



2010

MarketPartners® Report

OILFIELD PRODUCT
SUPPLIERS

Customer Satisfaction Ratings

EnergyPoint

RESEARCH

To Our Readers,

At its core, EnergyPoint Research is about measuring, monitoring and disseminating valuable information regarding the performance of oilfield suppliers as seen through the eyes of the most important constituency of all — the customer.

We believe that the oil and gas industry, which spends almost a half-a-trillion dollars annually on products and services serving the upstream segment, deserves an *independent* and *unbiased* means of measuring supplier performance and customer satisfaction on an ongoing basis.

While this report will undoubtedly prove of interest to suppliers, investors, consultants and industry observers, it is first and foremost meant for the thousands of oil and gas industry professionals and organizations that have participated in EnergyPoint Research's independent surveys over the years. Since 2004, our survey participants have helped raise the profile of, and offer greater transparency regarding, customer satisfaction throughout the industry. In the process, EnergyPoint Research's ratings have emerged as the *de facto* standard for tracking and understanding supplier performance in the global oilfield.

So, to all of our survey participants (past, present and future), we have a simple message: Thank you! Please accept this and other EnergyPoint Research reports as our appreciation for your willingness to partner with us in the ongoing mission of tracking the performance of suppliers that serve this great industry.

Please continue to provide EnergyPoint Research with your informed perspectives regarding industry suppliers by participating in our benchmark surveys. In return, we commit to share our findings via complimentary reports as well as access to our state-of-the-art online reporting portal (contact us to find out more).

Sincerely,



P. Douglas Sheridan
Managing Director & Founder
EnergyPoint Research, Inc.



There is a phenomenon in the insect world referred to by biologists as a “circular mill.” It describes a situation in which enormous numbers of ants, sometimes as many as tens of millions, are caught up in a protracted and pointless circular march due to the fact that each individual ant insists upon following the scent of its predecessor. Many ants caught up in these vexing spirals never find their way out, with death from fatigue or starvation the final result. Only when large enough numbers of insects reject the status quo, and seek more fruitful paths that encourage others to follow, does the vicious cycle come to an end.

The point? Our most ingrained tendencies do not always leave us pointed in the most productive of directions. Whether in the insect world, on the field of competition, or in any arena where the maxim of the survival of the fittest determines who thrives, who survives, and who passes on, blindly mimicking the actions of others can have serious, and even ill-fated, consequences. This is true for most individuals, groups and organizations, and it’s true for the oil and gas industry as well.

Agents of Change

Time and again, data from EnergyPoint Research’s independent studies demonstrate unequivocally that oilfield customers want suppliers to provide

more differentiated and higher quality products and product support. Yet, our latest survey suggests that many of the industry’s most high-profile equipment and materials providers have continued to repeat the same performance-killing mistakes of the past. Design flaws, a lack of in-house quality controls, poor commissioning practices, and a disproportionate focus on mergers and acquisitions all continue to frustrate oilfield customers, just as they did six years ago when we conducted our first-ever survey.

One sign the situation might be poised for at least some improvement, however, is the entry of new players into the sector. Despite the fact that GE Oil & Gas’ customer scores are, at this point, relatively lackluster – held down by ratings of its acquired Vetco Gray unit – many industry analysts believe GE’s focus on quality, combined with its overall management acumen, will foster significantly better performance from its oilfield units. The follow-on thinking is that enhanced performance on the part of GE will, through the forces of competition, cause other suppliers to step up the quality of their own products and services or run the risk of losing market share.

It’s an interesting dynamic, one certainly worthy of monitoring. Nevertheless, we do not believe new entrants are the sole, or even the best, means of improving overall supplier performance. Fortunately, the industry has in its midst existing suppliers, many of which are listed in this report, that are already finding new and better ways of operating and, in the process, benefitting themselves and their customers.

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TOP-TEN RATED PRODUCT SUPPLIERS

1. **Derrick Equipment**
2. Smith International
3. Sumitomo Pipe & Tube
4. Lufkin Industries
5. Frank's
6. Grant Prideco
7. Davis – Lynch
8. Newpark Resources
9. Scientific Drilling
10. M-I SWACO

Cohesive Cultures

When we spoke to executives at Derrick Equipment, which again ranked No. 1 in overall customer satisfaction among oilfield product suppliers, we were struck by how dedicated the company is to differentiating itself, not only through its products but through its organization and culture as well. It's the kind of distinctive approach that helped the company produce very strong ratings in a number of areas, including the quality, reliability and responsiveness of its personnel.

Clearly, Derrick's differentiation does not come easily. Consider its hiring process. It typically involves multiple rounds of interviews, including an exercise whereby candidates might be asked to author mock business letters or deliver original presentations on the fly. Some candidates are asked to attend social events to better assess their interpersonal skills and comfort levels in certain settings. And once persons are hired as full-time employees, there's a six-month probation period during which they continue to be assessed.

It's a thorough process to say the least, but

Derrick clearly sees its culture as a strategic asset worth protecting. According to Mitch Derrick, the company's president, "A team-oriented approach is imperative to our success, so we go to great lengths to find and retain employees whose values fit our own. When hiring, we look for people who will embrace, and ultimately thrive in, our culture." This includes a commitment to grow the company through a long-term focus on quality and performance. As Ray Clayton, vice president and head of sales, explains, "Those who believe the only way to help customers is by cutting pricing won't be successful here in the long run."

Committed to Training

Jay Glick, president of Lufkin Industries, which ranked fourth overall and first in the categories of artificial lift and production equipment, seems to think similarly: "We're looking for people who want to be part of a team and who are willing to go beyond the conventional eight-hour workday when needed. Prima donnas will not survive here."

For Lufkin, it all starts with training. "In many cases our customers have lost their in-house

"A team-oriented approach is imperative to our success, so we go to great lengths to find and retain employees whose values fit our own. When hiring, we look for people who will embrace, and ultimately thrive in, our culture."

