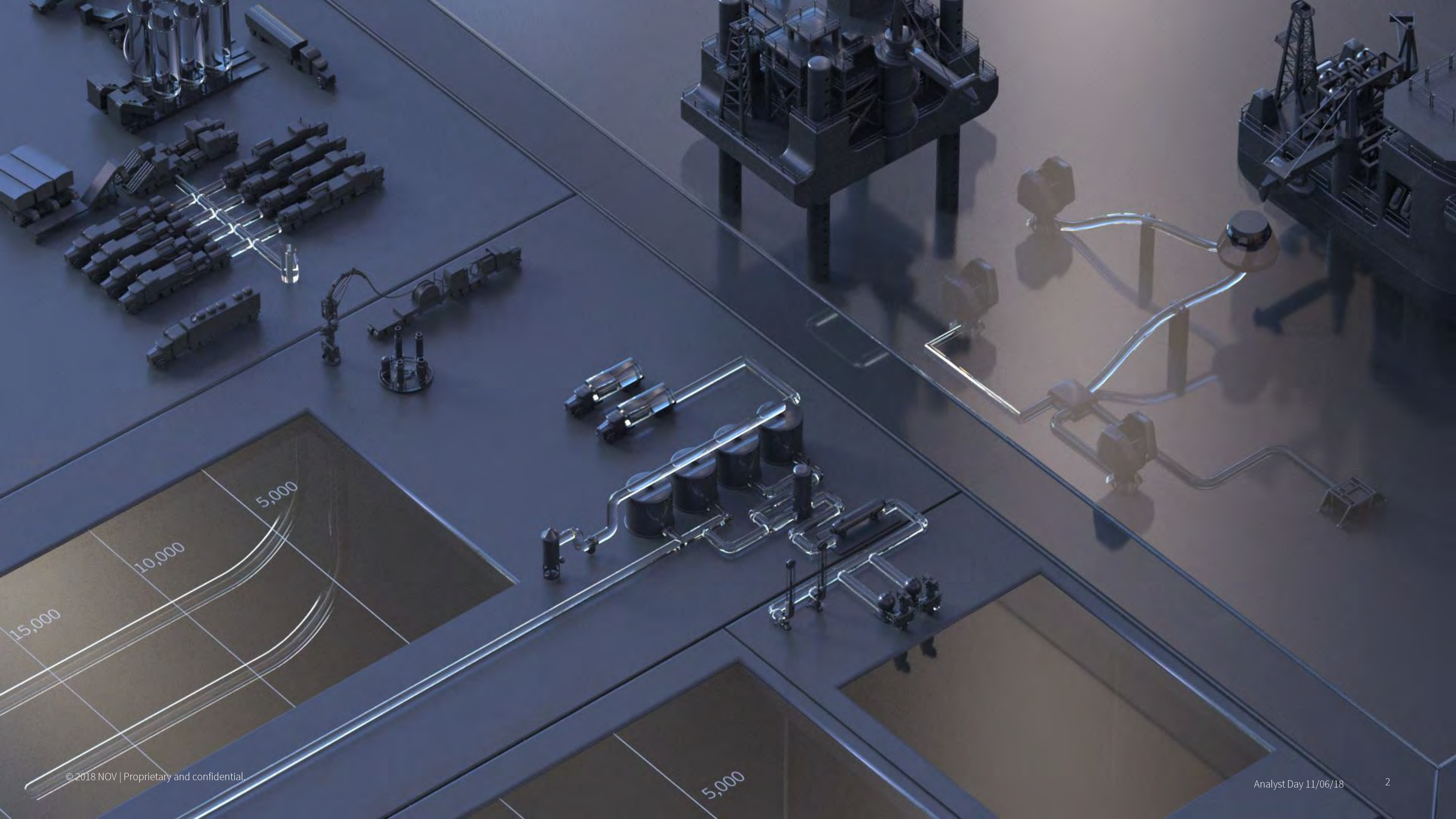
Kirk Shelton

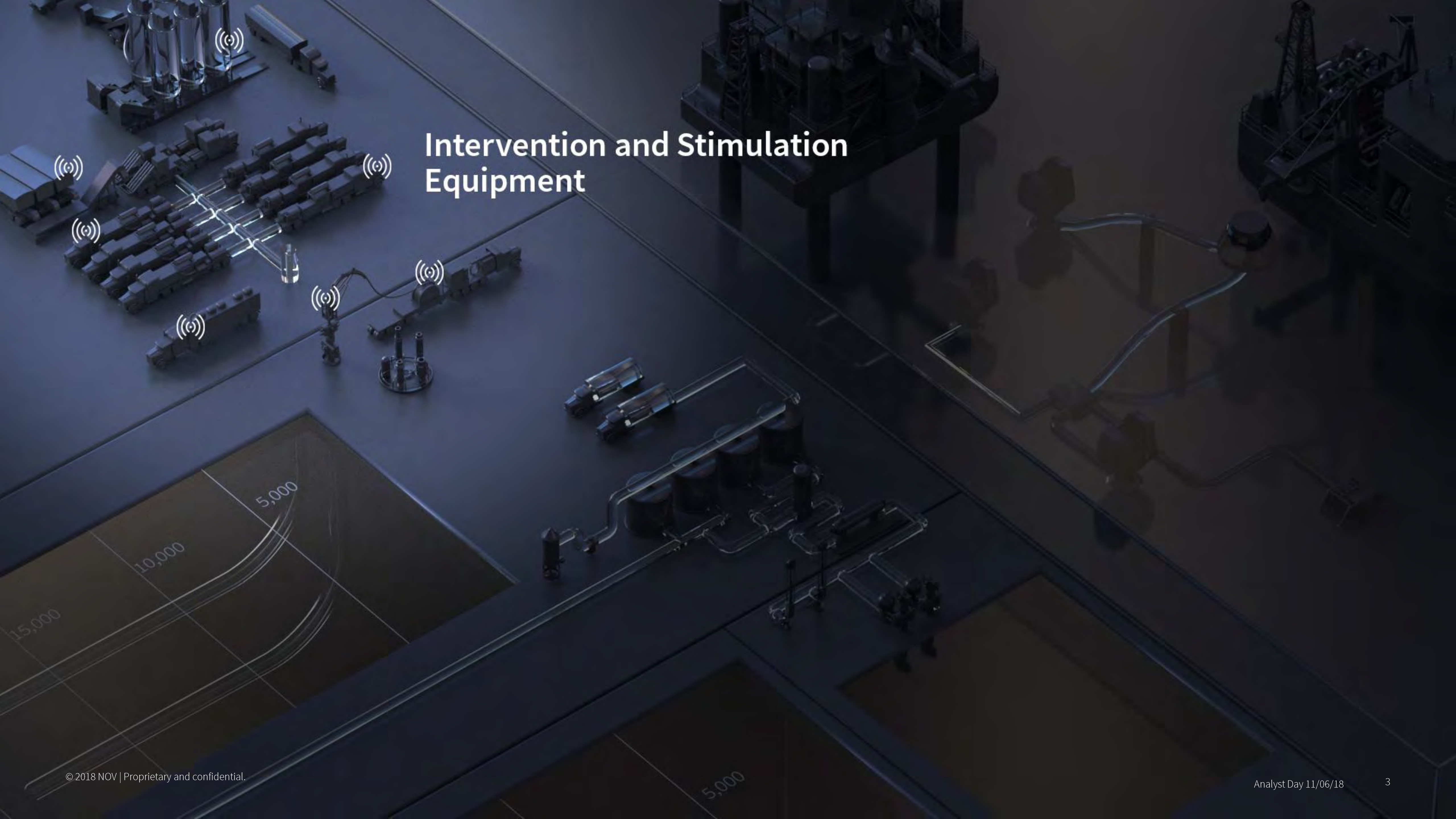
President, Completion & Production Solutions

NOV Completion & Production Solutions

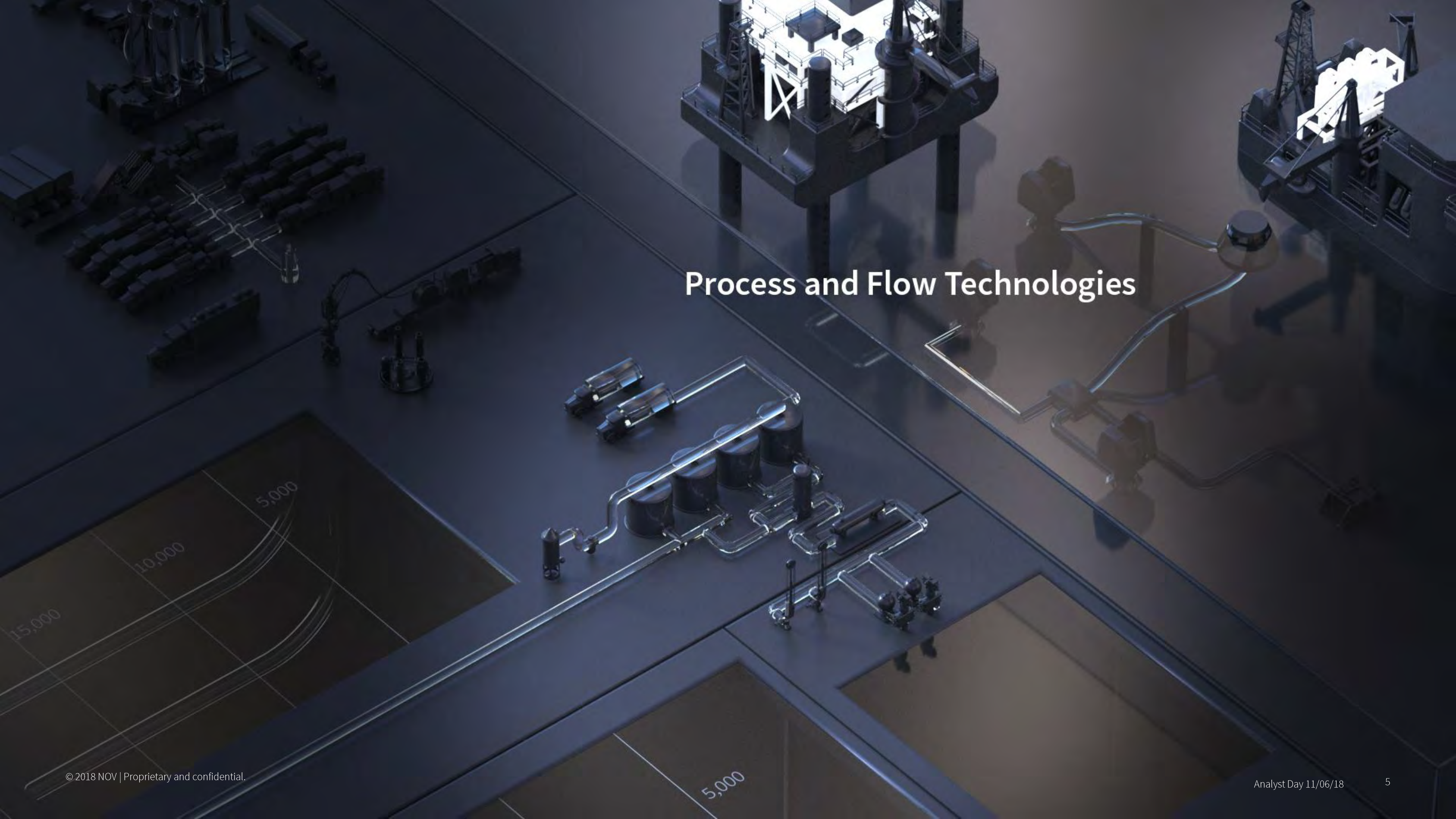
Statements made in the course of this presentation that state the Company's or management's intentions, hopes, beliefs, expectations or predictions of the future are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and may involve risks and uncertainties. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time-to-time in the Company's filings with the U.S. Securities and Exchange Commission (SEC). Any decision regarding the Company or its securities should be made upon careful consideration of not only the information here presented, but also other available information, including the information filed by the Company with the SEC. Copies of these filings may be obtained by contacting the Company or the SEC.


