

**DIAMOND OFFSHORE DRILLING, INC. (DO) – Special Cash Dividend**

Ex - Distribution Date: 07/29/2010

**DESCRIPTION:**

Diamond Offshore Drilling, Inc. (DO) has announced a Special Cash Dividend of \$0.75 per DO Common Share payable to shareholders of record on Monday, August 2, 2010. The payable date is on Wednesday, September 1, 2010. Diamond Offshore has characterized this dividend as special and has distinguished it from the regular quarterly dividend payable on the same date. **The ex-distribution date for this special cash dividend will be Thursday, July 29, 2010.**

**Contract Adjustments:**

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), all Diamond Offshore Drilling, Inc. options below will be adjusted as follows.

<b>Adjustment Date:</b>	<b>Thursday, July 29, 2010</b>
<b>Option Symbol:</b>	<b>DO remains the same</b>
<b>Underlying Security:</b>	DO remains the same
<b>Contract Multiplier:</b>	1
<b>Strike Prices:</b>	Changed by reducing the existing strikes by <b>\$0.75</b>
<b>New Multiplier:</b>	100 (e.g. premium of 1.00 = \$100)
<b>New Deliverable:</b>	100 Diamond Offshore Drilling, Inc. (DO) Common Shares

**GTC Order Cancellation:**

On Wednesday, July 28, 2010, immediately after the BOX close, all resting orders for DO in the order book will be canceled by the BOX Market Operations Center. If a BOX Participant wishes to enter orders for the adjusted DO series, the BOX Participant will need to reenter the orders before the open on Thursday, July 29, 2010.

**Pricing Considerations:****Additional Exchange Info:**

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
DO	C/P	35.00	08/21/2010	DO	C/P	34.25	08/21/2010
DO	C/P	40.00	08/21/2010	DO	C/P	39.25	08/21/2010
DO	C/P	45.00	08/21/2010	DO	C/P	44.25	08/21/2010
DO	C/P	50.00	08/21/2010	DO	C/P	49.25	08/21/2010
DO	C/P	55.00	08/21/2010	DO	C/P	54.25	08/21/2010
DO	C/P	60.00	08/21/2010	DO	C/P	59.25	08/21/2010

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
DO	C/P	65.00	08/21/2010	DO	C/P	64.25	08/21/2010
DO	C/P	70.00	08/21/2010	DO	C/P	69.25	08/21/2010
DO	C/P	75.00	08/21/2010	DO	C/P	74.25	08/21/2010
DO	C/P	80.00	08/21/2010	DO	C/P	79.25	08/21/2010
DO	C/P	85.00	08/21/2010	DO	C/P	84.25	08/21/2010
DO	C/P	30.00	09/18/2010	DO	C/P	29.25	09/18/2010
DO	C/P	35.00	09/18/2010	DO	C/P	34.25	09/18/2010
DO	C/P	40.00	09/18/2010	DO	C/P	39.25	09/18/2010
DO	C/P	41.75	09/18/2010	DO	C/P	41.00	09/18/2010
DO	C/P	43.63	09/18/2010	DO	C/P	42.88	09/18/2010
DO	C/P	45.00	09/18/2010	DO	C/P	44.25	09/18/2010
DO	C/P	46.75	09/18/2010	DO	C/P	46.00	09/18/2010
DO	C/P	48.63	09/18/2010	DO	C/P	47.88	09/18/2010
DO	C/P	50.00	09/18/2010	DO	C/P	49.25	09/18/2010
DO	C/P	51.75	09/18/2010	DO	C/P	51.00	09/18/2010
DO	C/P	53.63	09/18/2010	DO	C/P	52.88	09/18/2010
DO	C/P	55.00	09/18/2010	DO	C/P	54.25	09/18/2010
DO	C/P	56.75	09/18/2010	DO	C/P	56.00	09/18/2010
DO	C/P	58.63	09/18/2010	DO	C/P	57.88	09/18/2010
DO	C/P	60.00	09/18/2010	DO	C/P	59.25	09/18/2010
DO	C/P	61.75	09/18/2010	DO	C/P	61.00	09/18/2010
DO	C/P	63.63	09/18/2010	DO	C/P	62.88	09/18/2010
DO	C/P	65.00	09/18/2010	DO	C/P	64.25	09/18/2010
DO	C/P	66.75	09/18/2010	DO	C/P	66.00	09/18/2010
DO	C/P	68.63	09/18/2010	DO	C/P	67.88	09/18/2010
DO	C/P	70.00	09/18/2010	DO	C/P	69.25	09/18/2010
DO	C/P	71.75	09/18/2010	DO	C/P	71.00	09/18/2010
DO	C/P	73.63	09/18/2010	DO	C/P	72.88	09/18/2010
DO	C/P	75.00	09/18/2010	DO	C/P	74.25	09/18/2010
DO	C/P	76.75	09/18/2010	DO	C/P	76.00	09/18/2010
DO	C/P	78.63	09/18/2010	DO	C/P	77.88	09/18/2010
DO	C/P	80.00	09/18/2010	DO	C/P	79.25	09/18/2010
DO	C/P	81.75	09/18/2010	DO	C/P	81.00	09/18/2010
DO	C/P	83.63	09/18/2010	DO	C/P	82.88	09/18/2010
DO	C/P	85.00	09/18/2010	DO	C/P	84.25	09/18/2010
DO	C/P	86.75	09/18/2010	DO	C/P	86.00	09/18/2010
DO	C/P	88.63	09/18/2010	DO	C/P	87.88	09/18/2010
DO	C/P	90.00	09/18/2010	DO	C/P	89.25	09/18/2010
DO	C/P	91.75	09/18/2010	DO	C/P	91.00	09/18/2010
DO	C/P	93.63	09/18/2010	DO	C/P	92.88	09/18/2010
DO	C/P	95.00	09/18/2010	DO	C/P	94.25	09/18/2010
DO	C/P	96.75	09/18/2010	DO	C/P	96.00	09/18/2010
DO	C/P	98.63	09/18/2010	DO	C/P	97.88	09/18/2010
DO	C/P	100.00	09/18/2010	DO	C/P	99.25	09/18/2010
DO	C/P	101.75	09/18/2010	DO	C/P	101.00	09/18/2010

