

**DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES**  
**Non-GAAP Financial Measures and Reconciliations**  
**Adjusted Contract Drilling Revenue and Comparison to Prior Quarter**  
(In thousands)

	Three Months Ended		Change
	March 31, 2017	December 31, 2016	
<b>As reported contract drilling revenue</b> .....	\$ 363,557	\$ 384,646	(5)%
Revenue attributable to settlement of contractual dispute <sup>(1)</sup> .....	--	36,000	
<b>Adjusted contract drilling revenue</b> .....	<u>\$ 363,557</u>	<u>\$ 348,646</u>	4 %

<sup>(1)</sup> Management believes that contract drilling revenue, excluding a settlement received during the fourth quarter of 2016 in connection with a contractual dispute with a former customer, is useful to investors to assess and understand contract drilling revenue attributable to the continuing and normal operations of the Company, especially when comparing results with previous and subsequent periods. Management views contract drilling revenue as a key measure of financial performance in the Company's business.