We Distribute Products That Deliver Energy to the World®

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NOW Inc., First Quarter 2017 Review & Key Takeaways

Forward Looking Statements

- 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 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.

CEO Perspective on 1Q 2017

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- **First Quarter Financial Results**
  - Revenues improved by $93M sequentially; EBITDA excluding other costs (a Non-GAAP measure*) improved by $22M in 1Q 2017
  - Net loss for 1Q 2017 of $23M or a loss of $16M excluding other costs (a Non-GAAP measure*)
  - Diluted loss per share for 1Q 2017 was $0.21 or $0.15 excluding other costs (a Non-GAAP measure*)
  - Flow through to EBITDA was 24% for 1Q 2017
- **North American Recovery Drove Third Consecutive Quarter of Top Line Improvements**
  - Revenue per global operating rig annualized at $1.3M… again; $1.2M excluding acquisitions made during the last year
  - Revenue per rig constant while DUC’s continue to grow and deepwater continues to deteriorate
  - U.S. Energy Segment grew by 26%
  - WS&A steady at $135M
  - Working capital excluding cash improved to 21% as a percent of revenue
  - Accounts Receivable increased by $58M and Inventory increased by $8M in 1Q 2017
  - $102M cash on hand at March 31, 2017
- **Going forward: Walking a Tightrope between Upstream Activity and the Need for Increased Inventory, Some with Longer Lead Times**
  - Potential for break-even EBITDA, excluding other costs, in 2Q 2017 if normal seasonal declines in Canada aren’t more pronounced than years past, product margin gains hold up and rig count continues current trajectory.
  - Continuing the hunt for “the right” M&A deals at “the right” price at “the right time”

On the Road to Recovery with the Best Quarter Since 1Q 2015

Statement of Operations and Non-GAAP Reconciliations

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($ Millions, Except Per Share Amounts and Percentages)

	Unaudited	
	1Q 2017	4Q 2016
Revenue	$ 631	$ 538
Operating Expenses		
Cost of Products	$ 517	$ 450
WS&A	$ 135	$ 135
Operating Loss	$ (21)	$ (47)
Other Expense	$ (2)	$ (1)
Loss Before Income Taxes	$ (23)	$ (48)
Income Tax Provision (Benefit)	$ -	$ 23
GAAP Net Loss	$ (23)	$ (71)

	Unaudited	
	1Q 2017	4Q 2016
GAAP Net Loss	$ (23)	$ (71)
Interest, Net	$ 1	$ 1
Income Tax Provision (Benefit)	$ -	$ 23
Depreciation & Amortization	$ 13	$ 14
Other Costs*	$ -	$ 2
EBITDA Excluding Other Costs (Non-GAAP)*	$ (9)	$ (31)
EBITDA % Excluding Other Costs (Non-GAAP)*	(1.4%)	(5.8%)
GAAP Reported Diluted Loss Per Share	$ (0.21)	$ (0.66)
Other Costs*	$ 0.06	$ 0.37
Diluted Loss Per Share Excl. Other Costs (Non-GAAP)*	$ (0.15)	$ (0.29)

Revenues Continue Sequential Climb at 17% Quarter Over Quarter

(* See footnotes on last page)

Statement of Operations and Non-GAAP Reconciliations

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($ Millions, Except Per Share Amounts and Percentages)

	Unaudited	
	1Q 2017	1Q 2016
Revenue	$ 631	$ 548
Operating Expenses		
Cost of Products	$ 517	$ 461
WS&A	$ 135	$ 152
Operating Loss	$ (21)	$ (65)
Other Expense	$ (2)	$ (2)
Loss Before Income Taxes	$ (23)	$ (67)
Income Tax Benefit	$ -	$ (4)
GAAP Net Loss	$ (23)	$ (63)

