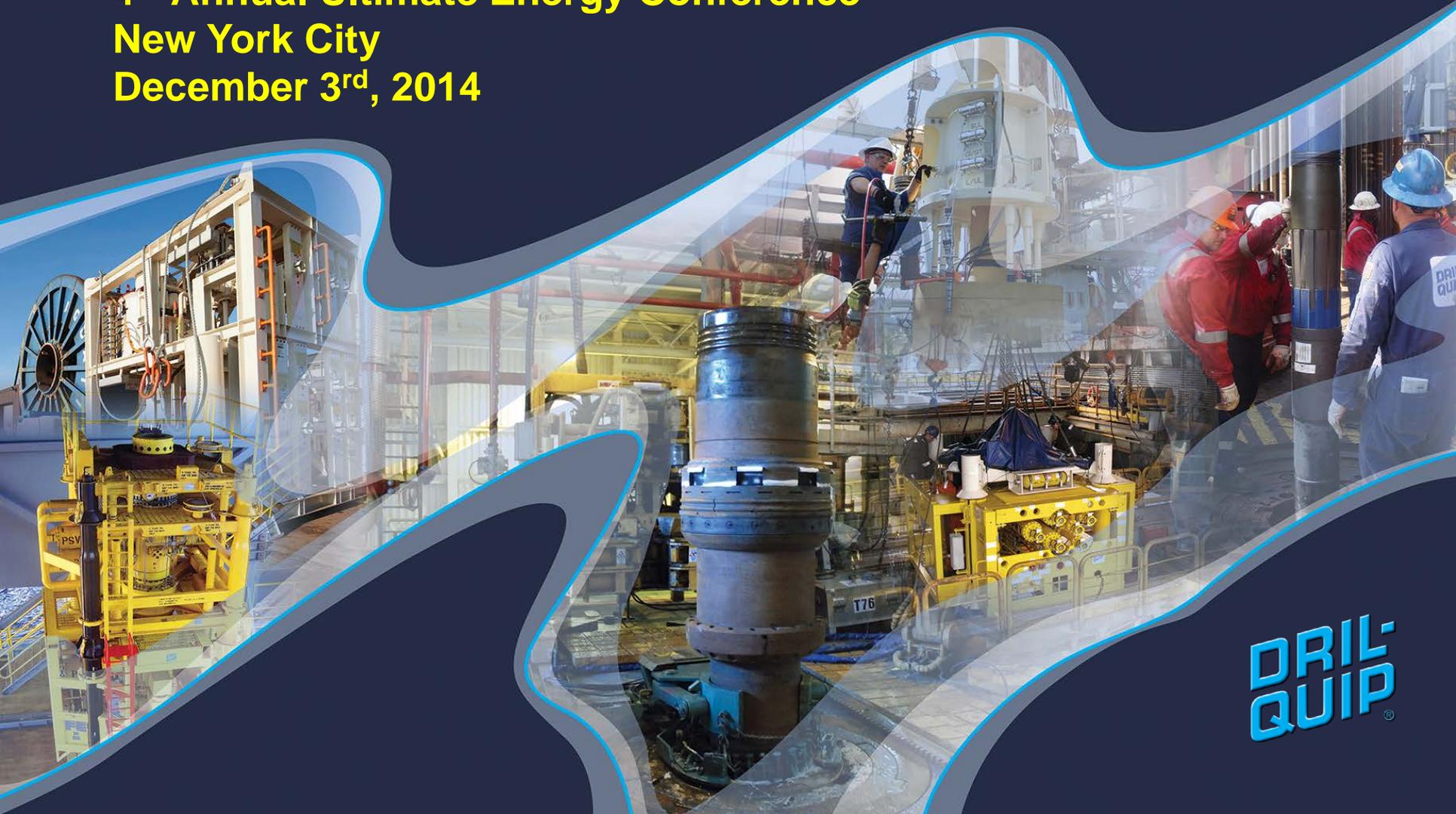


Dril-Quip, Inc.

Cowen & Company
4th Annual Ultimate Energy Conference
New York City
December 3rd, 2014



**DRIL-
QUIP**[®]

Forward-Looking Statements



The information furnished in this presentation contains “forward-looking statements” within the meaning of the Federal Securities laws. Forward-looking statements include goals, projections, estimates, expectations, forecasts, plans and objectives, and are based on assumptions, estimates and risk analysis made by management of Dril-Quip in light of its experience and perception of historical trends, current conditions, expected future developments and other factors. No assurance can be given that actual future results will not differ materially from those contained in the forward-looking statements in this presentation.

Although Dril-Quip believes that all such statements contained in this presentation are based on reasonable assumptions, there are numerous variables of an unpredictable nature or outside of Dril-Quip’s control that could affect Dril-Quip’s future results and the value of its shares. Each investor must assess and bear the risk of uncertainty inherent in the forward-looking statements contained in this presentation.

Please refer to Dril-Quip’s filings with the SEC for additional discussion of risks and uncertainties that may affect Dril-Quip’s actual future results. Dril-Quip undertakes no obligation to update the forward-looking statements contained herein.

DRQ - Investment Highlights



- **Pure play in worldwide offshore market**
- **Deepwater focus**
- **Consistent backlog growth**
- **Superior margins**
- **Strong balance sheet**
- **Positioned for growth**

Products and Services Summary



SUBSEA EQUIPMENT

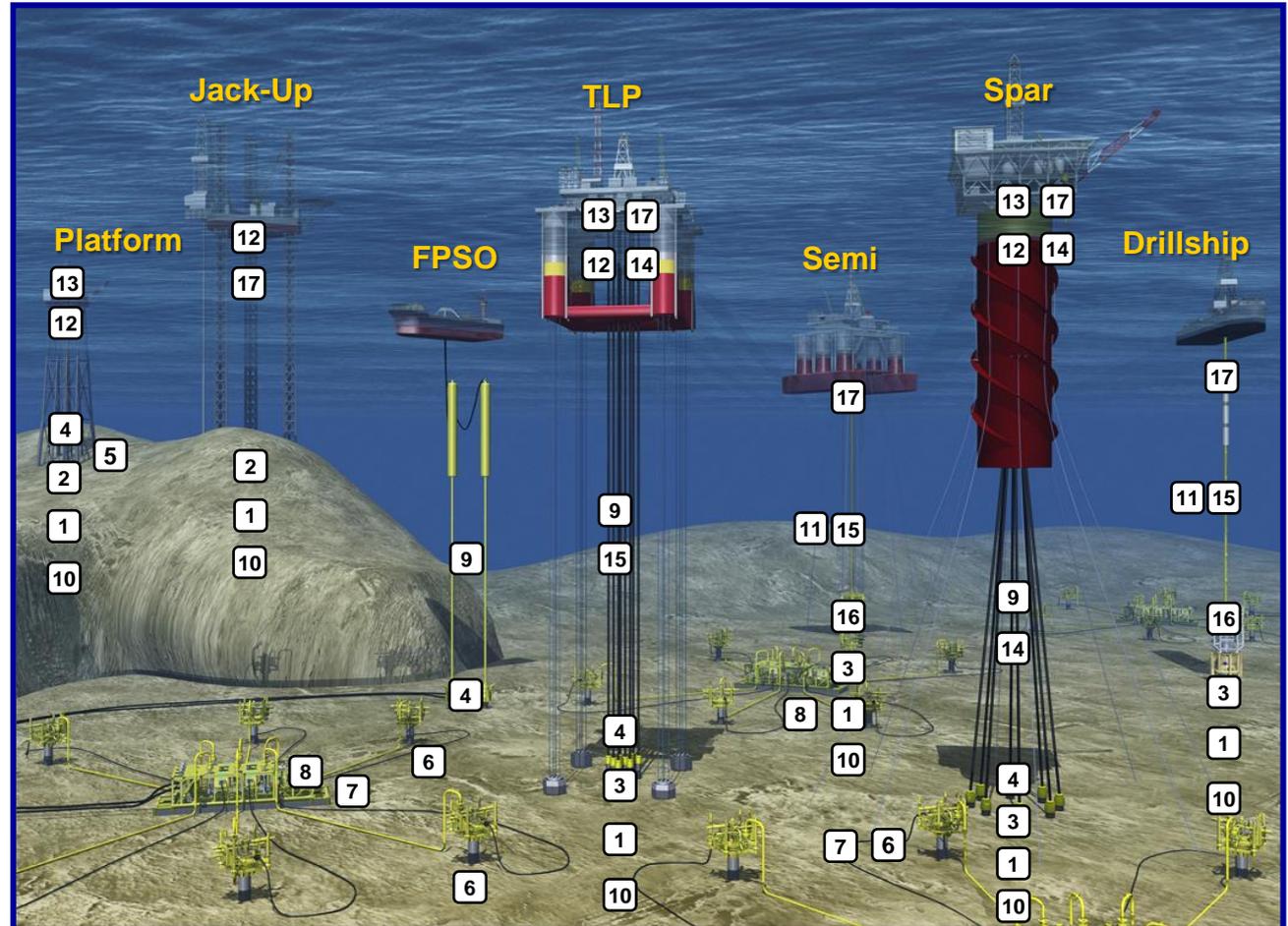
- 1 Specialty Connectors
- 2 Mudline Suspension
- 3 Subsea Wellheads
- 4 Tie-Back Connectors
- 5 Template Systems
- 6 Subsea Trees
- 7 Control Systems
- 8 Subsea Manifolds
- 9 Production Risers
- 10 Liner Hangers
- 11 Completion Risers

