
SIMPLIFIED NOTIFICATION

TO

THE NORWEGIAN COMPETITION AUTHORITY

ACQUISITION

OF

HELLENES AS

BY

NATIONAL OILWELL VARCO NORWAY AS

CONTAINS BUSINESS SECRETS

1. CONTACT DETAILS OF UNDERTAKINGS CONCERNED

1.1 ACQUIRING PARTY CONTACT DETAILS

Company:	National Oilwell Varco Norway AS
Address:	Dvergsnesbakken 25, 4639 Kristiansand S
Company number:	936 738 540

Representative:

Company:	Advokatfirmaet Haavind AS
Address:	P.O. Box 359 Sentrum, 0101 Oslo
Representative:	Marianne Henne Møller and Simen Klevstrand, Attorneys-at-law
E-mail:	m.moller@haavind.no / s.klevstrand@haavind.no
Phone:	22 43 30 00
Mobile:	94 16 21 67 / 98 07 63 40

1.2 TARGET COMPANY CONTACT DETAILS

Company:	Hellenes AS
Address:	Øyrane 12, 6800 Førde
Company number:	984 030 630

2. SIMPLIFIED NOTIFICATION

The criteria for simplified notification in FOR-2013-12-11-1466 § 3(3) are fulfilled, as further explained under section 6.

3. THE TRANSACTION

The transaction entails that National Oilwell Varco Norway ("NOV Norway"), an indirect subsidiary of NOV Inc., will purchase 100% of the shares in Hellenes AS ("Hellenes"). Hellenes has a 50% stake in Hellenes Limited a Scottish private limited company with company no. SC553421 ("Hellenes Ltd"), which is included in the transaction. The remaining 50% of Hellenes Ltd, which is currently owned by Michael Farquhar, will be acquired by National Oilwell Varco UK Limited, another indirect subsidiary of NOV Inc.

Hellenes has two business areas: the drilling waste solutions and the biomass solutions. It should be noted that the biowaste business is carved out of the transaction and will be run post-closing by a handful of individuals currently employed by Hellenes AS.

Prior to the transaction, Hellenes is owned by Agnar Helge Hellenes (through Hellenes Holding AS), Anders Haugen, Jørgen Lorentz (Lorentz Invest AS) and Bjart Arne Kusslid.

4. UNDERTAKINGS INVOLVED

4.1 National Oilwell Varco Norway AS

National Oilwell Varco Norway is a Norwegian subsidiary of NOV Inc. (previously known as National Oilwell Varco Inc.). NOV is a multinational corporation headquartered in Houston, Texas, USA. It has a presence in over 500 locations spanning six continents, and around 32 300 employees (2022-figure). The corporation specializes in supplying equipment and components essential for oil and gas drilling, production, oilfield services, and upstream oil and gas industry supply chain integration services on a global scale.

NOV executes its business strategy under the following three segments:

- **Rig Technologies:** is the global player in the engineering, manufacturing, and support of advanced drilling equipment packages and related capital equipment for oil and gas wells. The segment also designs, builds, installs, and supports renewable energy equipment and technology, with a focus on wind and solar. Rig Technologies operates two business units: Rig Equipment and Marine Construction
- **Wellbore Technologies:** provides the technologies, equipment, and services required to maximize customers' oil and gas drilling efficiencies and economics. The segment contains the following business units: Downhole; Tuboscope; Grand Prideco; IntelliServ; Directional Drilling Technologies; WellSite Services; ReedHycalog and M/D Totco.
- **Completion & Production Solutions:** provides technologies to optimize the well completion process and production phase of a well's lifecycle. The segment includes the business units Intervention and Stimulation Equipment ("ISE"), Fiber Glass Systems ("FGS"), Process and Flow Technologies ("PFT"), Subsea Production Systems ("SPS"), XL Systems ("XLS"), Completion Tools, Fluid Motion Systems and Pole Products.

A more detailed overview of the activities of each of the mentioned units can be found in NOV's annual report, page 6-8: <https://investors.nov.com/static-files/1f6106ae-1ea1-42aa-90c7-2cc8f544f3b7>. An overview of NOV's products and services is also available via: <https://www.nov.com/products-and-services>.

4.2 HELLENES AS

Hellenes is a Norwegian company offering solutions for handling of drilling waste and organic waste. Hellenes, including Hellenes Limited, has between 50-60 employees across Norway, the UK and Romania.

Hellenes has two different technical solutions, both based on Hellenes' Thermal Treatment Unit (TTU):

- **Drilling waste solutions:** Hellenes offers drilling waste solutions that are based on the principle of thermal desorption, which is a solution offered to large oilfield service companies.
- **The biomass solution:** Through the Hellenes Bio-TTU, Hellenes is developing solutions for sustainable treatment of organic waste streams.