5,000
10,000
15,000
5,000

Intervention and Stimulation Equipment

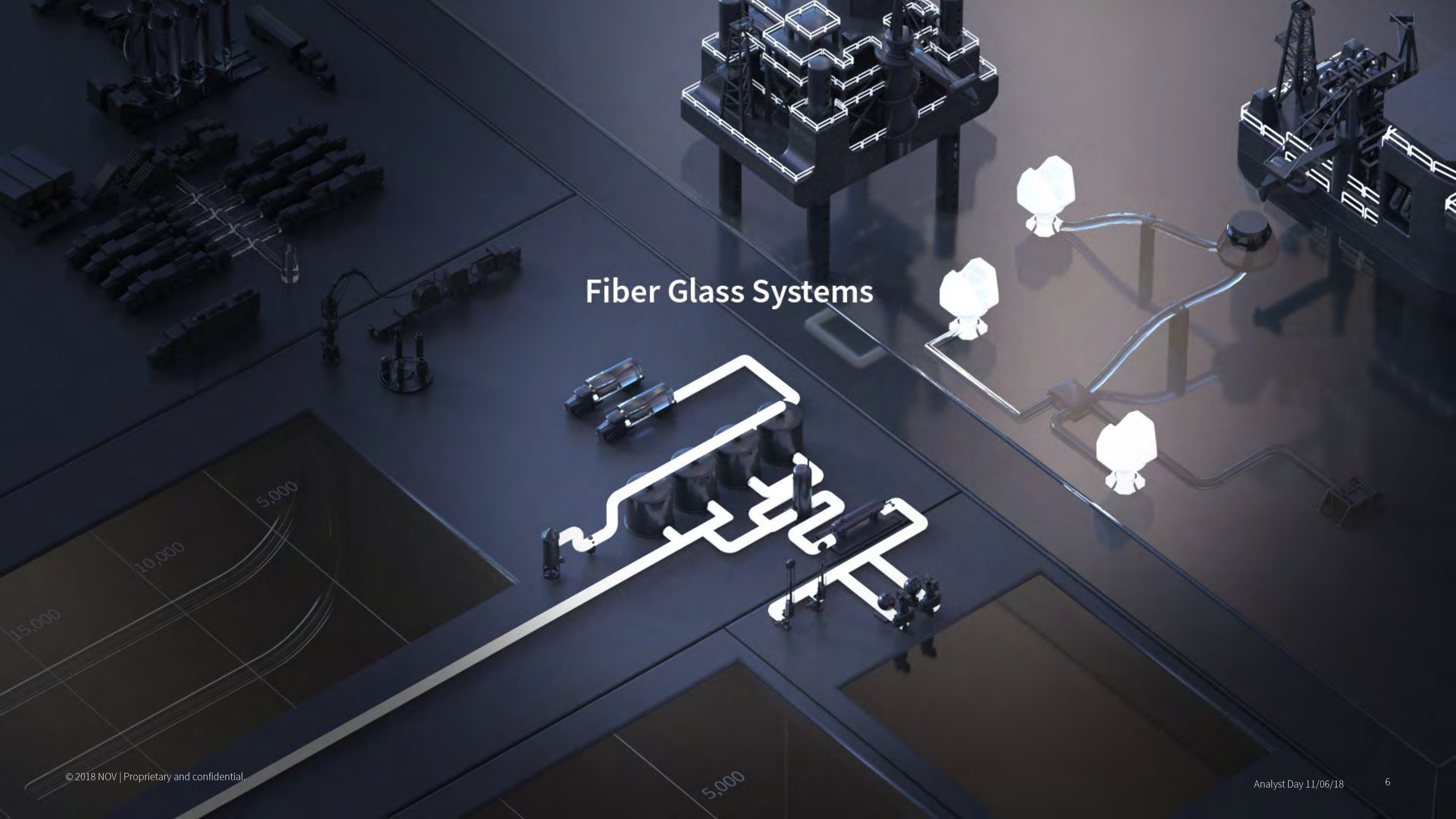


Completion Tools



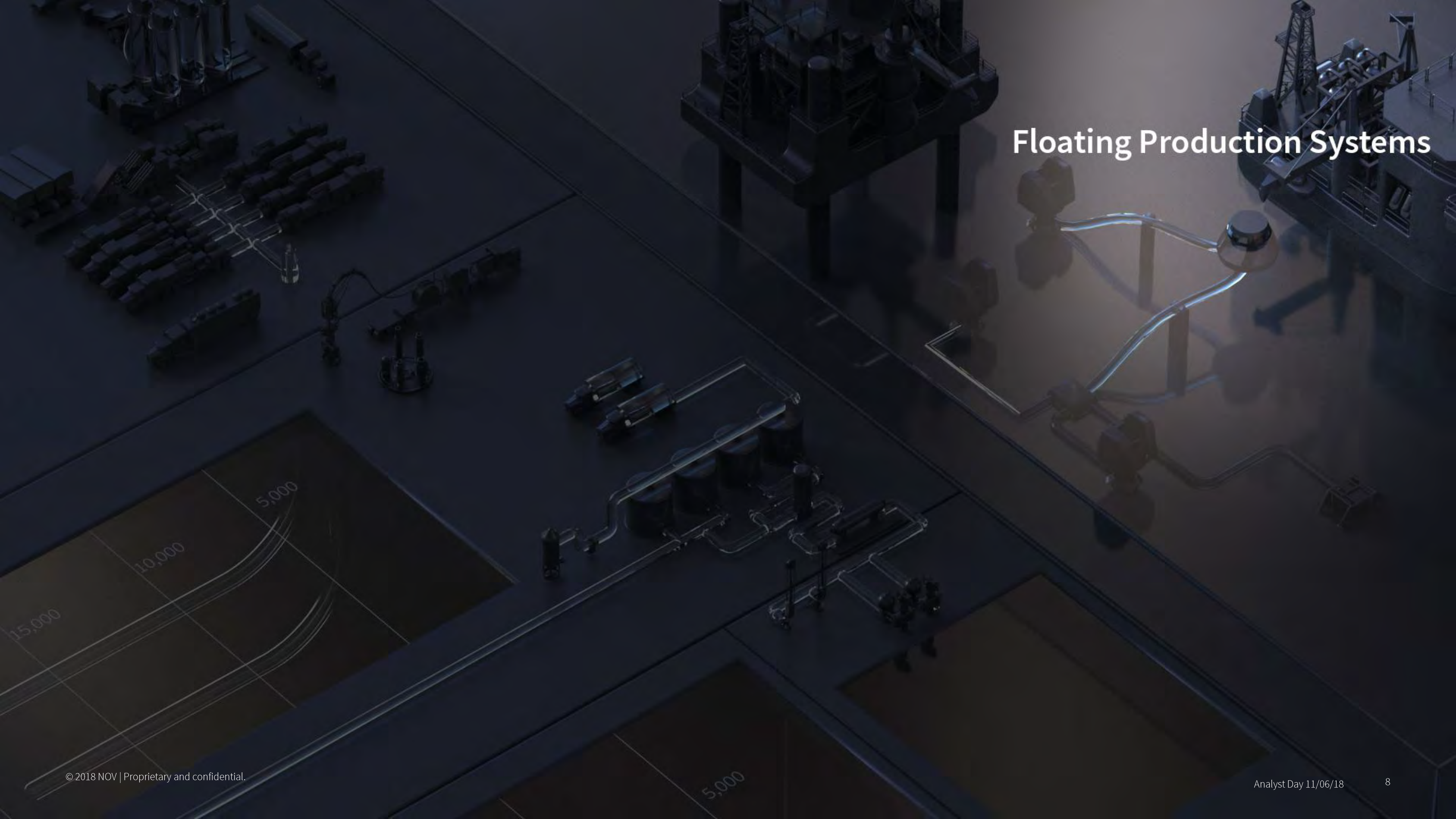
Process and Flow Technologies

Fiber Glass Systems

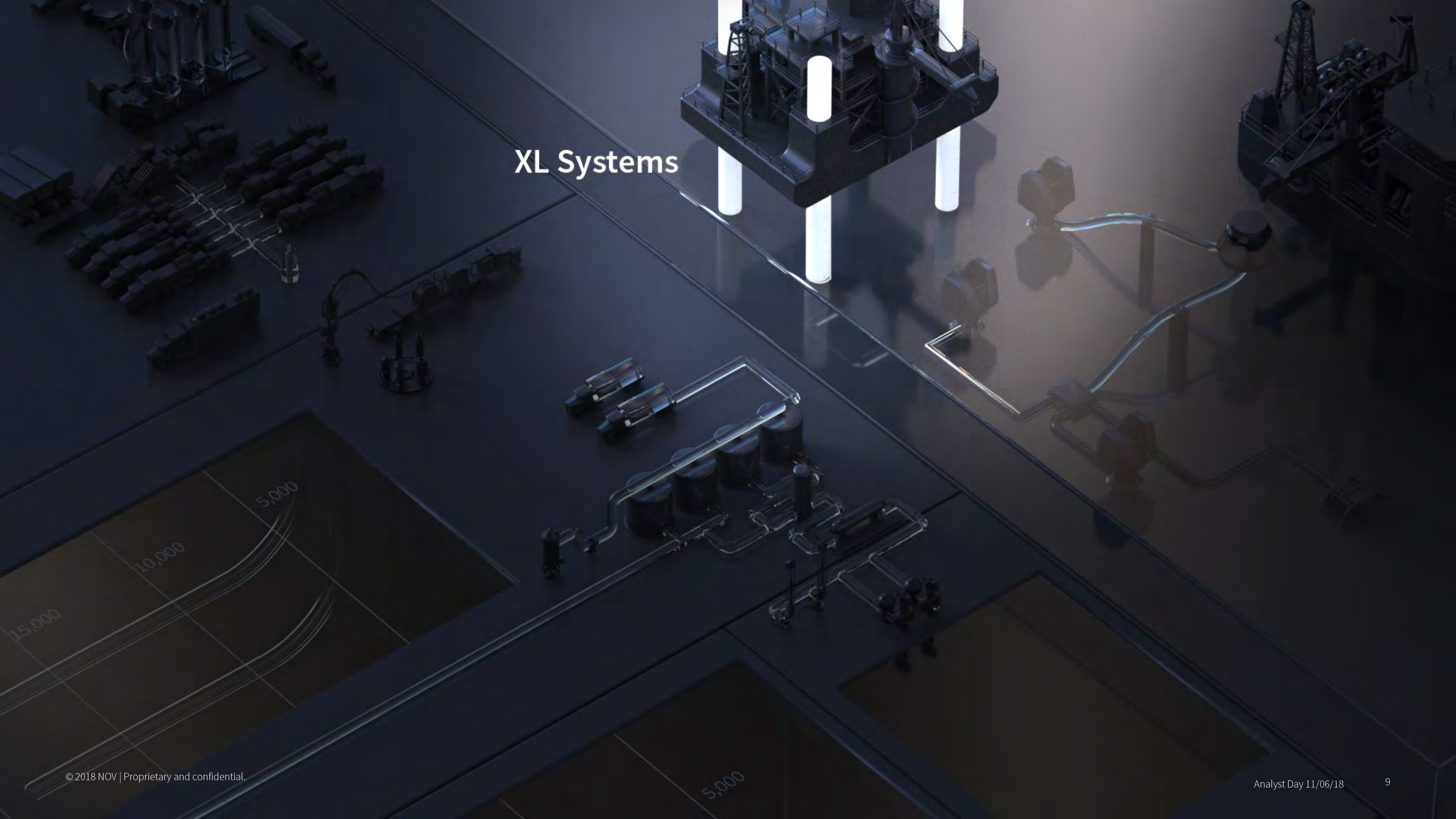


Subsea Production Systems

Floating Production Systems



XL Systems



Agenda

Segment Overview

Financials

Capitalizing on Completions

Onshore Production

Offshore Production

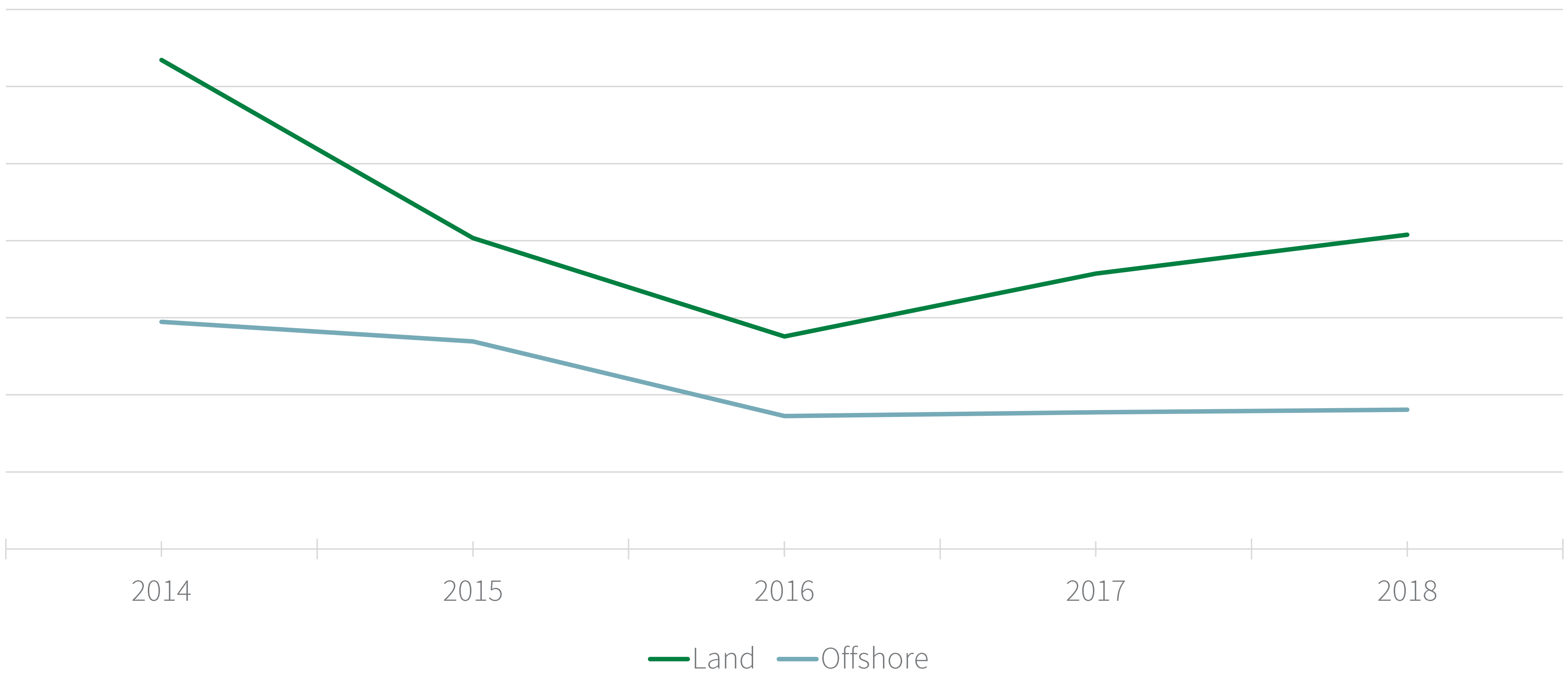
Our vision

Provide safe, efficient, innovative solutions to maximize the flow of hydrocarbons and direct discrete production streams everywhere our customers operate

Financial overview

	2014	2015	2016	2017	2018 YTD