SURFACE EQUIPMENT

- 12 Surface Wellheads
- 13 Surface Trees
- 14 Riser Tensioners

OFFSHORE RIG EQUIPMENT

- 15 Drilling Risers
- 16 Wellhead Connectors
- 17 Diversers



SERVICES: Reconditioning - Rental Tools - Field Installation

Subsea Well Systems



Utilized on subsea wells drilled by floating rigs

- Subsea Wellheads
- Specialty Connectors
- Liner Hangers



Dry Tree Completion Systems



Utilized by SPARs and TLPs

- Surface Trees
- Surface Wellheads
- Riser Tensioners
- Production Risers
- Tie-Back Connectors
- Subsea Wellheads
- Specialty Connectors
- Liner Hangers



Subsea Completion Systems



Utilized in subsea field developments

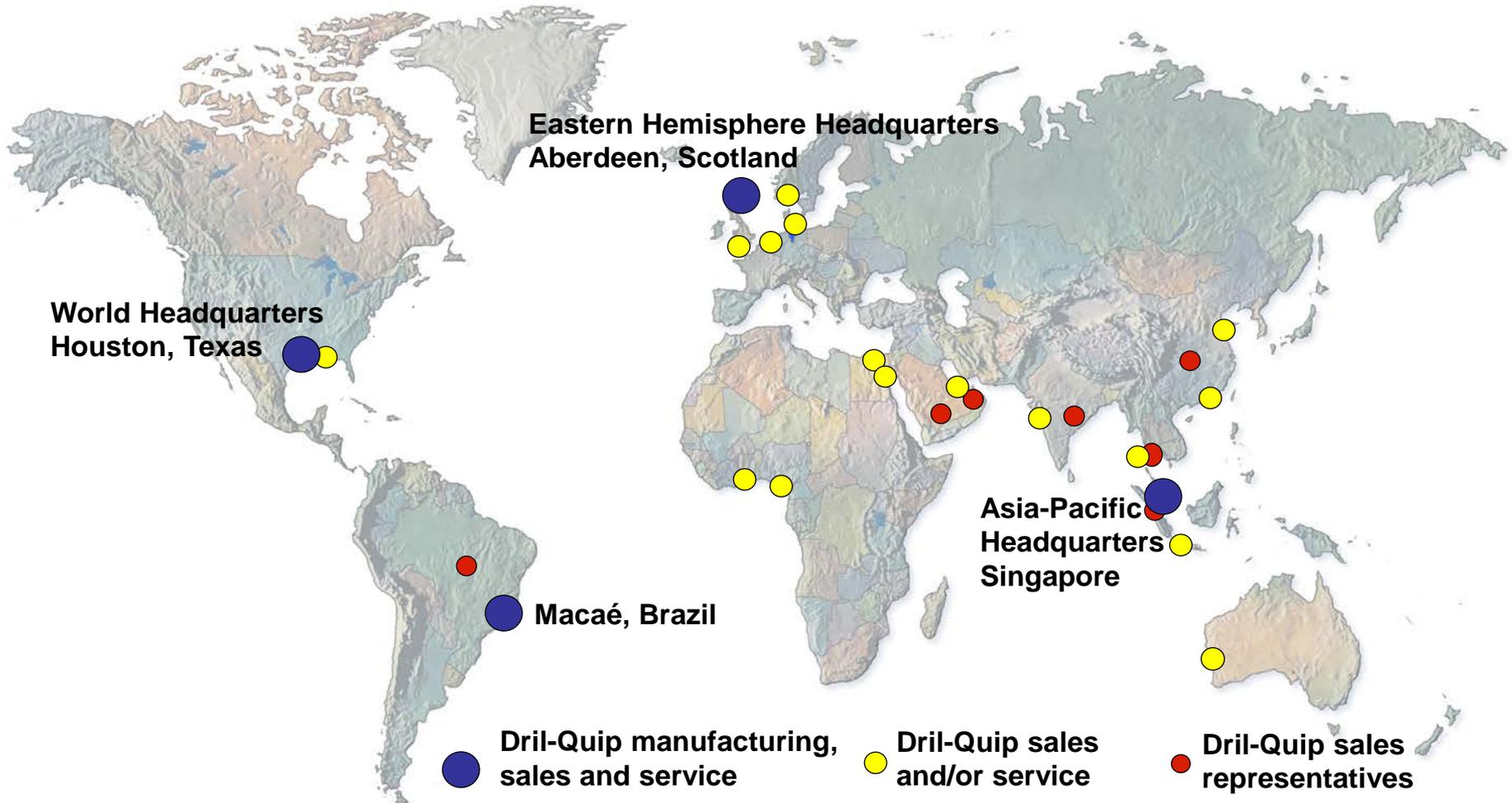
- Subsea Trees
- Control Systems
- Subsea Manifolds
- Subsea Wellheads
- Specialty Connectors
- Liner Hangers