As part of its product offering, Hellenes also offers installation, commissioning, and training on TTU products sold to their customers.

Hellenes also has a 50% share in Hellenes Limited, which was established in Scotland in 2019, to support the UK sector and operational support to customers in other geographies.

An overview of Hellenes business is available via <https://www.hellenes.as/>.

5. TURNOVER AND OPERATING RESULT

The parties' turnover and operating result for the last financial year (2022):

Undertaking	Turnover	Operating result
NOV	USD [REDACTED]	N/A
Hellenes AS	NOK 111 051 530	NOK 23 537 048

6. NO AFFECTED MARKETS

6.1 Overview of the parties' product offerings and the supply chain

Both parties have activities which evolve around drilling waste solutions, but on different levels of the supply chain. Drilling waste refers to the byproducts, materials, and substances that are generated during the process of drilling, inter alia for oil and gas.

Hellenes is a manufacturer of one solution for drilling waste: the TTU Thermal Treatment System ("Hellenes TTU"). Hellenes sells these products to intermediate oilfield service companies. NOV is one of these companies. The oilfield service companies may in principle offer the drilling waste solution on a stand-alone basis, but they generally offer complete package of products and services used to minimize the creation of waste during the drilling process. In such packages, the drilling waste solutions are used along with a vast array of other solids controls, waste management equipment and service components. NOV currently uses the Hellenes system as part of its WellSite Services business unit.

NOV also manufactures one system for drilling waste (HTDU Thermal Treatment system), but this is only manufactured for internal use (and is also qualitatively different from Hellenes' solution), meaning that there is no overlap in the upstream market for production of solutions for drilling waste.

6.2 Description of vertical relationship between NOV and Hellenes

The parties are not familiar with any decisional practice addressing the scope of the downstream or upstream markets. The ultimate market definition may however be left open, as the transaction does not give rise to any competition law concerns under any relevant market definition.

The upstream market may be defined as manufacturing of waste solutions. As a conservative approach however, it may also be limited to include drilling waste solutions only. Hellenes has in total [REDACTED] for the intermediate oilfield service companies ([REDACTED]), and is a small producer compared to e.g. Thermtch, TWMA, SLB, NOV HTDU. Most manufacturers of such solutions, including Hellenes, sell their products to a wider geographic market which is at least EEA-wide. In this market, Hellenes' market share is imperceptible. Even in the event that the market is considered national in scope, Hellenes' market share is small. The number of yearly new wells on the Norwegian Continental Shelf (NCS) using the Hellenes TTU may be used as a proxy for the Hellenes share of the Norwegian market. In 2022, 180 wells were started on the NCS.¹ The Hellenes TTU was used to treat drill cuttings from three of these. The same applies to 2023, where drilling has started on 170 wells, of which the Hellenes TTU has been used at three of these wells.

Considering that the intermediate oilfield service companies are generally larger players, which operate in a market where end-users have a demand for multiple types of products and services for drilling operations, the parties consider that the product market downstream includes a broad portfolio of products and services for drilling operations. As a conservative approach however, market shares are provided for a hypothetical market for only waste management solutions for drilling waste. In this market globally, NOV has a market share of around [REDACTED]%. NOV is subject to competitive pressure from other large players such as [REDACTED]. If the geographic scope is limited to Norway the same applies, only that NOV's market share is below [REDACTED]%. The same applies if the geographic market is defined as a North Sea basin (i.e., NOV's market share is below [REDACTED]%).

In light of the above, the transaction does not give rise to any horizontal overlaps or vertically affected markets.

7. ANNUAL ACCOUNTS

Hellenes and National Oilwell Varco Norway's annual accounts are available via the Brønnøysund-register. NOV's consolidated statement is available via <https://investors.nov.com/annual-results>.

8. OTHER

The transaction has not been notified in other jurisdictions.

9. BUSINESS SECRETS

Sections 5 and 6.2 of this merger filing contain business secrets which are highlighted in green. Explanations of why the redacted information constitutes business secrets are provided in appendix 2. A non-confidential version of the filing has been included in appendix 1.

10. ANNEXES

This merger filing has the following annexes:

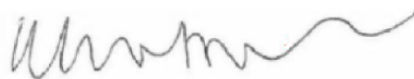
¹ The Norwegian Petroleum Directorate's overview available via: <https://factpages.npd.no/nb-no/wellbore/statistics/entryyear> (last visited 1 November 2023)

Appendix 1: Non-confidential version of the merger filing

Appendix 2: Grounds for redaction of confidential information in non-confidential version

11. SIGNATURE

Oslo, 17 January 2024

A handwritten signature in black ink, appearing to read 'Marianne Henne Møller', written in a cursive style.

Advokatfirmaet Haavind AS

Marianne Henne Møller