Welcome

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" within the meaning of Section 21E of the Securities Exchange Act of 1934 and may involve risks and uncertainties. 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 is contained from time-to-time in the Company's filings with the U.S. Securities and Exchange Commission (SEC). 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.

Clay Williams

Chairman, President, and Chief Executive Officer

Clay Williams is the Chairman, President, and CEO of NOV. He has served in varying executive positions at NOV—including COO and CFO—Varco, and Tuboscope, and has previous experience working for Shell Oil Company. Clay received a BS in Civil and Geological Engineering from Princeton University and an MBA from the University of Texas.

Rig Technologies

Design | Make | Build

Wellbore Technologies

Do | Explore | Seek

Completion & Production Solutions

Extract | Refine | Maximize

Agenda

Oilfield ecosystem

Equipment intensity

Accelerators for growth

Strategic positioning

"The fundamental basis of above-average performance in the long run is sustainable competitive advantage." – *Warren Buffett*

Porter's Five Forces

Threat of substitutes
What alternative means do customers have to achieve what they need to get done?

Threat of new entrants
How difficult is it for others to enter and compete, if it evolves into a profitable space?

Competitive intensity or rivalry of an industry
Are there 4 competitors or 40?

Supplier concentration
Are we reliant on one supplier, or are there many suppliers who will be price competitive?

Customer concentration
Are there 5 or 500? Customers will have more leverage if there is a small number of them.

Where to deploy capital

The best businesses

Customers have no easy, cheap substitutes

Have many suppliers

Have many customers

Have high barriers to entry

Have low competitive rivalry

The worst businesses

Customers have cheap, easy substitutes

Have one or two key suppliers

Have only a few customers

Have low barriers to entry

Have high competitive rivalry

Oil and gas companies

>1,000 firms producing a commodity, inherently price-takers

Will spend over $250B drilling over 45,000 wells globally in 2018

In some years, reinvest over 100% of their cash flow to replace depleting production

Sources: Spears & Associates, NOV analysis

The first oil and gas company

Seneca Rock Oil Company
Founded in 1859 by “Colonel” Edwin Drake

Financier, equipment designer, equipment builder, driller, geologist, refiner, kerosene marketer, etc. – he did it all

The most vertically integrated oil company ever

Specialization in the oilfield

Spurred by industrial evolution

Cost reductions driven by breaking up value chain and honing intense specialization

Oil and gas production is extraordinarily capital-intensive

Focus on capital stewardship activities

- Subsurface modeling
- Financing
- Risk management

Systematically delegate well construction processes to specialized firms

Oil and gas services

Called upon to execute all well construction processes for O&G companies

Well construction involves dozens of discreet steps

Each element of well construction employs fit-for-purpose equipment

Oil and gas services

Highly specialized, focused on…

- Workforce training
- Technology
- Service culture
- Logistics
- Marketing

Coiled tubing

WHAT – the arthroscopic surgery of the oilfield - a continuous steel tubing that can reach the bottom of a well

WHY - used to set and drill plugs, among other types of well intervention

SIZE - $5.4B global market with more than 71 service providers

Sources: Spears & Associates, NOV analysis

Challenge #1:

Getting there

Reel height can exceed bridge, underpass, and powerline limitations

Reel weight can exceed highway limits

Clever unit designs can help Bob get to the wellsite with minimal hassle

Challenge #2:

Rapid consumption of CT

Coiled Tubing (CT) wears out in <60 days

- Deformed past its plastic limits 6x for every round trip in the well

Transporting replacement CT reels exacerbates Bob's challenge

Unit designs can speed time required to swap CT strings

Again, clever unit designs can help out Bob's operation

Challenge #3:

Impact of catastrophic failure

Parting of CT means total loss of the well

- Enormous blow to Bob's financials, reputation

Clever unit and injector block designs can ease wear and tear on CT

Challenge #4:

Importance of uptime

CT operation only small part of total spread cost

- Hydraulic frac fleet costs remain when CT operation down
- Downtime interferes with tightly choreographed completion logistics
- Can delay first oil

Uptime ties directly to financial performance

Uptime correlates to Bob's reputation

Unit design and aftermarket support can help lift Bob's uptime

Challenge #5:

Workforce management

Bob's workforce expands and contracts cyclically

Bob's ability to quickly train new hires correlates to his level of service and reputation

- CT unit operation
- CT unit maintenance

Bob benefits from standardization of processes (fleet, software controls)

There are many unique challenges running *every* oilfield services operation

Fit-for-purpose equipment designs can help these companies be successful

Oil and gas services

Tremendously entrepreneurial space

- Fragmented and fragmenting further

NOC’s pursue public policy goals for localization

- Leading to proliferation of local service companies

Oil and gas equipment manufacturers

Evolved to supply specialized tools to support OFS

About 70% of NOV's revenues derived from this strategic model

Compelling proprietary competitive advantage arising from…

- Scale economies
- Experience
- Standardization
- Portfolio flexibility
- Aftermarket
- Software
- Customer fragmentation
- Low capital intensity
- Few substitutes

Advantage #1:

Scale economies

Market leadership drives scale economies and efficiencies in

- Purchasing
- Manufacturing
- Marketing

NOV's market leadership

Land rig equipment	#1	Coiled tubing	#2
Offshore rig equipment	#1	Nitrogen units	#1
Mobile workover rigs	#1	Data vans	#1
Downhole drilling motors	#1	Frac trucks	#3
Premium drill pipe	#1	Wireline units	#1
Drill bits	#3	Oilfield fiberglass tubulars	#1
Independent MWD	#1	Turret mooring systems	#1
Friction reduction systems	#1	Progressing cavity pumps	#3
Wired drillpipe	#1	Fluids processing units	#2
Shale shakers	#1	Tubular inspection	#1
Shaker screens	#1	Tubular coating	#1
Thermal desorption units	#1	Conductor pipe connections	#1
Drill cuttings centrifuges	#1	Subsea flexible pipe	#3
Coiled tubing units	#1	Knuckle Boom Cranes	#1