Revenue ($MM)	4,645	3,365	2,241	2,672	2,143
EBITDA ($MM)	918	535	217	346	265
Ending Backlog ($MM)	1,780	969	818	1,065	880

Annual revenue trend



Capitalizing on completions

Intervention and Stimulation Equipment | Completion Tools

Trends

Longer laterals

More stages per well

More clusters per stage

More sand

More water

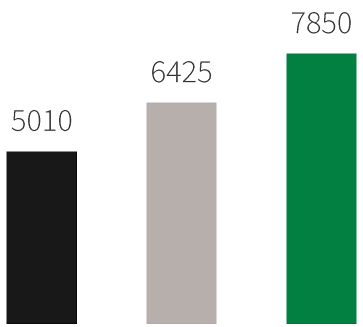
More pumping horsepower

Zipper fracs

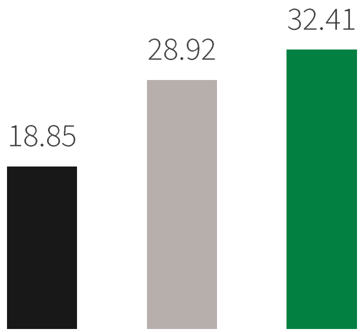
Multi-well pads

Increasingly complex completions

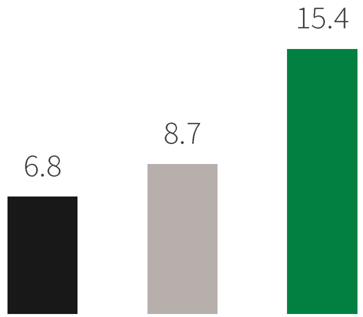
Avg. lateral length (ft)



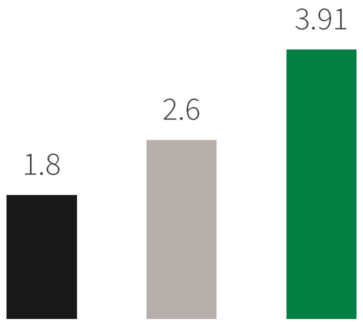
Avg. number of stages per well



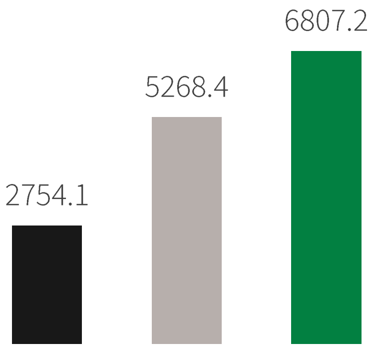
Avg. pumping intensity (billion HP-hr)