*-Mitch Derrick, President
of Derrick Equipment*

knowledge with regards to artificial lift, so we need our personnel to be as knowledgeable about our products and solutions as possible,” says Glick. “Because we lead with our service, the ability of our employees to listen, learn and communicate is very important.”

To properly indoctrinate new employees, Lufkin uses well-developed training programs that focus on building the skills and capabilities employees will need to carry out their jobs successfully, while also familiarizing them with the structure and culture of the organization. For this reason, much of Lufkin’s training is conducted at its East Texas headquarters, where new employees can find themselves for several weeks during their first year of employment.

Not only does Lufkin’s training system allow new employees to learn first-hand how things are done, it enables them to develop relationships with more experienced colleagues to whom they can reach out for assistance when questions or issues arise. This approach to training provides Lufkin with an advantage over many oilfield suppliers, whose training can be much more disjointed, or even *ad hoc*, in nature.

HIGHEST-RATED PRODUCT CATEGORIES

1. Casing
2. Proppants
3. Tubular Connections
4. Drill Pipe
5. Artificial Lift
6. ROVs
7. Fishing Tools
8. Drilling Fluids
9. Drill Bits
10. Cementing Equipment

Acquisition Traps

Many industry onlookers suggest independent players like Derrick Equipment and Lufkin Industries are ultimately disadvantaged in the market place because they do not offer a larger range of products. But Glick sees it otherwise: “We don’t think there’s really much in the way of economies

Not only does Lufkin’s training system allow new employees to learn first-hand how things are done, it enables them to develop relationships with more experienced colleagues to whom they can reach out for assistance when questions or issues arise.

associated with integrated suppliers locking non-complementary services together in a package discount scheme. Most customers recognize such packages are designed to maximize those suppliers’ overall bottom lines, not the customer’s long-term objectives.”

It’s difficult to dismiss Glick’s assertions. As of the writing of this report, Lufkin’s stock price is up 121% over the last five years, handily beating the 23% gain for the Philadelphia Oil Services Index, or OSX, over the same period. Furthermore, it’s no secret that oilfield customers have expressed concerns over the industry’s shrinking vendor base for years now. Indeed, regular readers of EnergyPoint Research’s reports and commentaries know that, on average, survey participants display higher levels of satisfaction with specialty product providers than with their integrated counterparts. In fact, of the ten top-rated oilfield product suppliers in our survey,

only Smith International (now part of Schlumberger) offers what could be described as a relatively broad line of products.

Yet, many suppliers still view mergers and acquisitions as an irresistible tonic – a quick way to grow market share, diversify revenues, gain scale, or enter new markets and segments. What managements and boards of acquiring companies often overlook are the seriously negative consequences these activities can have on client satisfaction and retention. Survey participants consistently bemoan the product and service quality deterioration, cuts in personnel and investment, and steep price hikes that so often accompany mergers and acquisitions.

Fundamentals = Results

So, if consolidation is hurting the industry's ability to elevate customer satisfaction, what, then, is the optimal course of action for oilfield suppliers? Evidence suggests that simply being outstanding providers in the eyes of customers – namely, by selling high-quality products and standing behind them – can go a long way in producing the financial results that benefit earnings and shareholder value. In fact, in the 24 months after completion of EnergyPoint Research's surveys, the average stock-price return of companies ranking in the top half has outperformed that of those ranking in the bottom half by 12.1 percentage points since 2004. Moreover, companies placing in the top quartile have outperformed the bottom quartile by 33.4 percentage points over 24 months.

It's important to note that the correlation between customer satisfaction and stock-price performance is not simply a self-serving nod to EnergyPoint Research's data. It is independently corroborated by the University of Michigan's Ross School of Business, which found that investment portfolios

based on customer satisfaction ratings delivered statistically significant excess returns in both up and down markets across a full range of industries. Other independent studies have produced similar findings.

Attention at the Top

One thing is for certain, no significant progress will be made until greater numbers of industry suppliers, like insects intent on breaking the circular mill, start doing better jobs of tracking and managing customer satisfaction. Rather than merely an "every now and then" exercise, success will require commitments to recurrent processes that are instituted, supported and monitored at the highest levels of management. Accordingly, senior executives and boards alike must demand data that is properly collected, and analysis that is fully unvarnished in nature.

Progress will be further aided as larger numbers of oilfield customers take greater steps to understand how their entire organizations, not just a select few individuals or functions, view the performance of the suppliers they utilize. After all, for those dependent upon today's oilfield products and services, it's no longer just about price. It's now about much more.

In the 24 months after completion of each of EnergyPoint Research's surveys, the average stock-price return of companies ranking in the top quartile has outperformed that of those ranking in the bottom quartile by 33.4 percentage points.

Survey Description

This report summarizes results from EnergyPoint Research's most recent customer satisfaction survey covering oilfield product suppliers. It is based primarily upon opinions collected through 2,006 evaluations completed from April 2008 through December 2009 by 538 respondents at 143 exploration and production companies, drilling contractors, and upstream consultants worldwide. All respondents indicated having significant experience in selecting or utilizing oilfield products within the prior 24 months. A total of 35 suppliers received the minimum number of evaluations required to be listed in the main sections of this report.