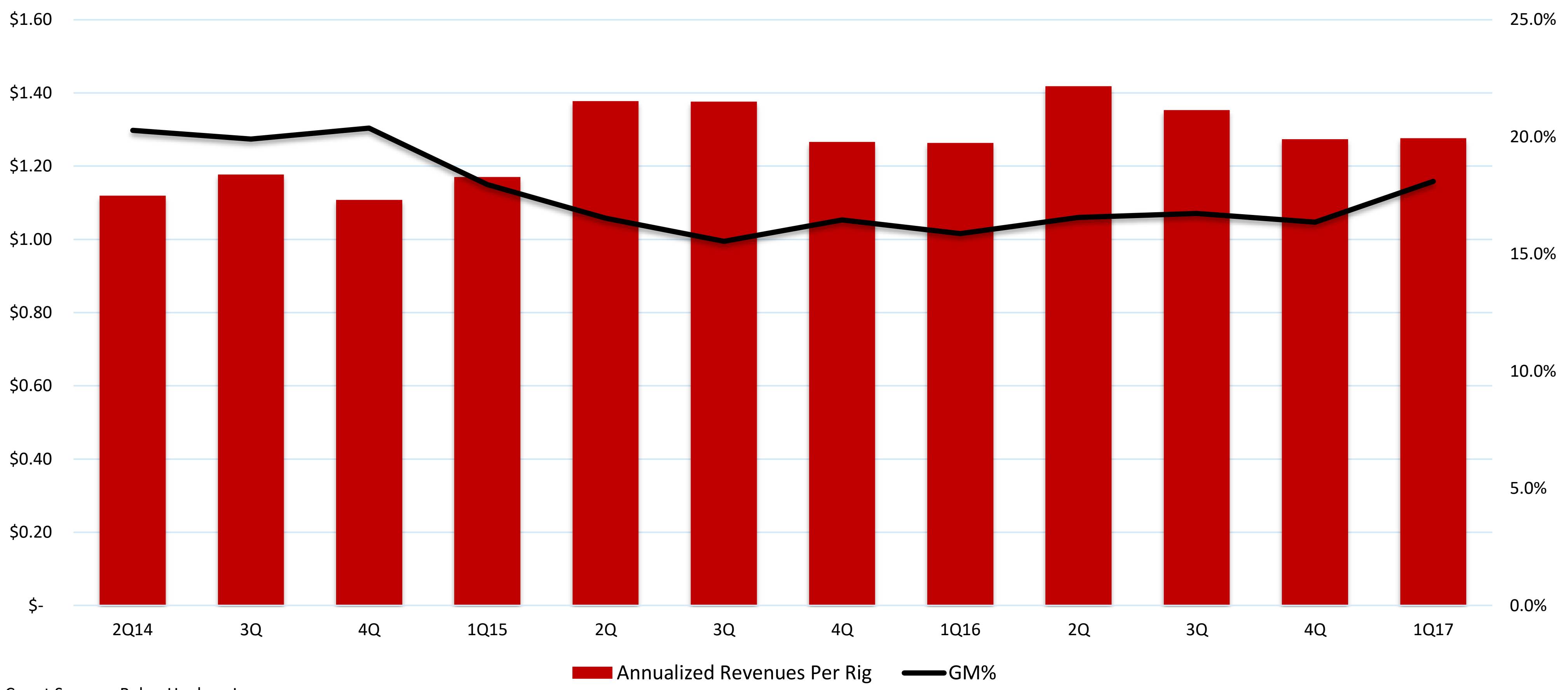
	Unaudited	
	1Q 2017	1Q 2016
GAAP Net Loss	$ (23)	$ (63)
Interest, Net	$ 1	$ -
Income Tax Benefit	$ -	$ (4)
Depreciation & Amortization	$ 13	$ 12
Other Costs*	$ -	$ 4
EBITDA Excluding Other Costs (Non-GAAP)*	$ (9)	$ (51)
EBITDA % Excluding Other Costs (Non-GAAP)*	(1.4%)	(9.3%)
GAAP Reported Diluted Loss Per Share	$ (0.21)	$ (.59)
Other Costs*	$ 0.06	$ .24
Diluted Loss Per Share Excl. Other Costs (Non-GAAP)*	$ (0.15)	$ (0.35)

GAAP Net Loss Reduced as Revenues Surge

(* See footnotes on last page)

Revenues Per Global Operating Rig

($ Millions - QTR - Annualized)



