



DIAMOND
OFFSHORE

1996

In April 1996, Diamond Offshore acquired Arethusa (Offshore) Ltd. (including eight semisubmersibles and three jack-up rigs) with stock, reducing Loews' ownership in the company to 54 percent. Since that time, Loews' share in the company has remained constant, and the remaining public shares have been reduced through stock buybacks. In December 1996, Diamond Offshore sold its land division, Diamond M Onshore, to DI Industries, Inc.

+11 Rigs

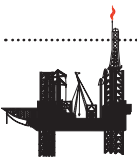
1995

Until October 1995, Diamond Offshore remained a wholly owned subsidiary of Loews Corp. Then Loews sold 30 percent of the company in an initial public offering, and Diamond Offshore began trading on the New York Stock Exchange under the ticker symbol "DO."



1980s

After the oil collapse of the 1980s, Kaneb was fighting bankruptcy. Jim Tisch of Loews Corp., New York, (a diversified holding company) had been buying drilling rigs at distress prices. He approached Diamond M's president, Bob Rose, in 1989 with an offer to buy a rig. Rose instead suggested that Tisch buy substantially all of the company's assets, which Tisch did.



1970

McMahon took his company public in 1970 and expanded into offshore waters with the building and purchase of jack-up, barge, and semisubmersible rigs. In the early 1970s, Diamond M was one of the largest owners of barge rigs in the energy industry. The company continued to drill both on land and offshore.

1960s

In the early 1960s, an onshore drilling company, Brewster-Bartle, went bankrupt. The banks that had become the owners of the company's rigs contacted Don McMahon, a Texas rancher and oil man, and asked him to take over the failed company. McMahon accepted the challenge and formed Diamond M Drilling Co. in 1964. He named the company after Diamond M Acres, his ranch near Simonton, Texas.



1950s

Zapata Petroleum Corp. was an oil exploration company formed in West Texas in the early 1950s by a partnership of young entrepreneurs, including George H.W. Bush (the 41st U.S. President), John Overbey, J. Hugh Liedtke, and his brother William (Bill) Liedtke.

The fledgling company formed an offshore exploration company, Zapata Off-Shore Co., in 1954, with Bush as its president. The company split in 1959 into Zapata Petroleum (headed by the Liedtke brothers and later to become a part of Pennzoil) and Zapata Off-Shore (headed by Bush). Zapata (Offshore) Co. sold 12 rigs to Arethusa (Offshore) Ltd. in 1990.



2019

All of the barge, platform, and land rigs acquired in earlier transactions have been sold, and additional semisubmersibles have been acquired. As a result, our fleet stands today at 16 rigs, consisting of 12 semis and four dynamically positioned drillships.

2013

All of the barge, platform, and land rigs acquired in earlier transactions have been sold, and additional semisubmersibles have been acquired. As a result, our fleet stands at 49 rigs, including 32 semis, 13 jack-up rigs and four dynamically positioned drillships.

49 Total Rigs

1992-1993

In an opportunistic transaction in 1992, Diamond M Corporation, under Loews' ownership, purchased all of the outstanding stock of ODECO Drilling Inc. from ODECO Oil and Gas Co., a subsidiary of Murphy Oil. Through the transaction, Diamond M acquired a total of 39 rigs – almost half of which remain in our fleet today. Among the 39 rigs were 19 semisubmersibles, 14 jack-ups, one drillship, three platform units and two submersibles. [Note: Diamond acquired only a 50 percent leasehold interest in the Ocean Alliance] The total price was approximately \$372 million, roughly half the cost of a single new-build deepwater semisubmersible today. Shortly thereafter, Diamond M Corp. briefly changed its name to Diamond M-ODECO Drilling Inc. before becoming Diamond Offshore Drilling, Inc., in 1993.

Revised Name +39 Rigs

1970s

In the late 1970s, Western Oceanic tendered an offer to buy Diamond M. Unwilling to be purchased, Diamond sought and found a "white knight" in Kaneb Services, Inc.



ODECO rigs continued to rack up "firsts" in the industry in the 1970s, with Ocean Viking discovering the giant Ecofisk Field for Phillips Petroleum in the North Sea, and Ocean Victory discovering the Piper and Claymore fields, also in the North Sea, for Occidental Petroleum.



Semisubmersible Rig

1964

After noticing the stability of submersible rigs when they were only partially submerged for relocation, Laborde designed and constructed the first purpose-built semisubmersible rig, Ocean Driller, in 1964.

1953

Diamond Offshore's roots date back to May 1953, when Alden J. (Doc) Laborde founded Ocean Drilling and Exploration Co. (ODECO) in New Orleans. Laborde had designed what was probably the first submersible drilling rig. After finding a financial backer in Charlie Murphy of Murphy Oil Co., a grateful Laborde built the rig in 1954 and named the unit Mr. Charlie in honor of his benefactor. Today, the Mr. Charlie is a museum and training facility in Morgan City, Louisiana.



*Mr. Charlie
Photo courtesy
of the International
Petroleum Museum
& Exposition
www.rigmuseum.com*