Strong Global Presence



Located worldwide to serve key demand centers



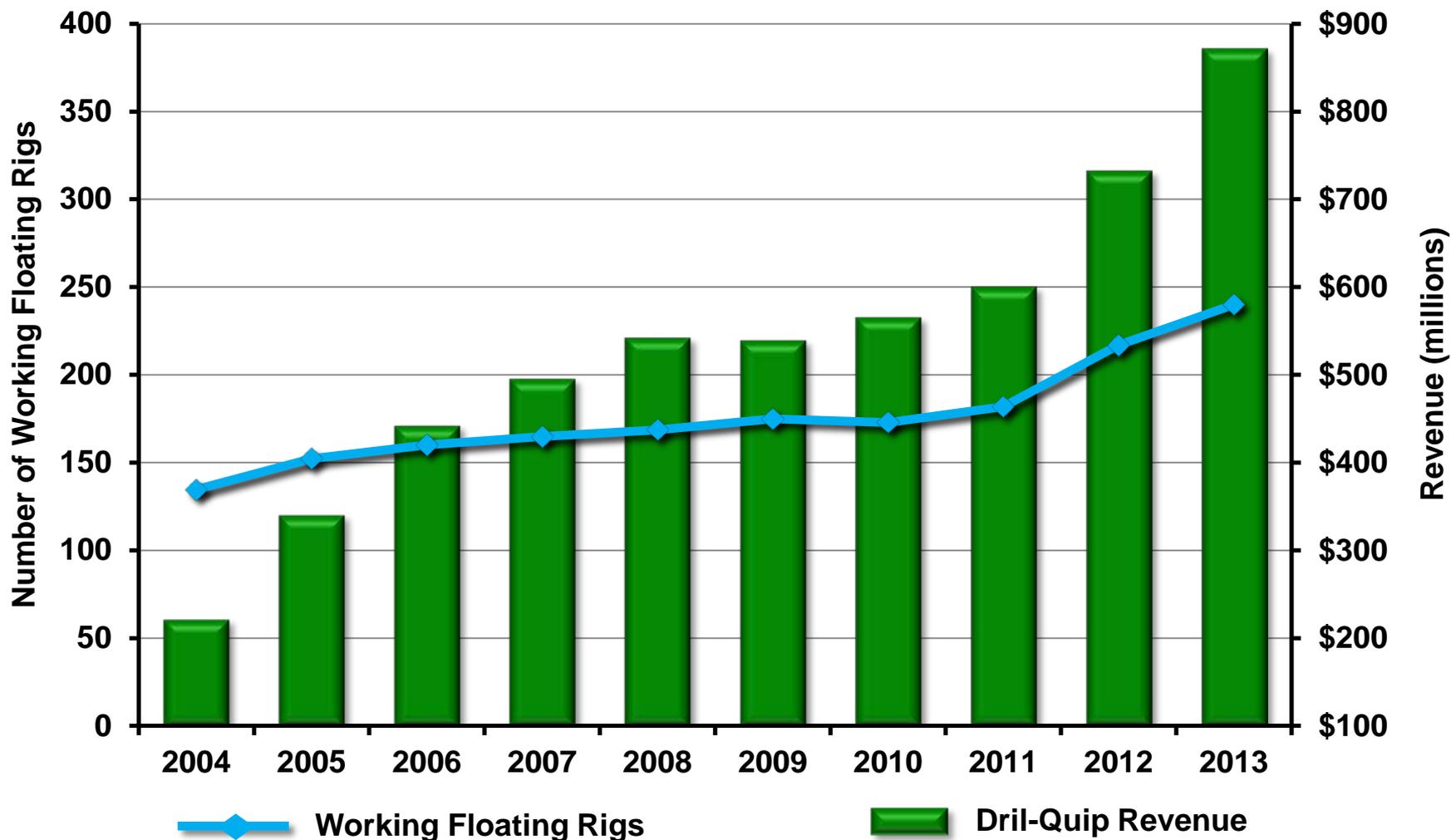
Suppliers | Offshore Operators



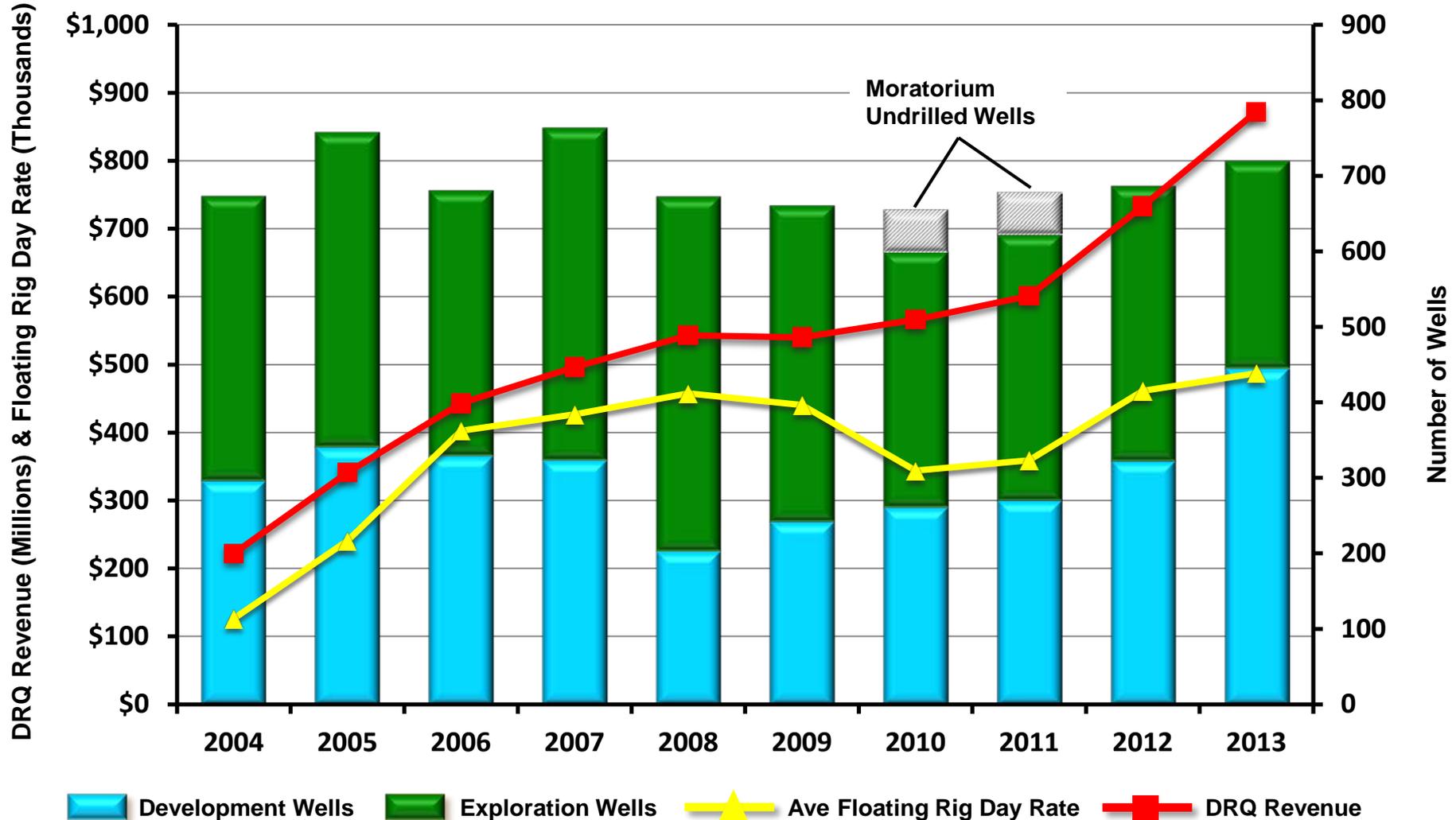
GE Oil & Gas
Drilling & Production