Sources: Spears & Associates, NOV analysis

Global volume of OFS service verticals supported

	2014	2018E
Rig Technologies	$149B	$73B
Wellbore Technologies	$53B	$30B
Completion and Production Solutions	$84B	$57B

Sources: Spears & Associates, NOV analysis

Advantage #2:

Experience

Market leader accumulates experience solving challenges at fastest rate

Highest value offering for its customers

Advantage #3:

Best choice for fleet standardization

Market leader offers best choice for customers looking to standardize fleet

- Breadth of product offering
- Well-capitalized partner with staying power
- Lowest risk choice on which to build an enterprise

Foundation of long-term relationship

Advantage #4:

Portfolio flexibility

Flexible facilities which can produce multiple product lines

Ability to redeploy resources to areas of high demand

Development of cross-discipline products
(e.g. Closed-loop automated drilling)

Advantage #5:

Aftermarket opportunities

Market leader's installed base brings proprietary aftermarket opportunities

Uptime is **critical** to OFS companies

Preference for OEM support

Sustainable advantage: Installed base takes decades to build

Advantage #6:

Software opportunities

Market leader with largest installed base has proprietary software opportunities

- Control systems
- Predictive analytics
- Condition-based monitoring

Advantage #7:

Fragmented customer base

OFS verticals are generally fragmented and continue to fragment

Private equity and other sources of capital support startups in OFS

NOCs, in particular, desire local service company options

Advantage #8:

Low capital intensity

Investment in factories small compared to revenue generated

OFS equipment manufacturing carries low maintenance capex needs

Factories can be redeployed, boosting capital efficiency

Low reinvestment requirements boost free cash flow

Advantage #9:

Few substitutes

Development of new oil sources requires new tools

- Deepwater
- Unconventionals

Few substitutes for many categories of equipment

Challenge:

High cyclicality

Commodity price cyclicality amplified in capital equipment demand

Customers sometimes overbuild in periods of high oil prices

However, portfolio diversity, aftermarket support of installed base help us manage through the cycles…

Challenge:

Customer's vertical integration

…based on desire to differentiate offering

However,

- ✕ Requires new, different skill sets
- ✕ Requires capital deployment into manufacturing footprint, supply chain, aftermarket
- ✕ Forego scale economies in purchasing, manufacturing
- ✕ Complexity of manufacturing is rising as machines get smarter…less welding, more programming…

OILFIELD ECOSYSTEM

OIL & GAS COMMODITY MARKETS

OPERATORS

Integrated Oil Companies | National Oil Companies | Independent Oil Companies

OILFIELD SERVICES

- OFFSHORE DRILLERS
- LAND DRILLERS
- DIRECTIONAL DRILLERS
- FISHING COMPANIES
- COILED TUBING COMPANIES
- CASING RUNNING COMPANIES
- WELL SERVICING COMPANIES
- OFFSHORE CONSTRUCTION
- CEMENTING COMPANIES
- SNUBBING COMPANIES
- WIRELINE COMPANIES
- PRESSURE PUMPERS
- MWD COMPANIES
- FRAC FLOWBACK COMPANIES
- COMPLETION COMPANIES
- DRILLING FLUID COMPANIES