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
DO	C/P	103.63	09/18/2010	DO	C/P	102.88	09/18/2010
DO	C/P	105.00	09/18/2010	DO	C/P	104.25	09/18/2010
DO	C/P	106.75	09/18/2010	DO	C/P	106.00	09/18/2010
DO	C/P	108.63	09/18/2010	DO	C/P	107.88	09/18/2010
DO	C/P	110.00	09/18/2010	DO	C/P	109.25	09/18/2010
DO	C/P	111.75	09/18/2010	DO	C/P	111.00	09/18/2010
DO	C/P	113.63	09/18/2010	DO	C/P	112.88	09/18/2010
DO	C/P	115.00	09/18/2010	DO	C/P	114.25	09/18/2010
DO	C/P	116.75	09/18/2010	DO	C/P	116.00	09/18/2010
DO	C/P	118.63	09/18/2010	DO	C/P	117.88	09/18/2010
DO	C/P	120.00	09/18/2010	DO	C/P	119.25	09/18/2010
DO	C/P	121.75	09/18/2010	DO	C/P	121.00	09/18/2010
DO	C/P	123.63	09/18/2010	DO	C/P	122.88	09/18/2010
DO	C/P	125.00	09/18/2010	DO	C/P	124.25	09/18/2010
DO	C/P	126.75	09/18/2010	DO	C/P	126.00	09/18/2010
DO	C/P	128.63	09/18/2010	DO	C/P	127.88	09/18/2010
DO	C/P	131.75	09/18/2010	DO	C/P	131.00	09/18/2010
DO	C/P	133.63	09/18/2010	DO	C/P	132.88	09/18/2010
DO	C/P	136.75	09/18/2010	DO	C/P	136.00	09/18/2010
DO	C/P	138.63	09/18/2010	DO	C/P	137.88	09/18/2010
DO	C/P	141.75	09/18/2010	DO	C/P	141.00	09/18/2010
DO	C/P	30.00	12/18/2010	DO	C/P	29.25	12/18/2010
DO	C/P	35.00	12/18/2010	DO	C/P	34.25	12/18/2010
DO	C/P	40.00	12/18/2010	DO	C/P	39.25	12/18/2010
DO	C/P	45.00	12/18/2010	DO	C/P	44.25	12/18/2010
DO	C/P	50.00	12/18/2010	DO	C/P	49.25	12/18/2010
DO	C/P	55.00	12/18/2010	DO	C/P	54.25	12/18/2010
DO	C/P	58.63	12/18/2010	DO	C/P	57.88	12/18/2010
DO	C/P	60.00	12/18/2010	DO	C/P	59.25	12/18/2010
DO	C/P	65.00	12/18/2010	DO	C/P	64.25	12/18/2010
DO	C/P	70.00	12/18/2010	DO	C/P	69.25	12/18/2010
DO	C/P	75.00	12/18/2010	DO	C/P	74.25	12/18/2010
DO	C/P	80.00	12/18/2010	DO	C/P	79.25	12/18/2010
DO	C/P	83.63	12/18/2010	DO	C/P	82.88	12/18/2010
DO	C/P	85.00	12/18/2010	DO	C/P	84.25	12/18/2010
DO	C/P	88.63	12/18/2010	DO	C/P	87.88	12/18/2010
DO	C/P	90.00	12/18/2010	DO	C/P	89.25	12/18/2010
DO	C/P	93.63	12/18/2010	DO	C/P	92.88	12/18/2010
DO	C/P	95.00	12/18/2010	DO	C/P	94.25	12/18/2010
DO	C/P	98.63	12/18/2010	DO	C/P	97.88	12/18/2010
DO	C/P	100.00	12/18/2010	DO	C/P	99.25	12/18/2010
DO	C/P	103.63	12/18/2010	DO	C/P	102.88	12/18/2010
DO	C/P	105.00	12/18/2010	DO	C/P	104.25	12/18/2010
DO	C/P	108.63	12/18/2010	DO	C/P	107.88	12/18/2010
DO	C/P	110.00	12/18/2010	DO	C/P	109.25	12/18/2010

