



ReedHycalog Settlement

October 31, 2008

HOUSTON--(BUSINESS WIRE)--Oct. 31, 2008--National Oilwell Varco, Inc. (NYSE:NOV) announced today that it has reached a license agreement with Encore Bits regarding the use of shallow leaching diamond cutter technology belonging to its ReedHycalog division. The shallow leaching diamond cutter technology is a part of the broader portfolio of diamond technologies which ReedHycalog sells under its TReX(R) and Raptor(R) brands. As part of the agreement, Encore has agreed to pay ReedHycalog a royalty of 9.5% on worldwide sales of products using this technology. ReedHycalog designs, manufactures and sells premium roller cone and fixed cutter drill bits, drilling tools and provides other specialty drilling services for the oilfield.

National Oilwell Varco is a worldwide leader in the design, manufacture and sale of equipment and components used in oil and gas drilling and production operations, the provision of oilfield services, and supply chain integration services to the upstream oil and gas industry.

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