**Risk Factors Comparison 2024-02-21 to 2023-02-17 Form: 10-K**

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The markets in which we operate are highly competitive and certain of them have relatively few barriers to entry. The principal competitive factors in our markets are product, equipment and service quality, availability, responsiveness, experience, technology, safety performance and price. In some of our product and service offerings, we compete with the oil and natural gas industry ~~'~~ **’** s largest oilfield service providers. These large national and multi- national companies have greater financial, technical and other resources, and greater name recognition than we do. Several of our competitors provide a broader array of services and have a stronger presence in more geographic markets. In addition, we compete with many smaller companies capable of competing effectively on a regional or local basis. Our competitors may be able to respond more quickly to new or emerging technologies and services, and changes in customer requirements. Many contracts are awarded on a bid basis, which further increases competition based on price. As a result of competition, we may lose market share or be unable to maintain or increase prices for our present products and services, or to acquire additional business opportunities, which could have a material adverse effect on our business, financial condition and results of operations. Consolidation of our customers and competitors may impact our results of operations. The oil and gas industry **is undergoing rapid** ~~has historically experienced periods of~~ consolidation **,** which may result in reduced capital spending by some of our customers, the acquisition of one or more of our primary customers or competitors or consolidated entities using size and purchasing power to seek pricing or other concessions, which may lead to decreased demand for our products and services. In addition, recent, ongoing and future mergers, combinations and consolidations in our industry could result in existing competitors increasing their market share. As a result, industry consolidation may have a significant negative impact on our results of operations, financial position or cash flows **. We are unable to predict what effect industry consolidations may have on the pricing of our products and services, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customer and suppliers** . Disruption of our supply chain could adversely impact our ability to manufacture, transport and sell our products. We and our suppliers use multiple forms of transportation to bring our products to market, including truck, ocean and air- cargo shipments. Disruption to the timely supply of raw materials, parts and finished goods or increases in the cost of transportation services, including due to general inflationary pressures, cost of fuel and labor, labor disputes, governmental regulation or governmental restrictions limiting specific forms of transportation, could have an adverse effect on our ability to manufacture, transport and sell our products, which would adversely affect our results of operations, cash flows and financial position. We might be unable to employ and retain a sufficient number of key personnel. We believe that our success depends upon our ability to employ and retain key personnel with both technical and business expertise. As observed in the U. S. shale play regions such as the Permian Basin in recent years, during periods of increased activity, the demand for such personnel is high, and the supply is limited. When these events occur, our cost structure increases and our growth potential could be impaired. Conversely, during periods of reduced activity, we are forced to reduce headcount, freeze or reduce wages, and implement other cost- saving measures which could lead skilled personnel to migrate to other industries. Other opportunities in our industry and market interest in ESG and alternative energy sources may also make it more difficult for us to attract and retain employees who may feel it necessary to exit our business in favor of such other opportunities. The loss of key personnel to competitors or companies in other industries could adversely affect us. If we do not develop new competitive technologies and products, our business and revenues may be adversely affected. The market for our products and services is characterized by continual technological developments to provide better performance in increasingly greater depths, higher pressure levels and harsher conditions. If we are unable to design, develop **- 16-** and produce commercially competitive products in a timely manner in response to changes in technology, our business and revenues will be adversely affected. Many of our competitors are large **multi-** ~~multinational~~ ----- **national** companies that may have significantly greater financial resources than we have, and they may be able to devote greater resources to research and development of new systems, services and technologies than we are able to do. In addition, competitors or customers may develop new technologies, which address similar or improved solutions to our existing technology. Additionally, the development and commercialization of new products and services requires substantial expenditures and we may not have access to needed capital at attractive rates or at all due to our financial condition, disruptions of the bank or capital markets, or other reasons beyond our control to continue these activities. Should our technologies become the less attractive solution, our operations and profitability would be negatively impacted. ~~- 17-~~ Our business ~~and~~ **,** results of operations **and financial condition** could be ~~negatively impacted~~ **adversely affected** by security threats, including cybersecurity threats ~~,~~ and other disruptions. ~~We~~ **Our information and operational technology systems, and those of our vendors, suppliers, customers and other business partners,** may experience various security threats, including cybersecurity threats **designed** to gain unauthorized access to sensitive information or to render data or systems unusable; threats to the safety of our employees ~~;~~ **,** threats to ~~the security of~~ our ~~facilities and~~ infrastructure, or third- party ~~facilities and~~ infrastructure; and **terrorist attacks or related** threats ~~from terrorist acts~~ **. Cybersecurity attacks in particular are evolving and have increased in frequency. Cybersecurity attacks are becoming more sophisticated and include, but are not limited to, ransomware attacks, credential stuffing, phishing, social engineering, use of deepfakes (i. e., highly realistic synthetic media generated by artificial intelligence) and other attempts to gain unauthorized access to data for purposes of extortion or other malfeasance** . Although we devote ~~significant~~ resources to protect the ~~information~~ systems and data we rely on in our business, **our information and operational technology systems may still be subject to cyberattacks or** ~~cybersecurity~~ ----- **security breaches,** ~~attacks in particular are evolving and include~~ **including** ~~, use~~ **as a result** of **employee**

