

[National Oilwell Varco Inc.](#) (NYSE:NOV) announced today that its Board of Directors has approved a plan to reduce the Company's quarterly dividend to \$0.05 per share in response to market conditions which continued to deteriorate through the first quarter of 2016.

Clay Williams, Chairman, President and CEO, commented, "We believe reducing the dividend is in the best interest of our company and our shareholders as we continue to work our way toward the bottom of this severe down cycle. Substantial decreases in 2016 E&P capital plans are driving activity levels to new record lows, resulting in significantly diminished demand for equipment and services.

"Based on preliminary information, first quarter revenues will be down approximately 20% from the \$2.7 billion recognized in the fourth quarter of 2015. Importantly, although the near-term outlook remains challenging, NOV remains strong financially. NOV's total debt decreased by over \$500 million during the first three months of 2016 and the decision to reduce the dividend is expected to improve future net cash flow by approximately \$615 million per year.

"We believe the dramatic reductions in capital spending are accelerating global production declines, setting the stage for a recovery in demand for NOV equipment and technologies. Reducing our dividend will allow us to preserve capital to invest in future growth opportunities and enhance the core capabilities our customers will need when industry activity increases."

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 and the provision of oilfield 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 the actual future events or results. Readers are referred to documents filed by National Oilwell Varco 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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