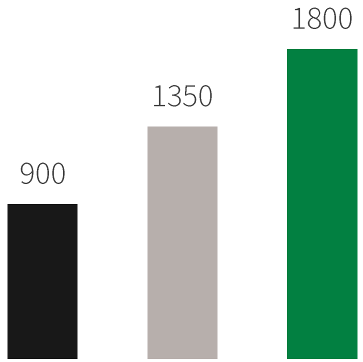
Frac water demand (billion bbl)



Avg. sand used per well (tons)



Avg. proppant intensity (lb/ft)

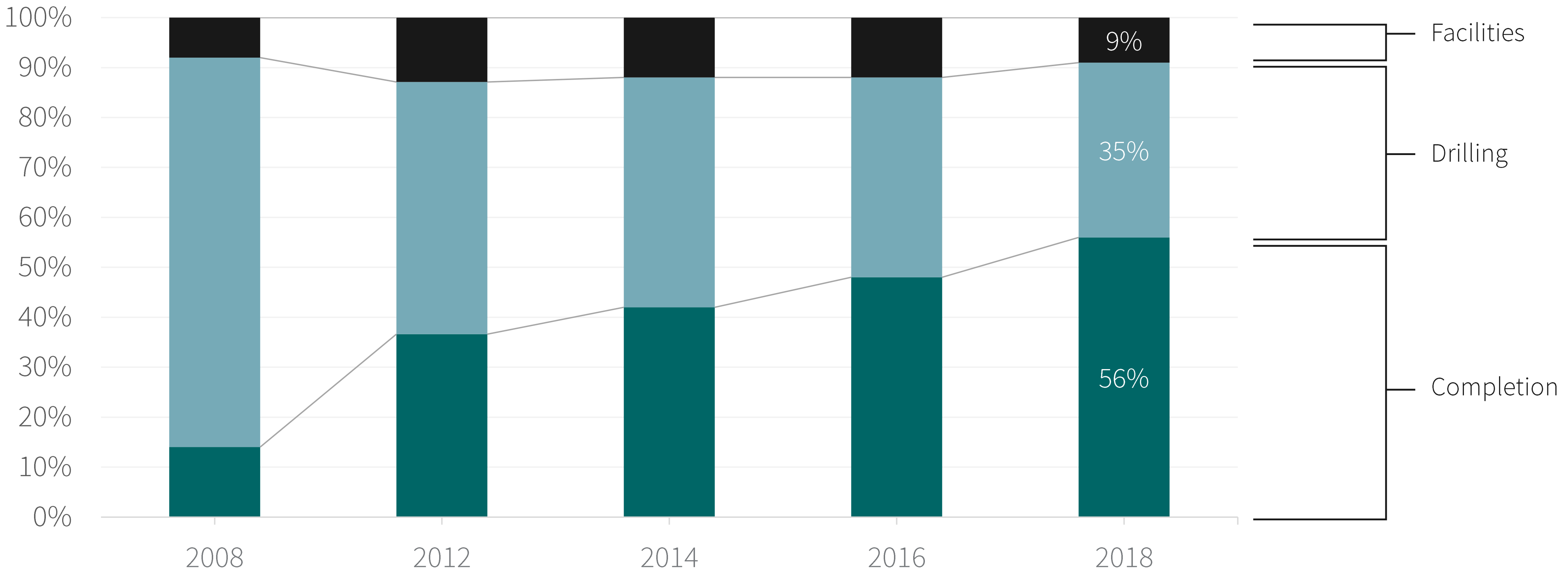


Sources: IHS, NOV analysis

■ 2010-2014 ■ 2015-2017 ■ 2018

Avg. shale well cost—“drilling vs. completion vs. facilities”

Completion cost as a % of overall well cost has been trending higher over the last few years



Source: Rystad Energy

US frac supply (in HHP) driving new/refurb equipment sales

Yearly estimates from 2018 to 2022 capture fleet growth, replacement, and refurbishment