**error** ~~phishing / ransomware attacks and fraudulent domain names / websites~~ , ~~among~~ **malfeasance or** ~~others~~ - **other** ~~, which increased following~~ **threat vectors. Any one of** ~~the~~ **these** ~~outbreak~~ **threat vectors could lead to the corruption, loss, or disclosure** of ~~COVID- 19 in 2020~~ **proprietary and sensitive data, misdirected wire transfers, and an inability to: perform services for our customers; complete or settle transactions; maintain our books and records; prevent environmental damage; and maintain communications or operations** . While we utilize various procedures and controls to monitor these security threats and mitigate our exposure to such threats and other disruptions, there can be no assurance that these procedures and controls will be sufficient in preventing security threats from materializing. **No security measure is infallible.** If any of these events were to materialize, they ~~could~~ **would** lead to **the** ~~losses~~ -- **loss, disclosure, or hindrance** of sensitive information (including our intellectual property, and employee and customer data), critical infrastructure, personnel or capabilities ~~,~~ essential to our operations **. In addition** , **a cyberattack or security breach could result in liability resulting from data privacy or cybersecurity claims, liquidated or other contractual damages, regulatory penalties, damage to our reputation, significant negative press coverage, long- lasting loss of confidence in us, or additional costs for remediation** and **modification or enhancement of our information systems to prevent future occurrences, all of which** could have a material adverse effect on our reputation, financial position, results of operations, or cash flows. We depend on several significant customers in each of our business segments, and the loss of one or more such customers or the inability of one or more such customers to meet their obligations to us, could adversely affect our results of operations. While no customer accounted for more than 10 % of our consolidated revenues in **2023,** 2022 ~~,~~ **or** 2021 ~~or 2020~~ , the loss of a significant portion of customers in any of our business segments, or a sustained decrease in demand by any of such customers, could result in a loss of revenues and could have a material adverse effect on our results of operations. In addition, the concentration of customers in one industry impacts our overall exposure to credit risk, in that customers may be similarly affected by changes in economic and industry conditions. While we perform ongoing credit evaluations of our customers, we do not generally require collateral in support of our ~~trade~~ **accounts** receivables. As a result of our industry concentration, risks of nonpayment and nonperformance by our counterparties are a concern in our business. Many of our customers finance their activities through cash flow from operations, the incurrence of debt ~~,~~ or the issuance of equity ~~. In 2020 and 2021, many of our customers experienced substantial reductions in their cash flows from operations, and some experienced liquidity shortages, lack of access to capital and credit markets, a reduction in borrowing bases under reserve- based credit facilities and other adverse impacts to their financial condition. These conditions caused a number of our customers to claim bankruptcy protection~~ . The inability, or failure of, our significant customers to meet their obligations to us, or their insolvency or liquidation, may adversely affect our financial results. The ongoing military ~~action~~ **actions** ~~between Russia~~ **in Europe** and ~~Ukraine~~ **the Middle East** could adversely affect our business, financial condition and results of operations. **The** ~~In February 2022, Russian military forces invaded Ukraine and fighting between the two countries continues. While we have no operations, personnel or material assets in either country as of December 31, 2022, the outcome of this~~ ongoing military ~~conflict~~ **conflicts in Europe** ~~is highly unpredictable~~ and **the Middle East** could **cause** ~~lead to further~~ market and other disruptions that could adversely affect us, such as: volatility in crude oil and natural gas prices, which can adversely affect demand for our products and services; further supply chain constraints and disruptions, or increased prices for certain raw materials and component parts, such as steel and forgings, that are used in products we manufacture and other products needed by our customers in connection with their ongoing operations; instability in financial markets; higher inflation; delays or cancellations of planned **- 17-** projects by our customers due to rising costs; changes in currency rates; and increases in cyberattacks and espionage. **In addition** ~~As a result of this conflict~~ , governments in the European Union, the United States, the United Kingdom, Switzerland and other countries have enacted sanctions against Russia and Russian interests **as a result of Russia’ s invasion of Ukraine** . Such sanctions, and other measures, as well as existing and potential further responses from Russia or other countries to such sanctions, could exacerbate the foregoing risks. Any of these developments could adversely affect our business, financial condition and results of operations . Our inability to control the inherent...... claims that arose following the GEODynamics Acquisition . Climate events could adversely impact our operations or those of our customers or suppliers. Severe weather events in the areas in which we or our customers or suppliers operate, such as hurricanes, floods and prolonged periods of cold weather, whether from climate change or otherwise, can cause disruptions and, in some cases, delays in, or suspension of, our operations and those of our customers or suppliers. Seasonal differences in weather in the areas in which we operate, most notably in the Rocky Mountain and Northeast regions of the United States, where severe winter weather conditions occur, can also restrict our operations and those of our customers or suppliers. In addition, summer and fall completion and drilling activity can be restricted due to hurricanes and other storms prevalent in the Gulf of Mexico and along the Gulf Coast. As a result of these seasonal differences, full year results are not likely to be a direct multiple of any particular quarter or combination of quarters. Many forecasters also believe that potential climate changes may have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events, as well as chronic shifts in temperature and precipitation patterns, which could have an adverse effect on our or our customers ~~'~~ **’** or suppliers ~~'~~ **’** operations. These climatic developments have the potential to also cause physical damage to our assets or delays to our supply chains, which may have an adverse effect on our operations. Any unusual or prolonged severe weather or increased frequency thereof in our or customers ~~'~~ **’** areas of operations or markets, whether due to climate change or otherwise, could have a material adverse effect on our business, results of operations and financial condition. Adverse climate events could also affect our third- party suppliers, which could limit their ability to provide us with the necessary products or raw materials to maintain operations of our facilities or services. Our planning for normal climatic variation, insurance programs and emergency recovery plans may inadequately mitigate the effects of such weather conditions, and not all such effects can be predicted, eliminated or insured against. Additionally, changing meteorological conditions, particularly temperature, may result in changes to the amount, timing or location of demand for energy or the products our customer produce, which may impact demand for our products and services. ~~- 19 -~~ Our inability to control the inherent risks of identifying and integrating businesses that we have or may acquire,including any related increases in debt or issuances of equity securities,could adversely affect our operations. ~~We continually~~ **From time to time,we** review complementary acquisition opportunities and we may seek to consummate acquisitions of such businesses in the future.However,we may not be able to identify and acquire acceptable acquisition candidates on favorable terms in the future or at all.In addition,we have in the past and may in the future incur indebtedness to finance acquisitions and also may issue equity securities in connection with such acquisitions,which could impose a significant burden on our results of operations and financial condition and could result in significant dilution to stockholders. ~~- 18-~~ We expect to gain certain business,financial,and strategic advantages as a result of business combinations we undertake,including synergies and operating efficiencies.However,these transactions **,** ~~involve risks including:• retaining key employees~~ and ~~customers~~ **the successful integration and operation** of acquired businesses ~~;• retaining supply and distribution relationships key to the supply chain;• increased administrative burden~~ , **involve numerous risks.If we fail to** ~~including additional costs associated with regulatory compliance;• diversion of management~~ ---- **manage** ~~time and attention;• developing~~ **any of these risks successfully,** our ~~sales~~ **business could be harmed.Our capitalization** and **results of** ~~marketing capabilities;• managing our growth effectively;• integrating~~ operations **may change significantly following** ~~,workforce,product lines and~~ - **an** ~~technology;•~~ **acquisition,and our stockholders may not have the opportunity to evaluate the economic,financial,and other relevant information that we will consider in evaluating future acquisitions.