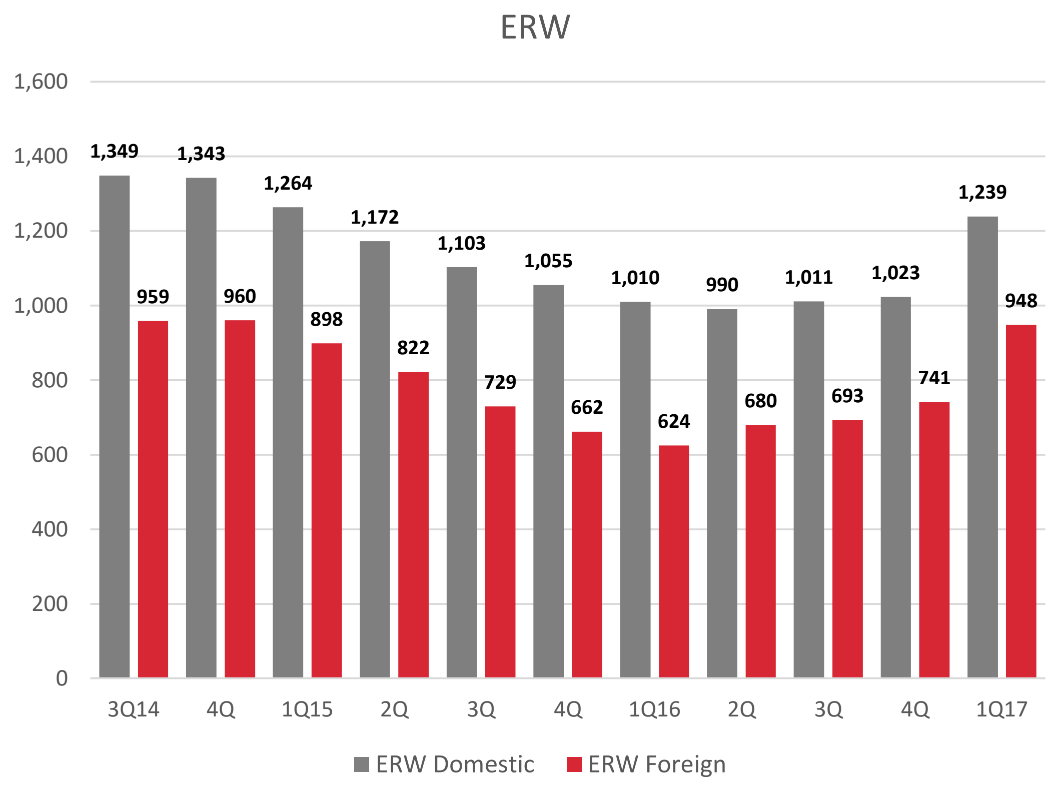
Rig Count Source: Baker Hughes, Inc.

Revenues Per Rig Continue to Track Historical Trends

Spears Pipe Logix Report

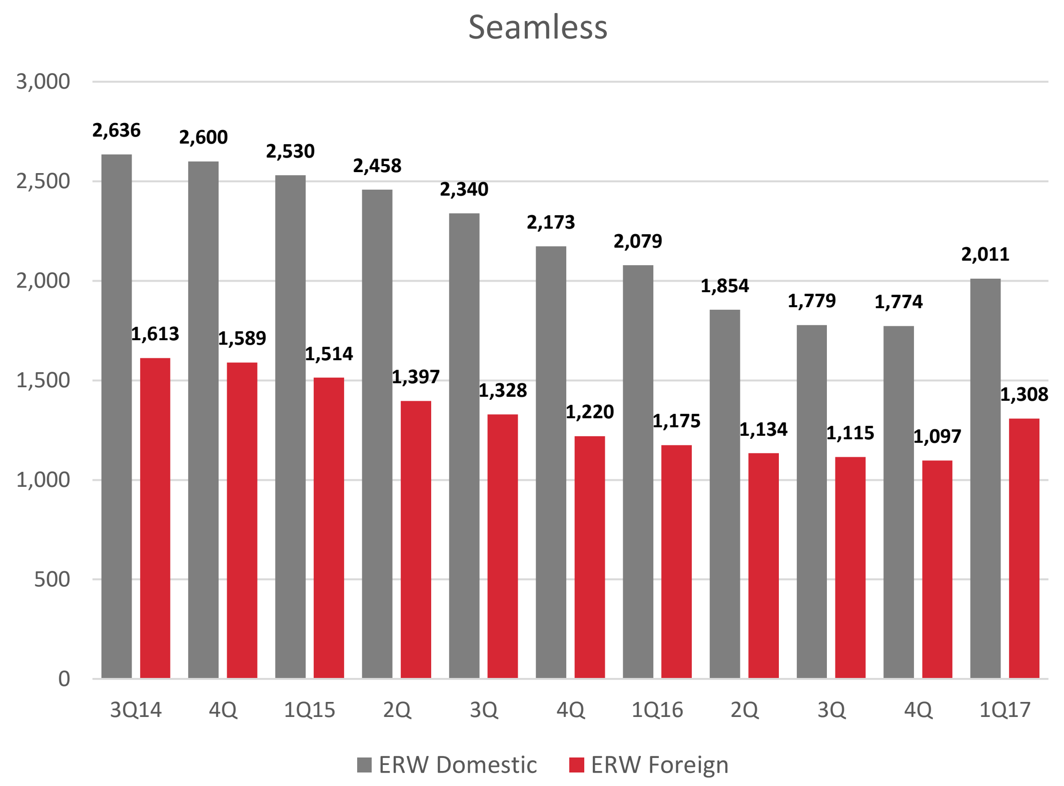
Line Pipe Pricing

Average of Selected ERW Items - Price ($/ton)



Source: Pipe Logix

Average of Selected Seamless Items - Price ($/ton)



