

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

Annual report pursuant to Section 15(d) of the Securities Exchange Act
of 1934

(No fee required, effective October 7, 1996)

For the fiscal year ended DECEMBER 31, 2002

Or

Transition report pursuant to Section 15(d) of the Securities
Exchange Act of 1934

(No fee required)

For the transition period from to

Commission file number 1-12317

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below NATIONAL-OILWELL RETIREMENT AND THRIFT PLAN

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office NATIONAL-OILWELL, INC.

10000 RICHMOND AVENUE

6TH FLOOR

HOUSTON, TEXAS 77042-4200

REQUIRED INFORMATION

The National-Oilwell Retirement and Thrift Plan (the Plan) is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

ITEM 4. In lieu of the requirements of Items 1, 2, and 3 of this Form 11-K, the following financial statements of the Plan, notes thereto, and the Report of Independent Auditors thereon are being filed in this Report:

- (a) Report of Independent Auditors
- (b) Statements of Net Assets Available for Benefits - December 31, 2002 and 2001
- (c) Statement of Changes in Net Assets Available for Benefits - Year ended December 31, 2002; and
- (d) Notes to Financial Statements

The Consent of Independent Auditors to the incorporation by reference of the foregoing financial statements in the Registration Statement on Form S-8 (No. 333-46459) pertaining to the Plan is being filed as Exhibit 23.1 to this Report.

NATIONAL-OILWELL RETIREMENT AND THRIFT PLAN

FINANCIAL STATEMENTS AND SCHEDULES

DECEMBER 31, 2002

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Oxley Act of 2002

Report of Independent Auditors

The Benefit Plan Administrative Committee
National-Oilwell Retirement and Thrift Plan

We have audited the accompanying statements of net assets available for benefits of the National-Oilwell Retirement and Thrift Plan as of December 31, 2002 and 2001, and the related statement of changes in net assets available for benefits for the year ended December 31, 2002. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2002 and 2001, and the changes in its net assets available for benefits for the year ended December 31, 2002, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2002, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Houston, TX
June 12, 2003

National-Oilwell Retirement and Thrift Plan
 Statements of Net Assets Available for Benefits

DECEMBER 31,	
2002	2001
--	--

- ASSETS	
Cash \$ -- \$	
475,754	
Accrued	
investment	
income 621	
431	
Investments	
111,825,776	
113,475,228	

---	Total
	assets
111,826,397	
113,951,413	
LIABILITIES	
Cash	
overdraft	
27,016 -- --	

- Total	
liabilities	
27,016 -- --	

- Net assets	
available	
for benefits	
\$	
111,799,381	
\$	
113,951,413	
=====	
=====	

See accompanying notes.

National-Oilwell Retirement and Thrift Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2002

Additions:	
Employer contributions	\$ 8,182,013
Participant contributions	7,031,849
Participant rollovers	238,371
Investment income	958,067

Total additions	16,410,300
Deductions:	
Benefits paid to participants	8,677,772
Administrative expenses	42,429
Net depreciation in fair value of investments	9,842,131

Total deductions	18,562,332

Net decrease	(2,152,032)
Net assets available for benefits at:	
Beginning of year	113,951,413

End of year	\$ 111,799,381
	=====

See accompanying notes.

National-Oilwell Retirement and Thrift Plan

Notes to Financial Statements

December 31, 2002

1. DESCRIPTION OF PLAN

The following description of the National-Oilwell Retirement and Thrift Plan (the "Plan") is provided for general information only. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions, a copy of which is available from National-Oilwell, L.P. (the "Company").

GENERAL

The Plan was established effective April 1, 1987 for the benefit of the employees of the Company. The Plan is a defined contribution plan covering substantially all domestic employees who have completed at least six months of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective January 1, 2002, the Plan was amended and restated to conform with certain statutory changes and to change certain administrative provisions. The Plan has submitted the amendments to the Internal Revenue Service and applied for a new determination letter.

CONTRIBUTIONS

Participants may make both pretax and after-tax contributions to the Plan. The minimum contribution is 1% of compensation and the maximum contribution is 18% (both pretax and after-tax combined). Effective January 1, 2002, the Company will match 100% of the first 3% and 50% of the next 2% of each participant's contribution. Prior to January 1, 2002, the Company's matching contributions were discretionary. The Company's other discretionary contribution to the Plan, the Employer Retirement Contribution ("Retirement"), is allocated to participants' accounts based on their years of service. The second discretionary contribution, the Employer Medical Savings Contribution ("MSA"), was established to accumulate assets for payment of medical insurance premiums after retirement, and is allocated to the participants' accounts based on years of service. Effective January 1, 2002, the MSA contribution was discontinued. Each participant may direct the trustee to invest both the participant's and the Company's contributions in one or more of the investment options offered by the Plan.