Product Categories

For purposes of the survey, a company is considered an oilfield products supplier if it manufactures and sells products in any of the survey's listed categories. These categories, which are further described on page 10, include:

- ▲ Rig-Related Equipment
- ▲ Downhole Drilling Equipment
- ▲ Downhole Completion Equipment
- ▲ Fluids, Chemical & Proppants
- ▲ Drill Pipe & Oil Country Tubular Goods
- ▲ Surface Production Equipment
- ▲ Subsea Equipment

Areas of Evaluation

Survey respondents were asked to rate their satisfaction with companies on an overall basis as oilfield products suppliers as well as by product category, region of use, and application (see page 12 for additional details regarding survey questions.) Respondents were also asked to rate companies across multiple dimensions within each of the following product and provider attributes:

- ▲ Pricing
- ▲ Performance & Reliability
- ▲ Engineering & Design
- ▲ Availability & Delivery
- ▲ Quality of Personnel
- ▲ Post-sale Support
- ▲ Corporate Capabilities

Purpose & Scope

This report is intended to provide readers with independently gathered information regarding upstream oil and gas industry customers' satisfaction with the oilfield products they purchase and utilize. The ratings contained in this report reflect only the expressed opinions of those persons who chose to complete the survey. The information, ratings and conclusions presented in this report do not necessarily reflect the perspectives or opinions of all oil and gas industry customers utilizing the products or suppliers covered herein. Other surveys could produce materially different results than those published in this report. Furthermore, nothing contained in this report should be construed as constituting any kind of recommendation, endorsement, representation, or warranty on the part of EnergyPoint Research or survey participants. Readers are advised to read in full the disclosure information on page 16 of this report.

Supplier Ratings

All satisfaction ratings in this report, unless otherwise noted, are derived from 1-to-10 point rating scales used in the survey, with 1 indicating respondents are "Very Dissatisfied" and 10 indicating they are "Very Satisfied." After the data were compiled, reviewed, cleansed and sorted by EnergyPoint Research, ratings were tabulated and companies were ranked in descending order according to their rating. Companies were then assigned ratings based on their ranking, with four stars representing the highest designation.



Letter Ratings

The letter ratings applied to the respondent types and product attributes on page 8 correspond to the rank the company achieved versus peers for that particular attribute. An "A" indicates the company ranked in the top third for that attribute, a "B" indicates the company ranked in the middle third, while a "C" indicates the company ranked in the bottom third. Each attribute rating is based on results from at least three underlying attribute-related questions. See item 7 on page 12 for specific attribute-related questions.



ENERGYPOINT RESEARCH CUSTOMER SATISFACTION SURVEY RESULTS OILFIELD PRODUCT SUPPLIERS

Company ³	Overall Rating ^{1,2}	Ratings Trend	Attributes ^{4,5}				Special Applications ⁶	Commentary & Analysis
			Performance & Reliability	Engineering & Design	Post-sale Support			
Aker Solutions	★	↔	C	C	C	C	To some, the company seems more focused on gaining sales than fully supporting existing customers.	
Baker Hughes	★★↓	↔	B	B	B	B	Baker Hughes' ratings have been held down amidst reorganization and recent acquisition activity.	
BJ Services (Baker Hughes)	★★	↔	C	C	C	C	Primarily a pressure pumping services company, BJ's foray into oilfield products fell a bit short in certain ways.	
Cameron International	★★↓	↔	A	B	B	A	As one respondent shared, "Good Company. Great equipment. Needs to work on delivery time."	
Caterpillar	★★↓	↔	B	B	B	B	The company's products are the industry standard. Customers appreciate the durability of its engines.	
Champion Technologies	★★↓	↓	C	B	A	B	The company made the survey's main grouping for the first time. Pricing appears to be a relative strength.	
Davis-Lynch	★★★↓	↓	A	A	B	A	Rated first in the category of engineering and design, as well as for quality downhole cementing equipment.	
Derrick Equipment	★★★★	↔	A	A	A	A	Once again, Derrick is the top-rated supplier overall. A cohesive and focused culture plays a big role.	
Dril-Quip	★★↓	↔	A	A	A	B	Customers like the company's no-nonsense style. Its ability to deliver on its promises also resonates well.	
Expro Group	★	↑	B	C	B	C	Ownership changes have tended to hurt customer intimacy. Performance of products more of a strength.	
FMC Technologies	★↓	↑	B	B	B	C	Lower overall ratings suggest challenges face subsea suppliers. Stronger marks for its geographic footprint.	
Forum Oilfield Technologies	★	↑	C	C	C	B	Offers a range of rig-related and oilfield products, but seems to come up short when it comes to value.	
Frank's	★★★★↓	↑	A	C	A	A	Those that evaluated Frank's display high levels of willingness to recommend the company to colleagues.	
Gardner Denver	★★↓	↔	C	C	B	C	The data suggest the performance and attitude of its technical personnel could stand some adjustment.	
Grant Prideco (NOV)	★★★★↓	↔	A	A	A	A	Snatched up by industry giant NOV in 2008, Grant Prideco has been a favorite of respondents over the years.	
Halliburton	★★★	↔	B	B	A	B	Halliburton rated first in cements, completion fluids, production chemicals and completion packers.	
Hydril (GE Oil & Gas / Tenaris)	★★	↔	C	B	B	C	The company's ratings were weighed down by lower marks for personnel in its sales function.	
LeTourneau Technologies	★★↓	↔	B	A	B	C	Not yet the alternative to NOV that many have hoped for. Nonetheless, enjoys a solid reputation in the industry.	
Lufkin Industries	★★★★★	↓	A	A	A	A	Lufkin rated first in both artificial lift and production equipment. A favorite of primary decision-makers.	
M-I SWACO (Schlumberger)	★★★	↑	B	B	A	A	Drilling fluids are its strength. However, solids control equipment yet to deliver the same superior ratings.	
National Oilwell Varco	★	↑	C	C	C	C	One respondent laments that NOV is "getting too big to provide the kind of customer service needed".	
Newpark Resources	★★★	↔	B	A	A	A	No attempts to be all things to all people here. Respondents comment that "jobs come in as planned."	
Oceaneering	★★↓	↑	B	B	B	B	Its ROVs were showcased during the Gulf spill, even as other subsea equipment was shown to be lacking.	
Omron IDM	★	↑	C	C	C	C	The provider of automation packages' distribution network registered low marks with respondents.	
Schlumberger	★↓	↔	B	B	C	B	Despite some viewing Schlumberger as "over-priced, overconfident and over-rated," it remains an industry force.	
Scientific Drilling	★★★	↑	B	B	A	A	Respondents rate the company high in the area of price-for-quality. Independents rave about field personnel.	
Smith International (Schlumberger)	★★★★★	↔	A	A	A	A	Can Schlumberger continue to maintain the host of first-place ratings Smith has accumulated over the years?	
Sumitomo Metals Pipe & Tube	★★★★★	↑	A	A	A	A	When it comes to oil country tubular goods (OCTG), Sumitomo Metals currently dominates the standings.	
Tenaris	★★	↔	A	A	C	B	Respondents rate its production tubing ahead of its connections, and view quality control efforts as a positive.	
Tesco	★	↔	C	C	C	C	Company is currently examining how its products are used and perceived by oilfield customers.	
U.S. Steel	★	↓	B	A	C	B	Respondents at multinationals noted that U.S. Steel was particularly aggressive in its pricing policies.	
Vallourec & Mannesmann	★★↓	↓	A	A	B	B	Registered uncharacteristically low ratings, driven by weaker marks for product availability and delivery.	
Vetco Gray (GE Oil & Gas)	★	↔	C	C	C	C	One suggestion is for "better communication between project management, sales and the customer."	
Weatherford International	★↓	↔	C	C	C	B	Weatherford's rank has mostly held steady over the years. Expansion has both helped and hurt ratings.	
Wood Group	★★↓	↔	A	B	B	A	Wood Group continues to generate respectable ratings year-in, year-out in EnergyPoint's surveys.	