** Financial Risks We may be unable to access the capital and credit markets or borrow on affordable terms to obtain additional capital that we may require. We rely on our liquidity to pay our operating and capital expenditures, interest and principal payments on debt, taxes and other similar costs. Historically, we have sought to finance the operation of our business primarily with cash on- hand and cash provided by operating activities, but we have also relied on ~~capital from~~ the bank and capital markets. **A** ~~The COVID- 19 pandemic initially resulted in significant disruption to and volatility in the global financial markets. For companies like ours in the energy industry, this market disruption significantly impacted the value of our common stock and reduced our ability to access capital in the bank and capital markets. Further outbreaks or the emergence of new strains of the COVID- 19 virus could result in the return of these conditions, which could negatively affect our liquidity and our ability to fund our operations. In addition, a~~ recession or long- term market correction could ~~further~~ negatively impact the value of our common stock, our access to capital or our liquidity or ability to generate cash from operations in the near and long- term. If we are unable to access the bank and capital markets on favorable terms, or if we are not successful in raising capital at an attractive cost within the time period required or at all, we may not be able to grow **- 18-** or maintain our business, which could have a material adverse effect on our business, results of operations and financial condition **. In addition, events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about such events or other similar risks, have in the past and may in the future lead to acute or market- wide liquidity problems. In addition, if any of our customers, suppliers or other business counterparties are unable to access funds held by such a financial institution, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected** . We may be adversely affected by the effects of inflation. Inflation in wages, materials, parts, equipment and other costs has the potential to adversely affect our results of operations, cash flows and financial position by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers for our products and services. In addition, the existence of inflation in the economy has and may continue to result in higher interest rates, which could result in higher borrowing costs, supply shortages, increased costs of labor, weakening exchange rates and other similar effects. Backlog in our Offshore / Manufactured Products segment is subject to unexpected adjustments and cancellations and, therefore, has limitations as an indicator of our future revenues and earnings. The revenues projected in our Offshore / Manufactured Products segment backlog may not be realized or, if realized, may not result in profits. Because of potential changes in the scope or schedule of our customers ~~'~~ **'** projects, we cannot predict with certainty when or if backlog will be realized. Material delays, cancellations or payment defaults could materially affect our financial condition, results of operations, and cash flows. Some of the contracts in our backlog are cancellable by the customer, subject to the payment of termination fees and / or the reimbursement of our costs incurred. We typically have no contractual right to the total revenues reflected in our backlog once a project is canceled. While backlog cancellations have not been significant in the past, **if** ~~we incurred cancellations totaling $ 3. 5 million and $ 1. 8 million during 2022 and 2021, respectively. If~~ commodity prices decline, we may incur additional cancellations or experience **material** declines in our backlog. We may assume contractual risks in developing, manufacturing and delivering products in our Offshore / Manufactured Products segment. Many of our products from our Offshore / Manufactured Products segment are ordered by customers under frame agreements or project- specific contracts. In many cases these contracts stipulate a fixed price for the delivery of our products and impose liquidated damages or late delivery fees if we do not meet specific customer deadlines. Our actual costs, and any gross profit realized on these fixed- price contracts, may vary from the expected contract economics for various reasons, including but not limited to: • errors or omissions in estimates or bidding; • changes in availability and cost of materials and labor, including from price inflation and supply chain disruptions; • failures of our suppliers to deliver materials and other goods that comply with our specifications; • variations in productivity from our original estimates; • changes in tariffs or tax regimes; and • material changes in foreign currency exchange rates. These variations and the risks inherent in our projects may result in reduced profitability or losses on projects. Depending on the size of a project, variations from estimated contract performance could have a material adverse impact on our operating results. ~~- 20-~~ In addition, there are other risks and liabilities associated with these contracts, such as consequential damages payable (generally as a result of our gross negligence or willful misconduct), unforeseen technical or logistical challenges in fulfilling the contracts, or warranty claims, any of which could result in our not being fully or properly compensated for the cost to develop, design, and manufacture the final product and resulting in a significant impact on our reported operating results as we progress towards completion of major jobs. **- 19-**

Exchange rate fluctuations could adversely affect our U. S. reported results of operations and financial position. In the ordinary course of our business, we enter into purchase and sales commitments that are denominated in currencies that differ from the functional currency used by our operating subsidiaries. Currency exchange rate fluctuations can create volatility in our consolidated financial position, results of operations, and / or cash flows. Although we may enter into foreign exchange agreements with financial institutions in order to reduce our exposure to fluctuations in currency exchange rates, these transactions, if entered into, will not eliminate that risk entirely. To the extent that we are unable to match revenues received in foreign currencies with expenses paid in the same currency, exchange rate fluctuations could have a negative impact on our consolidated financial position, results of operations ~~,~~ and / or cash flows. Additionally, because our consolidated financial results are reported in U. S. dollars, if we generate net revenues or earnings in countries whose currency is not the U. S. dollar, the translation of such amounts into U. S. dollars can result in an increase or decrease in the amount of our net revenues and earnings depending upon exchange rate movements. As a result, a material decrease in the value of these currencies relative to the U. S. dollar may have a negative impact on our reported results of operations and cash flows. Any currency controls implemented by local monetary authorities in countries where we currently operate could also adversely affect our business, financial condition and results of operations. Given the cyclical nature of our business, a severe prolonged downturn could negatively affect the value of our goodwill and other intangible assets. As of December 31, ~~2022~~ **2023**, goodwill and other intangible assets represented ~~7~~ **8** % and ~~16~~ **15** %, respectively, of our total assets. We record goodwill when the consideration we pay in acquiring a business exceeds the fair market value of the tangible and separately measurable intangible net assets of that business. We are required to at least annually review the goodwill and other intangible assets of our applicable reporting units (Offshore / Manufactured Products, Completion Services and Downhole Technologies) for impairment in value and to recognize a non- cash charge against earnings causing a corresponding decrease in stockholders ~~'~~ **’** equity if circumstances, some of which are beyond our control, indicate that the carrying amounts will not be recoverable. ~~In the first quarter of 2020, we recognized aggregate goodwill impairment charges of $ 406. 