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**Varel International Energy Services Named to 2009 Inc. 5000 List***Company Realizes Three-Year Sales Growth of 167.2 Percent*

(DALLAS, August 13, 2009) – Inc. magazine unveiled its 2009 list of the fastest-growing private companies in the country, listing Varel International Energy Services as number 1,903. This is the second year in a row Varel has made the list, moving up from last year's 2,445 ranking. The annual list also recognized Varel as 70<sup>th</sup> on its ranking of the 100 fastest-growing private companies in the Dallas/Fort Worth/Arlington area.

In addition, the company was recognized as the 56<sup>th</sup> fastest growing company in the Energy Industry designation on the list.

“To be recognized for the second year as one of the fastest growing private companies is quite an honor,” said Jim Nixon, Varel CEO and President. “Our growth can be attributed to our focus on technology leadership, quality manufacturing and our exceptionally talented people.”

Varel was selected based on its revenue growth from 2005 to 2008. In the three-year period the company grew from \$103.3 million in revenue to \$276 million; a revenue growth of more than 165 percent.

“The Inc. 5000 list is the best place to find out about young companies that are achieving success through a wide variety of unprecedented business models, as well as older private companies that are still expanding at an impressive rate,” said Inc. 5000 project manager Jim Melloan. “That’s why our list is so eagerly anticipated every year.”

Varel is one of the oldest companies on the list, one of eight founded in 1947. The company’s growth curve accelerated in 1998, with an investor backed buyout initiated by the current management team. Since then, Varel has expanded its reach, acquiring Canadian Pendemak Industries in 2007, which is now Varel Rock Bits Canada. In addition, Varel completed the acquisition of Aberdeen-based Downhole Products Plc. in April 2008. This acquisition was supported by Arcapita, Varel's primary investor, with financing support made possible through the Royal Bank of Scotland (RBS).

Nixon added, “Our continuous growth over the past three years emphasizes the commitment of the entire Varel team. This growth could not have been realized without the support of our investors; they have recognized the opportunities Varel has had to grow and supported our plans.”

**About Varel International Energy Services**

Varel International Energy Services is comprised of two primary operating units, Varel International and Downhole Products.

Founded in 1947, Varel International is the world's largest independent supplier of earth boring drill bits. Headquartered in Carrollton, Texas, Varel services oil & gas, mining, and industrial markets with its comprehensive suite of roller cone and fixed cutter drill bits. The company employs more than 1,000 people and has manufacturing facilities in Carrollton, Texas; Houston, Texas; Matamoros, Mexico and Tarbes, France, as well as sales offices throughout the world. For more information, visit [www.varelintl.com](http://www.varelintl.com).

Downhole Products specializes in the design and manufacture of engineered tubular enhancement products for the global upstream oil and gas industries. Since 1994, Downhole Products has been developing and providing downhole solutions aimed at reducing torque and drag and improving casing running and cementing integrity. Downhole Products operates from offices located in Aberdeen, Houston, Kuala Lumpur and Bahrain. For further information visit: [www.downhole.org](http://www.downhole.org).

### **About the Inc. 5000 List**

The 2009 Inc. 5000 serves as a unique report card on the U.S. economy. Despite the ongoing recession, aggregate revenue among the companies on the list actually increased to \$214 billion, up \$29 billion from last year, with a median three-year growth rate of 126 percent. The Inc. 5000 are responsible for creating more than 1 million jobs since their founding; making the list perhaps the best example of the impact private, fast-growing companies can have on the economy. Complete results of the Inc. 5000, including company profiles and an interactive database that can be sorted by industry, region, and other criteria, can be found on Inc.com.

### **Methodology**

The Inc. 5000 is ranked according to percentage revenue growth from 2005 through 2008. To qualify, companies must have been founded and generating revenue by the first week of 2005, and therefore able to show four full calendar years of sales. Additionally, they have to be U.S.-based, privately held, for profit, and independent—not subsidiaries or divisions of other companies—as of December 31, 2008. Revenue in 2005 must have been at least \$200,000, and revenue in 2008 must have been at least \$2 million.

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