¹ Overall rating based on a proprietary index in which 2008-09 results are weighted at a minimum of 80% and 2007 and 2005 results are weighted at maximums of 15% and 5%, respectively, depending on evaluation counts. ² Derived from the average of ratings received in the areas of "Overall Satisfaction" and "Willingness to Recommend." ³ Company names listed in parenthesis denote current owners of listed company. ⁴ From 2008-09 ratings, top third = "A", middle third = "B", bottom third = "C". ⁵ See page 12 for questions underlying attribute ratings. ⁶ Comprised of ratings in the areas of horizontal/directional, high-pressure/high-temperature, and harsh climate /environment wells.

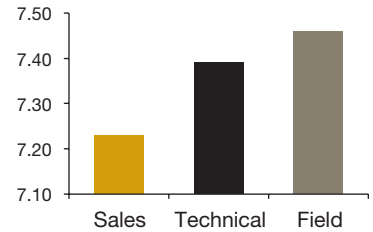
Average Number of Oilfield Product Suppliers Evaluated by Each Survey Respondent

3.72

Percentage of Respondents Who Rated Derrick Equipment a "10" out of "10"

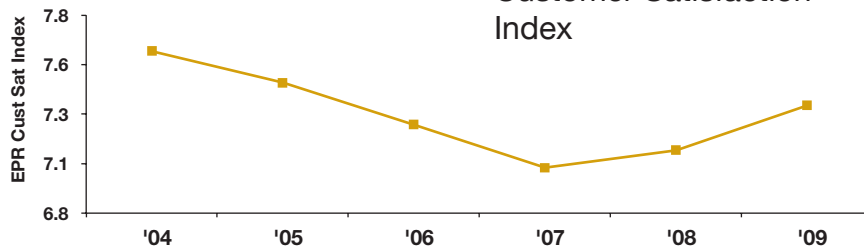
25%

Personnel Ratings by Function



Respondents See Those in Field-oriented Functions as Doing a Better Job of Meeting Their Needs Than Those in Sales or Technical Functions

EnergyPoint Research Customer Satisfaction Index



Supplier with the Highest Average Ranking in Each of EnergyPoint's Oilfield Products Surveys Since 2005

Smith Int'l

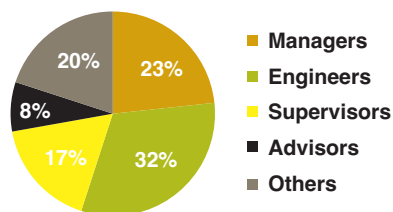
Amount Spent Industry-wide on the Oilfield Products and Services Rated in EnergyPoint's Surveys

\$400+ Billion

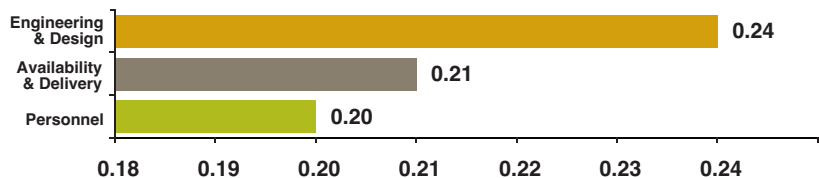
Ratio of Respondents Who Are "Very Satisfied" With Their Oilfield Product Suppliers To Those That Are "Very Dissatisfied"

3:1

With 80% of Respondents Carrying Titles of Manager, Engineer, Supervisor or Advisor, Survey Results Reflect the Opinions of Persons Who Work Closely with the Suppliers They Rate



Engineering & Design Ratings Show the Greatest Amount of Improvement



Change in Industry Wide Rating Since 2007

No. of CEOs Who Believe That Their Own Companies Rank in the Bottom Half in Terms of Customer Satisfaction