OILFIELD EQUIPMENT MANUFACTURERS

Enablers of Oilfield Service Companies

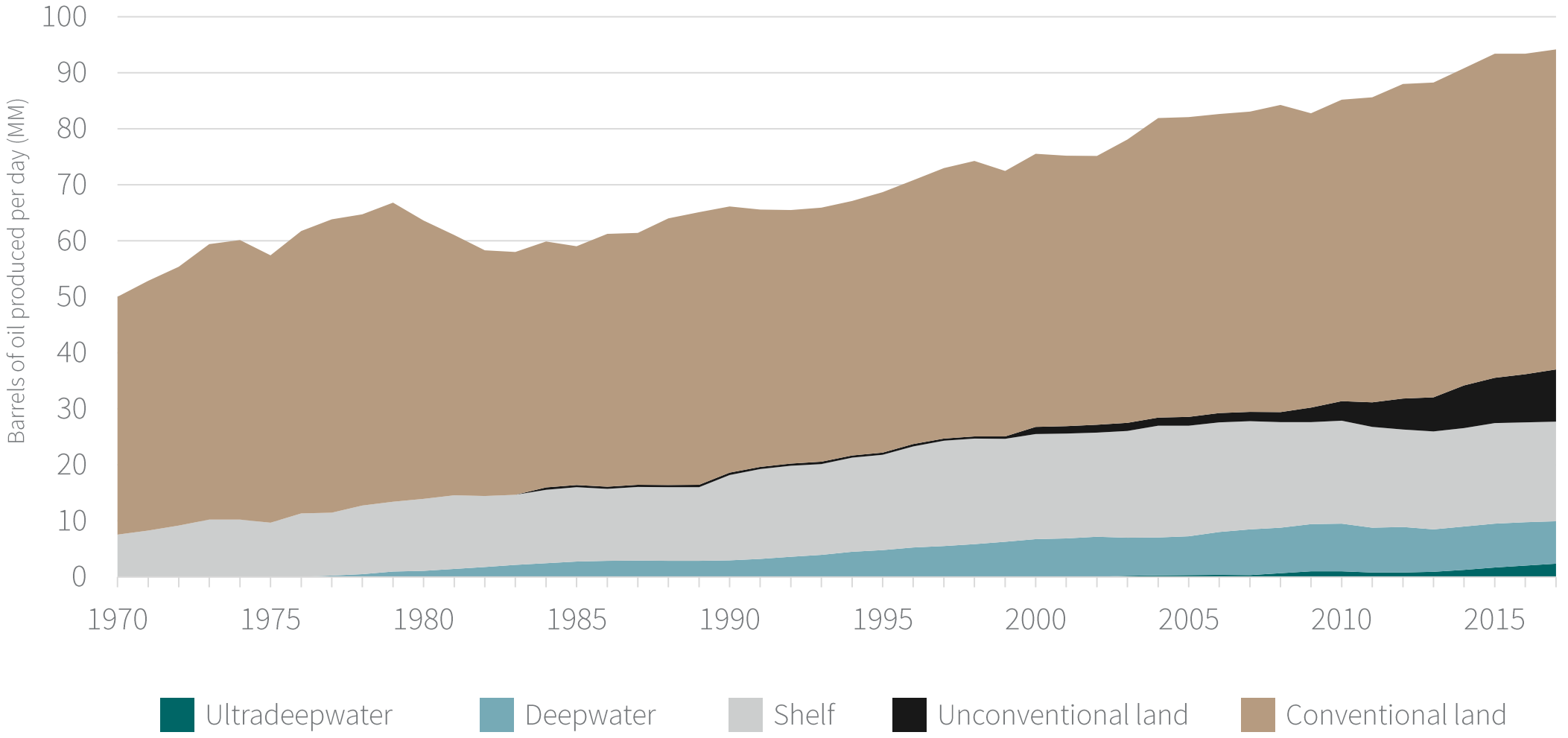
NOV

Oil and gas industry trends

Technology opening up unconventional reservoirs

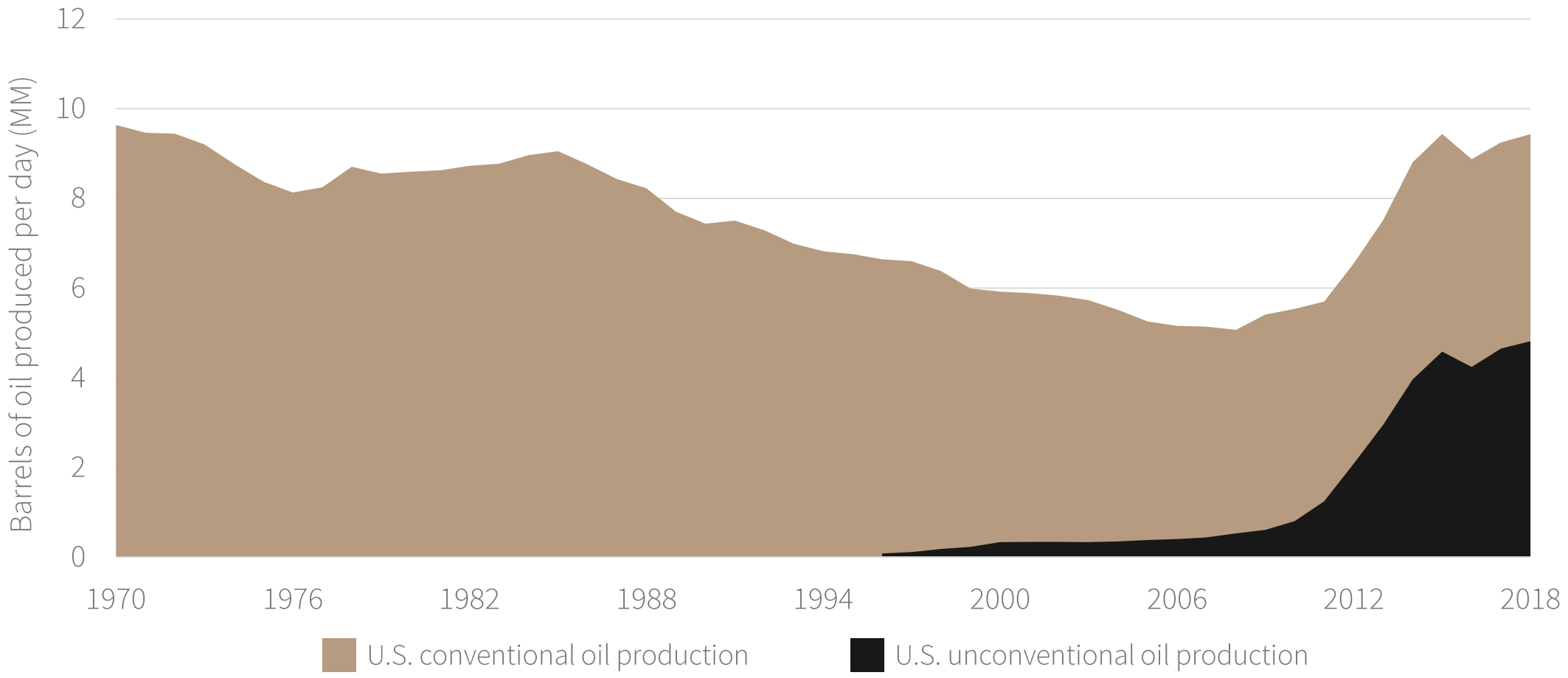
Emerging sources of oil and gas

Global crude oil production by formation



Source: U.S. Energy Information Administration (EIA)

Rapid growth of unconventional production in the U.S.