1 million in our three reporting units due to, among other factors, the significant decline in our stock price and that of our peers and reduced growth rate expectations given weak energy market conditions resulting from the demand destruction caused by the global response to the COVID- 19 pandemic.~~ While no ~~additional~~ provisions for impairment were ~~identified~~ **recognized** during **2023** ~~our subsequent annual assessments~~, it is possible that we could recognize goodwill or other intangible assets impairment losses in the future if, among other factors: • global economic and industry conditions deteriorate; • the outlook for future profits and cash flow for any of our reporting units deteriorate as the result of many possible factors, including, but not limited to, increased or unanticipated competition, lack of technological development, reductions in customer capital spending plans, loss of key personnel or customers, adverse legal or regulatory judgment (s), future operating losses at a reporting unit, downward forecast revisions, or restructuring plans; • costs of equity or debt capital increase further; • laws, executive actions or regulatory initiatives are imposed, which significantly restrict, delay or otherwise reduce the drilling, completion and production of oil and natural gas wells; • U. S. and / or foreign income tax rates increase, or regulations change; • valuations for comparable public companies or comparable acquisition valuations deteriorate; or • our stock price experiences a sustained decline. ~~- 21 -~~ Legal or Regulatory Risks We do business in international jurisdictions which exposes us to unique risks. A portion of our revenue and net assets are attributable to operations in countries outside the United States. Risks associated with our international operations include, but are not limited to: • expropriation, confiscation or nationalization of assets; • renegotiation or nullification of existing contracts; • foreign capital controls or similar monetary or exchange limitations; • foreign currency fluctuations; • foreign **and global minimum** taxation **regulations**; • tariffs and duties on imported and exported goods; **- 20-** • the inability to repatriate earnings or capital in a tax efficient manner; • changing political conditions; • economic or trade sanctions; • changing foreign and domestic monetary and trade policies; • regulatory restrictions or controls more stringently applied or enforced; • changes in trade activity; • military or social situations, such as a widespread outbreak of an illness ~~such as COVID- 19~~ or other public health issues, in foreign areas where we do business, and the possibilities of war, other armed conflict or terrorist attacks; and • regional economic downturns. Additionally, in some jurisdictions we are subject to foreign governmental regulations favoring or requiring the awarding of contracts to local contractors, or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These regulations may adversely affect our ability to compete in such jurisdictions. The U. S. Foreign Corrupt Practices Act (the ~~"~~ **“** FCPA ~~"~~ **”**), and similar anti- bribery laws in other jurisdictions, including the United Kingdom Bribery Act 2010, generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. We operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices and impact our business. Any failure to comply with the FCPA or other anti- bribery legislation could subject us to civil and criminal penalties or other sanctions, which could have a material adverse impact on our business, financial condition and results of operations. We could also face fines, sanctions, and other penalties from authorities in the relevant foreign jurisdictions, including prohibition of our participating in, or curtailment of, business operations in those jurisdictions and the seizure of assets. Additionally, we may have competitors who are not subject to the same ethics- related laws and regulations which provides them with a competitive advantage over us by securing business awards, licenses, or other preferential treatment, in those jurisdictions using methods that certain ethics- related laws and regulations prohibit us from using. The regulatory regimes in some foreign countries may be substantially different than those in the United States, and may be unfamiliar to U. S. investors. Violations of foreign laws could result in monetary and criminal penalties against us or our subsidiaries and could damage our reputation and, therefore, our ability to do business. ~~The ultimate impact of recent changes to tariffs and duties imposed by the United States and other countries is uncertain.~~ We use a variety of domestically produced and imported raw materials and component products, including steel, in the manufacture of our products. In 2018, the United States imposed tariffs on a variety of imported products, including steel and aluminum. In response to the U. S. tariffs on steel and aluminum, the European Union and several other countries, including Canada and China, have threatened and / or imposed retaliatory tariffs. The effect of these tariffs and the application and interpretation of existing trade agreements and customs, anti- dumping and countervailing duty regulations continues to evolve, and we continue to monitor these matters. If we encounter difficulty in procuring these raw materials and component products, or if the prices we have to pay for these products increase further as a result of customs, anti- dumping and countervailing duty regulations or otherwise, and we are unable to pass corresponding cost increases on to our customers, our financial position and results of operations could be adversely affected. Furthermore, uncertainty with respect to potential costs in the drilling and completion of oil and gas wells could cause our customers to delay or cancel planned projects which, if this occurred, would adversely affect our financial position and results of operations. ~~See Note 15," Commitments and Contingencies," to the Consolidated Financial Statements included in this Annual Report on Form 10 - K for further discussion.