediate liquidity through a short-term unsecured loan subject to documentation and a fairness opinion with regards to the financial aspects of the transaction.

Supplemental Information

Ocean Rig UDW Inc. and its Operating Subsidiaries

Adjustments to the calculation of Consolidated Net Income under the 7.25% Senior Unsecured Notes.

During the nine-months ended September 30, 2014, we estimate that we will not exceed $22.3 million of adjustments to the calculation of consolidated net income in connection with drydock, shipyard stay and special survey expenses for the drilling rigs and drillships of Ocean Rig.

Drill Rigs Holdings Inc. and its Operating Subsidiaries

Selected historical consolidated financial information and other data:

The following table sets forth certain financial and other data of Drill Rigs Holdings Inc., our wholly-owned subsidiary and the issuer of $800.0 million aggregate principal amount of 6.50% senior secured notes due 2017 (the "Senior Secured Notes") and each of its subsidiaries, that is a guarantor of the Senior Secured Notes (collectively "Drill Rigs Holdings"), at the dates and for the periods indicated, which are derived from the unaudited financial statements of Drill Rigs Holdings on a consolidated basis and were prepared by us for use in connection with certain reporting requirements set forth in the indenture governing the 6.5% Senior Secured Notes.

(Dollars in thousands)	Year ended December 31, 2013	Nine Months ended September 30, 2014
Total assets	$1,366,349	$1,294,027
Total debt, net of financing fees	(784,485)	(787,256)
Shareholders equity	(458,298)	(405,784)
Total cash and cash equivalents	87,007	10,723
Capital expenditures	$(77,265)	$(13,091)

(Dollars in thousands)	Nine Months ended September 30, 2013	Nine Months ended September 30, 2014
Total revenue	$295,327	$319,964
EBITDA	$159,916	$178,353

EBITDA reconciliation:

EBITDA represents net income before interest, taxes, depreciation and amortization and class survey costs. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by United States generally accepted accounting principles ("U.S. GAAP") and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included herein because it is a basis upon which Drill Rigs Holdings measures its operations and efficiency. EBITDA is also presented herein because Drill Rigs Holdings believes that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness.

(Dollars in thousands)	Nine Months Ended September 30,	
	2013	2014
Net income	$74,257	$90,561
Add: Net interest expense	28,784	27,416
Add: Depreciation and amortization	54,269	58,839
Add: Income taxes	2,606	1,537
EBITDA	$159,916	$178,353

Drillships Financing Holdings Inc. and its Operating Subsidiaries
Adjustments to the calculation of Consolidated Net Income under the $1.9 billion Term Loan B Facility.
During the nine-months ended September 30, 2014, we estimate that we will not exceed $22.3 million of adjustments to the calculation of consolidated net income in connection with drydock, shipyard stay and special survey expenses for the drilling rigs and drillships of Drillships Financing Holdings Inc.

Selected historical consolidated financial information and other data:
The following table sets forth certain financial and other data of Drillships Financing Holdings Inc., our wholly owned subsidiary and the issuer of $1.9 billion Term Loan B Facility(the "Term Loan B") and each of its subsidiaries, that is a guarantor of the Term Loan B (collectively "Drillships Financing Holdings Inc."), at the dates and for the periods indicated, which are derived from the unaudited financial statements of Drillships Financing Holdings on a consolidated basis and were prepared by us for use in connection with certain reporting requirements set forth in the indenture governing the $1.9 billion Term Loan B Facility.

	Year ended December 31, 2013	Nine Months ended September 30, 2014
(Dollars in thousands)		
Total assets	$3,328,778	$3,186,987
Total debt, net of financing fees	(1,839,171)	1,828,450
Shareholders equity	(1,325,114)	1,234,210
Total cash and cash equivalents	26,274	20,809
Capital expenditures	$(25,413)	(12,048)

	Nine Months ended September 30, 2013	Nine Months ended September 30, 2014
(Dollars in thousands)		
Total revenue	$482,979	$496,770
EBITDA	$265,598	$271,166

EBITDA reconciliation:
EBITDA represents net income before interest, taxes, depreciation and amortization and class survey costs. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by United States generally accepted accounting principles ("U.S. GAAP") and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included herein because it is a basis upon which Drillships Financing Holdings measures its operations and efficiency. EBITDA is also presented herein because Drillships Financing Holdings believes that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness.