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
DO	C/P	115.00	12/18/2010	DO	C/P	114.25	12/18/2010
DO	C/P	120.00	12/18/2010	DO	C/P	119.25	12/18/2010
DO	C/P	3.63	01/22/2011	DO	C/P	2.88	01/22/2011
DO	C/P	6.13	01/22/2011	DO	C/P	5.38	01/22/2011
DO	C/P	8.63	01/22/2011	DO	C/P	7.88	01/22/2011
DO	C/P	11.13	01/22/2011	DO	C/P	10.38	01/22/2011
DO	C/P	13.63	01/22/2011	DO	C/P	12.88	01/22/2011
DO	C/P	16.13	01/22/2011	DO	C/P	15.38	01/22/2011
DO	C/P	21.13	01/22/2011	DO	C/P	20.38	01/22/2011
DO	C/P	23.00	01/22/2011	DO	C/P	22.25	01/22/2011
DO	C/P	26.13	01/22/2011	DO	C/P	25.38	01/22/2011
DO	C/P	28.00	01/22/2011	DO	C/P	27.25	01/22/2011
DO	C/P	30.00	01/22/2011	DO	C/P	29.25	01/22/2011
DO	C/P	31.13	01/22/2011	DO	C/P	30.38	01/22/2011
DO	C/P	33.00	01/22/2011	DO	C/P	32.25	01/22/2011
DO	C/P	35.00	01/22/2011	DO	C/P	34.25	01/22/2011
DO	C/P	36.13	01/22/2011	DO	C/P	35.38	01/22/2011
DO	C/P	38.00	01/22/2011	DO	C/P	37.25	01/22/2011
DO	C/P	40.00	01/22/2011	DO	C/P	39.25	01/22/2011
DO	C/P	41.13	01/22/2011	DO	C/P	40.38	01/22/2011
DO	C/P	43.00	01/22/2011	DO	C/P	42.25	01/22/2011
DO	C/P	45.00	01/22/2011	DO	C/P	44.25	01/22/2011
DO	C/P	46.13	01/22/2011	DO	C/P	45.38	01/22/2011
DO	C/P	48.00	01/22/2011	DO	C/P	47.25	01/22/2011
DO	C/P	50.00	01/22/2011	DO	C/P	49.25	01/22/2011
DO	C/P	51.13	01/22/2011	DO	C/P	50.38	01/22/2011
DO	C/P	53.00	01/22/2011	DO	C/P	52.25	01/22/2011
DO	C/P	55.00	01/22/2011	DO	C/P	54.25	01/22/2011
DO	C/P	56.13	01/22/2011	DO	C/P	55.38	01/22/2011
DO	C/P	58.63	01/22/2011	DO	C/P	57.88	01/22/2011
DO	C/P	60.00	01/22/2011	DO	C/P	59.25	01/22/2011
DO	C/P	61.13	01/22/2011	DO	C/P	60.38	01/22/2011
DO	C/P	63.00	01/22/2011	DO	C/P	62.25	01/22/2011
DO	C/P	65.00	01/22/2011	DO	C/P	64.25	01/22/2011
DO	C/P	66.13	01/22/2011	DO	C/P	65.38	01/22/2011
DO	C/P	68.00	01/22/2011	DO	C/P	67.25	01/22/2011
DO	C/P	69.88	01/22/2011	DO	C/P	69.13	01/22/2011
DO	C/P	71.13	01/22/2011	DO	C/P	70.38	01/22/2011
DO	C/P	73.00	01/22/2011	DO	C/P	72.25	01/22/2011
DO	C/P	74.88	01/22/2011	DO	C/P	74.13	01/22/2011
DO	C/P	76.13	01/22/2011	DO	C/P	75.38	01/22/2011
DO	C/P	78.00	01/22/2011	DO	C/P	77.25	01/22/2011
DO	C/P	79.88	01/22/2011	DO	C/P	79.13	01/22/2011
DO	C/P	81.13	01/22/2011	DO	C/P	80.38	01/22/2011
DO	C/P	83.00	01/22/2011	DO	C/P	82.25	01/22/2011