- 22-~~ Explosive incidents arising out of dangerous materials used in our business could disrupt operations and result in bodily injuries and property damages, which occurrences could have a material adverse effect our business, results of operations and financial conditions. Our Downhole Technologies segment operations include the licensing, storage and handling of explosive materials that are subject to regulation by the ATF and analogous state **and international** agencies. Despite our use of specialized facilities to store and handle dangerous materials and our performance of employee training programs, the storage and handling of explosive materials could result in explosive incidents that temporarily shut down or otherwise disrupt our or our customers ~~'~~ **’** operations or could cause restrictions, delays or cancellations in the delivery of our services. It is possible that such incidents could result in death or significant injuries to employees and other persons. Material property damage to us, our customers and third parties arising from an explosion or resulting fire could also occur. Any explosion could expose us to adverse publicity and liability for damages or cause production restrictions, delays or cancellations, any of which occurrences could have a material adverse effect on our operating results, financial condition and cash flows. Moreover, failure to comply with any applicable existing or newly **- 21-** established requirements, or the occurrence of an explosive incident, may also result in the loss of our ATF or analogous state **and international** license to store and handle explosives, which would have a material adverse effect on our business, financial condition and results of operations. We may not have adequate insurance for potential liabilities and our insurance may not cover certain liabilities, including litigation risks. The products that we manufacture and the services that we provide are complex, and the failure of our equipment to operate properly or to meet specifications may greatly increase our customers ~~'~~ **’** costs. In addition, many of these products are used in inherently hazardous applications where an accident or product failure can cause personal injury or loss of life, damages to property, equipment, or the environment, regulatory investigations and penalties, and the suspension or cancellation of the end- user ~~'~~ **’** s operations. If our products or services fail to meet specifications, or are involved in accidents or failures, we could face warranty, contract, or other litigation claims for which we may be held responsible and our reputation for providing quality products may suffer. In the ordinary course of business, we become the subject of various claims, lawsuits ~~,~~ and administrative proceedings, seeking damages or other remedies concerning our commercial operations, products, employees ~~,~~ and other matters, including occasional claims by individuals alleging exposure to hazardous materials as a result of our products or operations. Some of these claims relate to the activities of businesses that we have sold, and some relate to the activities of businesses that we have acquired, even though these activities may have occurred prior to our acquisition of such businesses. We maintain insurance to cover many of our potential losses, and we are subject to various self- retentions and deductibles under our insurance policies. It is possible, however, that a judgment could be rendered against us in cases in which we could be uninsured and beyond the amounts that we currently have reserved or anticipate incurring for such matters. Even a partially uninsured or underinsured claim, if successful and of significant size, could have a material adverse effect on our results of operations or consolidated financial position. We also face the following other risks related to our insurance coverage: • we may not be able to continue to obtain insurance on commercially reasonable terms; • we may be faced with types of liabilities that will not be covered by our insurance, such as damages from environmental contamination, fines and penalties imposed for failure to comply with applicable law, terrorist attacks or acts of war **; • we may face difficulties obtaining or maintaining insurance coverage to the extent we do not meet the ESG- related conditions or requirements of our insurers** ; • the counterparties to our insurance contracts may pose credit risks; and • we may incur losses from interruption of our business or cybersecurity attacks that exceed our insurance coverage. We might be unable to protect our intellectual property rights and we may be subject to litigation if another party claims that we have infringed upon its intellectual property rights. We rely on a variety of intellectual property rights that we use in our businesses, including our patents and proprietary rights relating to our FlexJoint ®, Merlin ®, ~~STRATX ®~~ **Active Seat Gate Valves** , Evolv ® and SmartStart Plus ® technologies, and intervention and downhole extended- reach tools (including our HydroPull ® tool) utilized in the completion or workover of oil and natural gas wells. The market success of our technologies will depend, in part, on our ability to obtain and enforce our proprietary rights in these technologies, to preserve rights in our trade secret and non- public information. We may not be able to successfully preserve these intellectual property rights and these rights could be invalidated, circumvented or challenged. In addition, we may be required to expend significant amounts of money pursuing and defending our intellectual property rights, and these proceedings may not ultimately be successful. In addition, the laws of some foreign countries in which our products and services may be sold do not protect intellectual property rights to the same extent as the laws of the United States. If any of our patents or other intellectual property rights are determined to be invalid or unenforceable, or if a court or other tribunal limits the scope of claims in a patent or fails to recognize our trade secret rights, our competitive advantages could be significantly reduced in the relevant technology, allowing competition for our customer base to increase, adversely affecting our competitive position. ~~- 23-~~ In addition, the tools, techniques, methodologies, programs and components we use to provide our products and services may infringe, or be alleged to infringe, upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs, and may distract us from running our core business. Royalty payments under a license from third parties, if available, would increase our costs. If a license was not available, we might not be able to continue providing a particular service or product. Any of these developments could have a material adverse effect on our business, financial condition and results of operations. **- 22-** Laws, regulations and other executive actions or regulatory initiatives regarding hydraulic fracturing could increase our costs of doing business and result in additional operating restrictions, delays or cancellations in the completion of oil and natural gas wells, or possible bans on the performance of hydraulic fracturing that may reduce demand for our products and services and could have a material adverse effect on our business, results of operations and financial condition. Although we do not directly engage in hydraulic fracturing, a material portion of our operations support many of our oil and natural gas exploration and production customers in such activities. There exists federal regulatory initiatives and various state laws and regulations that have increased, and have the potential to further increase, the regulatory burden imposed on hydraulic fracturing. Moreover, there also exists, under the Biden Administration, the potential for new or amended laws, regulations, executive actions and other regulatory initiatives that could impose more stringent restrictions on hydraulic fracturing, including potential restrictions on hydraulic fracturing on federal lands. The Biden Administration has taken several actions intended to suspend or limit oil and gas leasing on federal lands and waters, though these actions have been subject to legal challenge. **Additionally, the BLM has recently proposed rules to update the terms of federal oil and gas leases, including increasing the associated costs and fees.