National-Oilwell Retirement and Thrift Plan

Notes to Financial Statements (continued)

1. DESCRIPTION OF PLAN (CONTINUED)

VESTING

Participants are immediately vested in participant and employer contributions and the related earnings which have been credited to their accounts.

BENEFIT PAYMENTS

The Plan pays lump-sum benefits on retirement, disability, death, or termination of employment. In-service withdrawals, subject to certain rules and restrictions, may also be made from all but the Retirement and MSA account balances.

PARTICIPANT LOANS

The Plan includes a loan provision that permits participants to borrow up to the lesser of \$50,000 or 50% of the total value of their Plan assets. The loans are payable in principal installments plus interest at prime plus 1% through payroll deductions and are due in one to five-year terms.

ADMINISTRATIVE EXPENSES

Certain administrative expenses are paid from the Plan's assets. All other Plan expenses are paid by the Company.

PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. Participants are 100% vested in their accounts in any event. Assets would be distributed to participants as prescribed by ERISA.

2. SUMMARY OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Benefit payments to participants are recorded upon distribution.

National-Oilwell Retirement and Thrift Plan

Notes to Financial Statements (continued)

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the reported amounts in the financial statements and accompanying notes and schedule. Actual results could differ from those estimates.

INVESTMENT VALUATION

Short-term investments are stated at cost, which approximates fair value. Investments in common stock and mutual funds are stated at fair value, based on quotations obtained from national securities exchanges. Investments in common collective funds are based on quoted market values as determined by the issuer based on the fair value of the underlying investments. Participant loans are stated at cost, which approximates fair value.

RISK AND UNCERTAINTIES

The Plan provides for various investments in common stock, common collective funds, and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and participant account balances.

National-Oilwell Retirement and Thrift Plan

Notes to Financial Statements (continued)

3. INVESTMENTS

American Express Trust Company serves as the Plan's trustee and holds all investments of the Plan. Individual investments that represent 5% or more of the Plan's net assets are as follows:

DECEMBER
31 2002
2001 -----

American
Express
Trust
Equity
Index Fund
II \$
12,116,031
\$
14,622,455
AIM
Balanced
Fund
6,435,757
7,664,718
AXP Growth
Fund
11,052,635
14,529,189
Janus
Worldwide
Fund
7,030,521
7,983,415
American
Express
Trust
Income
Fund II
47,753,497
43,894,634
National-
Oilwell
common
stock
9,265,052
8,848,471

During 2002, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value as follows:

Common stock	\$ 964,513
Common collective funds	(1,362,726)
Mutual funds	(9,443,918)

Net depreciation	\$ (9,842,131)
	=====

4. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service (the "IRS") dated September 18, 1997, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "IRC") and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified status.

5. SUBSEQUENT EVENT

Effective January 1, 2003, the Plan was amended to allow pretax salary deferral contributions of 1% to 100% of compensation, subject to certain IRS limitations. After-tax contributions remain at 1% to 18% of compensation.

Express
Trust
Company
American
Express
Trust Money
Market Fund
I 493,084
*Participant
loans
Various
maturities
and interest
rates
ranging from
5.25% to
11.00%
4,475,952 --

\$
111,825,776
=====

*Party-in-interest

SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

NATIONAL-OILWELL RETIREMENT AND THRIFT PLAN

June 24, 2003

/s/ Daniel L. Molinaro

Date

Daniel L. Molinaro
Member of the National-Oilwell Benefits Plan
Administrative Committee

EXHIBIT INDEX

Exhibit
Number
Description

---- 23.1
Consent of
Independent
Auditors
99.1
Certification
Pursuant to
Section 906
of the
Sarbanes-
Oxley Act of
2002

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-46459) pertaining to the National-Oilwell Retirement and Thrift Plan of our report dated June 12, 2003, with respect to the financial statements and schedule of the National-Oilwell Retirement and Thrift Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2002.

/s/ Ernst & Young LLP

Houston, Texas
June 18, 2003

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of the National-Oilwell Retirement and Thrift Plan (the "Plan") on Form 11-K for the year ended December 31, 2002, as filed with the Securities and Exchange Commission on June 24, 2003 (the "Report"), I, Daniel L. Molinaro, Member of the National-Oilwell Benefits Plan Administrative Committee, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that:

- (1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Plan.

June 24, 2003

/s/ Daniel L. Molinaro

Date

Daniel L. Molinaro
Member of the National-Oilwell Benefits Plan
Administrative Committee

A signed original of this written statement required by Section 906 has been provided to the Plan and will be retained by the Plan and furnished to the Securities and Exchange Commission or its staff upon request.