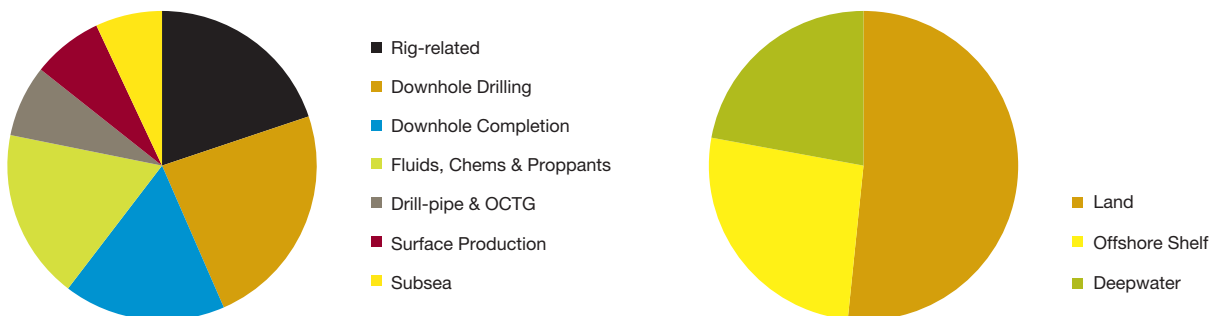
Zero

Percentage of Respondents Willing to Strongly Recommend Their Suppliers to Colleagues and Friends

29%

ENERGYPOINT RESEARCH EVALUATION MIX & CATEGORY DESCRIPTIONS





EVALUATION MIX BY PRODUCT CATEGORY & WELL TYPE



PRODUCT CATEGORY DESCRIPTIONS

RIG-RELATED	Integrated Rigs	Drilling, workover, well service, coiled-tubing, and other types of integrated oilfield rigs.
	Surface BOPs	Surface blowout preventers and related well-control equipment.
	Top Drives	Electric and hydraulic top drives and related systems and equipment.
	Tubular Handling Equipment	Automated catwalks, iron roughnecks, tongs, elevators, spinners, wrenches, slips, spiders, and related tubular handling equipment.
	Solids & Waste Control Equipment	Mud pumps, mud tanks, shale shakers, centrifuges, desanders and desilters, cutting processing and disposal equipment, and related equipment.
	Rig Controls & Instrumentation	Rig controls and instrumentation, SCR controls, and related equipment.
	Engines Communications and Networking	Engines and related equipment. Equipment used in the provision of voice, fax, internet, video, network, data transmission, and other communication and networking functions.
DOWNHOLE	Drill Bits	PDC bits, natural diamond bits, insert and tri-cone bits, air drilling bits, hammer bits, and core bits.
	Drilling Motors	Turbodrills, mud motors, steerable motors and related equipment.
	Rotary Steerable Systems	Rotary steerable systems and related equipment.
	Downhole Cementing Equipment Fishing Tools	Centralizers, float/guide shoes, stage cementing tools, reamers, plugs, scratchers, baskets, hangers and related materials. Overshots, die collars, spears, taps, impression blocks, magnets, junk subs, washovers, mills, intensifiers and jars, and related fishing equipment and tools.
COMPLETION	Perforating Guns	Perforating guns of all types and sizes, including retrievable and expendable versions.
	Packers	Production, inflatable, retrievable, permanent, mechanical, hydraulic, wireline, multi-string, feed-through, sealbore packers and packer systems.
	Sand Control Equipment	Sand screens, gravel packs and related sand control equipment, systems and materials.
	Artificial Lift Intelligent Sensors & Controls	Pumping units, sucker rods, gas and hydraulic lift, ESPs, plunger lifts, progressive cavity pumps, velocity strings, and related equipment. Downhole flow controls, valves, meters, gauges, injectors, reservoir monitoring and analysis equipment, and related equipment and systems.
FLUIDS, CHEMS & PROPPANTS	Drilling Fluids	Water, non-water and gaseous drilling fluids, ranging from standard muds to specialty fluids and additives.
	Cements	Cements, slurries and additives used for cementing casing within a well.
	Completion Fluids	Brines (chlorides, bromides, formates) and other solids-free liquids used during the well-completion process.
	Proppants	Sand, resin-coated sand, sized ceramic particles, and other proppant materials utilized in the process of fracturing wells.
	Production Chemicals	Corrosion inhibitors, de-emulsifiers, scale inhibitors, paraffin controllers and other production and flow assurance chemicals and compounds.
OCTG & DRILL PIPE	Casing	Casing and casing liner of all diameters, lengths, weights and types.
	Production Tubing	Production tubing of all diameters, lengths, weights and types.
	Connections & Couplings	Connections, couplings and collars of all diameters, lengths, weights and types.
	Drill Pipe	Drill pipe of all diameters, lengths, weights, and types.
SURFACE PRODUCTION	Surface Wellheads & Trees	Surface wellheads, production trees and related equipment.
	Flow Control Equipment	Actuators, valves, and other surface flow-control equipment.
	Artificial Lift	Pumping units, sucker rods, gas lift, hydraulic lift, plunger lifts, progressive cavity pumps, velocity strings, and related equipment.
SUBSEA	Subsea BOPs	Subsea blowout preventers (BOPs) and related subsea well-control equipment.
	Subseas Wellheads & Trees	Subseas wellheads, trees and related equipment.
	Risers & Flexible Joints	Drilling and production risers, flex/stress joints, mooring equipment, and related equipment.
	Umbilicals & Control Systems	Umbilicals, jumpers, flying leads, subsea control systems and related equipment and materials.
	Manifolds, Flowlines & Connectors Remotely Operative Vehicles	Subsea manifolds, flowlines, connectors and related equipment. Remotely operated vehicles (ROVs) and related equipment.

