

National Oilwell Varco

Cowen & Co 5th Annual Ultimate Energy Conference

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December 2, 2015

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. 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, including risk factors, is contained from time-to-time in the Company's filings with the U.S. Securities and Exchange Commission. 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 or through the Company's website.



The oilfield's leading equipment and technology provider

54K

employees

\$14.0B

market
capitalization

867

locations

\$17.7B

revenue ttm

67

countries

\$1.7B

net income ttm

Note: Net income excludes adjustments and non-recurring items

We support our customers in the never-ending battle to achieve the lowest marginal cost per barrel.

An industrial site at sunset. In the foreground, a large white crane with a long boom is positioned on the right, with its boom extending towards the center. A green and white truck is parked in the middle ground. In the background, a tall drilling rig is visible against the orange and yellow sky. The ground is dirt and there are various pieces of equipment and vehicles scattered around.

National Oilwell Varco...

...**decreasing cost** and **increasing access** to critical resources since 1862.

National Oilwell Varco

The oilfield's leading equipment and technology provider

Market leadership in all we do

Dependable partner in high-risk high-cost world

Sustainable **competitive advantage**

Resilient free cash flow generation

Attractive **reinvestment opportunities**

Entrepreneurial culture

Investing to deepen competitive advantage

Capital deployment trailing three years

\$1.8B | organic growth

\$1.7B | dividends

\$3.3B | m&a

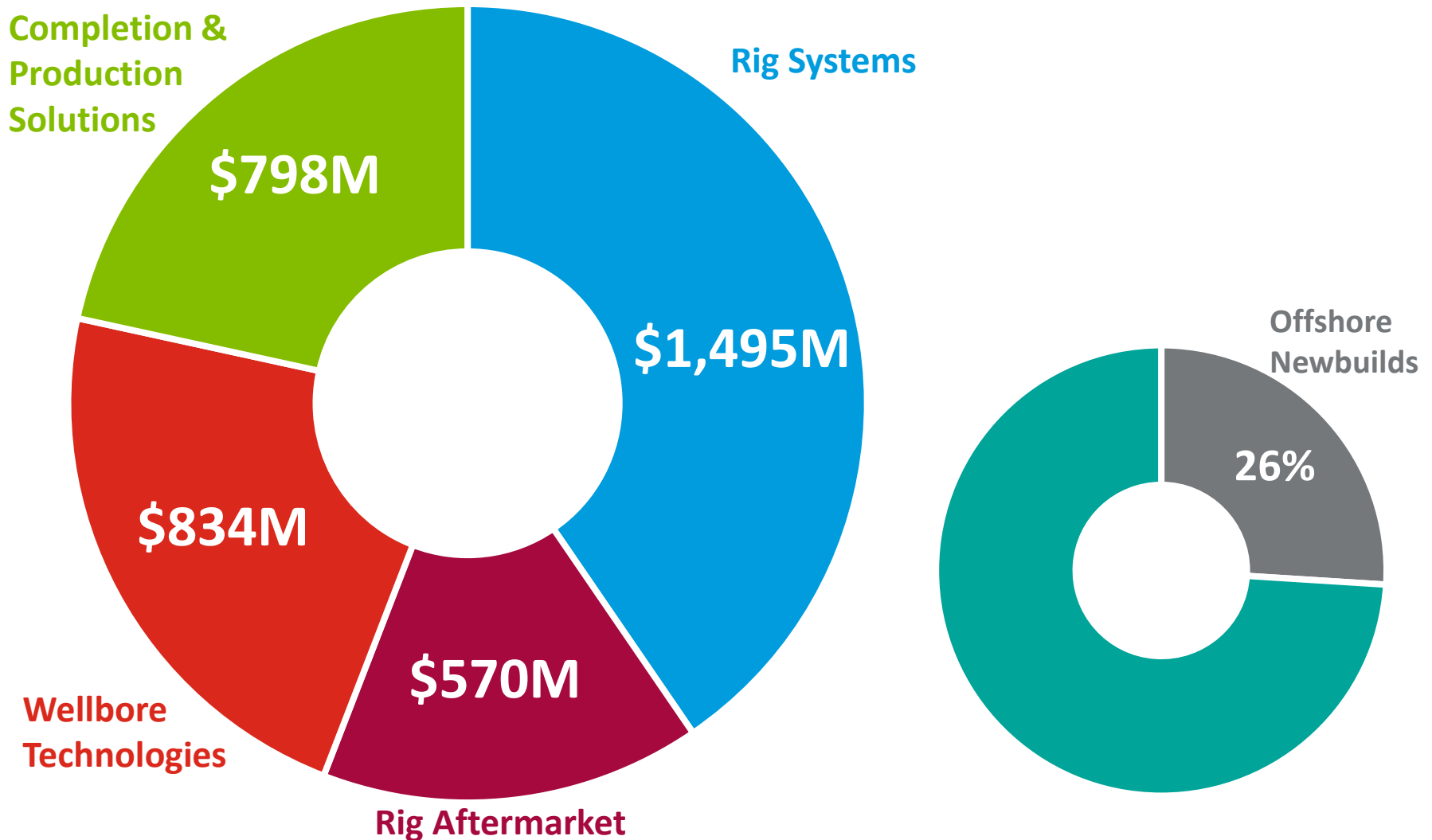
\$3.0B | share repurchase

Supporting wells across their lifecycle



Maintaining a business in balance

Q3'15 Revenues



Serving a critical industry

By the year 2040

MORE PEOPLE

+2B global population increase¹

with

MORE MONEY

+130% larger global economy²

demand

MORE ENERGY

+35% global energy demand³

to grow and thrive

¹ Based on current global population of 7B

² Globally GDP per capita +80% from 2010 to 2040. Assumes 2% annual growth for OECD countries and 4.4% for non-OECD.

³ From 2010 to 2040 but could have more than doubled without assumed efficiency gains

Source: "ExxonMobil The Outlook for Energy: A View to 2040"

“The great energy challenge of the future, which will **test all sources**, is meeting the demand growth of a growing world.”