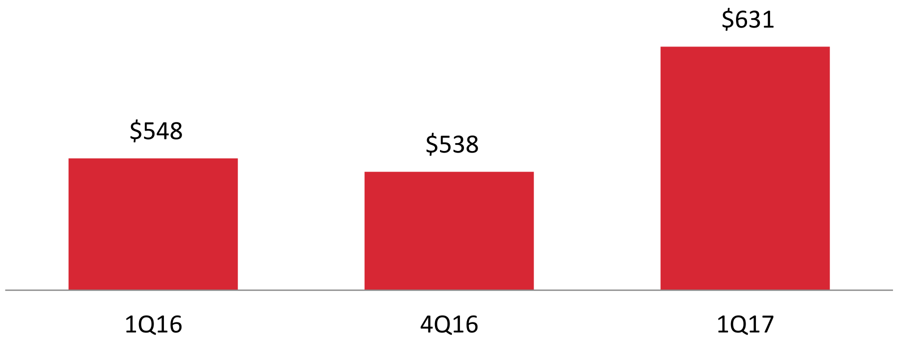
Source: Pipe Logix

OCTG Demand on Mills Pushing Up Pricing for Both OCTG and Line Pipe

Selected Quarterly Results (Unaudited)

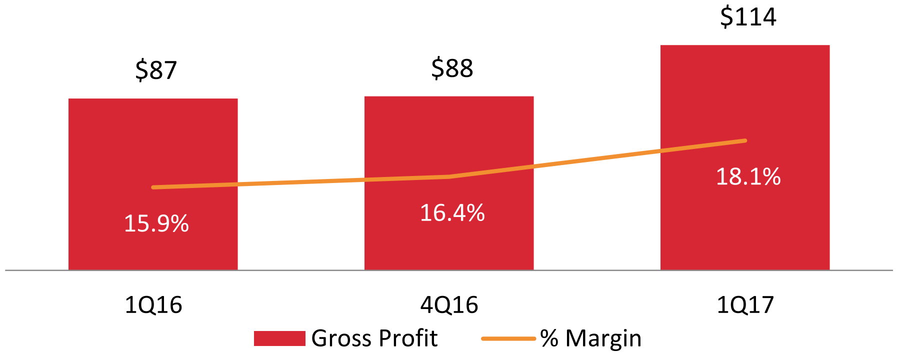
Revenue

($ in millions)



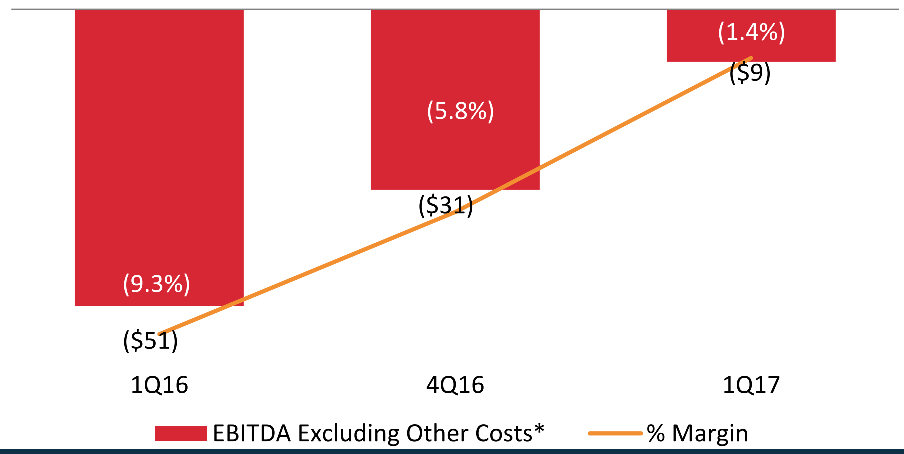
Gross Profit and Margin

($ in millions)



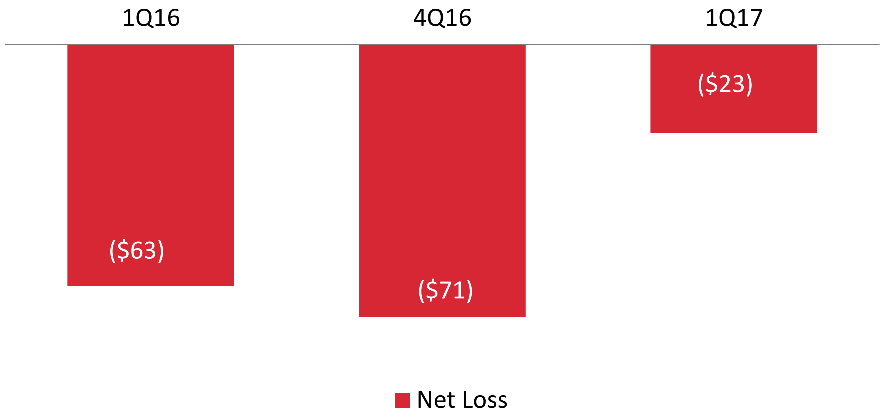
EBITDA Excl. Other Costs (Non-GAAP)* and Margin