ENERGYPOINT RESEARCH MAJOR CATEGORY WINNERS

SURFACE BOPS  Cameron International	FLOW CONTROL EQUIPMENT  Cameron International	SUBSEA MANIFOLDS & CONNECTORS  Cameron International	SURFACE WELLHEADS  Cameron International
ENGINES  Caterpillar	CEMENTING EQUIPMENT  Davis-Lynch	DOWNHOLE DRILLING EQUIPMENT  Davis-Lynch	SOLIDS CONTROL EQUIPMENT  Derrick Equipment
PERFORMANCE & RELIABILITY  Derrick Equipment	POST-SALE SUPPORT  Derrick Equipment	RIG-RELATED EQUIPMENT  Derrick Equipment	LAND-BASED DRILLING APPLICATIONS  Derrick Equipment
SUBSEA WELLHEADS  Dril-Quip	SUBSEA RISERS  Dril-Quip	SUBSEA BOPS  GE Oil & Gas - Hydril	CEMENT PRODUCTS  Halliburton
COMPLETION FLUIDS  Halliburton	COMPLETION PACKERS  Halliburton	DOWNHOLE COMPLETION EQUIPMENT  Halliburton	PRODUCTION CHEMICALS  Halliburton
ARTIFICIAL LIFT  Lufkin Industries	DOWNHOLE MOTORS  Smith International	INTEGRATED PRODUCTS  Smith International	DRILL PIPE  Grant Prideco
DRILLING FLUIDS PRODUCTS  Newpark Resources	UMBILICALS & CONTROLS  Oceaneering International	ROVS  Oceaneering International	INTEGRATED RIGS  LeTourneau Technologies
PERFORATING GUNS  Schlumberger	PROPPANTS  Schlumberger	CASING TUBING  Sumitomo Metals	CONNECTIONS & COUPLINGS  Sumitomo Metals
OIL COUNTRY TUBULAR GOODS  Sumitomo Metals	INTELLIGENT SENSORS & CONTROLS  Weatherford International	ROTARY STEERABLE SYSTEMS  Weatherford International	SAND CONTROL EQUIPMENT  Weatherford International

Suppliers & Respondents

Respondents chose from an overall list of more than 50 companies identified by industry participants and EnergyPoint Research as major oilfield product suppliers and selected other suppliers not included in the list through a “write-in” feature of the survey. Based upon information provided by respondents and gathered by EnergyPoint Research, a profile of the resulting pool of evaluations by respondent type is provided below.

EMPLOYER TYPE	NO. OF EVALUATIONS			% OF EVALUATIONS		
	2008-09	2007/05	TOTAL	2008-09	2007/05	TOTAL
Supermajor	503	1,238	1,741	25.1%	34.3%	31.0%
Major	119	442	561	5.9%	12.2%	10.0%
Large Independent	289	213	502	14.4%	5.9%	8.9%
Independent	212	299	511	10.6%	8.3%	9.1%
Small Independent	46	184	230	2.3%	5.1%	4.1%
National Oil Company	130	360	490	6.5%	10.0%	8.7%
Drilling Contractor	581	689	1,270	29.0%	19.1%	22.6%
Upstream Consultant	92	157	249	4.6%	4.3%	4.4%
Other	34	32	66	1.7%	0.9%	1.2%
TITLE / FUNCTION						
Executive /VP /Director	176	392	568	11.3%	10.8%	10.1%
Manager	467	837	1,304	23.3%	23.2%	23.2%
Advisor /Consultant	157	173	330	7.8%	4.8%	5.9%
Engineer / Specialist	635	1,268	1,903	31.7%	35.1%	33.9%
Supervisor / Team Leader	345	521	866	17.2%	14.4%	15.4%
Geologist / Petrophysicist	9	32	41	0.4%	0.9%	0.7%
Procurement / Supply Chain	194	351	545	9.7%	9.7%	9.7%
Coordinator /Other	23	40	63	1.1%	1.1%	1.1%
ROLE IN SELECTION OF PRODUCTS						
Primary Decision-maker	832	1,623	2,455	41.5%	44.9%	43.7%
Contributor to Process	1,107	1,772	2,879	55.2%	49.0%	51.2%
User of Products Only	67	219	286	3.3%	6.1%	5.1%
TOTAL	2,006	3,614	5,620	100.0%	100.0%	100.0%

Sample Sizes

Results for companies that received 15 or more evaluations in the area of overall satisfaction as oilfield product suppliers in 2008-09 are listed in the main sections of this report. These minimums, and varying minimums for product category, customer and provider type, region of use, and application, were set in an effort to help reduce uncertainty in scores and rankings due to sampling error. EnergyPoint does not maintain or represent that the survey or this report includes all companies or parties that could be viewed as oilfield product suppliers. Inclusion in, or exclusion from, the survey or this report is not intended to reflect a company’s market share or prominence in any category of product or service. Readers are encouraged to read the entire disclaimer pertaining to this report on page 16.

Design & Development

The survey was designed, managed and funded on an independent basis by EnergyPoint Research to facilitate the collection of upstream oil and gas customers’ opinions regarding their oilfield product suppliers. EnergyPoint Research was not hired to perform the survey or publish this report by any provider or purchaser of oilfield products or services. In developing the survey, EnergyPoint Research worked with industry professionals to develop questions focused on the attributes believed to impact customers’ satisfaction with oilfield product suppliers. To help facilitate both participation and confidentiality, the survey was conducted primarily through a secure, state-of-the-art web-based platform.

ENERGYPOINT RESEARCH SURVEY CONTENT

Below is a summary outline of the survey upon which the results in this report are based:

1. Confirm your name, company, title, job function and years of upstream experience.
2. Indicate your role in the selection of oilfield products within your company (Primary Decision-maker, Contributor to Process, User of Products Only, or Other).
3. Indicate the type of company for which you work (Supermajor, Major, Large Independent, Independent, Small Independent, National Oil Company, Drilling Contractor, Upstream Consultant, or Other).
4. Indicate where your company is headquartered.
5. On a 1-to-10 scale, where 1 = “Least Important” and 10 = “Most Important,” indicate the level of importance you assign to each of the following when selecting or evaluating oilfield product suppliers: Product Pricing, Performance & Reliability, Engineering & Design, Availability & Delivery, Quality of Personnel, Post-sale Support and Corporate Capabilities.
6. Indicate the oilfield product suppliers with whom you have significant experience and would like to evaluate (companies in bold are those included in this report).