-- *Daniel Yergin*
Vice Chairman, IHS

Source: “ExxonMobil The Outlook for Energy: A View to 2040”

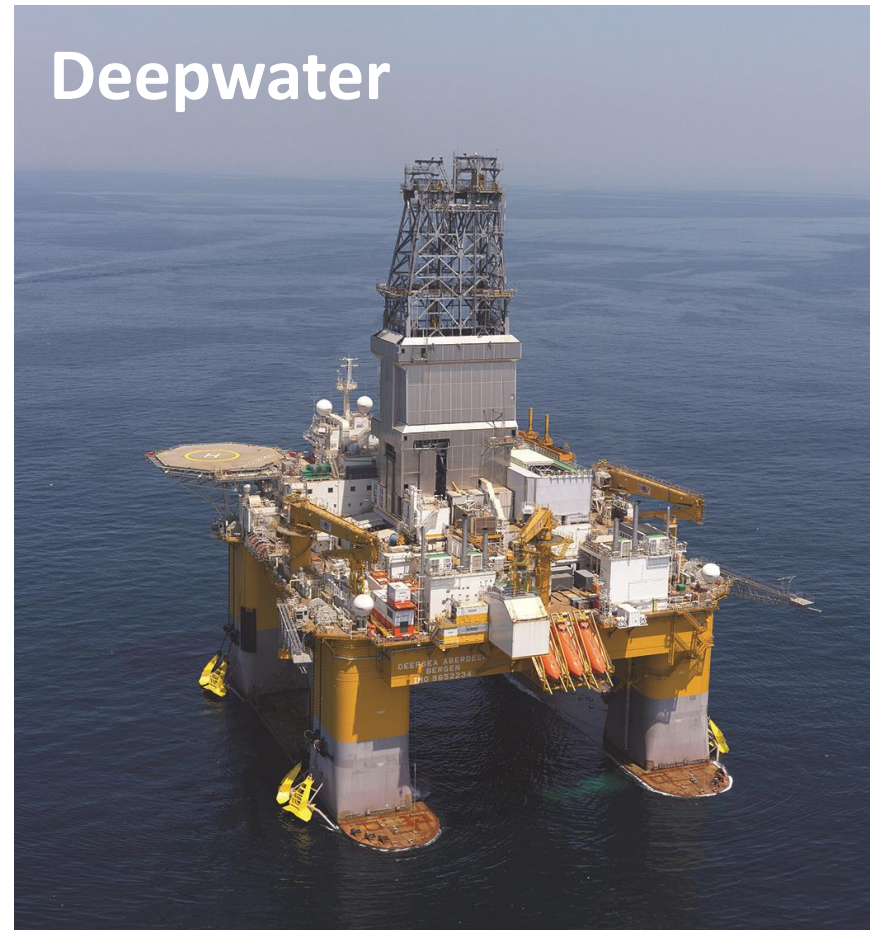
21st century oil: incremental sources

Unconventionals



4.5 mmbopd

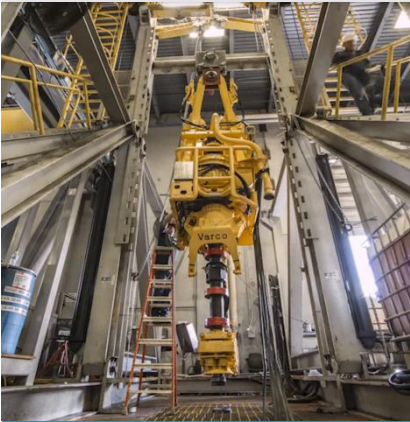
Deepwater



8.2 mmbopd

