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Diamond Offshore Drilling Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Your first question is from the line of Jeff Tillery with Tudor Pickering & Holt.

Jeff Tillery - Tudor, Pickering, Holt & Co., LLC

Hi, good morning.

Gary Krenek

Good morning.

Lawrence Dickerson

Good morning.

Jeff Tillery - Tudor, Pickering, Holt & Co., LLC

I wonder if you can just talk about the rig that was with the Oilexco; I see that somewhat still on the fleet status report. How is that handled, and do you the have ability remarket that rig at this time?

Lawrence Dickerson

I'll let John Gabriel make some commentary on the market. But, we're in a position, where we want to preserve our claims on that. However, we're... that we're not going to engage in that at the expense of having the rig just stack at the dock. Right now, it is at the dock. And replacement work in the Gulf of... in the North Sea is primarily driven right now on a worldwide basis with the desire to start time of most customers being sometime outside of the severe weather window, which would be starting in spring to summer.

Jeff Tillery - Tudor, Pickering, Holt & Co., LLC

And then could you just talk about the general marketing environment for your... is your report... (ph) 5000, where you've got the Star enrolling out in May of this year. Can you just talk about just generally where recently you're marketing those and what is your expectation on day rates?

John Gabriel

The only rig that we've got available is you mentioned is the Star; and I guess that's about May of this year. Our primary focus right now is Mexico. We have submitted a tender to Pemex for a three year job starting, I think late July, notionally of 2009. The bid is a matter of public record as is the day rate that we bid; it's been published.

That's our primary opportunity right now. I think we may see some more things start to develop here in the U.S. Gulf of Mexico, not long-term things at this juncture, but our primary focus right now is going to be trying to place the rig with Pemex.

Jeff Tillery - Tudor, Pickering, Holt & Co., LLC

And my last question: can you just discuss the opportunities in Mexico; I see this in the fleet status the Summit mentioned as some preparation time till go down there. And then you have two other rigs that rollup contracts kind of middle of this year down in Mexico?

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