(Dollars in thousands)	Nine Months Ended September 30,	
	2013	2014
Net income	$21,367	$90,427
Add: Net interest expense	108,449	45,159
Add: Depreciation and amortization	111,314	118,524
Add: Income taxes	24,468	17,056
EBITDA	$265,598	$271,166

Drillships Ocean Ventures Inc. and its Operating Subsidiaries

Adjustments to the calculation of Consolidated Net Income under the $1.3 billion Senior Secured Term Loan B Facility.

During the nine-months ended September 30, 2014, we estimate that we will not exceed $22.3 million of adjustments to the calculation of consolidated net income in connection with drydock, shipyard stay and special survey expenses for the drilling rigs and drillships of Drillships Ocean Ventures Inc.

Selected historical consolidated financial information and other data:

The following table sets forth certain financial and other data of Drillships Ocean Ventures Inc. our wholly-owned subsidiary and the issuer of $1.3 billion Senior Secured Term Loan B Facility (the "New Term Loan B") and each of its subsidiaries, that is a guarantor of the New Term Loan B (collectively "Drillships Ocean Ventures"), at the dates and for the periods indicated, which are derived from the unaudited financial statements of Drillships Ocean Ventures on a consolidated basis and were prepared by us for use in connection with certain reporting requirements set forth in the indenture governing the $1.3 billion New Term Loan B Facility.

	Year ended December 31, 2013	Nine Months ended September 30, 2014
(Dollars in thousands)		
Total assets	$2,043,068	$2,366,833
Total debt, net of financing fees	(875,665)	(1,269,174)
Shareholders equity	(932,603)	(891,391)
Total cash and cash equivalents	6,083	2,865
Capital expenditures	$1,001,447	389,472

	Nine Months ended September 30, 2013	Nine Months ended September 30, 2014
(Dollars in thousands)		
Total revenue	$ 2,232	$367,478
EBITDA	$ 5,956	$226,023

EBITDA reconciliation:

EBITDA represents net income before interest, taxes, depreciation and amortization and class survey costs. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by United States generally accepted accounting principles ("U.S. GAAP") and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included herein because it is a basis upon which Drillships Ocean Ventures measures its operations and efficiency. EBITDA is also presented herein because Drillships Ocean Ventures believes that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness.

(Dollars in thousands)	Nine Months Ended September 30,	
	2013	2014
Net income	$2,460	$39,393
Add: Net interest expense	(151)	113,729
Add: Depreciation and amortization	3,629	61,717
Add: Income taxes	18	11,184
EBITDA	$5,956	$226,023

Significant Accounting Policies

Other than those disclosed in the interim condensed consolidated financial statements, there have been no material changes to these policies in the nine-month period ended September 30, 2014.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. 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.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection therewith. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," and "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, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although we 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 our control, we cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors and matters discussed elsewhere in this document, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include factors related to:

future operating or financial results;

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 our 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;

changing taxation policies and other forms of government regulation and economic conditions that are beyond our control;

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

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

factors affecting our 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 factors listed from time to time in reports, registration statements and other materials that we file with the U.S. Securities and Exchange Commission, including the Company's most recently filed Annual Report on Form 20 –F.

We caution readers of this document not to place undue reliance on these forward-looking statements, which speak only as of their dates.

OCEAN RIG UDW INC.
INDEX TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

OCEAN RIG UDW INC.
Consolidated Balance Sheets
As of December 31, 2013 and September 30, 2014 (unaudited)
(Expressed in thousands of U.S. Dollars - except for share and per share data)

	December 31, 2013	September 30, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$605,467	$495,764
Restricted cash	3,561	1,397
Trade accounts receivable, net of allowance for doubtful receivables of $2,948 at December 31, 2013 and $3,247 at September 30, 2014	289,718	421,043
Due from related parties (Note 3)	-	59
Other current assets (Note 4)	110,971	112,717
Total current assets	1,009,717	1,030,980
FIXED ASSETS, NET:		
Advances for drillships under construction and related costs (Note 5)	662,313	592,204
Drilling rigs, drillships, machinery and equipment, net (Note 6)	5,777,025	6,287,005
Total fixed assets, net	6,439,338	6,879,209
OTHER NON-CURRENT ASSETS:		
Restricted cash	50,000	-
Financial instruments (Note 9)	13,517	13,984
Intangible assets, net	6,175	5,093
Other non-current assets (Note 7)	101,703	112,047
Total non-current assets, net	171,395	131,124
Total assets	$7,620,450	$8,041,313
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt, net of deferred financing costs (Note 8)	$85,401	$20,080
Accounts payable and other current liabilities	89,988	91,319
Accrued liabilities	214,137	177,266
Deferred revenue	123,862	140,688
Financial instruments (Note 9)	30,266	22,522
Total current liabilities	543,654	451,875
NON-CURRENT LIABILITIES		
Long term debt, net of current portion and deferred financing costs (Note 8)	3,907,835	4,356,628
Financial instruments (Note 9)	15,557	8,268
Deferred revenue	152,226	104,677
Other non-current liabilities	21,335	15,451
Total non-current liabilities	4,096,953	4,485,024
COMMITMENTS AND CONTINGENCIES (Note 14)		