Source: EIA International Energy Statistics, Rystad Energy, and NOV research

Customer challenges create opportunities



Equipment uptime



Waste management



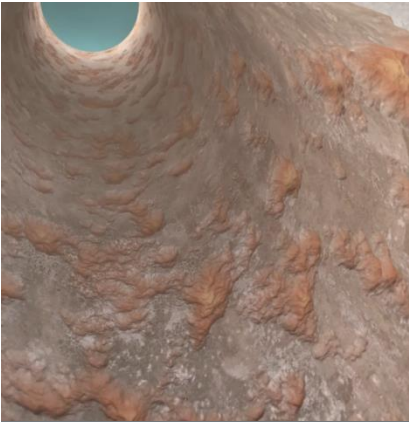
Horizontal drilling



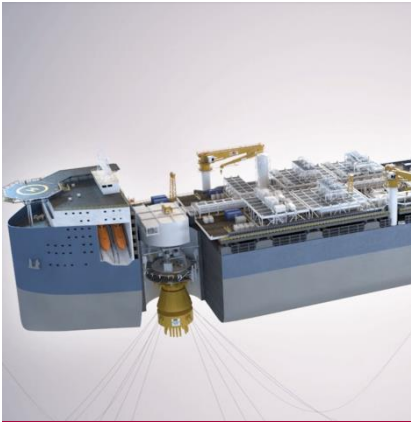
Hydraulic stimulation



Automation and safety

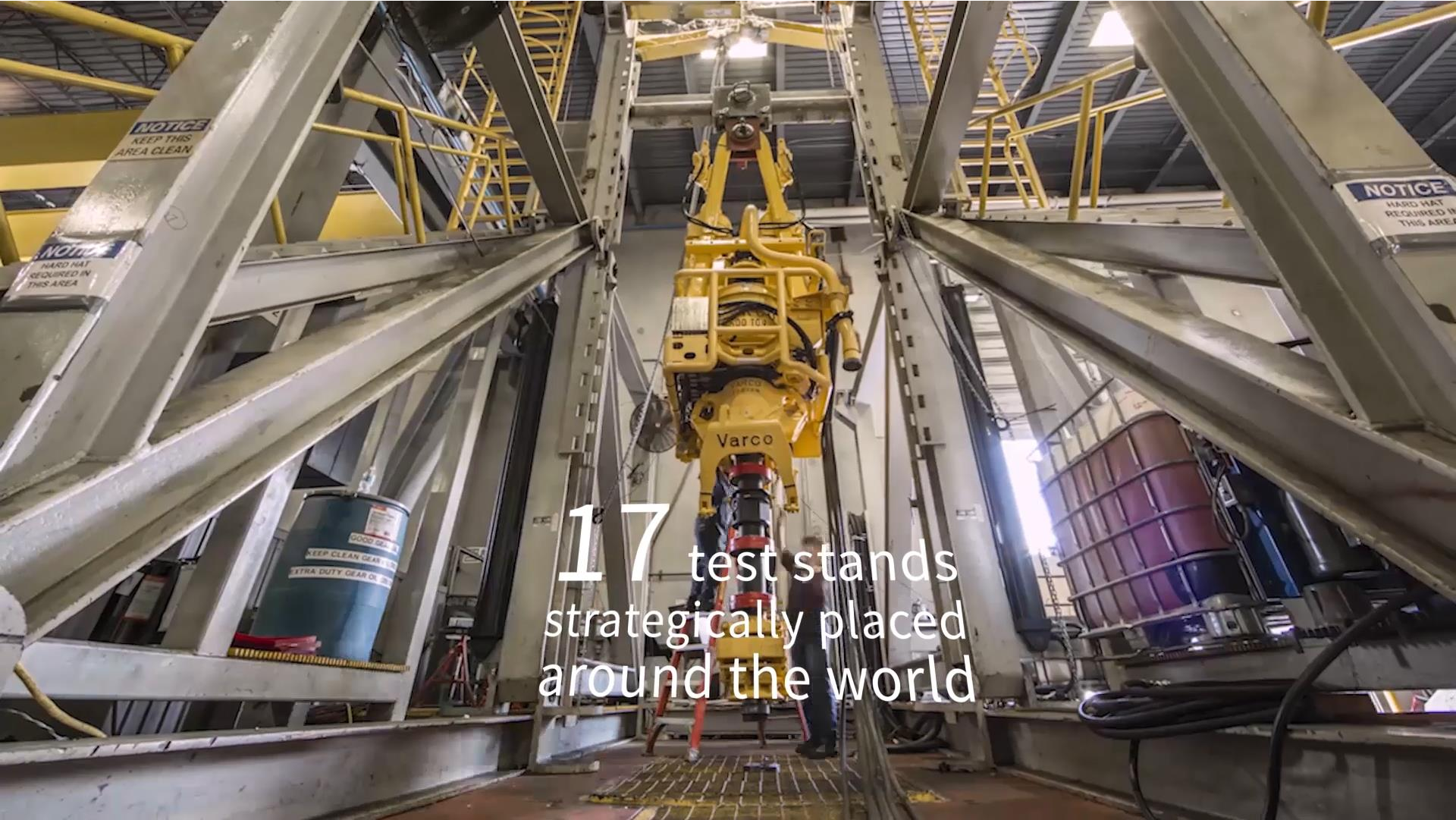