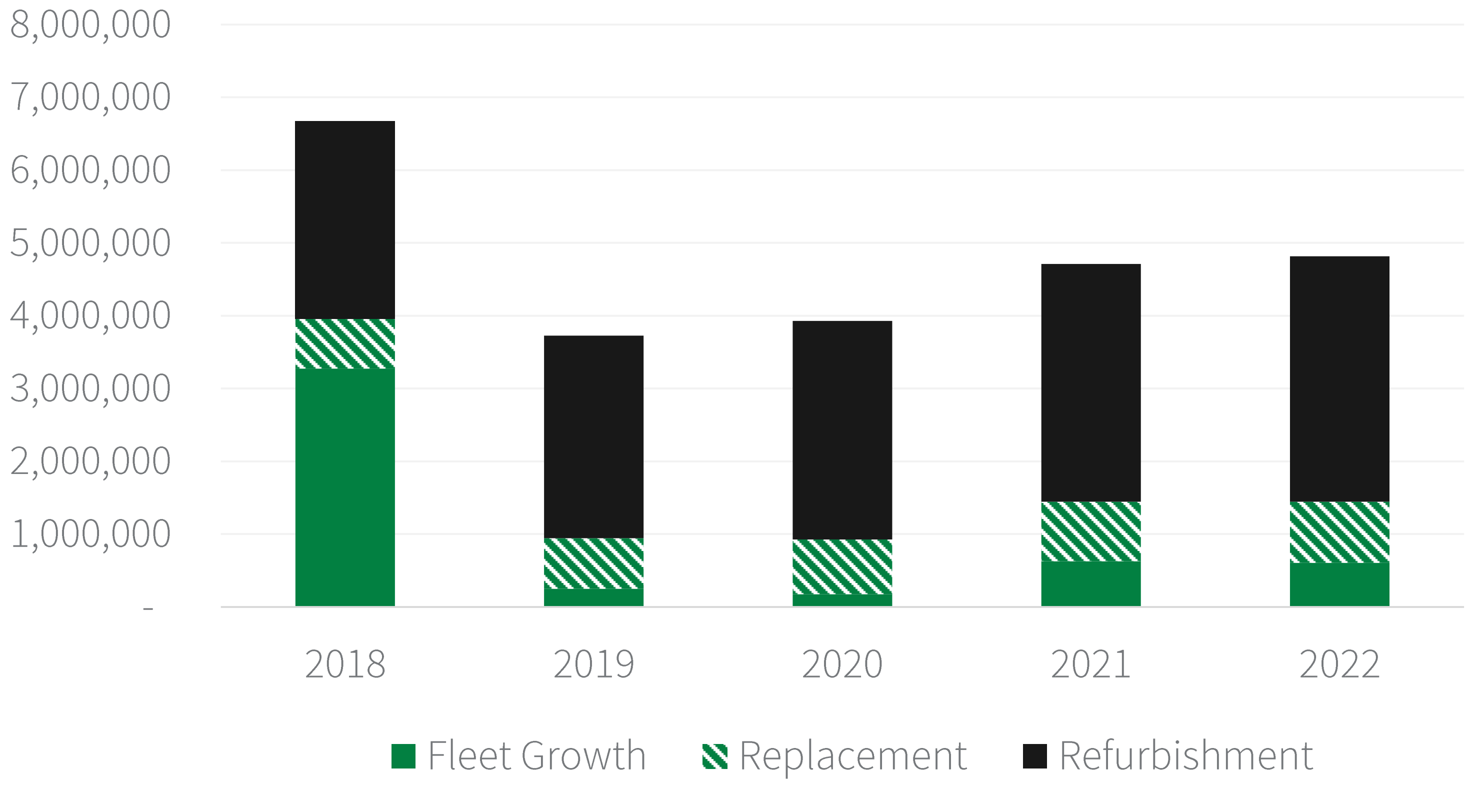
Fleet growth

+

Replacement

+

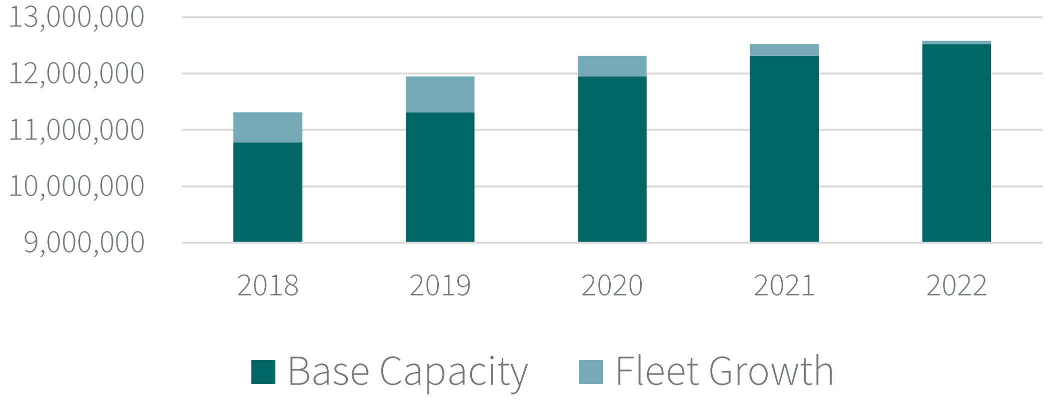
Refurbishment

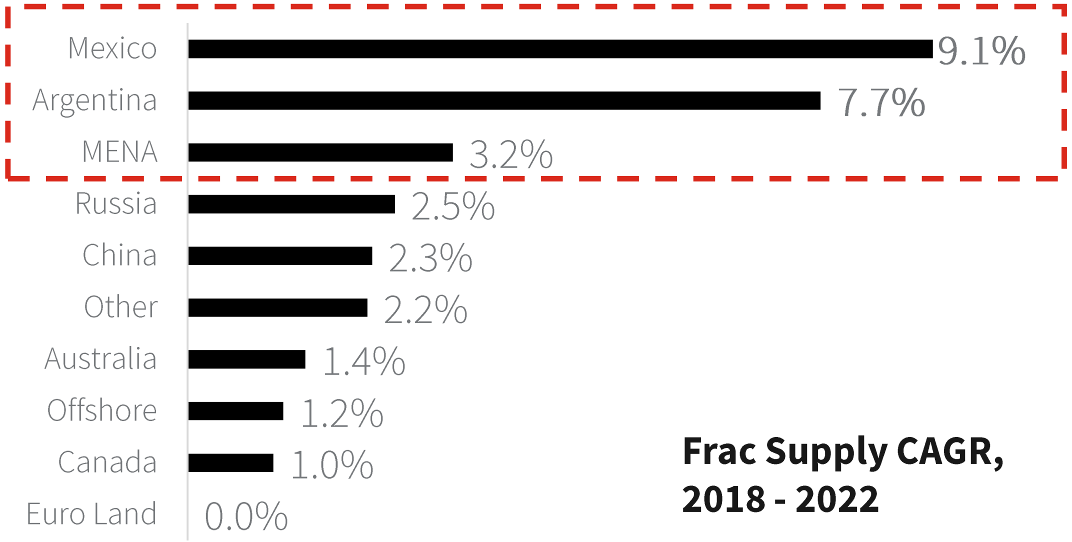


Sources: IHS, NOV analysis

International frac supply, end of year HHP

Non-U.S. frac supply averages ~33% of the global supply from 2018 to 2022



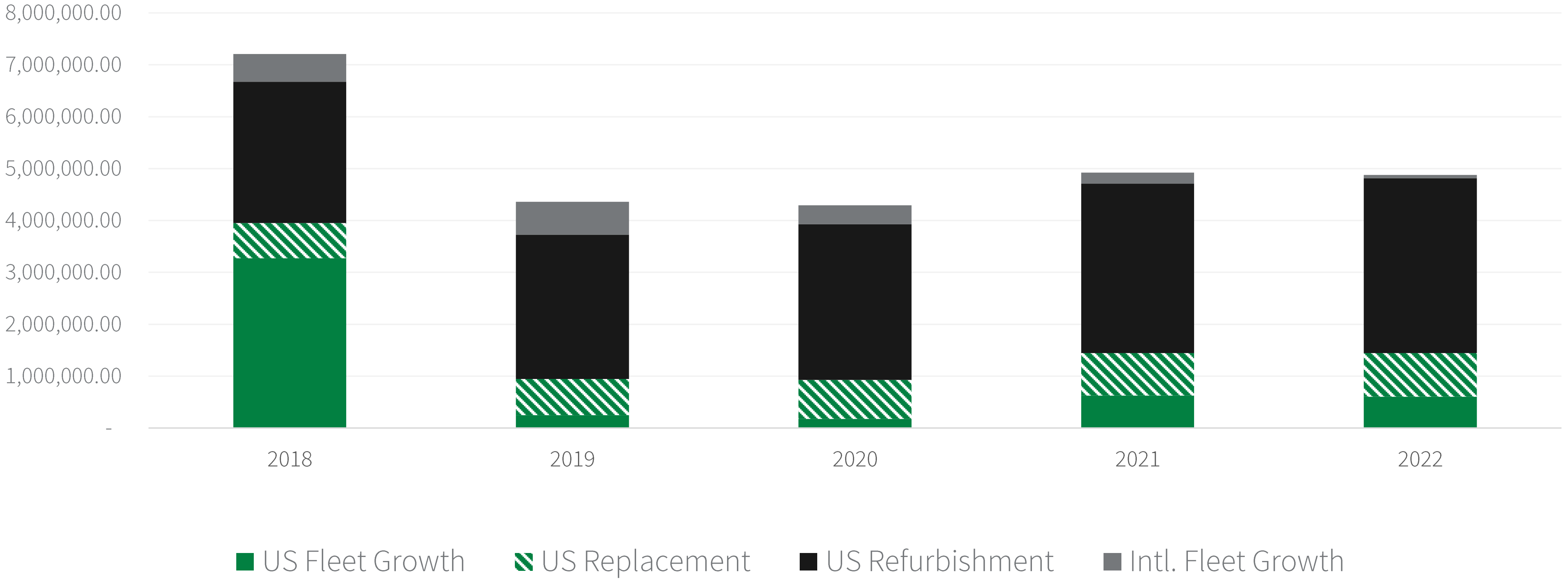


Frac Supply CAGR, 2018 - 2022

Sources: IHS, NOV analysis

Overall frac supply (HHP) opportunity – U.S. and International

Fleet growth estimates from IHS Markit. Internal estimates for U.S. replacement and refurbishment



Sources: IHS, NOV analysis


Flowline
Valves and fluid ends
LEGEND
ENERGY
SERVICES

"There are numerous equipment suppliers in the industry, but no other can provide state of the art coiled tubing units and high-quality frac spreads that can withstand the service intensity required by current completion designs. Having a single source of standardized equipment allows Legend to streamline its operations and maximize efficiencies which creates value for customers and our shareholders."

Trey Ingram
CEO, Legend Energy Services

Frac horsepower

2,735,000+

Frac process units

759+

The "new normal"

Capitalizing on completions

How is equipment responding to trends?

Coiled tubing units

1,654+

Injectors

2,400+

Coiled tubing (ft)

600,000,000+

iMaxx™ Wireline Truck

Wireline units

5,000+

Industry pain points

"Surge" pricing due to delays in unloading

Dust Control (OSHA regulations)