** Moreover, further or different constraints may be adopted by the Biden Administration in the future, including but not limited to a delay in permitting procedures, which may reduce the desirability or viability of projects on federals lands or waters. See ~~"~~**“**Part I, Item 1. Business – Environmental and Occupational Health and Safety Matters – Hydraulic Fracturing ~~"~~**”** for more discussion on these matters. The occurrence of any one or more of these developments with respect to hydraulic fracturing in areas where our oil and natural gas exploration and production customers operate could result in potentially significant added costs to comply with requirements relating to permitting, construction, financial assurance, monitoring, recordkeeping ~~,~~ and / or plugging and abandonment. In addition, they could experience restrictions, delays or cancellations in the pursuit of production or development activities. Any of the foregoing could reduce demand for the products and services of one or more of our business segments and have a material adverse effect on our business, financial condition and results of operations. In countries outside of the United States, including provincial, regional, tribal or local jurisdictions therein where we conduct operations, there may exist similar governmental restrictions or controls on our customers ~~'~~**’** hydraulic fracturing activities, which, if such restrictions or controls exist or are adopted in the future, our customers may incur significant costs to comply with such requirements or may experience restrictions, delays or cancellations in the permitting or pursuit of their operations, which could have a material adverse effect on our business, financial condition and results of operations. Legislative and regulatory initiatives related to induced seismicity could result in operating restrictions or delays in the drilling and completion of oil and natural gas wells that may reduce demand for our products and services and could have a material adverse effect on our business, results of operations and financial condition. Our oil and natural gas producing customers dispose of flowback water or certain other oilfield fluids gathered from oil and natural gas producing operations in accordance with permits issued by government authorities overseeing such disposal activities. In recent years, wells in the United States used for the disposal by injection of flowback water or certain other oilfield fluids below ground into non- producing formations have been associated with an increased number of seismic events. In response, regulators in states in which our customers operate have adopted additional requirements related to seismicity and its potential association with hydraulic fracturing. See ~~"~~**“**Part I, Item 1. Business – Environmental and Occupational Health and Safety Matters ~~"~~**”** for more discussion on these seismicity matters. The introduction of new environmental laws and regulations related to the disposal of wastes associated with the exploration or production of hydrocarbons could limit or prohibit the ability of our customers to utilize underground injection wells. As a result, our customers may have to limit disposal well volumes, disposal rates or locations and, in some instances those customers, or third- party disposal well operators that are used by those customers to dispose of the customers ~~'~~**’** wastewater, may be obligated to shut down disposal wells, which developments could adversely affect our customers ~~'~~**’** business and result in a corresponding decrease in the need for our products and services, which could have a material adverse effect on our business, results of operations and financial condition. ~~- 24-~~ Imposition of laws, executive actions or regulatory initiatives to restrict, delay or cancel leasing, permitting or drilling activities in deepwaters of the United States or foreign countries may reduce demand for our services and products and have a material adverse effect on our business, financial condition, or results of operations. A significant portion of our Offshore / Manufactured Products segment provides products and services for oil and natural gas exploration and production customers operating offshore in the deepwaters of the United States and in other countries. To a lesser extent, our Well Site Services and Downhole Technologies segments also provide equipment and services to customers operating offshore in the deepwaters of the United States and in other countries. President Biden has issued an executive order that commits to substantial action on climate change, calling for, among other things, the elimination of subsidies provided to the fossil fuel industry and an increased emphasis on climate- related risks across government agencies and economic sectors. President Biden may pursue additional executive orders, new legislation and regulatory initiatives to further implement his **- 23-** regulatory agenda beyond the IRA 2022 **. For example, on January 26, 2024, the Biden Administration announced a temporary pause pending Department of Energy review on decisions on new exports of LNG to countries with which the United States does not have free trade agreements** . Additionally, regulatory agencies under the Biden Administration may issue new or amended rulemakings regarding deepwater leasing, permitting or drilling that could result in more stringent or costly restrictions, delays or cancellations in offshore oil and natural gas exploration and production activities, such as the Biden Administration ~~'~~**’** s suspension of the issuance of authorizations for oil and gas activities. See ~~"~~**“**Part I, Item 1. Business – Environmental and Occupational Health and Safety Matters ~~"~~**”** for more discussion on deepwater regulatory matters. Any new legislation, executive actions or regulatory initiatives, whether in the United States or in other countries, that impose increased costs, more stringent operational standards or result in significant delays, cancellations or disruptions in our customers ~~'~~**’** operations, increase the risk of losing leasing or permitting opportunities, expired leases due to the time required to develop new technology, increased supplemental bonding costs, or cause our customers to incur penalties, fines, or shut- in production at one or more of their facilities, any or all of which could reduce demand for our products and services. Also, if material spill events were to occur in the future, the United States or other countries where such an event were to occur could elect to issue directives to temporarily cease drilling activities and, in any event, may from time to time issue further safety and environmental laws and regulations regarding offshore oil and natural gas exploration and development, any of which developments could have a material adverse effect on our business. We cannot predict with any certainty the full impact of any new laws, regulations, executive actions or regulatory initiatives on our customers ~~'~~’ drilling operations or the opportunity to pursue such operations, or on the cost or availability of insurance to cover the risks associated with such operations. The matters described above, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations. We are subject to numerous environmental laws and regulations that may expose us to significant costs and liabilities. Our operations and those of our customers in the United States and in foreign countries are subject to stringent federal, state and local legal requirements governing environmental protection. These requirements may take the form of laws, regulations, executive actions and various other legal initiatives. See ~~"~~“ Part I, Item 1. Business – Environmental and Occupational Health and Safety Matters ~~"~~” for more discussion on these matters. Compliance with these regulations and other regulatory initiatives, or any other new environmental laws and regulations could, among other things, require us or our customers to install new or modified emission controls on equipment or processes, incur longer permitting timelines, and incur increased capital or operating expenditures, which costs may be significant. Additionally, one or more of these developments that impact our oil and natural gas exploration and production customers could reduce demand for our products and services, which could have a material adverse effect on our business, financial condition and results of operations. An accidental release of pollutants into the environment may cause us to incur significant costs and liabilities. Our business