Aker Solutions

Baker Hughes

BJ Services

Cameron International

CapRock Communications

Carbo Ceramics

Caterpillar

Champion Technologies

Davis-Lynch

Delmar

Derrick Equipment

Dril-Quip

EMD (Electro-Motive)

Expro International

FMC Technologies

Forum Oilfield Technologies

Frank's

Gardner Denver

Grant Prideco

Halliburton

Hanover Process Equipment

Harbison-Fischer

Hydril

IDM Equipment

IPSCO/ NS Group

LeTourneau Technologies

Lufkin Industries

M-I SWACO

Nalco

NATCO

National Oilwell Varco

Newpark Resources

Oceaneering

Oil States International

Oil Tools International

Omron IDM Controls

Petron

RigNet

Saint-Gobain Proppants

Schlumberger

Scientific Drilling

Smith International

Sumitomo Pipe & Tube

TAM International

Technip-Coflexip

Tenaris

Tesco

US Steel

Vallourec & Mannesmann

Vetco Gray

Wartsila

Weatherford International

Wood Group

Other (specify) _____

7. Using a 1-to-10 scale, where 1 = “Very Dissatisfied” and 10 = “Very Satisfied,” indicate your satisfaction with the oilfield products of each company you selected in the following areas:

- a. Product Pricing: i) general price levels, ii) price competitiveness versus competitors, iii) prices paid for quality received (overall value).
- b. Performance & Reliability: i) ability to perform to specifications and expectations, ii) durability and length of life, iii) adequacy of in-house quality controls and inspection processes, iv) health, safety and environmental features and performance.
- c. Engineering & Design: i) degree to which products and upgrades are value-adding; ii) technical soundness and sophistication of products; iii) ease and cost of installation, operation and maintenance of products.
- d. Availability & Delivery: i) degree to which products are delivered on time and as ordered; ii) adequacy of inventory held by company and / or its distributors; iii) geographic coverage of company and its distributors.
- e. Personnel: i) quality, reliability and responsiveness of sales personnel and representatives, ii) quality, reliability and responsiveness of technical personnel, iii) quality, reliability and responsiveness of field personnel.
- f. Post-sale Support: i) accountability, flexibility and responsiveness after sale, ii) strength of product warranties and guarantees, iii) availability, cost and quality of replacement parts and refurbishments.
- g. Corporate Capabilities: i) overall capabilities and resources of company, ii) depth and breadth of company's product offerings, iii) quality and availability of product performance data and documentation.

8. Indicate your overall satisfaction with the oilfield product suppliers you selected. Also, indicate your satisfaction with these companies' products for the specific global regions, product categories and applications for which you utilize them.
9. Indicate how likely you would be to recommend this company's oilfield products to your friends or colleagues (1 = “Very Unlikely” and 10 = “Very Likely”).
10. Please provide any comments you have regarding this company.

ENERGYPOINT RESEARCH AT A GLANCE

INDUSTRY-WIDE RATINGS

Company	Ratings Category	LATEST Rating	RATINGS Trend	SURVEY Scope	NO. OF '04-09 Evaluations
Aker Solutions	Oilfield Products	★	↑	Global	95
Atwood Oceanics	Contract Drilling	★★★★↓	↑	Global	19
Baker Hughes	Oilfield Products	★★↓	↔	Global	503
Baker Hughes	Oilfield Services	★★	↓	Global	512
Basic Energy Services	Oilfield Services	★★	↑	Global	51
BJ Services	Oilfield Products	★★	↔	Global	285
BJ Services	Oilfield Services	★★↓	↓	Global	349
Cameron International	Oilfield Products	★★↓	↔	Global	249
Carbo Ceramics	Oilfield Products	★★★★	↔	Global	27
Caterpillar	Oilfield Products	★★↓	↔	Global	126
CenterPoint Energy Field Services	Gas Midstream Services	★↓	↔	U.S.	63
Champion Technologies	Oilfield Products	★★↓	↓	Global	27
Copano Energy	Gas Midstream Services	★★★★	↔	U.S.	38
Core Laboratories	Oilfield Services	★★★★↓	↔	Global	69
Crosco	Contract Drilling	★★	↔	Global	9
Crosstex Energy	Gas Midstream Services	★	↔	U.S.	69
Cudd/Thru Tubing	Oilfield Services	★★★	↔	Global	22
Davis-Lynch	Oilfield Products	★★★★↓	↓	Global	50
DCP Midstream	Gas Midstream Services	★	↑	U.S.	223
Delmar Systems	Oilfield Products	★★★	↔	Global	20
Derrick Equipment	Oilfield Products	★★★★	↔	Global	82
Diamond Offshore	Contract Drilling	★↓	↑	Global	59
Dril-Quip	Oilfield Products	★★↓	↔	Global	86
Eagle Rock Energy	Gas Midstream Services	★	↔	U.S.	16
Enbridge Energy	Gas Midstream Services	★	↔	U.S.	129
Energy Transfer	Gas Midstream Services	★	↓	U.S.	76
Enogex Gas	Midstream Services	★	↑	U.S.	65
ENSCO International	Contract Drilling	★★★★↓	↔	Global	54
Ensign Energy Services	Contract Drilling	★	↓	Global	21
Enterprise Products	Gas Midstream Services	★	↑	U.S.	103
Expro International	Oilfield Products	★	↑	Global	63
Expro International	Oilfield Services	★	↓	Global	61
FMC Technologies	Oilfield Products	★↓	↑	Global	146
Forum Oilfield Technologies	Oilfield Products	★	↑	Global	31
Frank's	Oilfield Products	★★★★↓	↑	Global	92
Frank's	Oilfield Services	★★★★	↓	Global	125
Fred Olson/Dolphin	Drilling Contract Drilling	★	↔	Global	5
Gardner Denver	Oilfield Products	★★↓	↔	Global	59
Geoservices	Oilfield Services	★★★★↓	↑	Global	74
Grant Prideco	Oilfield Products	★★★★↓	↔	Global	138
Halliburton	Oilfield Products	★★★	↔	Global	592
Halliburton	Oilfield Services	★★↓	↔	Global	677
Hanover Processing	Oilfield Products	★↓	↔	Global	19
Harbison-Fischer	Oilfield Products	★★	↔	Global	20
Helmerich & Payne	Contract Drilling	★★★★	↑	Global	91
HydriL	Oilfield Products	★★	↔	Global	105
IDM Equipment	Oilfield Products	★★↓	↑	Global	20
KCA DEUTAG	Contract Drilling	★★★	↔	Global	41