Source: U.S. Energy Information Administration (EIA)

Barrel economics

Equating rig capital to barrels developed

$22,000,000 rig purchase

\+ **$6,000,000** component replacement

$28,000,000 rig capex

Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

Per barrel contribution of a drilling rig

Methodology based on a U.S. unconventional land well

25 years of useful life × **80%** utilization × **17** wells drilled per year = **340** wells

Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

Per barrel contribution of a drilling rig

Methodology based on a U.S. unconventional land well

340 wells × **700,000** barrels per well EUR = **238,000,000** barrels

Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

Per barrel contribution of a drilling rig

Methodology based on a U.S. unconventional land well

$28,000,000 rig capex ÷ **238,000,000** barrels = **$0.12/bbl**

Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

$0.12/bbl

rig capex per barrel

Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

$6.25M well cost ÷ **700,000** barrels per well EUR = **$8.93** per barrel of oil

Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

$8.93/bbl

Operator's capex spend per barrel of oil

$0.12 Rig equipment
$0.04 Rig aftermarket
$0.07 Drill pipe
$0.01 Shaker screens
$0.21 Bits, rental, and fishing tools
$0.19 MWD and directional drilling tools
$0.02 Cementing equipment
$0.11 Coiled tubing units and CT
$0.02 Wireline units and tools
$0.95 Pressure pumping and stimulation
$0.43 Fluid ends and frac consumables

+

$2.17/bbl

NOV's addressable **tool** market

Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

$8.93/bbl

Operator's capex spend per barrel of oil

Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

$0.04 Rig aftermarket
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$0.02 Cementing equipment
$0.11 Coiled tubing units and CT
$0.02 Wireline units and tools
$0.95 Pressure pumping and stimulation
$0.43 Fluid ends and frac consumables
$0.66 Separating and processing equipment
$0.21 OCTG inspection, coating, and sleeves
\+ **$0.02** Pumps and LACT units