($ in millions)



Net Loss

($ in millions)



EBITDA Excluding Other Costs (Non-GAAP)*, Break Even Could be in Earshot

(* See footnotes on last page)

Business Segment Results

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($ Millions)

	Unaudited		
	1Q 2017	4Q 2016	1Q 2016
Revenue			
United States	$439	$379	$357
Canada	96	73	63
International	96	86	128
Total Revenue	631	538	548
Operating Profit (Loss)			
United States	(26)	(43)	(59)
Canada	3	(2)	(6)
International	2	(2)	-
Total Operating Loss	$(21)	$(47)	$(65)

United States

- A pivotal quarter for North American recovery, our U.S. segment topline improved, by 16% sequentially, stimulated by rig count improvements and initial gains from 3Q 2016 facility and tank battery construction, expanded supplier partnerships, Process Solutions expansion and continued implementation with two large operator customers in Supply Chain. Offsetting these gains are additional offshore rigs that have been scrapped and flooding the market with inventory along with severe weather in the Rockies.

Canada

- Canadian revenues, for 1Q 2017, were up a notable 32% broadly across product lines, but in particular composite pipe and midstream related engineered valves and pumping and artificial lift products.

International

- The International topline grew by 12%, driven by strength in the UAE and Egypt. Europe, the North Sea, Asia and Latin America continue to struggle related to spending cuts, depleted offshore rig counts and short term contracts.

Everything's Coming up Milhouse

Key Industry Indicators

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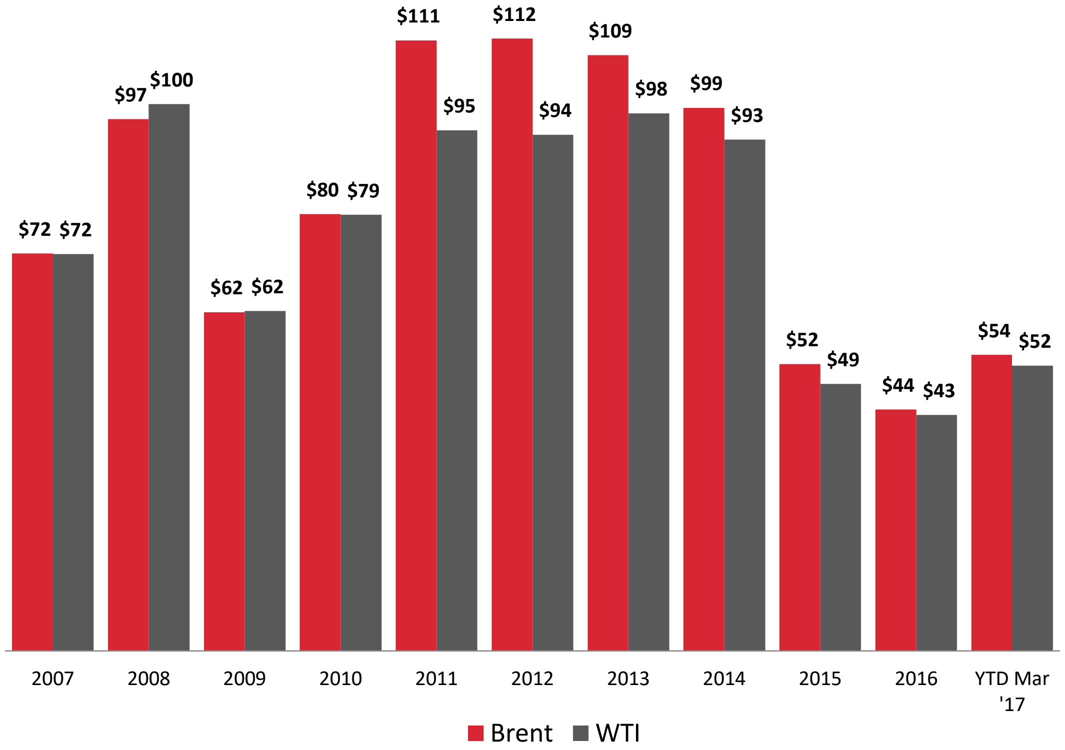
Average Oil Prices