Consistent Track Record of Growth



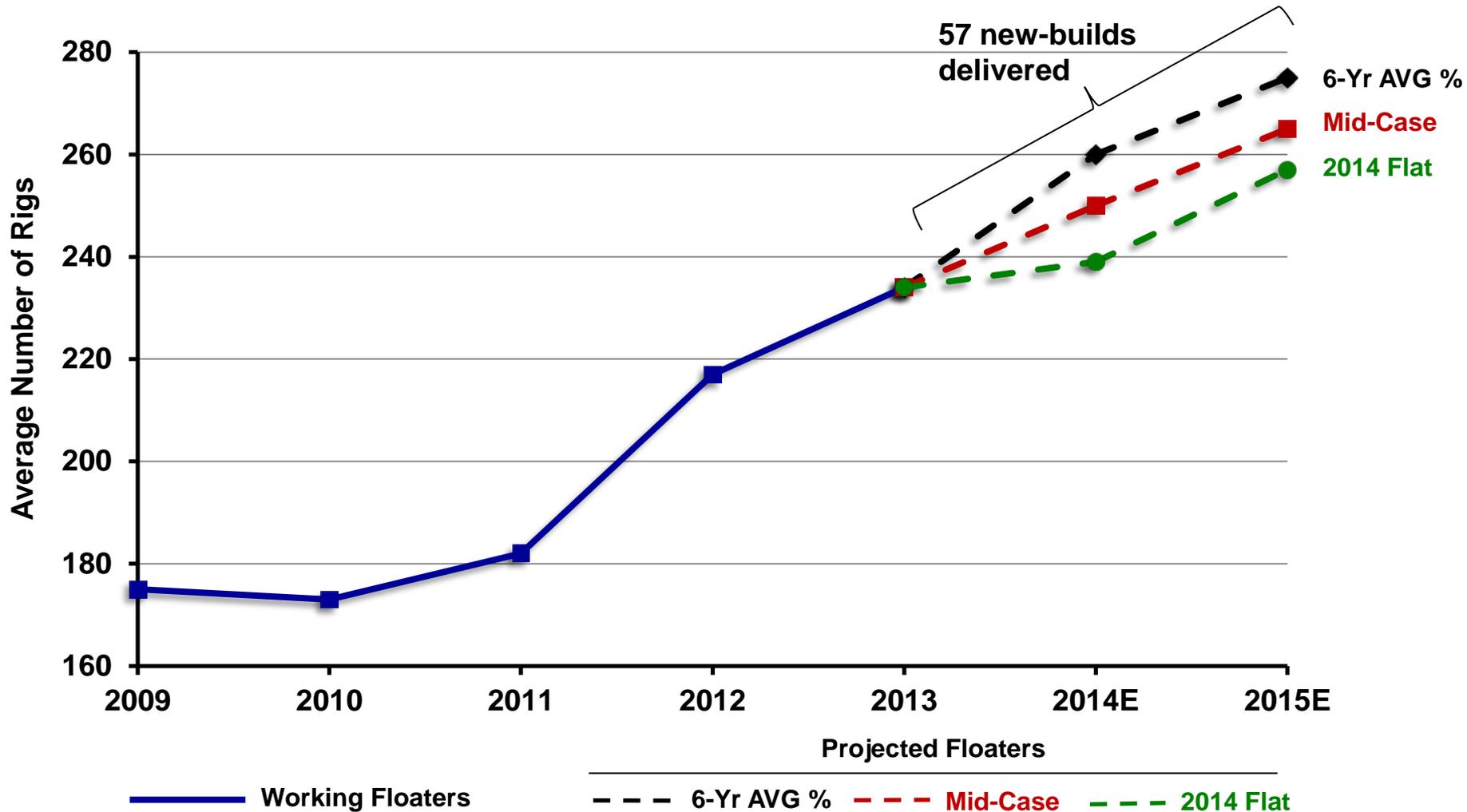
DRQ Revenues, Wells Drilled & Day Rates



Source: IHS-Petrodata, BofA Merrill Lynch, DRQ Estimates, Quest Offshore Resources