Corrosion control



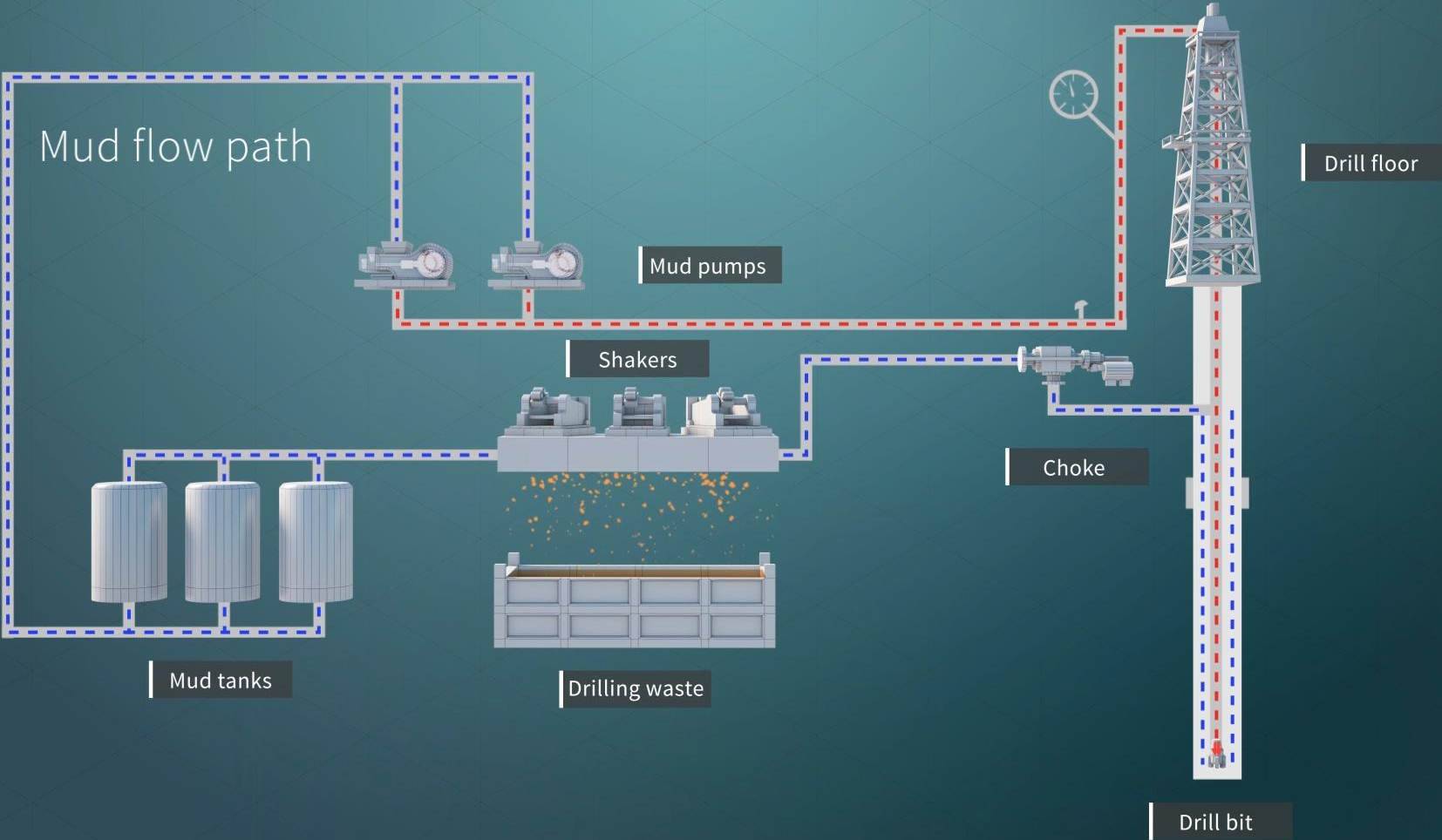
Complex FPSOs

Equipment uptime

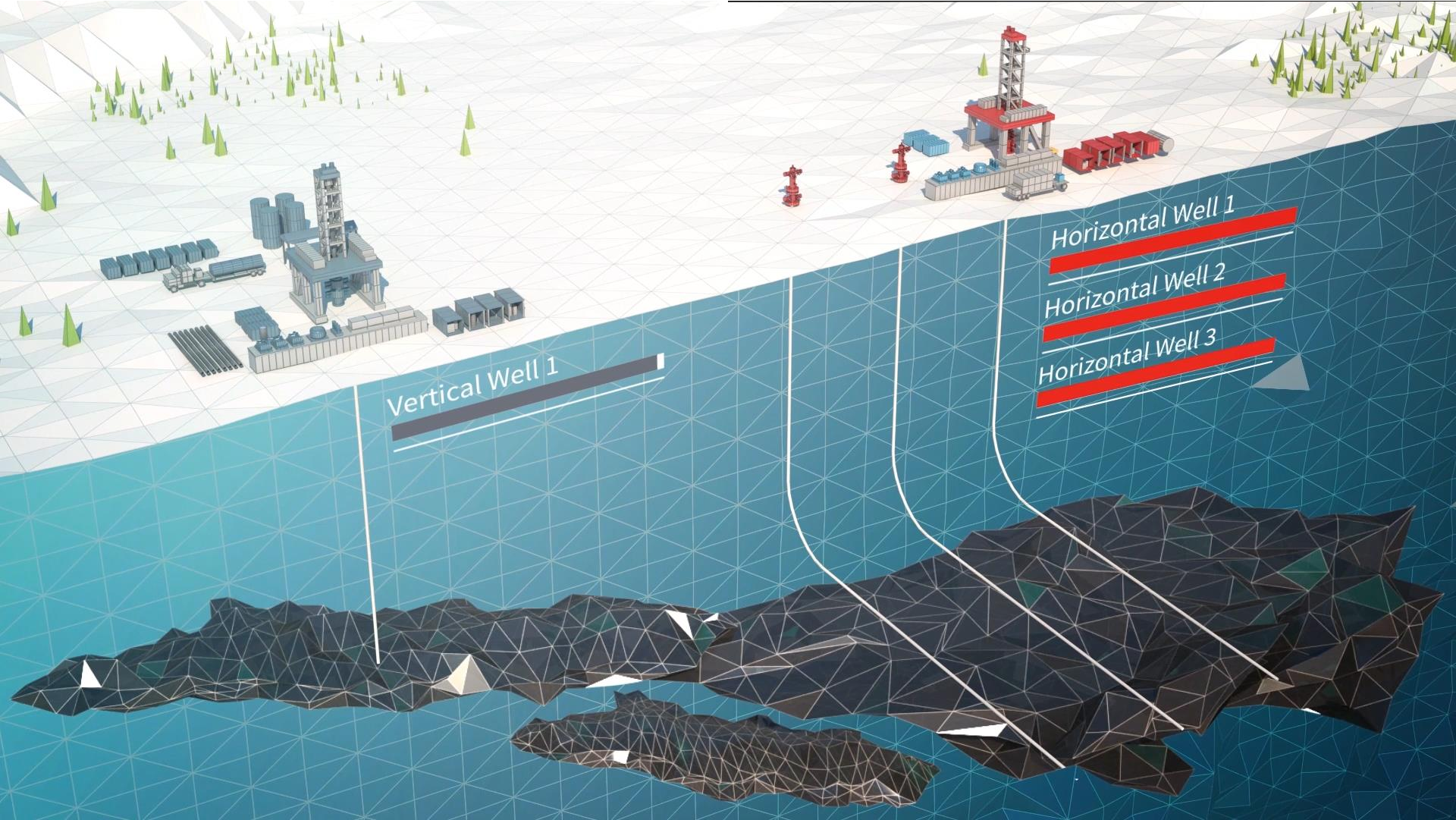


17 test stands
strategically placed
around the world

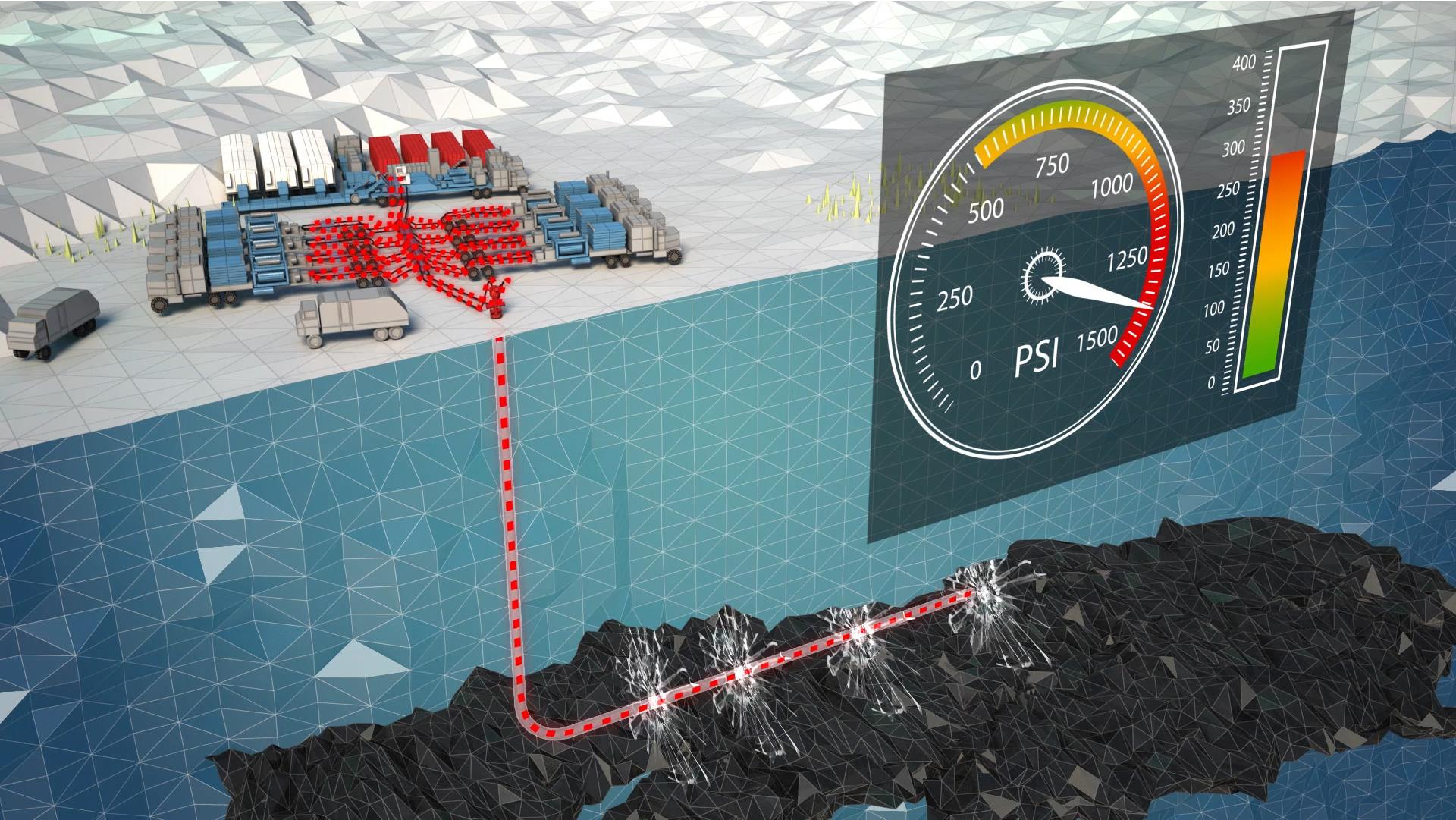
Waste management



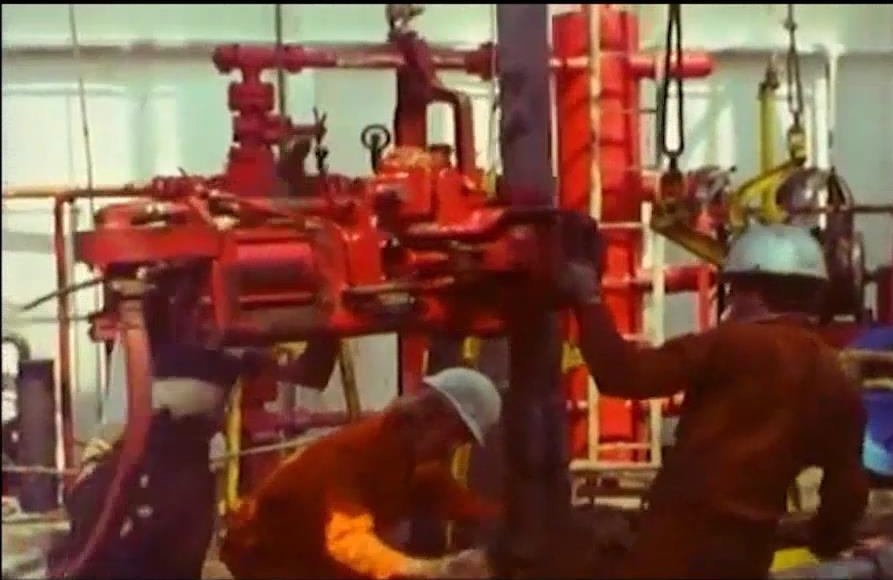