ENERGYPOINT RESEARCH AT A GLANCE

INDUSTRY-WIDE RATINGS

Company	Ratings Category	LATEST Rating	RATINGS Trend	SURVEY Scope	NO. OF '04-09 Evaluations
Key Energy Services	Oilfield Services	★ ↓	↑	Global	126
Kinder Morgan Gas	Midstream Services	★ ↓	↔	U.S.	69
LeTourneau Technologies	Oilfield Products	★★ ↓	↔	Global	55
Lufkin Industries	Oilfield Products	★★★★	↓	Global	51
MarkWest Gas	Midstream Services	★★★★ ↓	↔	U.S.	33
M-I SWACO	Oilfield Products	★★★★	↑	Global	248
M-I SWACO	Oilfield Services	★★★★ ↓	↑	Global	138
Nabors Industries	Contract Drilling	★	↔	Global	169
National Oilwell Varco	Oilfield Products	★	↑	Global	308
Newpark Resources	Oilfield Products	★★★★	↔	Global	52
Newpark Resources	Oilfield Services	★★★★	↑	Global	15
Noble Drilling	Contract Drilling	★★★★ ↓	↔	Global	53
Oceaneering	Oilfield Products	★★ ↓	↑	Global	48
Oil States International	Oilfield Products	★	↓	Global	38
Omron IDM Controls	Oilfield Products	★	↑	Global	32
ONEOK Field Services	Gas Midstream Services	★	↔	U.S.	67
Parker Drilling	Contract Drilling	★★★★	↔	Global	43
Patterson-UTI	Contract Drilling	★	↓	Global	89
Petron	Oilfield Products	★★	↔	Global	15
Pioneer Drilling	Contract Drilling	★	↔	Global	19
Precision Drilling	Contract Drilling	★★ ↓	↔	Global	76
Pride International	Contract Drilling	★★★★	↔	Global	46
Regency Gas Services	Gas Midstream Services	★ ↓	↓	U.S.	37
Rowan Companies	Contract Drilling	★★★★ ↓	↓	Global	39
Schlumberger	Oilfield Products	★ ↓	↔	Global	571
Schlumberger	Oilfield Services	★★	↓	Global	673
Scientific Drilling	Oilfield Products	★★★★	↑	Global	52
Scientific Drilling	Oilfield Services	★	↑	Global	19
Seadrill	Contract Drilling	★	↔	Global	13
Smith International	Oilfield Products	★★★★	↔	Global	205
Smith International	Oilfield Services	★★★★	↔	Global	142
Southern Union Gas	Midstream Services	★	↔	U.S.	55
Sumitomo Pipe & Tube	Oilfield Products	★★★★	↑	Global	53
Superior Energy Services	Oilfield Services	★★	↔	Global	37
Targa Resources Gas	Midstream Services	★	↓	U.S.	79
Technip-Coflexip	Oilfield Products	★	↓	Global	37
Tenaris	Oilfield Products	★★	↔	Global	81
Tesco	Oilfield Products	★	↔	Global	65
Tesco	Oilfield Services	★	↓	Global	35
Tetra Technologies	Oilfield Services	★★★★	↑	Global	28
Transocean	Contract Drilling	★ ↓	↓	Global	84
Unit Drilling	Oilfield Services	★	↑	Global	34
U.S. Steel	Oilfield Products	★	↓	Global	36
Vallourec & Mannesmann	Oilfield Products	★★ ↓	↓	Global	60
Vetco Gray	Oilfield Products	★	↔	Global	168
Weatherford International	Oilfield Products	★ ↓	↔	Global	367
Weatherford International	Oilfield Services	★ ↓	↔	Global	375
Williams Midstream Gas	Midstream Services	★★	↑	U.S.	65
Wood Group	Oilfield Products	★★ ↓	↔	Global	103
Wood Group	Oilfield Services	★★★★	↓	Global	83

ABOUT ENERGYPPOINT RESEARCH OUR FOCUS



EnergyPoint Research provides independent research regarding the oil and gas industry's satisfaction with the products and services it purchases and utilizes. We offer industry professionals and organizations opportunities to provide and gather confidential ratings in important areas to product and service providers through objective and independent evaluation processes. In return for participating in our surveys, respondents and their organizations receive complimentary survey results in the form of EnergyPoint's highly regarded MarketPartners® Reports and other proprietary research products.

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To help ensure the relevance and timeliness of our data, EnergyPoint Research's surveys focus on the product and service areas industry participants tell us are most important. We design our surveys to measure satisfaction by service or product attribute and category, customer and provider type, respondent title and experience, and other appropriate measures.

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LEARN MORE

To learn more about EnergyPoint Research and our commitment to the oil and gas industry, visit the company's website at www.energypointresearch.com. You may also e-mail us at info@epresearch.com or call us at +1.713.529.9450.

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