Working Floating Rig Fleet

2009 - 2015E

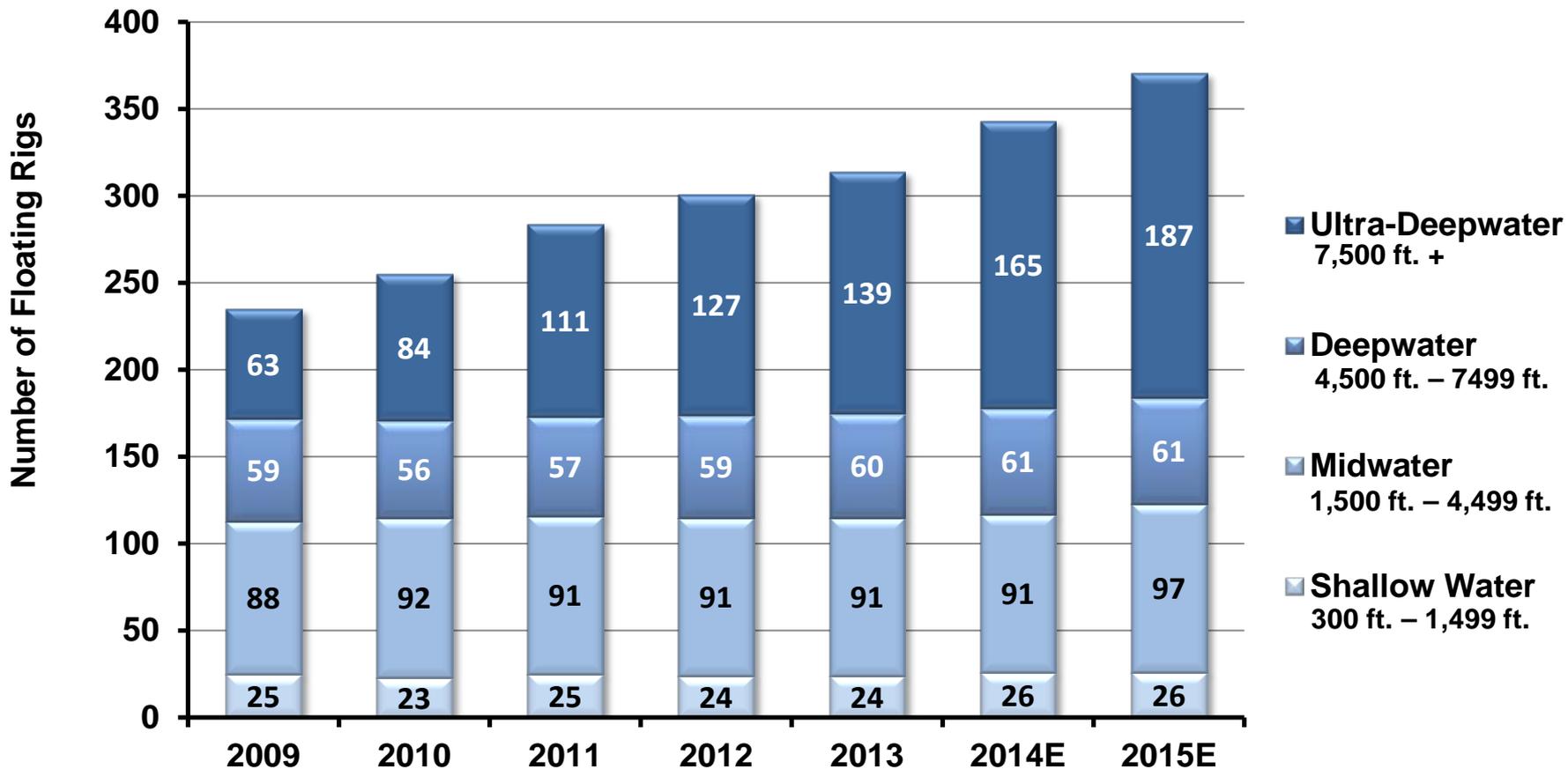


Floating Rig Fleet by Water Depth

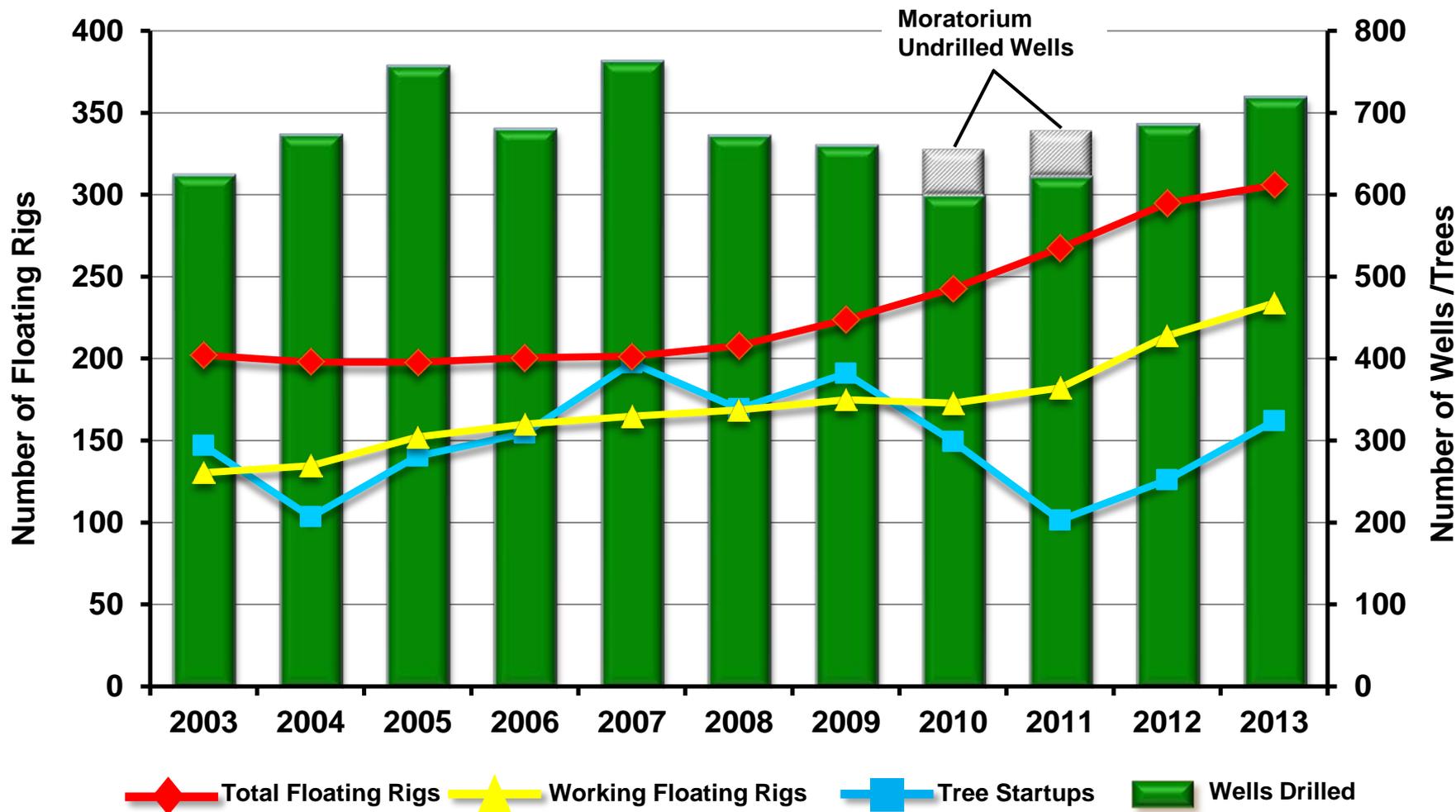
2009 – 2015E



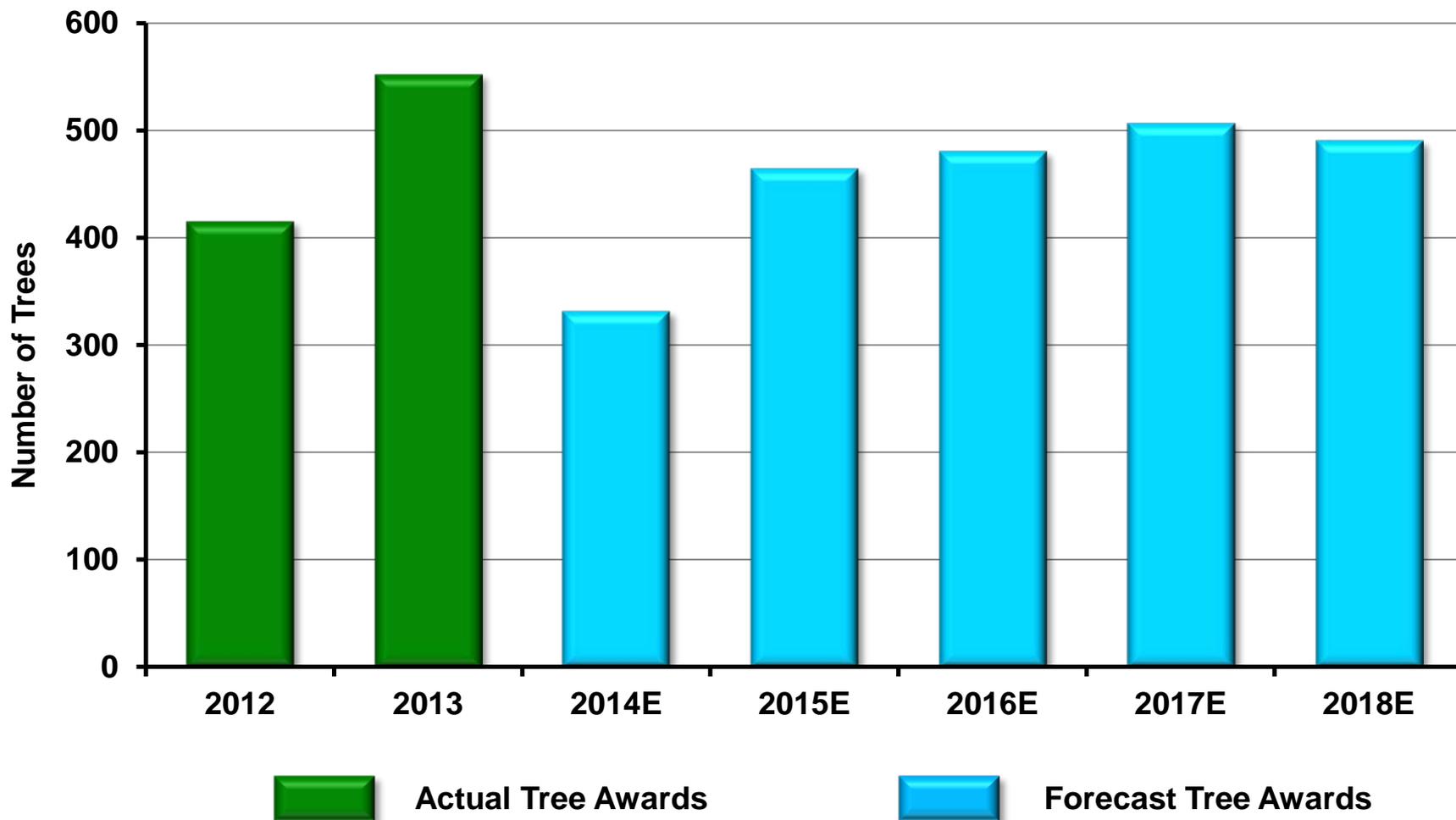
By year end 2015, there will be more ultra-deepwater rigs than shallow, midwater, and deepwater rigs combined.