Limits to well site footprint

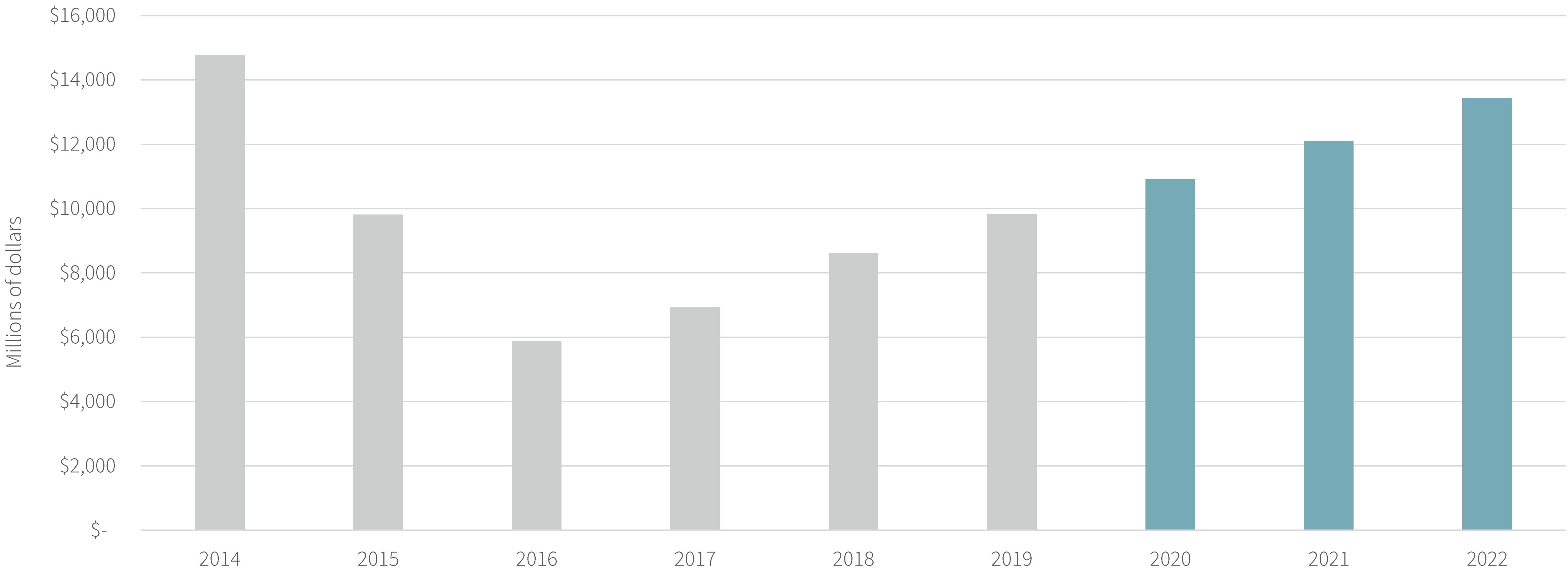
Duration of sand transport

HSE risks due to traffic, personnel on site

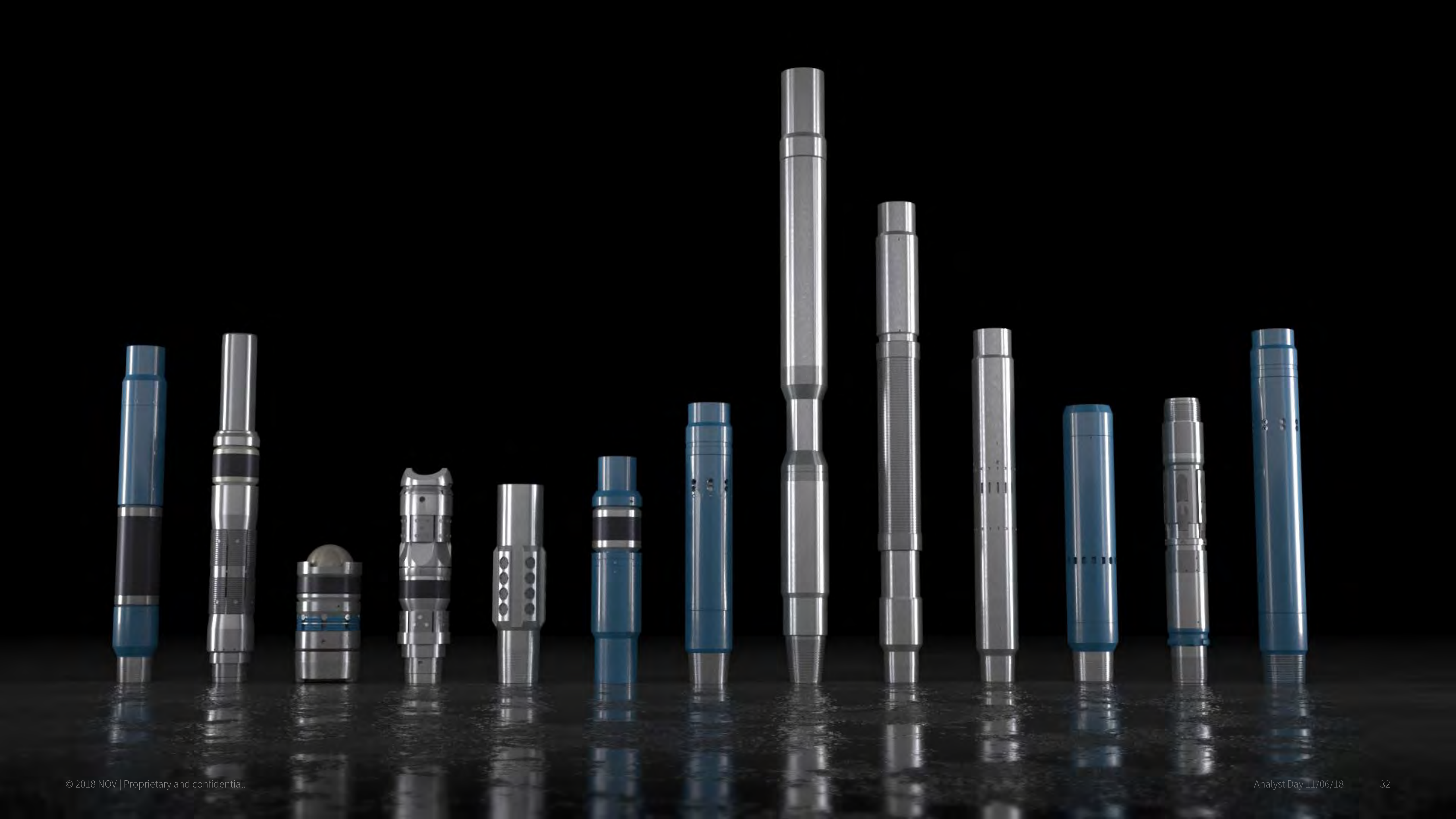
Completion Tools

Global completion tools market

Estimates for 2014 to 2019 from Spears. Internal projections for 2020 to 2022

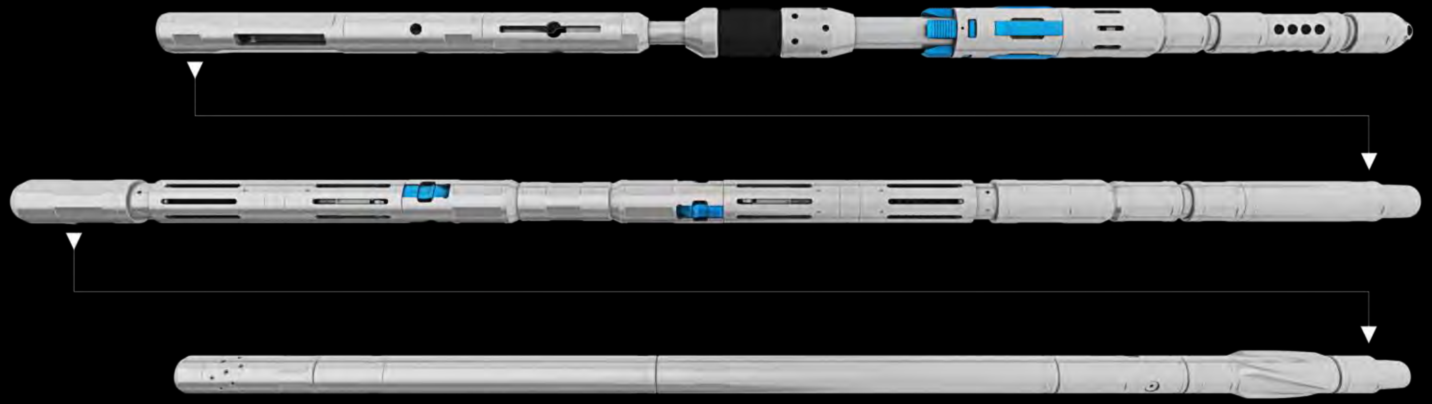


Source: NOV analysis



Plug and perf

Setter™ Frac Plug
Rottweiler™ Frac Plug



Annular frac

Bulldog™ System

Toe valves

BPS™ Burst Port System


Frac sleeves
15,000+


BPS toe valves
22,000+

Onshore production

Process and Flow Technologies | Fiber Glass Systems

Trends

Increase in produced water

Water disposal

Increase spend on water management

Trucking logistics and infrastructure

Pipeline construction

More centralized facilities

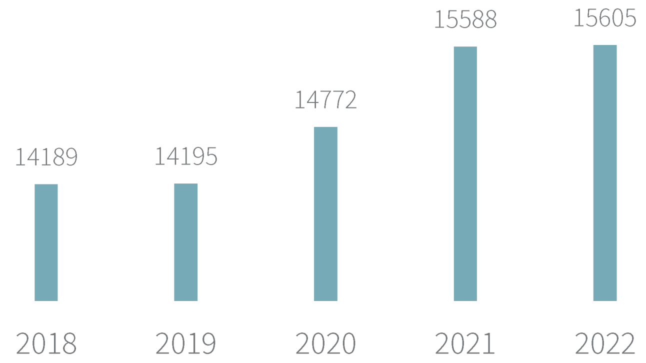
Multi-well pads

More sand

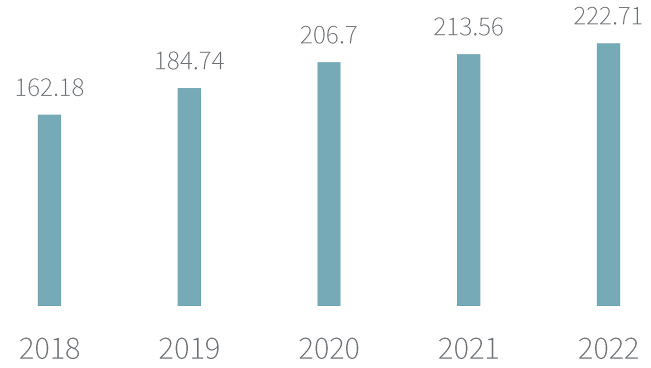
Demands on production infrastructure

Onshore U.S. projections for the next few years

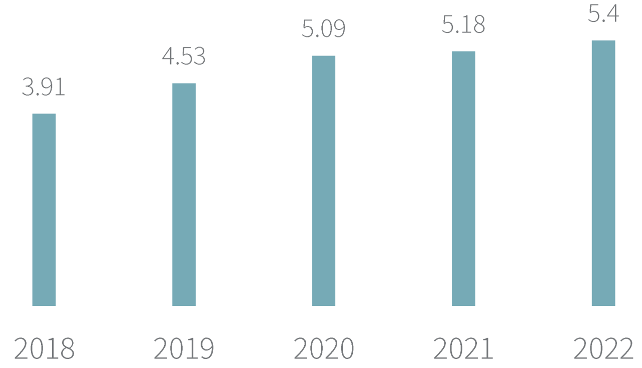
US horizontal wells fracked



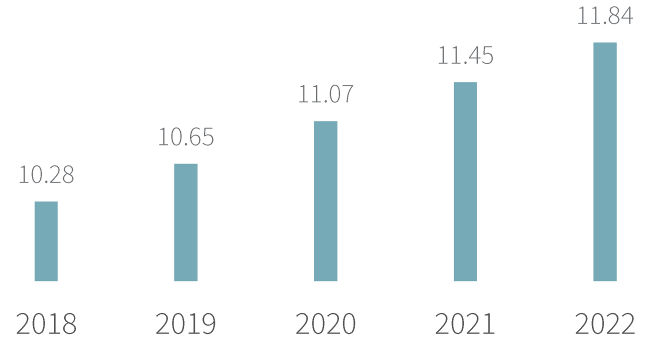
Proppant demand (billion lb)



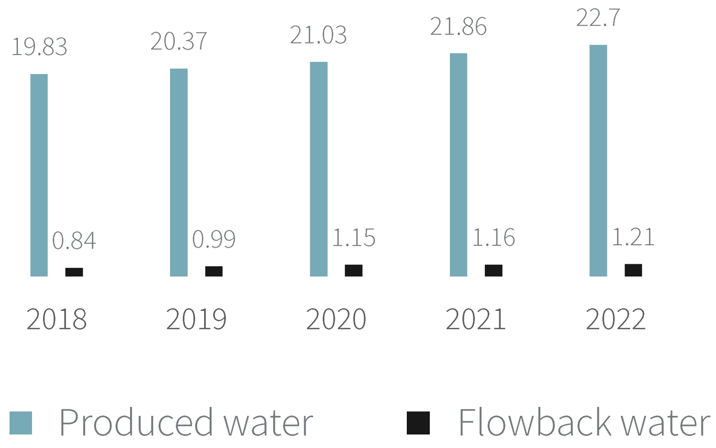
Frac water demand (billion bbl)



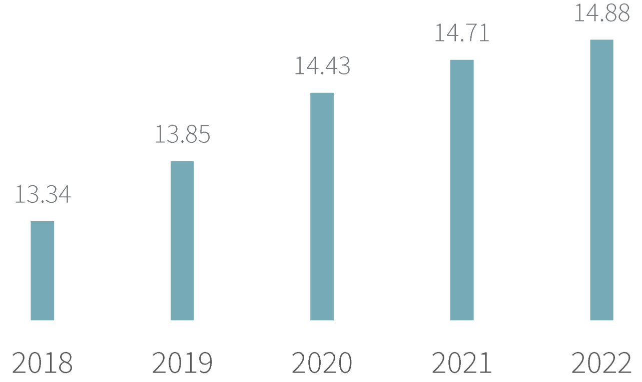
Disposed flowback & produced water (billion bbl)



Produced & flowback water volumes (billion bbl)



Water hauling (trucking) market ($B)