Horizontal drilling



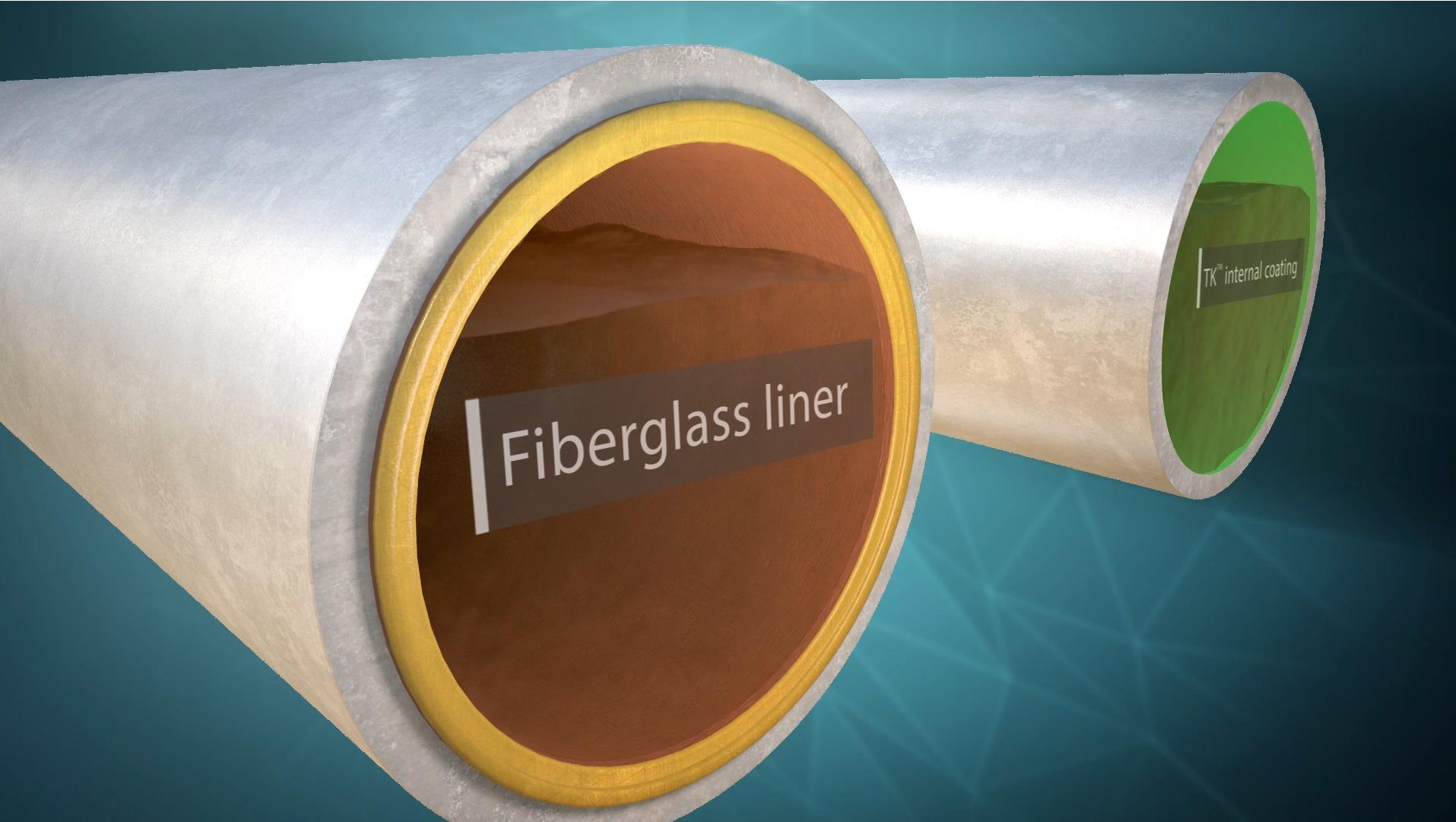
Hydraulic stimulation



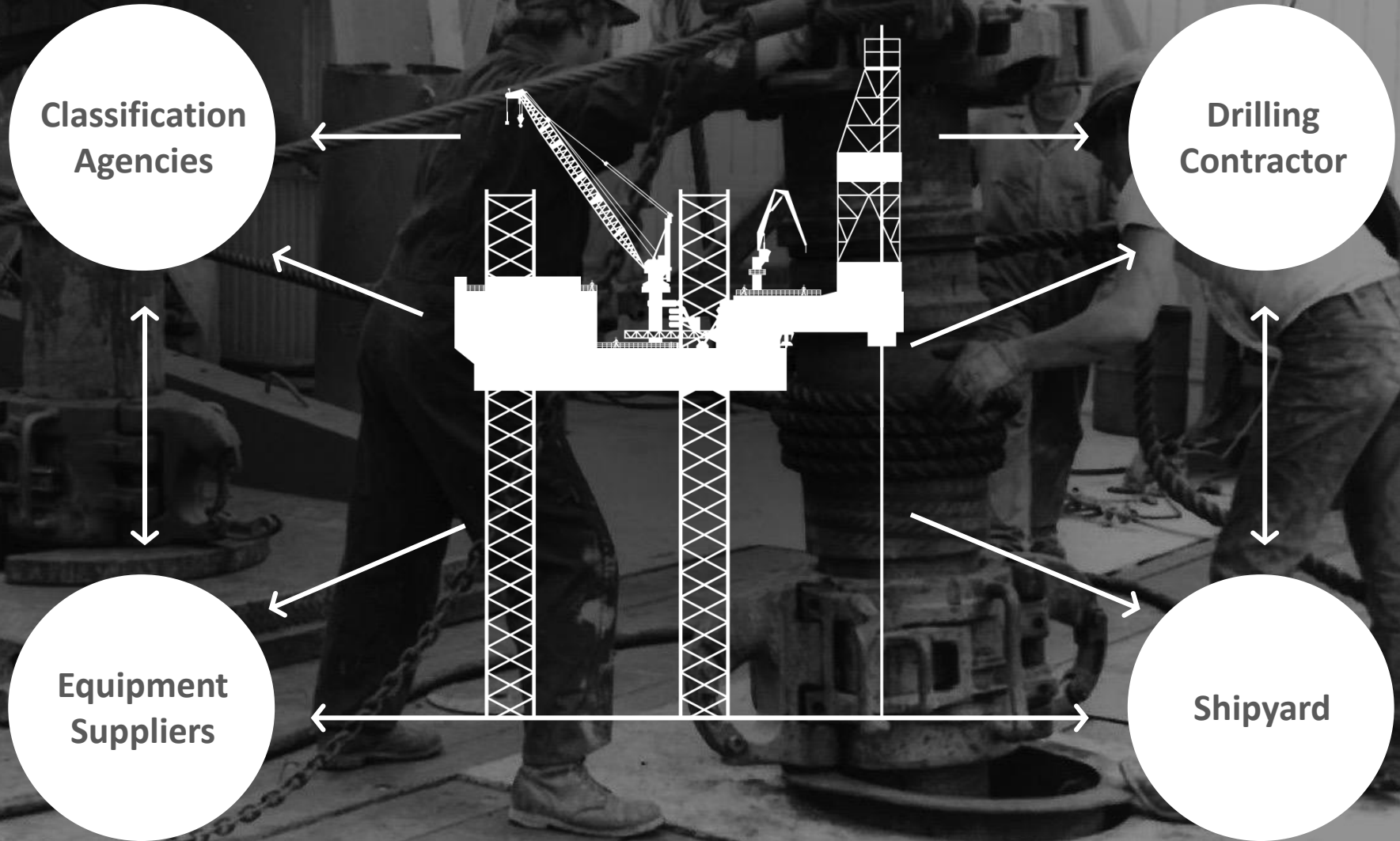
Automation and safety



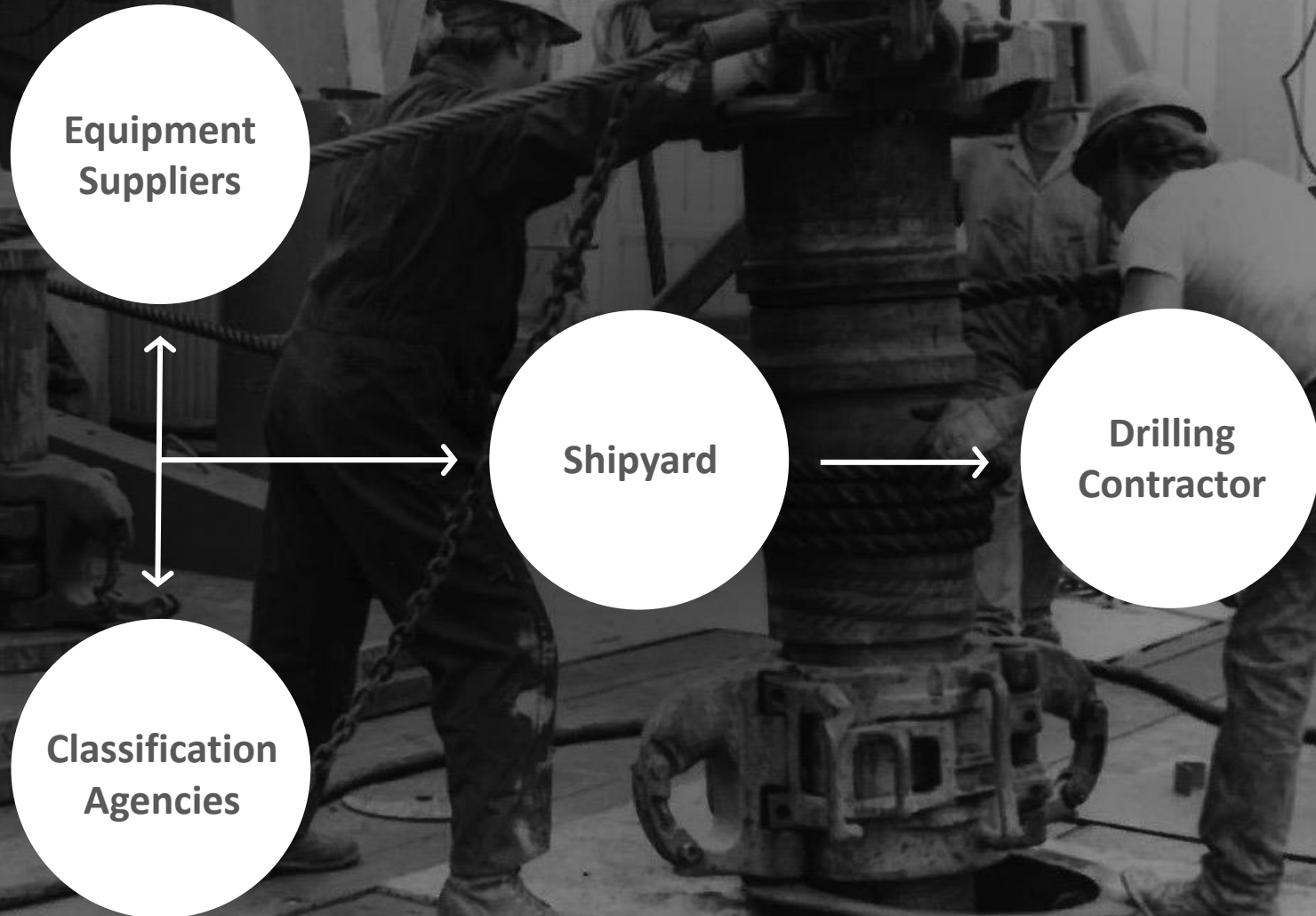
Corrosion control



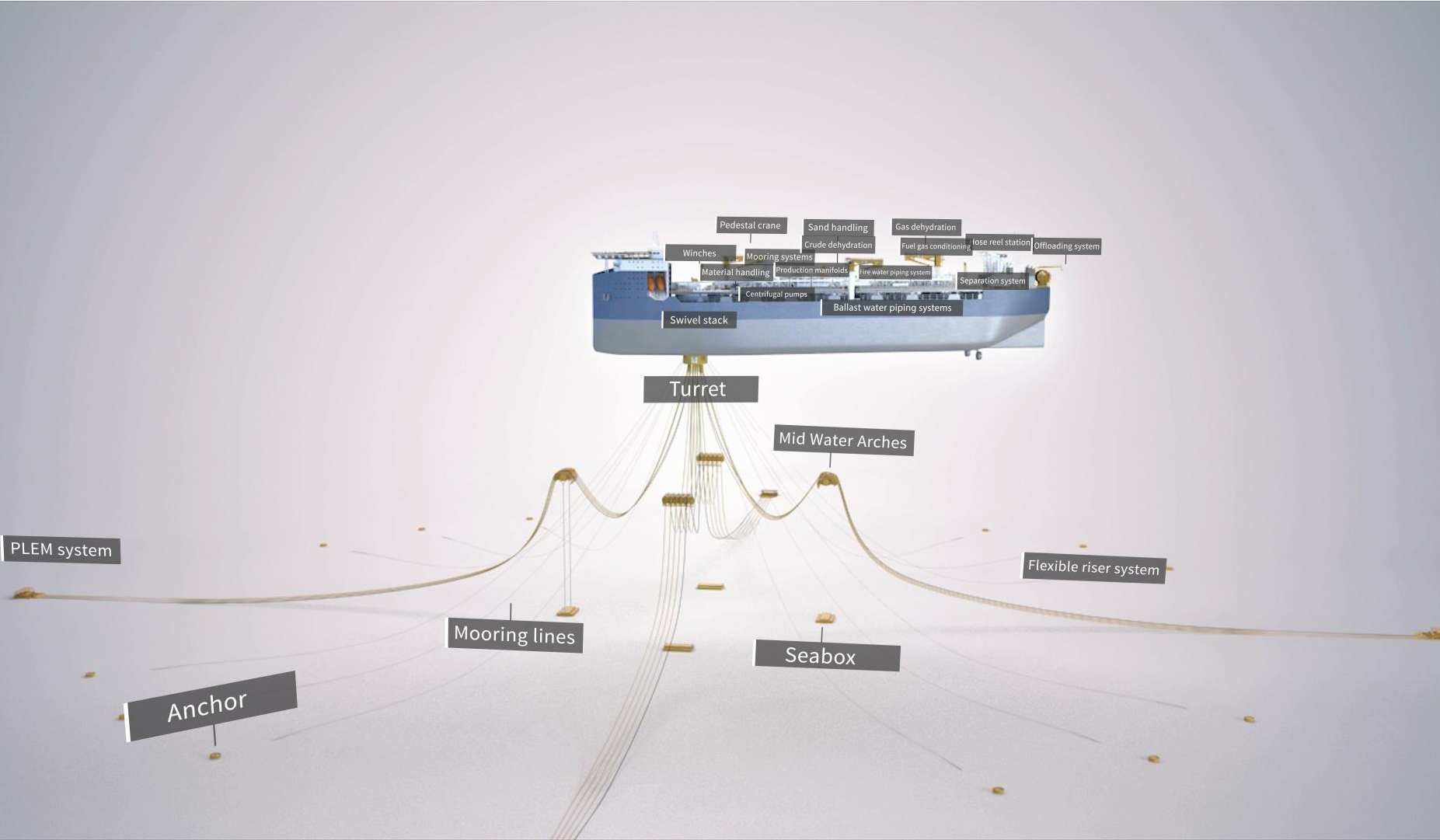
1997 rig construction model



Industrialized rig construction model