Floating Rig Drilling Activity

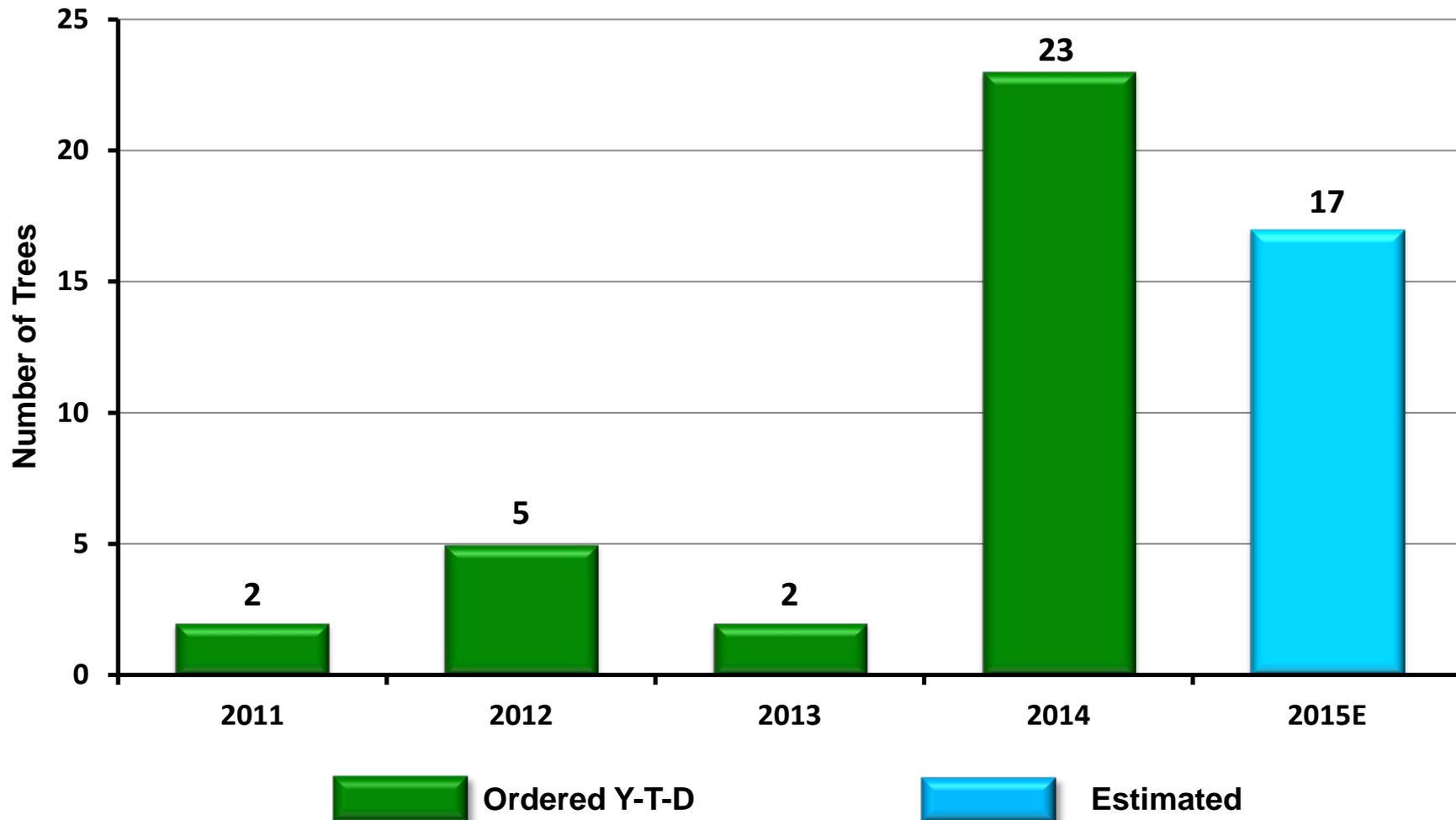


Worldwide Subsea Tree Awards Forecast

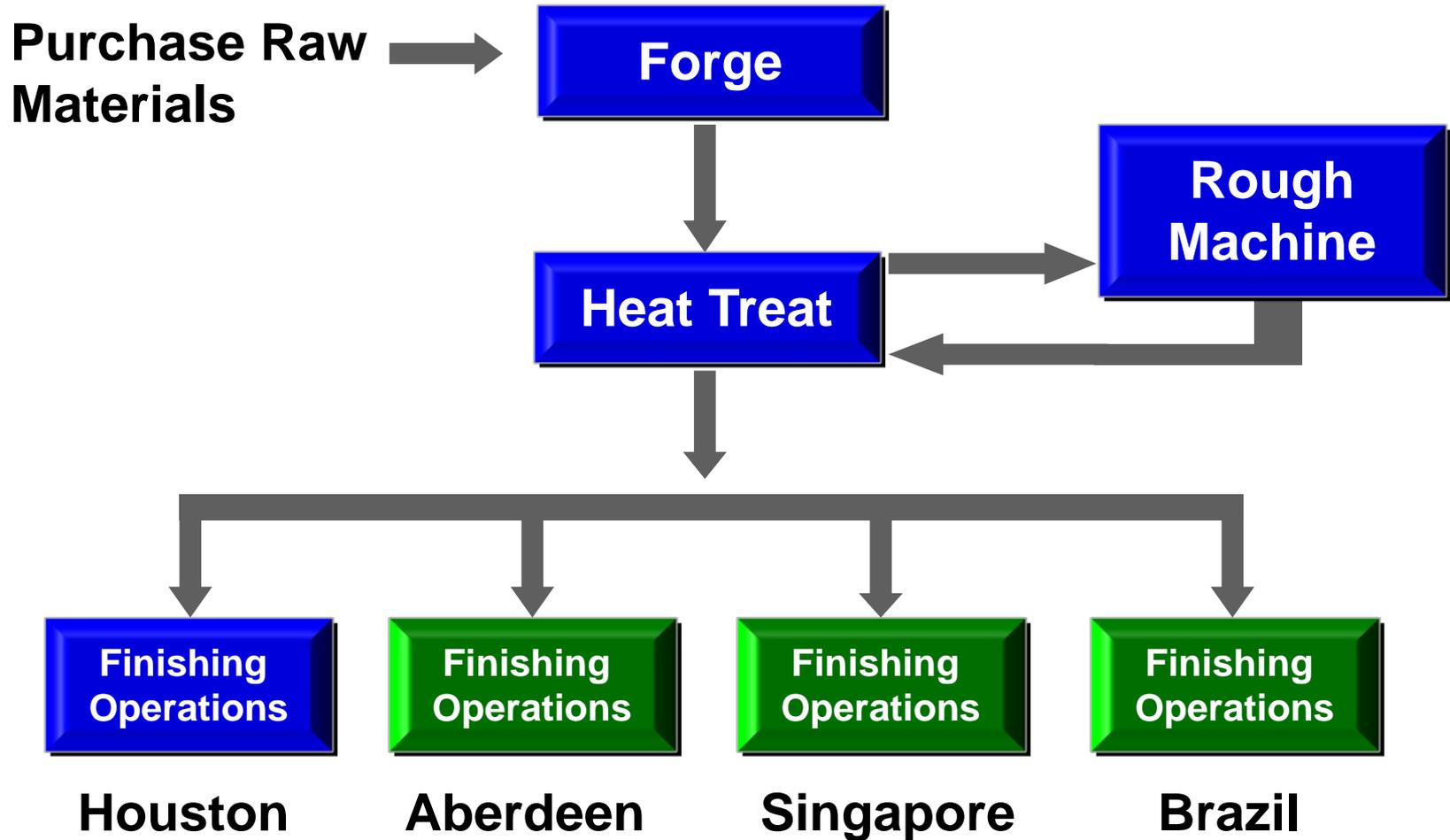


DRQ - Subsea Tree Orders

2011 – 2015E



Vertically Integrated Manufacturing



Machinery and Equipment Rebuilding



- Purchase used equipment
 - Refurbish in-house with new CNC controls
 - Purpose-built machine tools
- Resulting in reduced capital expenditures



Manufacturing Locations



Houston Eldridge (218 acres)



Aberdeen, Scotland (24 acres)

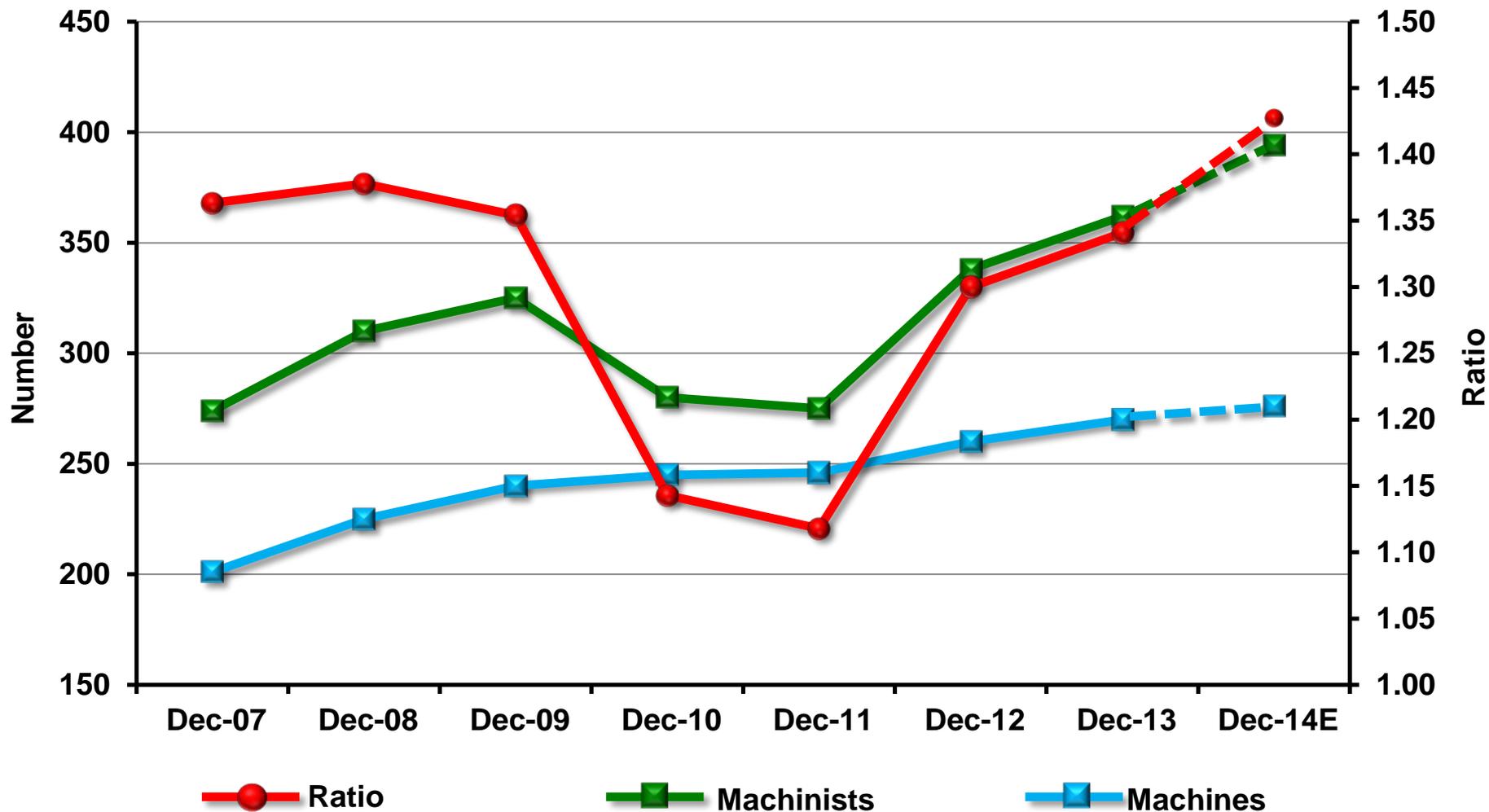


Singapore (11 acres)