$3.06/bbl

NOV's **total** addressable market

4 Well types

$6.3MM Unconventional land well – US

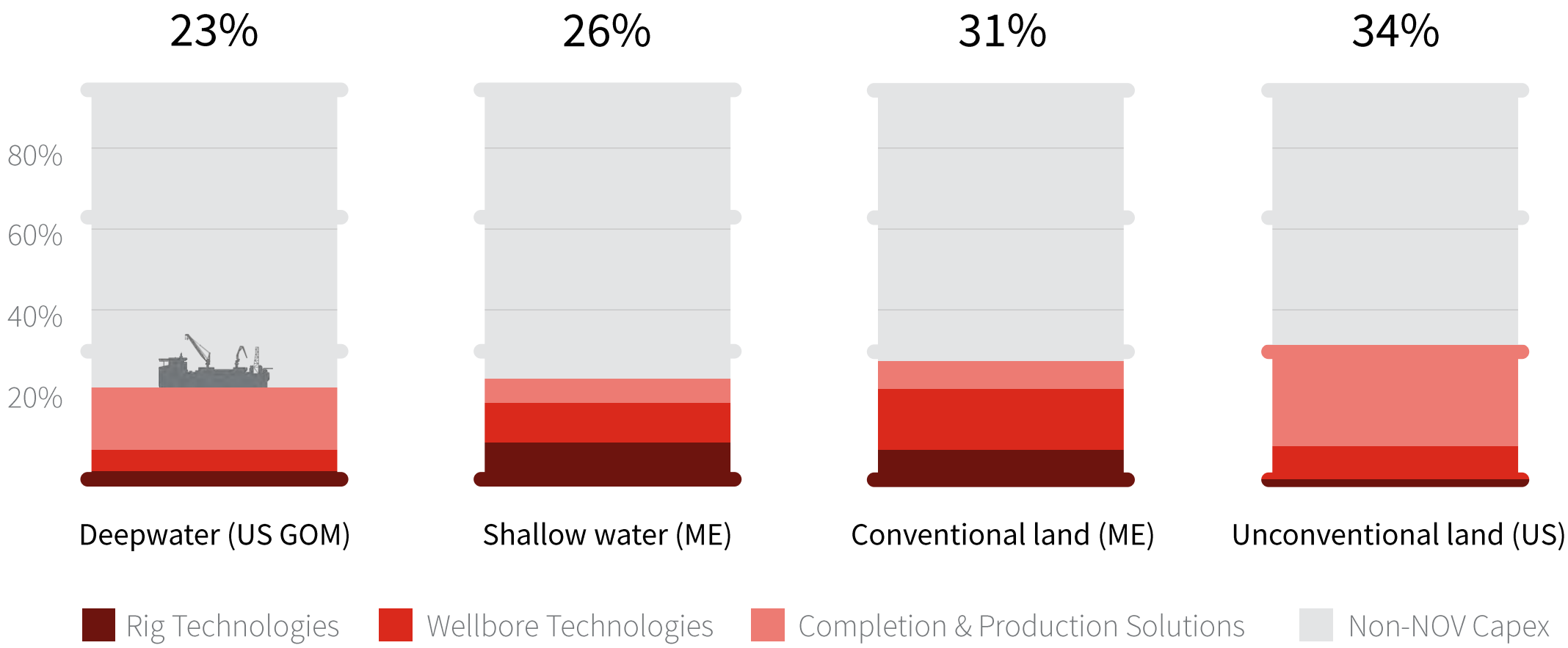
$225MM Deepwater well - US GOM

$13.9MM Shallow water well - Middle East

$7.3MM Conventional land well – Middle East

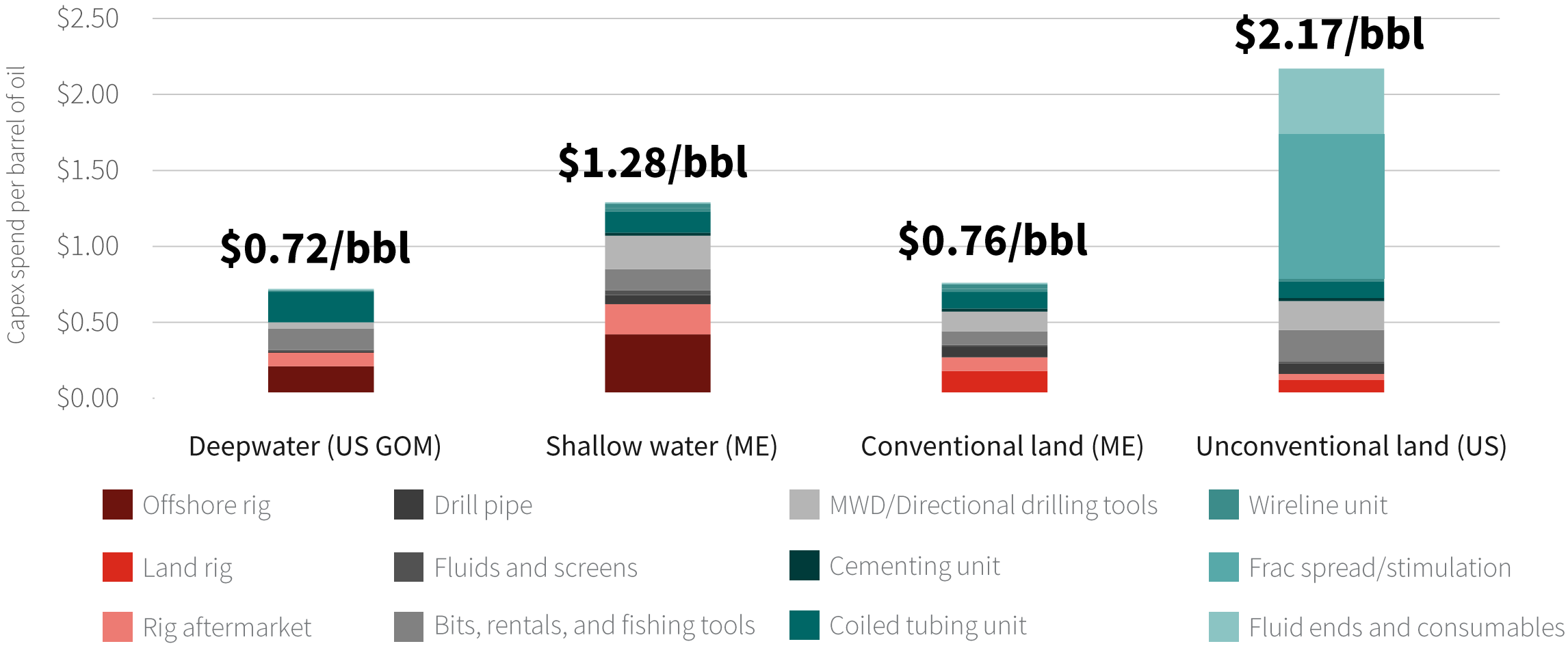
Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