Source: IHS

From fracking to production

Reciprocating pumps

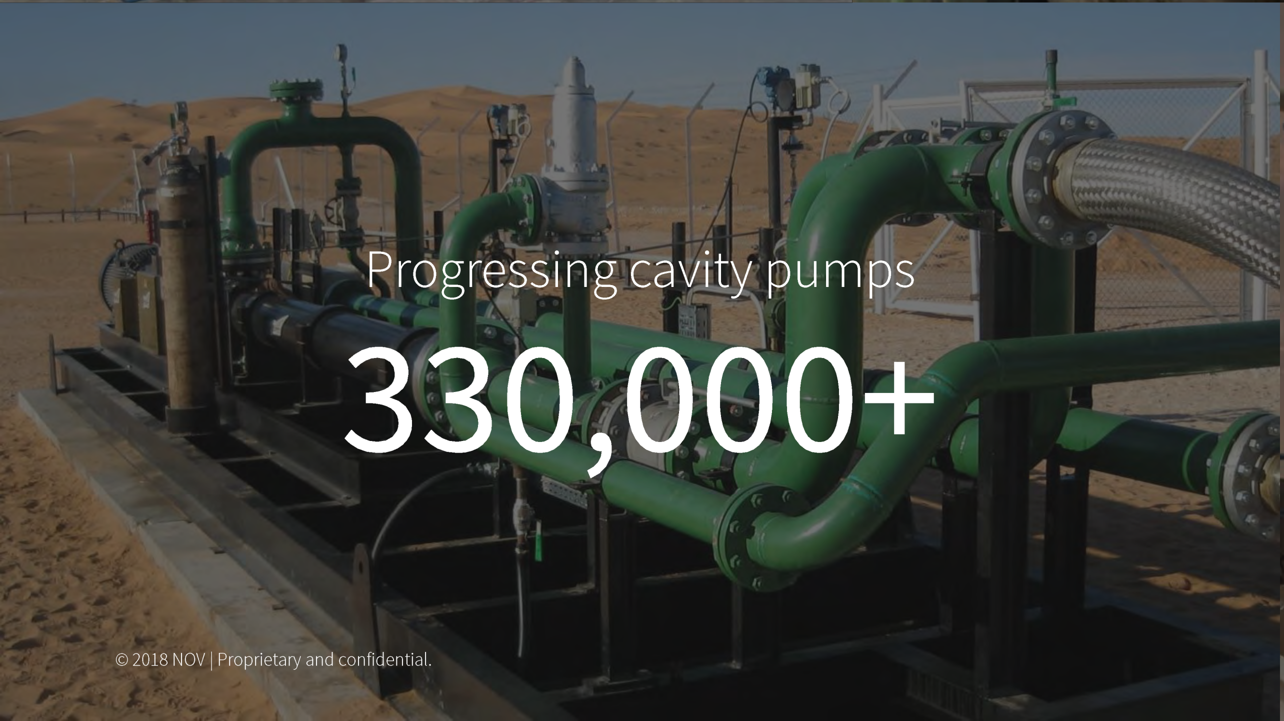
75,000+

Chokes

18,000+

Separators

2,000+



Progressing cavity pumps

330,000+

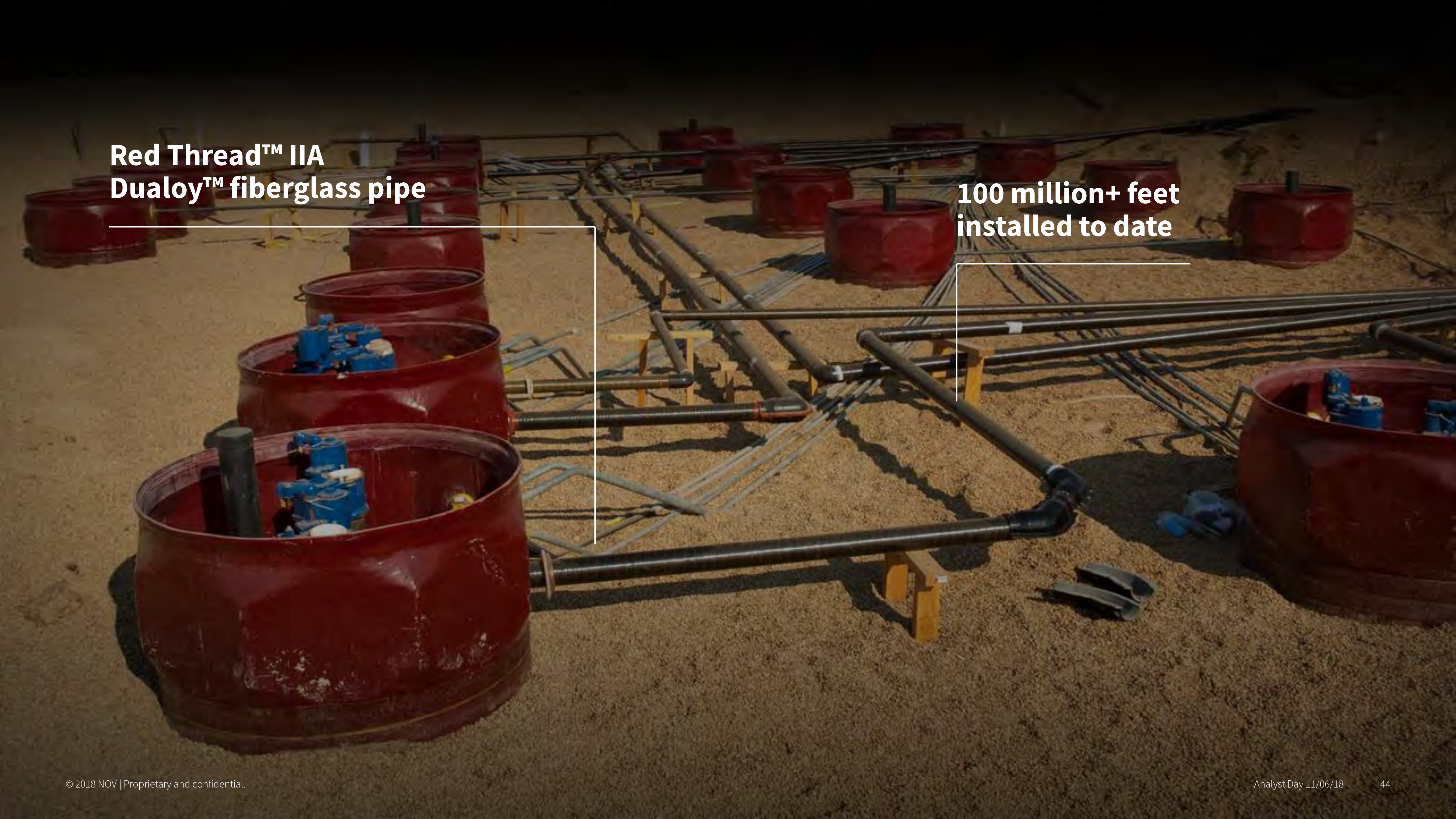
Spherical sand traps

400+

STAR Super Seal™ and
Bondstrand™ fiberglass pipe

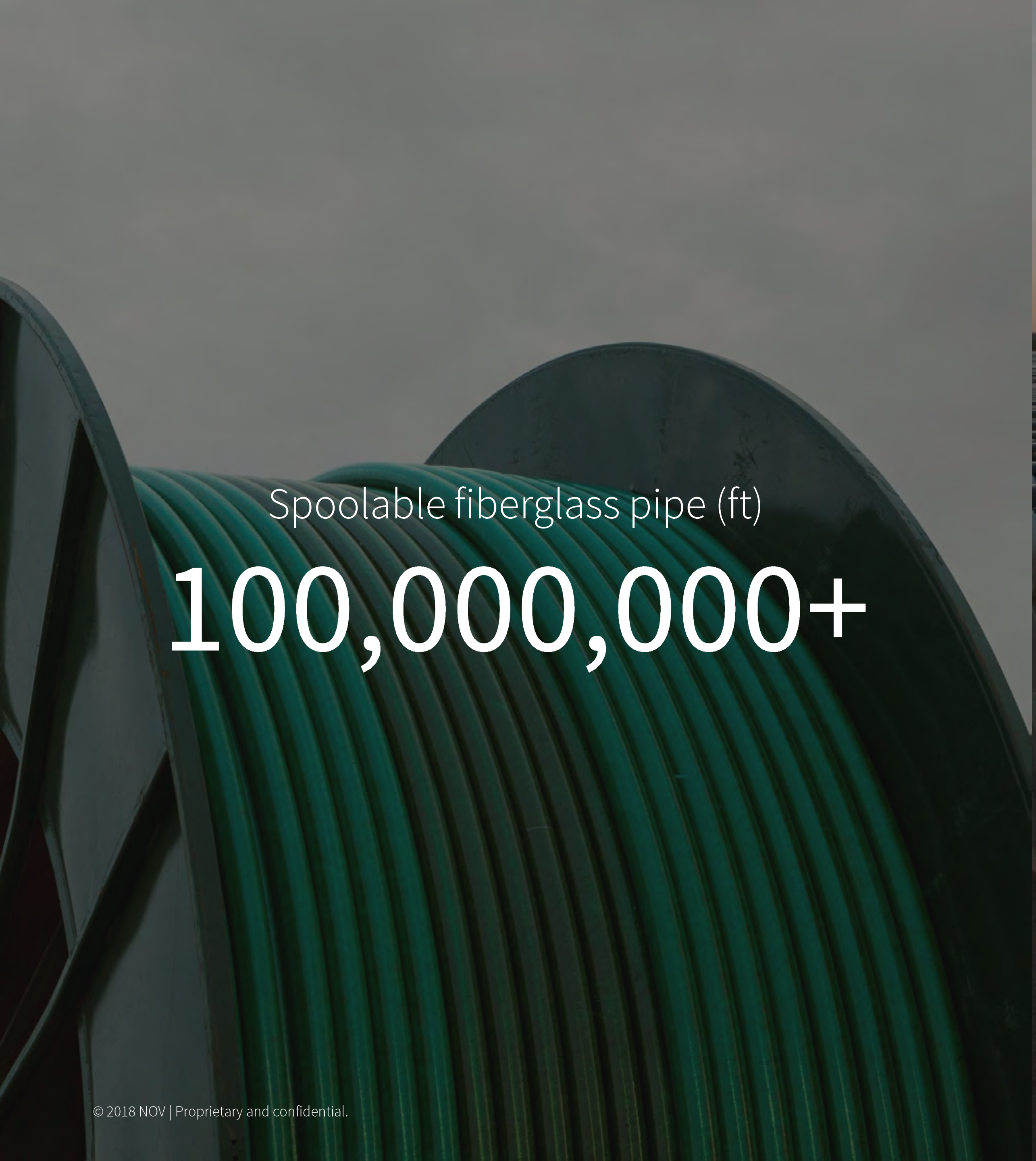
Large diameter 12” STAR Super Seal pipe and
16” Bondstrand pipe being installed in the Permian Basin