Complex FPSO build



21st century oil: incremental sources

Unconventionals



4.5 mmbopd

Deepwater



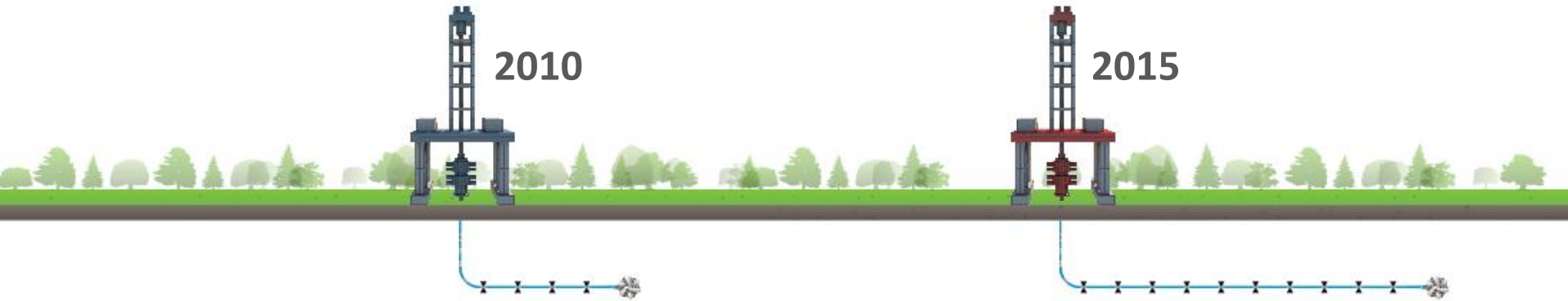
8.2 mmbopd

Source: EIA, Rystad Energy, and NOV research

The development of shale basins



Improving shale economics: Eagle Ford



Assumed Well Cost	\$6,453,390	\$6,391,250
Pad Deployment	8%	93%
Drilling Days per Well	28 days/well	11 days/well
Lateral Length	5,356 ft	6,996 ft
Total Measured Depth	13,350 ft	14,800 ft
Frac Stages	16 stages	24 stages
Frac Days per Well	5 days/well	10 days/well
D&C Cost per Foot	\$483.40/ft	\$431.84/ft
EUR	246,560 bbl	557,808 bbl

