



National Oilwell Acquires Drilling Equipment Business Of Continental Emsco

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HOUSTON, TX, July 7, 1999 - National-Oilwell, Inc. (NOI/NYSE) today announced that it has acquired the assets of CE Drilling Products, Inc., a privately held company, in a cash transaction valued at approximately \$65 million. Continental Emsco Drilling Products consists of Emsco drilling machinery and Wilson mobile rigs. In 1998, the acquired businesses had revenues of approximately \$100 million.

Joel Staff, Chairman, President and CEO of National Oilwell, stated "This acquisition is an ideal fit with our existing Products and Technology Group, providing our customers with a full range of innovative and reliable drilling systems solutions. While near-term revenues will be down significantly from the 1998 level, this acquisition will strengthen our earnings power relative to the ongoing provision of parts and services. National Oilwell will support the Emsco product line, which enjoys a substantial installed base. We are committed to providing superior service and support to customers who have previously purchased equipment and products from Continental Emsco Drilling Products."

National Oilwell is a worldwide leader in the design, manufacture and sale of machinery, equipment and downhole tools used in oil and gas drilling and production, as well as in the distribution to the oil and gas industry of maintenance, repair and operating products.

Statements made in this press release that are forward-looking in nature are intended to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and may involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to documents filed by the Company with the Securities and Exchange Commission, including the Annual Report on Form 10-K, which identify significant risk factors which could cause actual results to differ from those contained in the forward-looking statements.

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