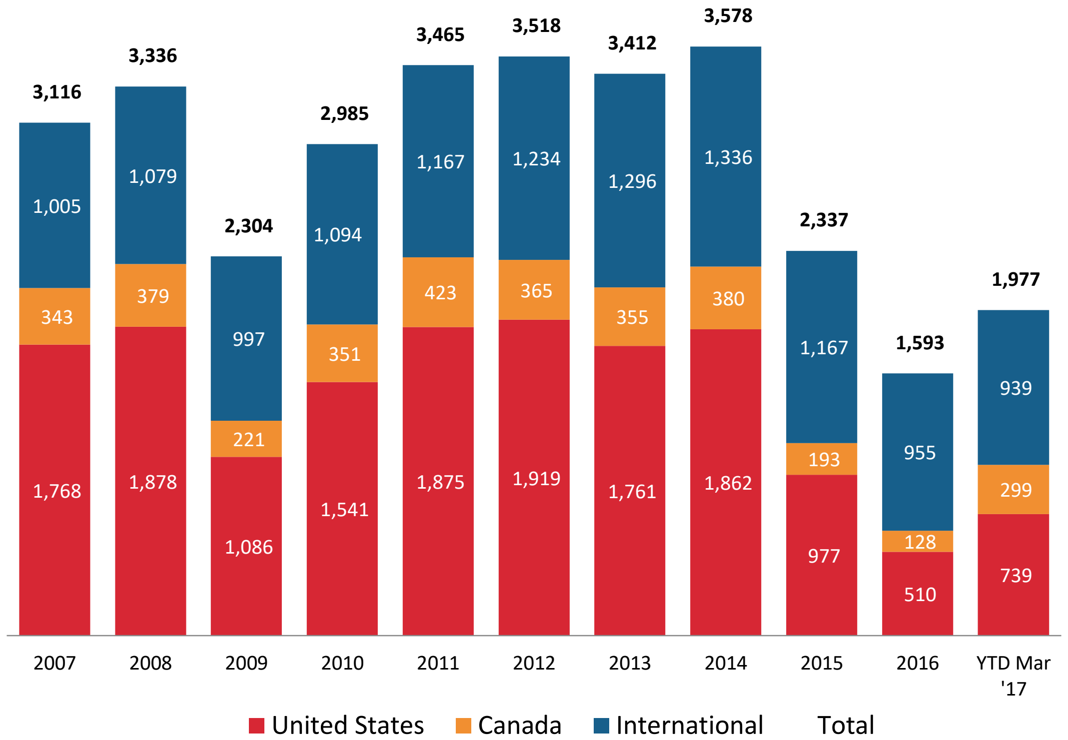
(per barrel)



Source: EIA, Europe Brent and Cushing, OK WTI Spot Price FOB

Average Annual Rig Count

(number of rigs)

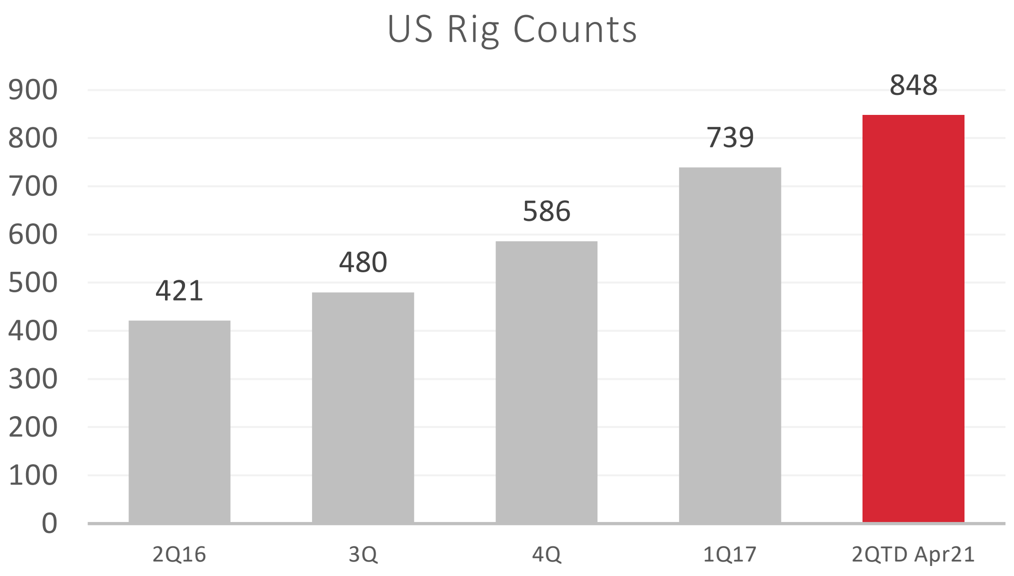


Source: Baker Hughes, Inc.