50% of US gas stations



Red Thread™ IIA
Dualoy™ fiberglass pipe

100 million+ feet installed to date



Spoolable fiberglass pipe (ft)

100,000,000+

Jointed fiberglass pipe (ft)

1,000,000,000+

Chemical and industrial applications

Marine and offshore applications

Offshore production

Floating Production Systems | Process and Flow Technologies
Subsea Production Systems | XL Systems | Fiber Glass Systems

Trends

Digitalization replacing manpower

Subsea production

$70s per barrel oil price

8 to 10 FPSO awards per year

Private equity backed developments

Brownfield and greenfield developments

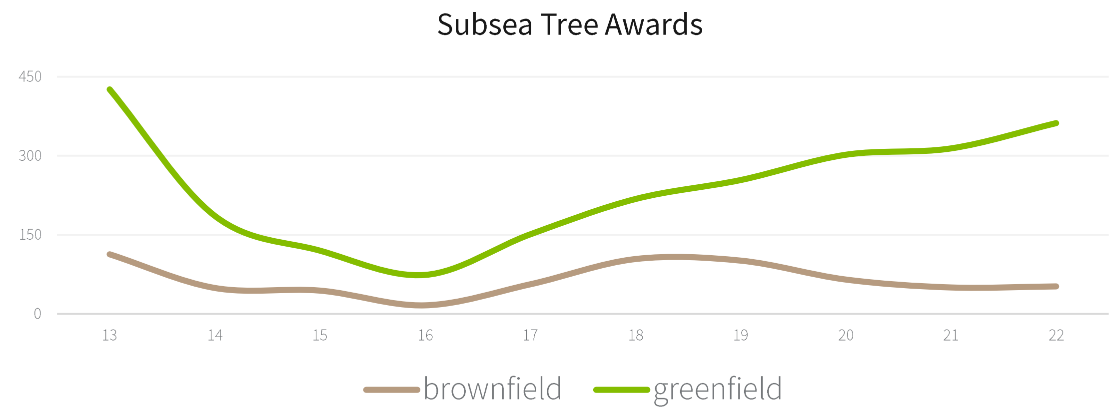
$650B - $800B

2018 to 2022

Overall offshore capex estimates

Short cycle projects (next 2 to 3 years)

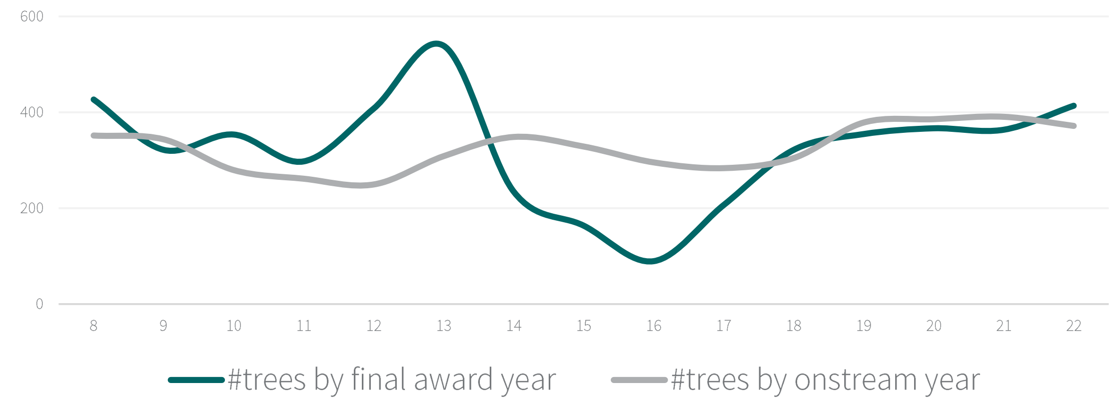
Increase in subsea activity and fixed platforms

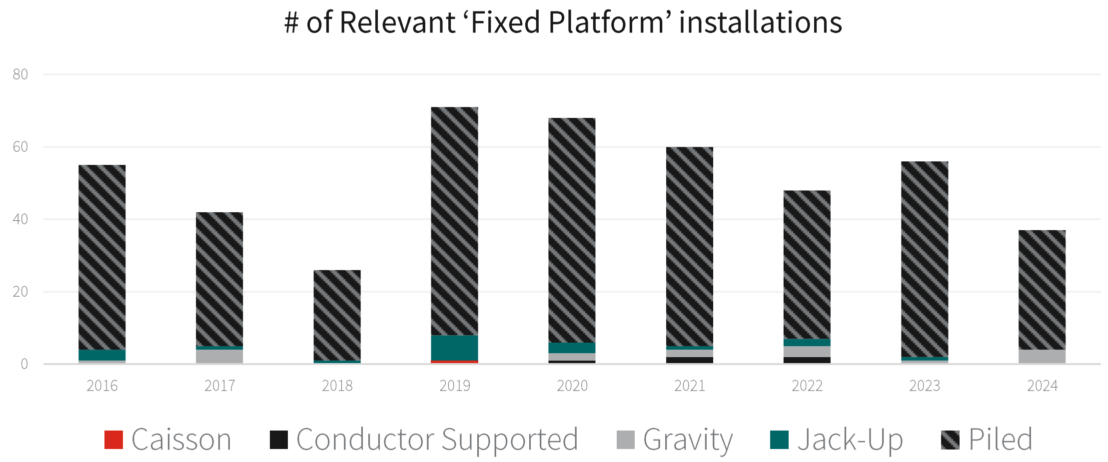


'Subsea Tree Awards' is used as the stand in for overall subsea activity here.

'Brownfield' refers to replacements and/or extension of the existing field. **'Greenfield'** includes well tiebacks to existing infrastructure located in different fields that are not currently onstream.

Relevant 'Fixed Platform' Installations – Y/Y estimates were recalculated based on production & injection topside configuration, includes new & existing platforms.





Sources: Wood Mackenzie, NOV analysis

Engineering and procurement lifecycle of an FPSO

12-18 months from hull award to PO

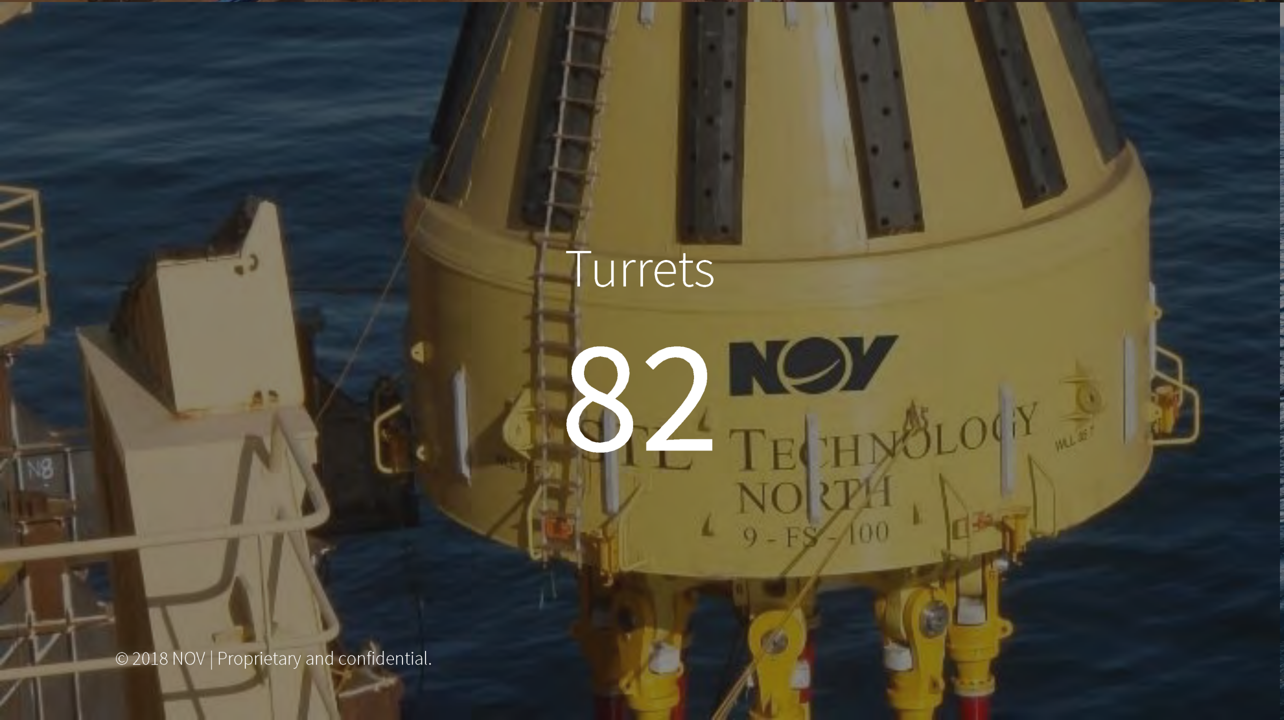
Pre-FEED	FEED	FID	Detail engineering	Tendering	PO awarded
6 months	12-18 months		6 months	6 months	

Topside modules

3,000+

Flexible pipe (ft)

7,043,963



Turrets

82

Seabox treatment units

1

Three things to remember

Continually growing our capabilities in the completion phase of the well

Major strides in our ability to provide solutions, not just products, in both the onshore and offshore production arena

The best days for Completion & Production Solutions are yet to come