NOV's addressable market - % of unit development cost

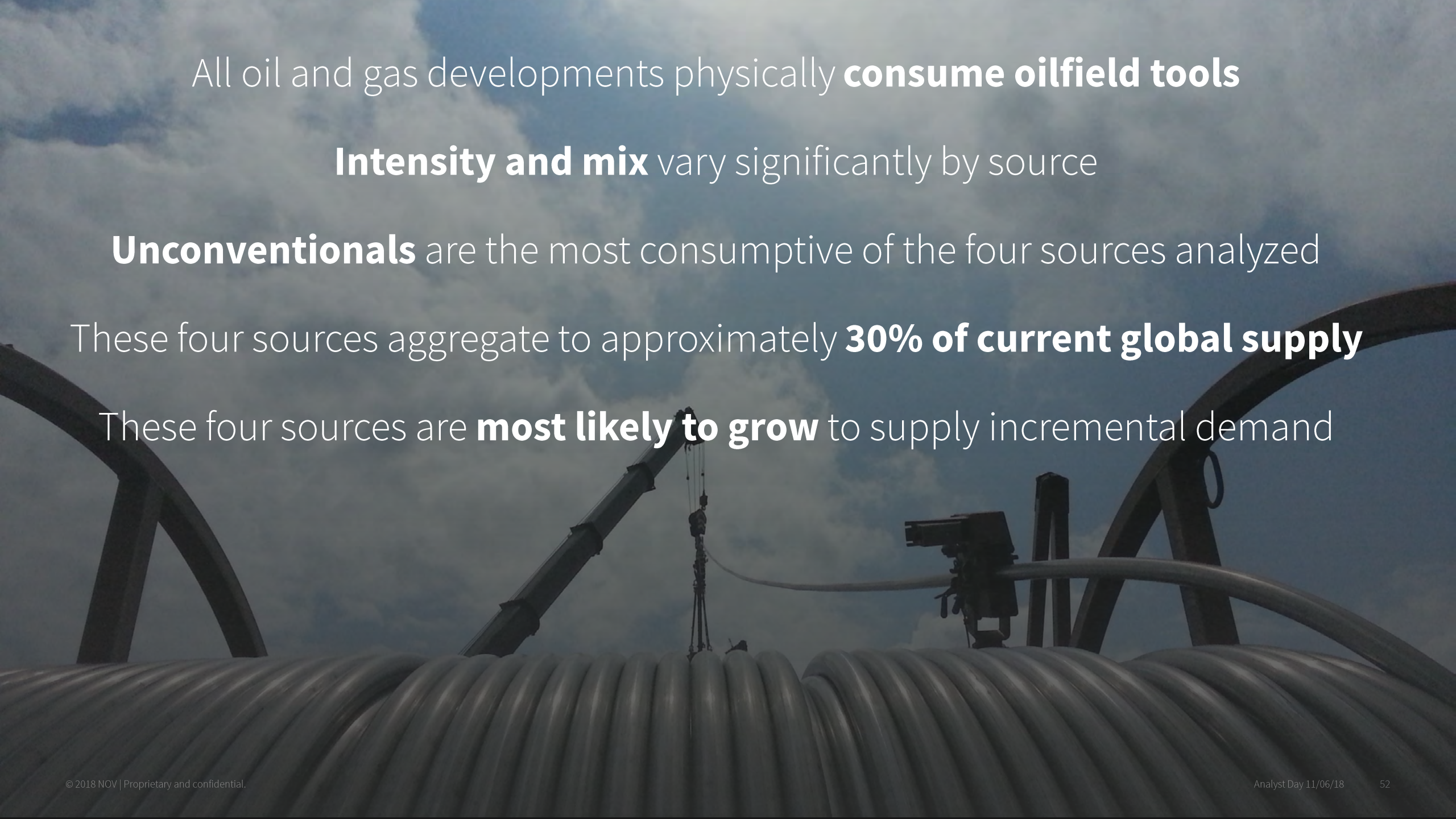


Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis

Tools consumed per barrel of oil developed



Sources: IHS, Rystad Energy, WoodMackenzie, Spears & Associates, EIA, NOV analysis



All oil and gas developments physically **consume oilfield tools**

Intensity and mix vary significantly by source

Unconventionals are the most consumptive of the four sources analyzed

These four sources aggregate to approximately **30% of current global supply**

These four sources are **most likely to grow** to supply incremental demand

NOV accelerated

Five incremental growth opportunities

Directional drilling tools

Completion tools

NOVOS

Drilling automation

Predictive analytics and CBM

Directional drilling tools

“In-target wellbore placement is key to **maximizing well productivity** and fundamental to our success.

Slight deviations from the ideal target can certainly impact well performance.”

Bill Thomas

Chairman and Chief Executive Officer, **EOG**

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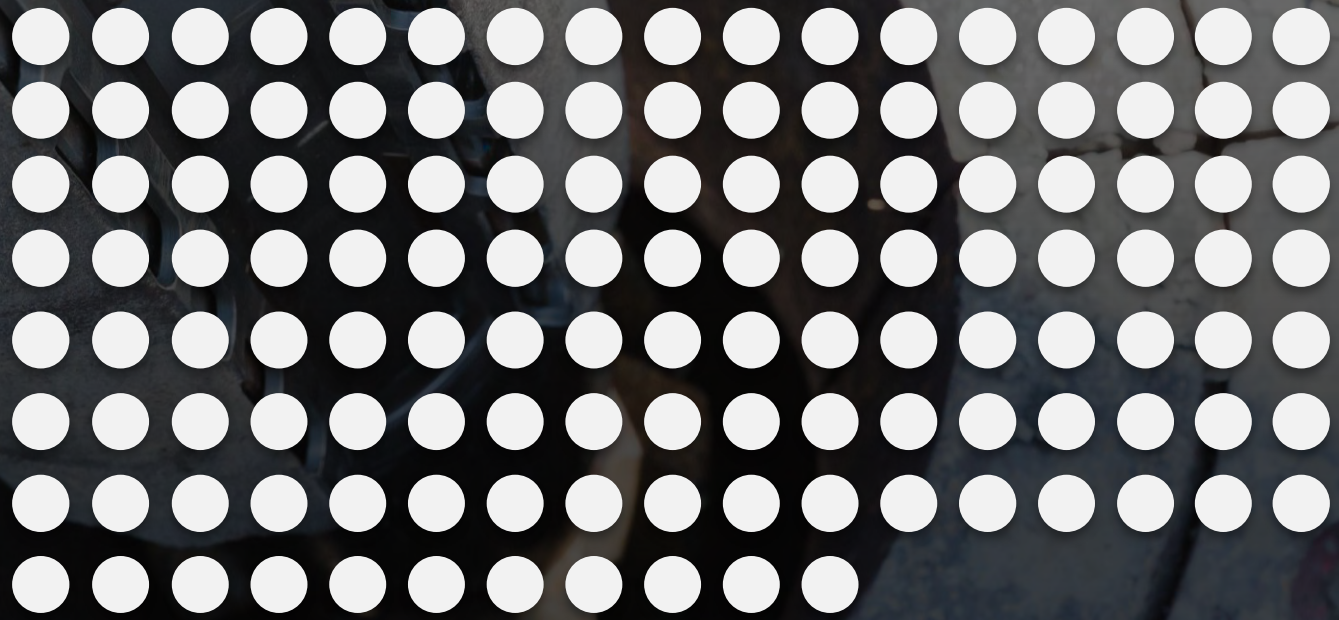
Directional drillers



