



National Oilwell Introduces the Ideal Rig System; The Next Generation of Light and Efficient Rapid Deployment Rigs

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HOUSTON--(BUSINESS WIRE)--May 26, 2004--National-Oilwell, Inc. (NYSE:NOI) is pleased to announce that it has launched marketing of its Ideal(TM) Rig System, purpose built for the North American land market, and designed and manufactured to achieve extraordinary gains in drilling performance, safety enhancements and economic efficiencies. The Ideal(TM) Rig, which is rated 1500 HP and can drill up to depths of 18,000 feet, encompasses a wide array of features and benefits.

- Applies some of the latest technology in drilling operations, such as disc brakes, large mud pumps, more advanced solids handling and drilling controls.
- Employs conventional, reliable SCR technology widely employed by North American drilling contractors and readily serviced anywhere in the field.
- Highly mobile -- up to 40% fewer truckloads are required to move the Ideal(TM) Rig, compared to a conventional, older rig design.
- Mobilization time can be reduced by up to 50%. The mast and substructure can be raised to ready-to-drill position before any other rig up is completed. Mobile cranes are not required to assemble the rig for drilling operations.
- Enhanced safety features including low-set drawworks. All assembly labor is performed at ground level with more inherently safe assembly techniques.
- Zero liquids/fluids discharge from all systems during normal operations for environmental protection.
- Traditional National Oilwell quality, reliability and support through our worldwide network of parts and service locations.

The Ideal(TM) Rig offers a level of standardization that will reduce capital costs, minimize maintenance and service expense, and simplify training while enhancing safety. The optimized rig up and mobilization design ensures fewer non-productive mobilization days, directly translating into more revenue days with the potential to drill an additional well per year.

The Ideal(TM) Rig is volume priced at \$6.9 million. Contractors may choose to use already owned drill pipe, BOP stack and top drive, or purchase these items new for an additional investment of less than \$2 million. We believe that this pricing combined with the enhanced revenue potential offers drilling contractors the economic justification to replace older, less efficient rigs.

National Oilwell is a worldwide leader in the design, manufacture and sale of comprehensive systems and components used in oil and gas drilling and production, as well as in providing supply chain integration services to the upstream oil and gas industry.

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 National Oilwell 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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