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
DO	C/P	84.88	01/22/2011	DO	C/P	84.13	01/22/2011
DO	C/P	86.13	01/22/2011	DO	C/P	85.38	01/22/2011
DO	C/P	88.00	01/22/2011	DO	C/P	87.25	01/22/2011
DO	C/P	89.88	01/22/2011	DO	C/P	89.13	01/22/2011
DO	C/P	91.13	01/22/2011	DO	C/P	90.38	01/22/2011
DO	C/P	93.00	01/22/2011	DO	C/P	92.25	01/22/2011
DO	C/P	94.88	01/22/2011	DO	C/P	94.13	01/22/2011
DO	C/P	96.13	01/22/2011	DO	C/P	95.38	01/22/2011
DO	C/P	98.00	01/22/2011	DO	C/P	97.25	01/22/2011
DO	C/P	99.88	01/22/2011	DO	C/P	99.13	01/22/2011
DO	C/P	101.13	01/22/2011	DO	C/P	100.38	01/22/2011
DO	C/P	103.00	01/22/2011	DO	C/P	102.25	01/22/2011
DO	C/P	104.88	01/22/2011	DO	C/P	104.13	01/22/2011
DO	C/P	106.13	01/22/2011	DO	C/P	105.38	01/22/2011
DO	C/P	108.00	01/22/2011	DO	C/P	107.25	01/22/2011
DO	C/P	109.88	01/22/2011	DO	C/P	109.13	01/22/2011
DO	C/P	111.13	01/22/2011	DO	C/P	110.38	01/22/2011
DO	C/P	113.00	01/22/2011	DO	C/P	112.25	01/22/2011
DO	C/P	114.88	01/22/2011	DO	C/P	114.13	01/22/2011
DO	C/P	116.13	01/22/2011	DO	C/P	115.38	01/22/2011
DO	C/P	118.00	01/22/2011	DO	C/P	117.25	01/22/2011
DO	C/P	119.88	01/22/2011	DO	C/P	119.13	01/22/2011
DO	C/P	121.13	01/22/2011	DO	C/P	120.38	01/22/2011
DO	C/P	123.00	01/22/2011	DO	C/P	122.25	01/22/2011
DO	C/P	124.88	01/22/2011	DO	C/P	124.13	01/22/2011
DO	C/P	126.13	01/22/2011	DO	C/P	125.38	01/22/2011
DO	C/P	128.00	01/22/2011	DO	C/P	127.25	01/22/2011
DO	C/P	129.88	01/22/2011	DO	C/P	129.13	01/22/2011
DO	C/P	131.13	01/22/2011	DO	C/P	130.38	01/22/2011
DO	C/P	133.00	01/22/2011	DO	C/P	132.25	01/22/2011
DO	C/P	134.88	01/22/2011	DO	C/P	134.13	01/22/2011
DO	C/P	136.13	01/22/2011	DO	C/P	135.38	01/22/2011
DO	C/P	138.63	01/22/2011	DO	C/P	137.88	01/22/2011
DO	C/P	139.88	01/22/2011	DO	C/P	139.13	01/22/2011
DO	C/P	141.13	01/22/2011	DO	C/P	140.38	01/22/2011
DO	C/P	146.13	01/22/2011	DO	C/P	145.38	01/22/2011
DO	C/P	151.13	01/22/2011	DO	C/P	150.38	01/22/2011
DO	C/P	156.13	01/22/2011	DO	C/P	155.38	01/22/2011
DO	C/P	161.13	01/22/2011	DO	C/P	160.38	01/22/2011
DO	C/P	166.13	01/22/2011	DO	C/P	165.38	01/22/2011
DO	C/P	171.13	01/22/2011	DO	C/P	170.38	01/22/2011
DO	C/P	176.13	01/22/2011	DO	C/P	175.38	01/22/2011
DO	C/P	55.00	03/19/2011	DO	C/P	54.25	03/19/2011
DO	C/P	60.00	03/19/2011	DO	C/P	59.25	03/19/2011
DO	C/P	65.00	03/19/2011	DO	C/P	64.25	03/19/2011