Macaé, Brazil (11 acres)

Machines and Machinists



Strong Balance Sheet Offers Flexibility



(Millions of USD)

Assets

	<u>09/30/14</u>	<u>12/31/13</u>
Cash	\$ 315	\$ 384
Other current assets	789	695
Property, plant and equipment, net	310	305
Other assets	15	11
Total assets	<u>\$ 1,429</u>	<u>\$ 1,395</u>

Liabilities and Stockholders' Equity

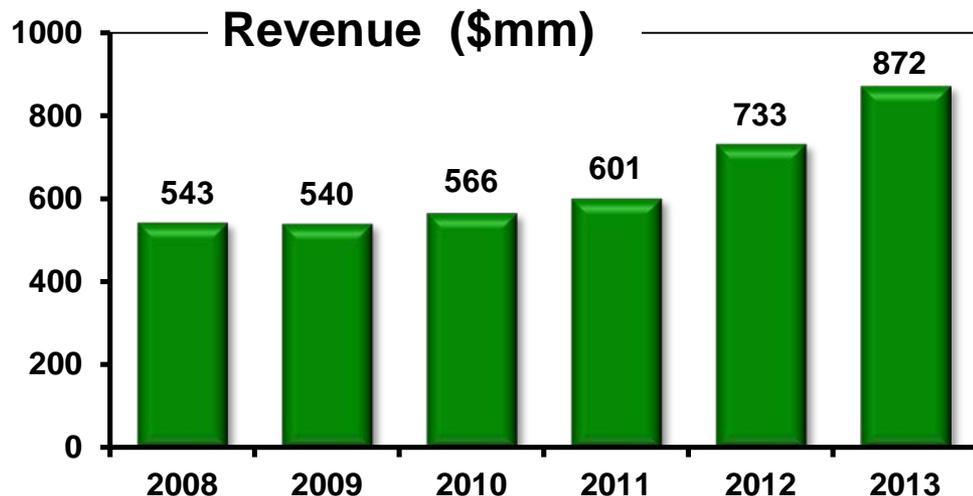
Current liabilities	\$ 169	\$ 143
Long-term debt	-	-
Deferred taxes	10	10
Total liabilities	179	153
Stockholders' equity	1,250	1,242
	<u>\$ 1,429</u>	<u>\$ 1,395</u>