activities present risks of incurring significant environmental costs and liabilities in our business as a result of our handling of petroleum hydrocarbons, because of air emissions and wastewater discharges related to our operations, and due to historical industry operations and waste disposal practices. Additionally, private parties, including the owners or operators of properties upon which we perform services and facilities where our wastes are taken for reclamation or disposal, also may have the right to pursue legal actions to enforce compliance as well as to seek damages for non- compliance with environmental laws and regulations or for personal injury or property or natural resource damages. Some environmental laws and regulations may impose strict liability, which means that in some situations we could be exposed to liability as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by prior owners or operators of properties or other third parties. Remedial costs and other damages, including natural resources damages arising as a result of environmental laws and costs associated with changes in environmental laws and regulations could be substantial and could have a material adverse effect on our liquidity, results of operations and financial condition. We may not be able to recover some or any of these costs from insurance. ~~- 25-~~ We could incur significant costs in complying with stringent occupational health and safety requirements. We are subject to stringent federal and state laws and regulations, including the federal Occupational Safety and Health Act and comparable state statutes, whose purpose is to protect the health and safety of workers, both generally and within the Offshore Manufactured Products, Well Site Services and Downhole Technologies business segments. In addition, the OSHA hazard communication standard, the EPA community right- to- know regulations under Title III of the Federal Superfund Amendment and Reauthorization Act and comparable state statutes require that information be maintained concerning hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and citizens. We are also subject to OSHA Process Safety Management regulations, which are designed **- 24-** to prevent or minimize the consequences of catastrophic releases of toxic, reactive, flammable or explosive chemicals. See ~~"~~“ Part I. Item I. Business – Environmental and Occupational Health and Safety Matters ~~"~~” for more discussion on these matters. We have incurred and will continue to incur operating and capital expenditures to comply with occupational health and safety laws and regulations. Historically these costs have not had a material adverse effect on our results of operations. However, there can be no assurance that such costs will not be material in the future or that such future compliance will not have a material adverse effect on our business, financial condition and results of operation. Our and our customers ~~'~~’ operations are subject to a series of risks arising out of the threat of climate change that could result in increased operating costs, limit the areas in which oil and natural gas production may occur, and reduce demand for the products and services we provide. The threat of climate change continues to attract considerable attention in the United States and in foreign countries. Numerous proposals have been made and could continue to be made at the international, national, regional and state levels of government to monitor and limit existing emissions of GHGs as well as to restrict or eliminate such future emissions. As a result, our operations as well as the operations of our oil and natural gas exploration and production customers are subject to a series of regulatory, political, financial and litigation risks associated with the production and processing of fossil fuels and emission of GHGs. See ~~"~~“ Part I, Item 1. Business – Environmental and Occupational Health and Safety Matters ~~"~~” for more discussion on these risks. The adoption and implementation of new or more stringent international, federal or state executive actions, legislation, regulations or regulatory initiatives that impose more stringent standards for GHG emissions from the oil and natural gas sector or otherwise restrict the areas in which this sector may produce oil and natural gas or generate GHG emissions could result in increased costs of compliance or costs of consuming fossil fuels. Such legislation or regulations could result in increased costs of compliance or costs of consuming, and thereby reduce demand for oil and natural gas, which could reduce demand for our services and products. Additionally, political, financial, reputational and litigation risks may result in our oil and natural gas customers restricting or canceling production activities, incurring liability for infrastructure damages as a result of climatic changes, or impairing the ability to continue to operate in an economic manner, which also could reduce demand for our services and products. One or more of these developments could have a material adverse effect on our business, financial condition and results of operation. Moreover, the increased competitiveness of alternative energy sources (such as wind, solar, geothermal, tidal and biofuels), and government grants, incentives and subsidies such as those contained in the IRA 2022, could reduce demand for hydrocarbons, and therefore demand for our products and services, which would ~~lead to a reduction in~~ **have an adverse effect on** our ~~revenues~~ **business and results of operations** . The ESA, the Migratory Bird Treaty Act and other laws intended to protect certain species of wildlife govern our and our oil and natural gas exploration and production customers ~~'~~**’** operations, which constraints could have an adverse impact on our ability to expand some of our existing operations or limit our customers' ability to develop new oil and natural gas wells. In the United States, the ESA and comparable state laws were established to protect endangered and threatened species. Under the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on activities adversely affecting that species ~~'~~**’** habitat. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act ( ~~"~~**“** MBTA ~~"~~**”** ). The U. S. Fish and Wildlife Service ( ~~"~~**“** FWS ~~"~~**”** ) under former President Trump issued a final rule on January 7, 2021, which notably clarifies that criminal liability under the MBTA will apply only to actions ~~"~~**“** directed at ~~"~~**”** migratory birds, their nests, or their eggs; however, in October 2021, the FWS under the Biden Administration revoked the Trump Administration ~~'~~**’** s rule on incidental take and published an advanced notice of proposed rulemaking to codify a general prohibition on incidental take while establishing a process to regulate or permit exceptions to such a prohibition. Oil and natural gas operations in our operating areas may be adversely affected by seasonal or permanent restrictions on drilling and completion activities designed to protect various wildlife, which may limit our ability to operate in protected areas. Permanent restrictions imposed to protect endangered and threatened species could prohibit drilling and completion activities in certain areas or require the implementation of expensive mitigation measures. ~~- 26-~~ Moreover, the FWS may make determinations on the listing of numerous species as endangered or threatened under the ESA. For example, the FWS recently published a rule listing two distinct population segments of the lesser prairie- chicken under the ESA, a species found in some states where we operate, including Texas, Oklahoma and Colorado. The **dunes sagebrush lizard, located in west Texas and New Mexico, has also recently been proposed for listing as endangered under the ESA. Further, agencies may also enact protections related to critical habitats of listed species, which require federal agencies to ensure their actions are not likely to destroy or adversely modify the critical habitat. For example, in September 2023 the National Marine Fisheries