STOCKHOLDERS' EQUITY:		
Preferred stock, $0.01 par value; 500,000,000 shares authorized at December 31, 2013 and September 30, 2014, nil issued and outstanding at December 31, 2013 and September 30, 2014	-	-
Common stock, $0.01 par value; 1,000,000,000 shares authorized, at December 31, 2013 and September 30, 2014, 131,875,128 and 132,017,178 issued and outstanding at December 31, 2013 and September 30, 2014, respectively (Note 10)	1,319	1,320
Additional paid-in capital	3,492,650	3,494,940
Accumulated other comprehensive loss	(23,454)	(23,234)
Accumulated deficit	(490,672)	(368,612)
Total stockholders' equity	2,979,843	3,104,414
Total liabilities and stockholders' equity	$7,620,450	$8,041,313

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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OCEAN RIG UDW INC.
Unaudited Interim Condensed Consolidated Statements of Operations
For the nine-month periods ended September 30, 2013 and 2014
(Expressed in thousands of U.S. Dollars - except for share and per share data)

	Nine-month period ended September 30, 2013	2014
REVENUES:		
Service revenue , net	$834,792	$ 1,317,711
Total Revenues	834,792	1,317,711
EXPENSES:		
Drilling rigs and drillships operating expenses	366,646	533,017
Depreciation and amortization (Note 6)	170,198	239,835
General and administrative expenses (Note 3)	85,686	96,915
Legal settlements and other, net	6,000	2,733
Operating income	206,262	445,211
OTHER INCOME / (EXPENSES):		
Interest and finance costs (Note 12)	(170,236)	(234,705)
Interest income	6,219	9,130
Gain/(loss) on interest rate swaps (Note 9)	11,000	(6,224)
Other, net	5,513	759
Total other expenses, net	(147,504)	(231,040)
INCOME BEFORE INCOME TAXES	58,758	214,171
Income taxes (Note 11)	(35,099)	(41,873)
NET INCOME ATTRIBUTABLE TO OCEAN RIG UDW INC.	$23,659	$ 172,298
NET INCOME ATTRIBUTABLE TO OCEAN RIG UDW INC. COMMON STOCKHOLDERS (Note 13)	$23,627	$ 171,802
EARNINGS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS, BASIC AND DILUTED (Note 13)	$0.18	$ 1.30
WEIGHTED AVERAGE NUMBER OF COMMON SHARES, BASIC AND DILUTED (Note 13)	131,715,545	131,832,444
Dividend declared per share	$-	$ 0.38

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

OCEAN RIG UDW INC.
Unaudited Interim Condensed Consolidated Statements of Comprehensive Income
For the nine-month periods ended September 30, 2013 and 2014
(Expressed in thousands of U.S. Dollars)

	Nine-month period ended September 30,	
	2013	2014
Net income	$23,659	$172,298
Other Comprehensive income:		
Reclassification of realized losses associated with capitalized interest to the Unaudited Interim Condensed Consolidated Statement of Operations, net	777	777
Actuarial gains/ (losses)	3,505	(557)
Total Other Comprehensive income	4,282	220
Total Comprehensive income	$27,941	$172,518

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

OCEAN RIG UDW INC.
Unaudited Interim Condensed Consolidated Statements of Cash Flows
For the nine-month periods ended September 30, 2013 and 2014
(Expressed in thousands of U.S. Dollars)