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
DO	C/P	70.00	03/19/2011	DO	C/P	69.25	03/19/2011
DO	C/P	75.00	03/19/2011	DO	C/P	74.25	03/19/2011
DO	C/P	30.00	01/21/2012	DO	C/P	29.25	01/21/2012
DO	C/P	35.00	01/21/2012	DO	C/P	34.25	01/21/2012
DO	C/P	40.00	01/21/2012	DO	C/P	39.25	01/21/2012
DO	C/P	45.00	01/21/2012	DO	C/P	44.25	01/21/2012
DO	C/P	50.00	01/21/2012	DO	C/P	49.25	01/21/2012
DO	C/P	55.00	01/21/2012	DO	C/P	54.25	01/21/2012
DO	C/P	56.75	01/21/2012	DO	C/P	56.00	01/21/2012
DO	C/P	60.00	01/21/2012	DO	C/P	59.25	01/21/2012
DO	C/P	61.75	01/21/2012	DO	C/P	61.00	01/21/2012
DO	C/P	65.00	01/21/2012	DO	C/P	64.25	01/21/2012
DO	C/P	66.75	01/21/2012	DO	C/P	66.00	01/21/2012
DO	C/P	68.63	01/21/2012	DO	C/P	67.88	01/21/2012
DO	C/P	70.00	01/21/2012	DO	C/P	69.25	01/21/2012
DO	C/P	73.63	01/21/2012	DO	C/P	72.88	01/21/2012
DO	C/P	75.00	01/21/2012	DO	C/P	74.25	01/21/2012
DO	C/P	76.75	01/21/2012	DO	C/P	76.00	01/21/2012
DO	C/P	78.63	01/21/2012	DO	C/P	77.88	01/21/2012
DO	C/P	80.00	01/21/2012	DO	C/P	79.25	01/21/2012
DO	C/P	83.63	01/21/2012	DO	C/P	82.88	01/21/2012
DO	C/P	85.00	01/21/2012	DO	C/P	84.25	01/21/2012
DO	C/P	86.75	01/21/2012	DO	C/P	86.00	01/21/2012
DO	C/P	88.63	01/21/2012	DO	C/P	87.88	01/21/2012
DO	C/P	90.00	01/21/2012	DO	C/P	89.25	01/21/2012
DO	C/P	95.00	01/21/2012	DO	C/P	94.25	01/21/2012
DO	C/P	96.75	01/21/2012	DO	C/P	96.00	01/21/2012
DO	C/P	100.00	01/21/2012	DO	C/P	99.25	01/21/2012
DO	C/P	106.75	01/21/2012	DO	C/P	106.00	01/21/2012
DO	C/P	116.75	01/21/2012	DO	C/P	116.00	01/21/2012

**Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.**