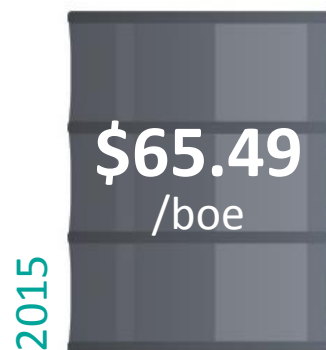
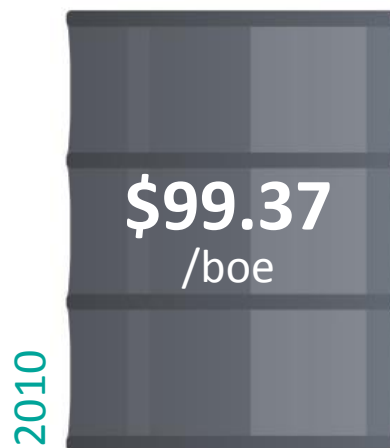
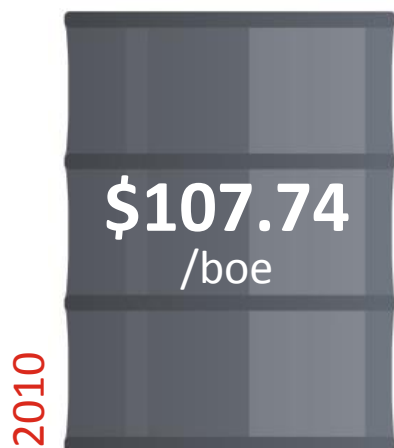
Assumes 20% IRR. Sources: Bloomberg New Energy Finance, J.P.Morgan, PacWest, and oil company information

Shale cost reductions

EAGLE FORD

BAKKEN

MARCELLUS



Assumes 20% IRR. Sources: Bloomberg New Energy Finance, J.P.Morgan, PacWest, and oil company information

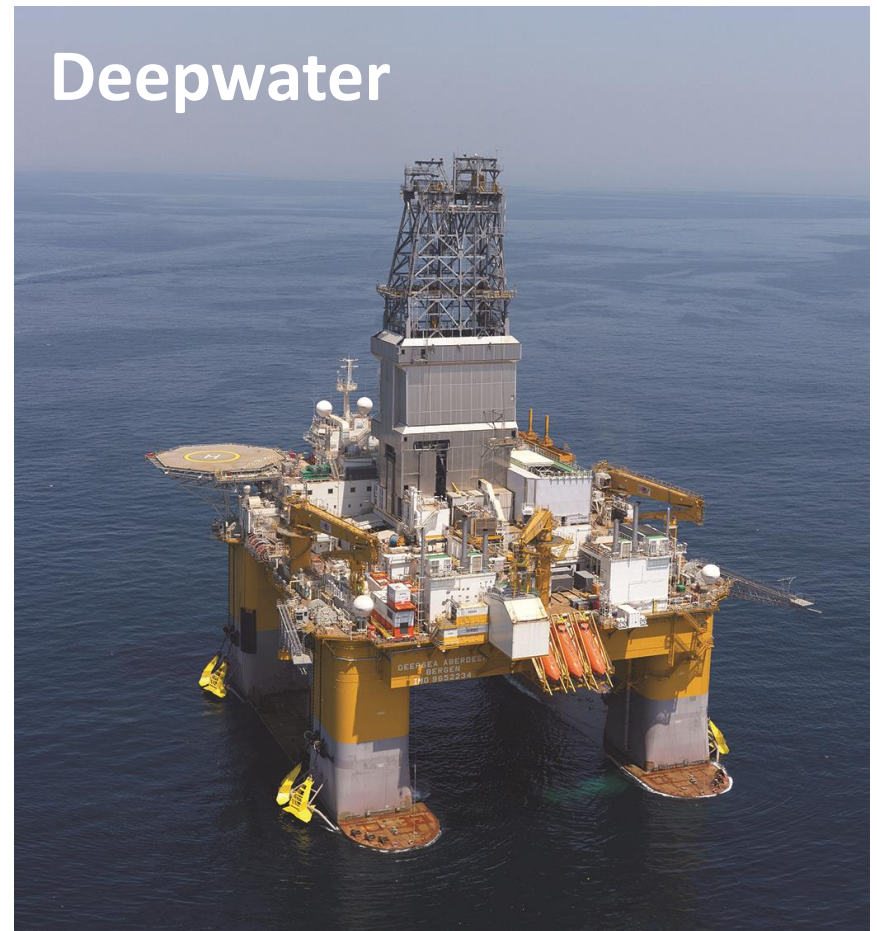
21st century oil: incremental sources

Unconventionals



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Source: EIA International Energy Statistics, Rystad Energy, and NOV research

Deepwater cost reductions

BP MAD DOG 2



Source: BP Investor Presentation

SHELL APPOMATTOX



Source: Shell, Natural Gas Intelligence, Wall Street Journal

TOTAL KAOMBE



Source: Pareto Securities Research

NOV Turret Moored FPSO



**Proprietary
design**

**20% less hull
construction cost**

**25% less mooring
systems cost**

Focusing on what we can control

Managing NOV to market, reducing cost while advancing long-term strategy

Experienced leadership team

Full-cycle business model

Commitment to operational excellence

Acute focus on cost reduction and efficiency gains

Strong balance sheet enabling opportunistic capital allocation

= Stronger, more resilient, more dependable partner

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Attractive **reinvestment opportunities**

Entrepreneurial culture

We power the industry
that powers the world.