Sources: Spears & Associates, NOV analysis

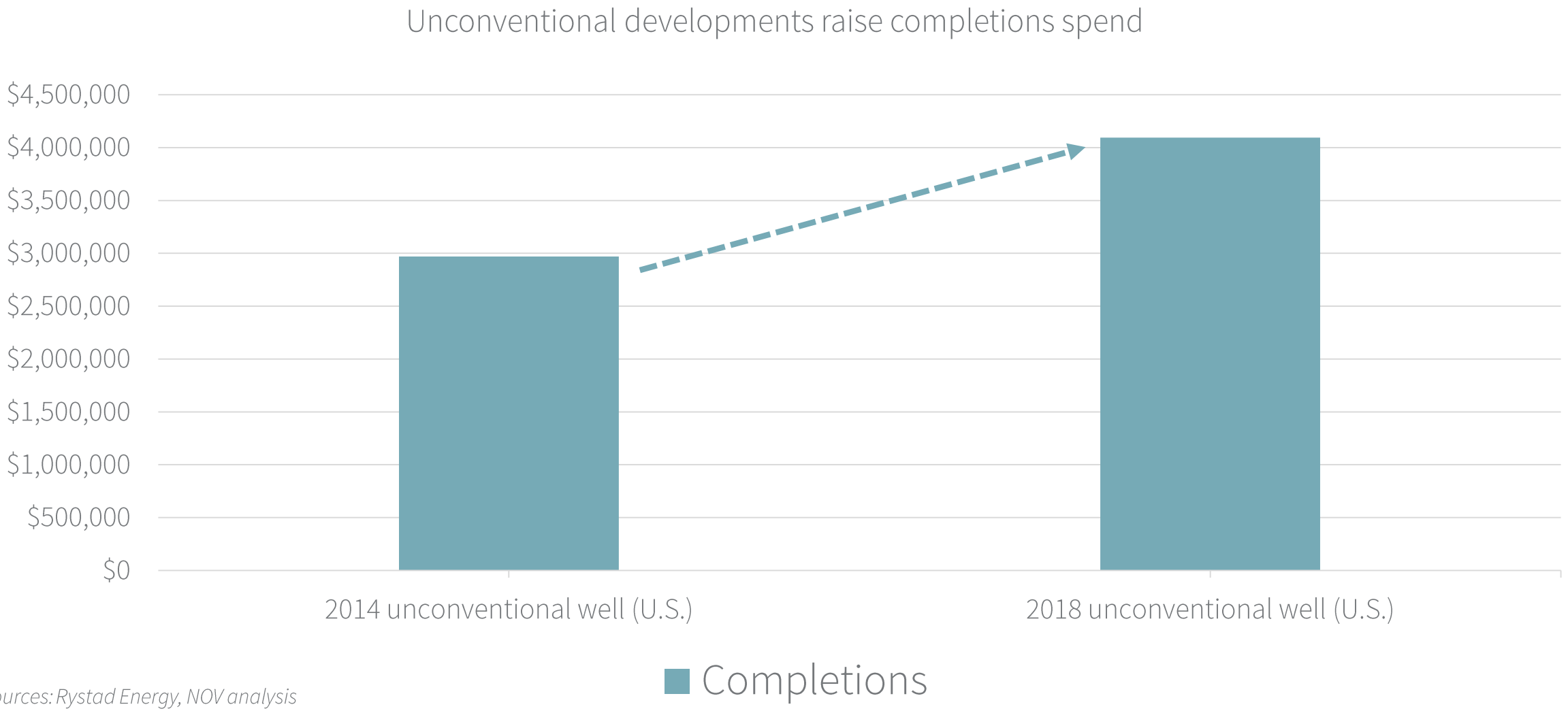
~$9B directional drilling market

11% CAGR projected to 2021

Source: Spears & Associates

Completion tools

Per-well completions spend



Sources: Rystad Energy, NOV analysis

$8.6B market

11% CAGR projected to 2021

Source: Spears & Associates

NOVOS

>2MM

Feet drilled

>6k

Days operating

32

Apps running in field

Drilling automation

6

Closed-loop automated drilling projects ongoing

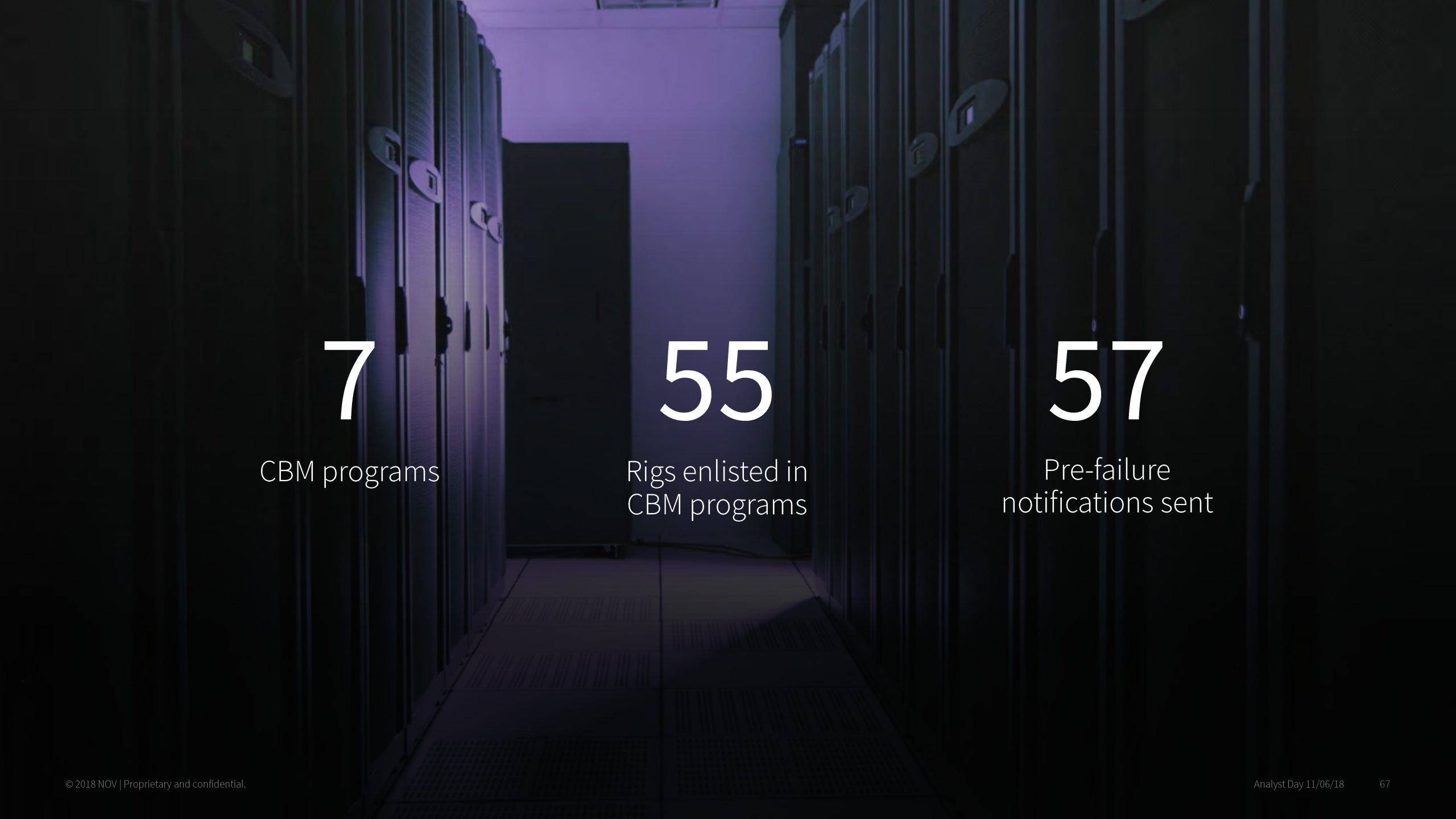
1.5MM

Feet drilled

33k

Hours logged

Predictive analytics and CBM



Why now?

4 years into a generational downturn…

$75 Brent commodity prices are signaling **tightening supply and demand**

The OFS ecosystem is slowly recovering, with NAM leading the way

However,
Oil and gas companies are carefully **limiting drilling capex** as their shareholders demand return of capital

4 years into a generational downturn…

Will North American unconventionals be able to fully supply all future incremental demand? **We doubt it**