Condensed Consolidated Statements of Income

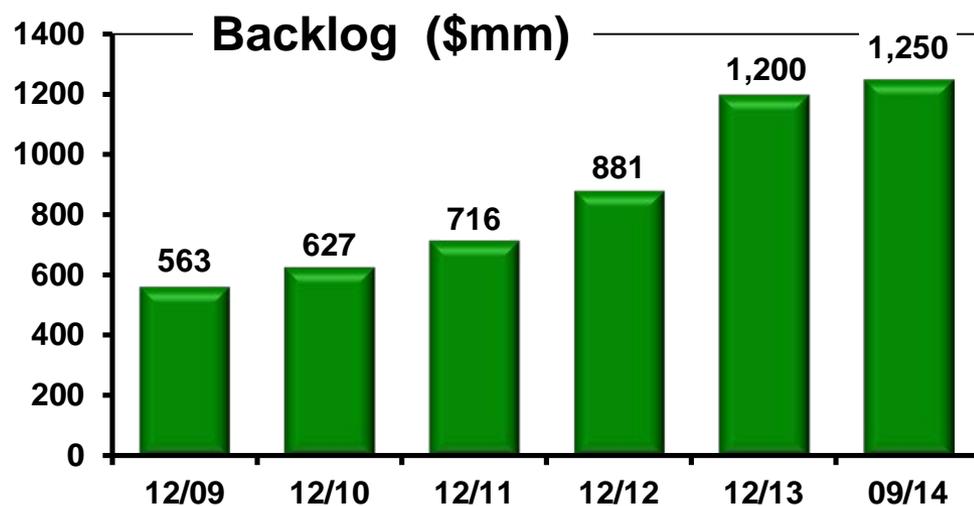


(000s of US\$)	Nine months ended September 30,	
	2014	2013
Revenues	\$ 676,138	\$ 639,910
Cost and expenses:		
Cost of sales	54.9% 371,030	59.6% 381,662
S, G & A	70,300	68,732
Engineering	34,295	29,139
	<u>475,625</u>	<u>479,533</u>
Operating income (EBIT)	29.7% <u>\$ 200,513</u>	25.1% <u>\$ 160,377</u>
Earnings per share	<u>\$ 3.70</u>	<u>\$ 3.01</u>

Revenue and Backlog

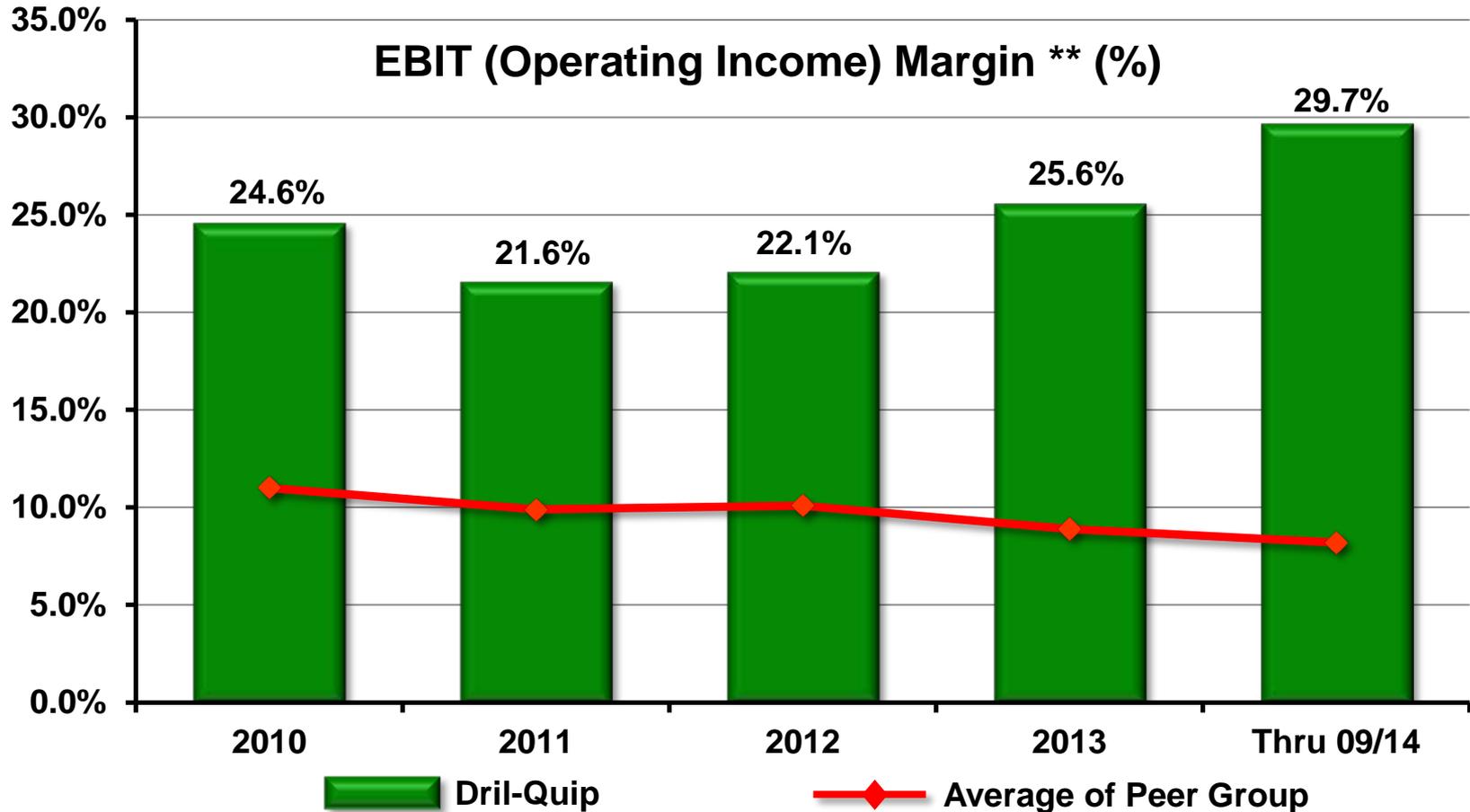


- **Consistent revenue and backlog growth through industry cycles**



- **1st nine mos. 2014 revenue totaled \$676.1 million**
- **\$1.25 billion backlog at Sept. 30, 2014**

Superior Margins vs. Peers*



- Superior margins due to:
 - Vertical integration
 - Machine rebuilding

* Peer group includes AKSO, CAM & FTI

** Represents Operating Income divided by Revenue

2014 Planned Capital Expenditures



(Millions of USD)

• Machinery & equipment	\$ 25
• Rental tools	13
• Land, buildings & improvements	8
• Other	<u>4</u>
Total	<u><u>\$ 50</u></u>

Looking Ahead



- **Continued focus on the growing deepwater offshore sector**
- **Continued commitment to Quality, Health, Safety and Environmental Management Systems**
- **Increase market share of subsea completion systems**
- **Continued focus on our R&D efforts**
- **Optimize our manufacturing production to maximize revenue**

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