	Nine-month period ended September 30, 2013	2014
Net Cash Provided by Operating Activities	$131,682	$246,511
Cash Flows provided by/ (used in) Investing Activities:		
Advances for drillships under construction and related costs	(252,668)	(262,682)
Drilling rigs, drillships machinery, equipment and other improvements	(524,879)	(449,101)
Decrease in restricted cash	165,690	52,164
Net Cash Used in Investing Activities	(611,857)	(659,619)
Cash Flows Provided by / (used in) Financing Activities:		
Proceeds from short/long term credit facilities, term loans and senior notes	2,350,000	2,250,000
Principal payments and repayments of short/long-term debt and senior notes	(1,607,500)	(1,854,249)
Dividend paid	-	(50,206)
Payment of financing costs, net	(78,091)	(42,140)
Net Cash Provided by Financing Activities	664,409	303,405
Net decrease in cash and cash equivalents	(184,234)	(109,703)
Cash and cash equivalents at beginning of period	317,366	605,467
Cash and cash equivalents at end of period	$ 501,600	$495,764

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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OCEAN RIG UDW INC.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the nine-month periods ended September 30, 2013 and 2014
(Expressed in thousands of U.S. Dollars - except for share and per share data)

1. Basis of Presentation and General Information:
The accompanying unaudited interim condensed consolidated financial statements include the accounts of Ocean Rig UDW Inc., its subsidiaries and its consolidated Variable Interest Entities ("VIEs") (collectively, the "Company," "Ocean Rig UDW" or "Group"). Ocean Rig UDW was formed on December 10, 2007, under the laws of the Republic of the Marshall Islands under the name Primelead Shareholders Inc. The Company was established by DryShips Inc. ("DryShips" or "the Parent") for the purpose of being the holding company of its drilling segment. DryShips is currently impacted by the prolonged downturn in the drybulk charter market. The Company, in the preparation of its consolidated financial statements, has considered its relationship to its Parent and any impact its Parent's financial condition might have on its own consolidated financial statements. Based on its assessment, the Company has concluded that there is no impact on the basis of preparation of its consolidated financial statements.

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all the information and notes required by U.S. GAAP for complete financial statements. These statements and the accompanying notes should be read in conjunction with the Company's Annual Report on Form 20-F (File No. 001-35298) for the fiscal year ended December 31, 2013, filed with the SEC on February 21, 2014. These unaudited interim condensed consolidated financial statements have been prepared on the same basis as the Company's annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the periods presented. Operating results for the nine-month period ended September 30, 2014, are not necessarily indicative of the results that might be expected for the fiscal year ending December 31, 2014.

2. Significant Accounting Policies:
A discussion of the Company's significant accounting policies can be found in the Company's consolidated financial statements included in the Annual Report on Form 20-F for the fiscal year ended December 31, 2013, filed with the SEC on February 21, 2014 (the "Consolidated Financial Statements for the year ended December 31, 2013"). There have been no material changes to these policies in the nine-month period ended September 30, 2014.

New accounting pronouncements
Revenue from Contracts with Customers: The Financial Accounting Standards Board ("FASB") and the International Accounting Standards Board ("IASB") (collectively, the "Boards") jointly issued a standard in May 2014 that will supersede virtually all of the existing revenue recognition guidance in U.S. GAAP and International Financial Reporting Standards ("IFRS") and is effective for annual periods beginning on or after January 1, 2017. The standard establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The guidance in Accounting Standard Update ("ASU") 2014-09 Revenue from Contracts with Customers (Topic 606) supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance

throughout the Industry Topics of the Codification. Additionally, this ASU supersedes some cost guidance included in Subtopic 605-35, Revenue Recognition—Construction-Type and Production-Type Contracts. In addition, the existing requirements for the recognition of a gain or loss on the transfer of nonfinancial assets that are not in a contract with a customer are amended to be consistent with the guidance on recognition and measurement (including the constraint on revenue) in this ASU. Management is in the process of accessing the impact of the new standard on Company's financial position and performance.

Going Concern: In August 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-15–Presentation of Financial Statements - Going Concern. ASU 2014-15 provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 requires an entity's management to evaluate at each reporting period based on the relevant conditions and events that are known at the date of financial statements are issued, whether there are conditions or events, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued and to disclose the necessary information. ASU 2014-15 is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted.

OCEAN RIG UDW INC.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the nine-month periods ended September 30, 2013 and 2014
(Expressed in thousands of U.S. Dollars - except for share and per share data)

3. Transactions with Related Parties:

	December 31, 2013	September 30, 2014
Balance Sheet		
Due from related parties	$ -	$ 59
Advances for drillships under construction and related costs	$ 1,185	$ 1,546
Drilling rigs, drillships, machinery and equipment, net	$ 5,692	$ 2,885

	Nine-month period ended September 30,	
Statement of Operations	2013	2014
Service Revenue, net - Cardiff Drilling Inc.	$	