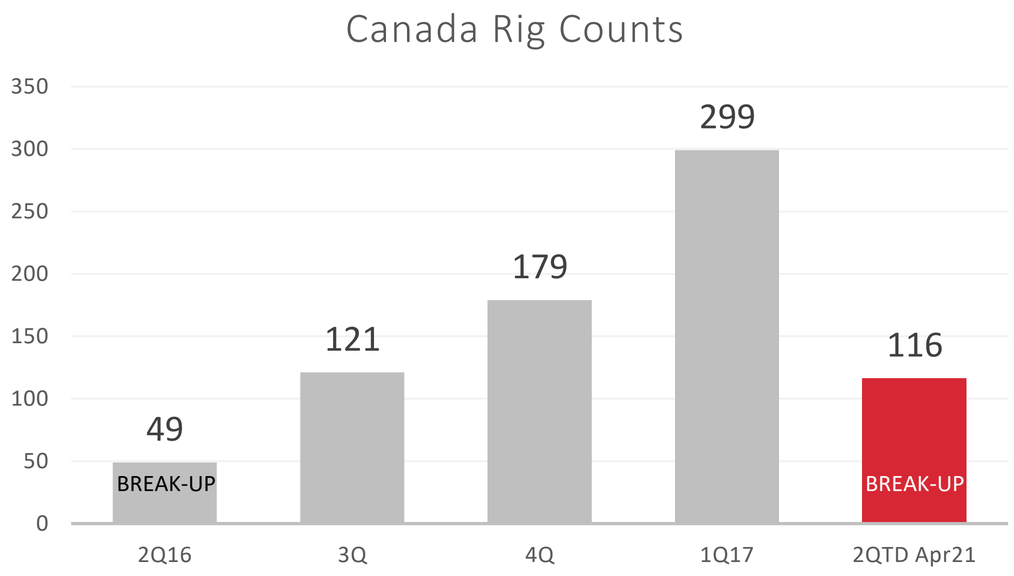
It's Not *If* Oil Will Go Up and Down, but How Often and How Sharply

Key Industry Indicators

Recent U.S. Rig Count Trends



Recent Canada Rig Count Trends

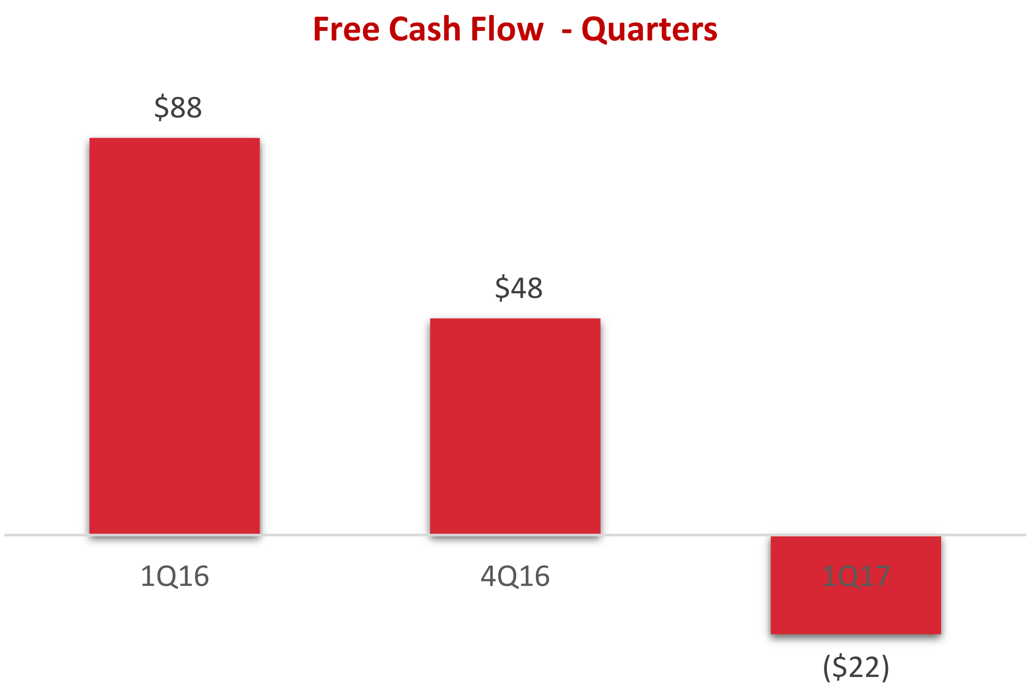


Source: Baker Hughes, Inc. - 2Q17 reflects QTD rig count averages through April 21, 2017