Service proposed to designate certain waters in the Gulf of Mexico as critical habitat for the Rice’ s whale under the ESA. The** designation of previously unidentified endangered or threatened species **or their critical habitats- 25-** could indirectly cause us to incur additional costs, cause our or our oil and natural gas exploration and production customers ~~'~~**’** operations to become subject to operating restrictions or bans, and limit future development activity in affected areas, which could reduce demand for our products and services to those customers. Increasing attention to ESG matters may impact our business. Companies across all industries are facing increasing scrutiny from stakeholders related to their ESG practices. Companies which do not adapt to or comply with investor or stakeholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and / or stock price of such a company could be materially and adversely affected. Increasing attention to climate change, increasing societal expectations on companies to address climate change, and potential consumer use of substitutes to energy commodities may result in increased costs, reduced demand for our customers ~~'~~**’** hydrocarbon products and our **products and** services, reduced profits, increased investigations and litigation, and negative impacts on our stock price and access to capital markets, or ability to attract and retain a talented workforce. Increasing attention to climate change, for example, may result in demand shifts for our customers ~~'~~**’** hydrocarbon products and additional governmental investigations and private litigation against those customers. Our Board **’ s** ~~of Directors'~~ Nominating, Governance and Sustainability Committee is responsible for overseeing and managing our ESG initiatives. Committee members review the implementation and effectiveness of our ESG programs and policies. **During** ~~Through end- of- year 2022~~ **2023** , we have sought to strengthen our ESG performance through certain voluntary operational strategies, including, for example (i) pursuing a goal to reduce GHG emissions generated by us; (ii) seeking to co- locate certain of our facilities and common processes, where feasible, to minimize our GHG emission impacts; (iii) pursuing the implementation of alternative energy systems (for example, solar power) at certain of our facilities, where applicable; (iv) seeking to identify and select low- impact energy providers, where geographically available; (v) evaluating the addition of an onboard system for our trucks that would link to integral vehicle systems to reduce vehicle idling time on work locations; and (vi) purchasing alternative fueled vehicles to reduce carbon- based emissions and improved technology offerings, as fleet replacements occur from time to time, among others. Despite our governance, however, we cannot guarantee that we will be able to implement any of the opportunities we may review or explore, or, for any opportunities we do choose to implement, to implement them within a specific timeframe or across all operational assets. Moreover, we note that even with our governance oversight in place, we may not be able to adequately identify or manage ESG- related risks and opportunities, which may include failing to achieve ESG- related strategies and goals. Also, despite these aspirational goals, we may receive pressure from investors, lenders or other groups to adopt more aggressive climate or other ESG- related goals, but we cannot guarantee that we will be able to implement such goals because of changes in activity levels, potential costs or technical or operational obstacles. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Currently, there are no universal standards for such scores or ratings, but the importance of sustainability evaluations is becoming more broadly accepted by investors and stockholders. Such ratings are used by some investors to inform their investment and voting decisions. Additionally, certain investors use these scores to benchmark companies against their peers and if a company is perceived as lagging, these investors may engage with companies to require improved ESG disclosure or performance. Moreover, certain members of the broader investment community may consider a company ~~'~~**’** s sustainability score as a reputational or other factor in making an investment decision. Consequently, a low sustainability score could result in exclusion of our stock from consideration by certain investment funds, engagement by investors seeking to improve such scores and a negative perception of our operations by certain investors. The Inflation Reduction Act of 2022 could accelerate the transition to a low carbon economy and could impose new costs on our customers ~~'~~**'** operations. In August 2022, President Biden signed the IRA 2022 into law. The IRA 2022 contains hundreds of billions of dollars in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles and supporting infrastructure and carbon capture and sequestration, amongst other provisions. These incentives could further accelerate the transition of the economy away from the use of fossil fuels towards lower- or zero- carbon emissions alternatives, which could decrease demand for oil and gas and consequently adversely affect the business of our customers, thereby reducing demand for our **products and** services. In addition, the IRA 2022 imposes the first ever federal fee on the emission of greenhouse gases through a methane emissions charge. The IRA 2022 amends the federal CAA to impose a fee on the emission of methane from sources required to report their GHG emissions to the EPA, including those sources in the offshore and onshore petroleum and natural gas production and gathering and boosting source categories. The methane emissions charge ~~is scheduled to start~~ **starts** in 2024 at $ 900 per ton of ~~- 27 -~~ methane, ~~increase~~ **increases** to $ 1, 200 in 2025, and ~~increase~~ **increases** to $ 1, 500 for 2026 and each year after **. Regulations to implement the methane emissions charge were proposed in January 2024 and are subject to public comment** . Calculation of the fee is based on certain thresholds established in the IRA 2022. The methane emissions charge could increase our customers ~~'~~**'** operating costs and adversely affect their businesses, thereby reducing demand for our products and services. **- 26-** Changes to applicable tax laws and regulations may result in our incurring additional income tax liabilities, which could have a material adverse effect on our business, results of operations and financial condition. We are subject to various complex and evolving U. S. federal, state and local and foreign taxes. U. S. federal, state and local and foreign tax laws, policies, statutes, rules, regulations or ordinances could be **implemented,** interpreted, changed, modified or applied adversely to us, in each case, possibly with retroactive effect **. For example** , **the Organisation for Economic Co- operation and Development,** ~~and~~ - **an international association of 38 countries that includes the United States, has adopted a set of international tax model rules known as the " Pillar Two " framework, a central component of which is the imposition of a global minimum corporate tax rate of 15 %. Once we reach the Pillar Two applicable revenue thresholds, which we expect to occur no earlier than 2026, the Pillar Two rules could increase tax compliance complexity and uncertainty and result in additional administrative costs and income tax liabilities in those taxing jurisdictions where we operate that have implemented Pillar Two rules. Further, absent U. S. congressional action, the U. S. federal tax rate applicable to certain income earned by our non- U. S. subsidiaries will increase for tax years beginning after December 31, 2025, and certain taxpayer beneficial provisions of the Tax Cuts and Jobs Act will expire. All of the above contemplated and non- contemplated changes in the applicable tax rules** may have a material adverse effect on our business, results of operations and financial condition.