The call on **international and offshore markets**, specifically the Middle East and deepwater, will grow as the recovery proceeds

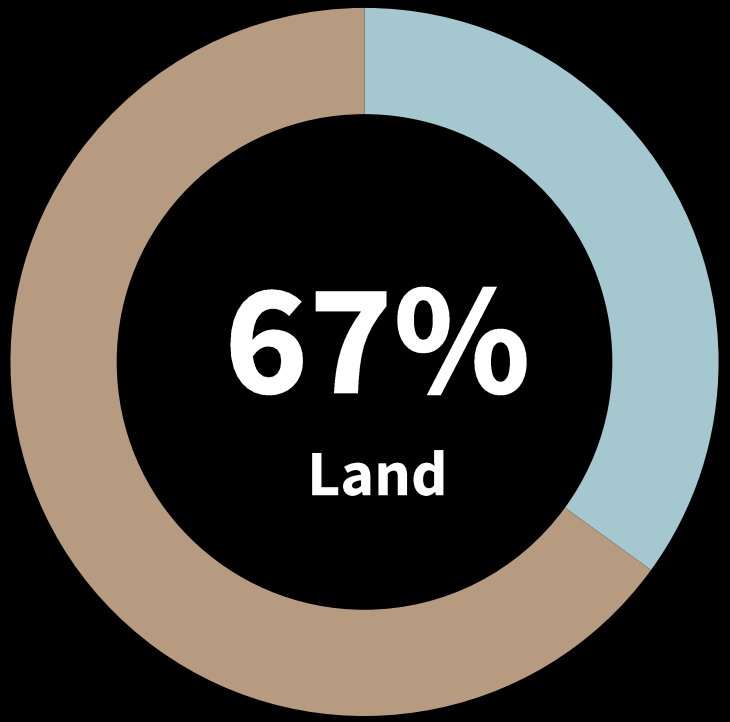
Overseas operators will **increasingly employ unconventional technologies** in tight reservoirs

4 years into a generational downturn…

As demand for offshore newbuild rigs has wound down, NOV has been executing a **strategic pivot**

Opportunities around…

- Horizontal drilling
- Hydraulic frac stimulation, completions
- Installed base
- Digital products



NOV 3Q 2018
Revenue Split

4 years into a generational downturn…

NOV has enhanced its optionality in all potential sources of oil, with particular focus on unconventionals

How?
Rifle-shot M&A combined with organic technology development

Maximizing returns on incremental capital deployments

Why NOV?

We’re making tools for an industry that consumes tools at a high rate

Proprietary opportunities in aftermarket with massive installed base

Low capital intensity generates strong free cash flow

Strategic pivot to go where E&P spend is flowing

Technical pivot to employ emerging technologies to extend competitive advantages