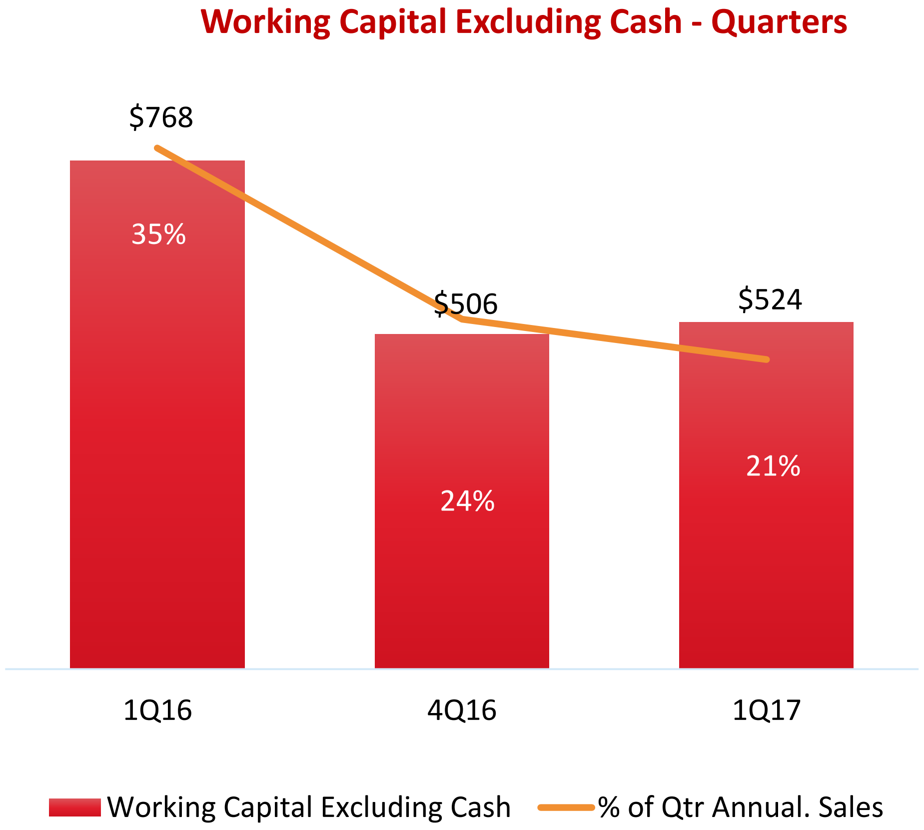
U.S. Rig Count Continues Chugging Along Upward Journey

Cash Generation & Working Capital Excluding Cash

($ Millions)



Free Cash Flow ("FCF") is defined as Net cash provided by operating activities, less Purchases of property, plant and equipment



As Predicted, Consuming Cash in an Upcycle, to Support Organic Growth

Working Capital Highlights

($ Millions, Except DSO's and Inventory Turns)

	Unaudited 1Q 2017	Unaudited 4Q 2016
Current Assets		
Cash & Cash Equivalents	$102	$106
Receivables, Net	412	354
Inventories, Net	491	483
Prepaid & Other Current Assets	20	16
Total Current Assets	1,025	959
Current Liabilities		
Accounts Payable	305	246
Accrued Liabilities	94	100
Other Current Liabilities	-	1
Total Current Liabilities	399	347
Working Capital, Excl. Cash	**$524**	**$506**
DSO's	60	60
Inv. Turns	4.2x	3.7x

- Working capital (WC), excluding cash, was $524M at March 31, 2017, or 21% of revenues.
  - Exceeded WC excluding cash target of 25%
  - Surpassed interim targeted inventory turns of 4.0X
  - Initiated inventory replacement orders for long-lead time products
- Sequentially:
  - Debt at $82M, with net cash at $20M
  - CapEx at $1.0M in 1Q17
  - AR increased by $58M due to increased sales
  - DSO's on par with prior quarter
  - Increased net inventory by $8M
  - Inventory turns improved from 3.7 to 4.2 turns

WC/R (Excluding Cash) at Lowest Level Ever as a Public Company

EBITDA, Net Income and Diluted EPS Excl. Other Costs Footnotes

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(1) In an effort to provide investors with additional information regarding our results as determined by GAAP, we disclose various non-GAAP financial measures in our quarterly earnings press releases and other public disclosures. The non-GAAP financial measures include: (i) earnings before interest, taxes, depreciation and amortization (EBITDA) excluding other costs, (ii) net loss excluding other costs and (iii) diluted loss per share excluding other costs. Each of these financial measures excludes the impact of certain other costs and therefore has not been calculated in accordance with GAAP. A reconciliation of each of these non-GAAP financial measures to its most comparable GAAP financial measure is included in the schedules herein.

(2) Interest, net was less than $1 million for the three months ended March 31, 2016.

(3) Other costs primarily includes the transaction costs associated with acquisition activity, including the cost of inventory that was stepped up to fair value during purchase accounting and severance expenses which are included in operating loss. For the three months ended March 31, 2017, other costs was less than $1 million.

(4) EBITDA % excluding other costs is defined as EBITDA excluding other costs divided by Revenue.

(5) Other costs, net of tax, for the three months ended March 31, 2017 includes an expense of $7 million, after tax, for a valuation allowance recorded against the Company’s deferred tax assets; as well as, less than $1 million, after tax, in severance expenses that are included in operating loss.

(6) Totals may not foot due to rounding.

*** See referenced schedules on slides 3, 4, 5 & 8**