



## **Baker Hughes Expanding Local Drill Bit Manufacturing Facility**

**The Woodlands, Texas, plant expansion will add 130 skilled manufacturing jobs to the local economy.**

HOUSTON, TX – April 30, 2010 – Baker Hughes (NYSE: BHI) announced today it is expanding its drill bit manufacturing facility in the Houston suburb of The Woodlands, adding 130 skilled manufacturing positions to the local economy. The expansion is part of Baker Hughes' consolidation of its global Tricone™ drill bit manufacturing capabilities.

Prior to the expansion, The Woodlands facility employed 750 people, focused on industry-leading drill bit research and manufacturing. Some of the 130 positions have been filled and Baker Hughes plans to have all the new employees on board by year-end. The firm is working with The Woodlands community leaders to identify local candidates for the skilled, flexible and business-centric labor force necessary for drill bit manufacturing.

U.S. District 8 Congressman Kevin Brady was on hand for the announcement held at The Woodlands facility. "Americans want two things: more jobs and more American-made energy. By manufacturing state-of-the-art drill bits here in The Woodlands, Baker Hughes is not only bringing more good-paying jobs to our community, they are also helping to make more American oil and natural gas exploration possible." Brady was joined by other state and local dignitaries, including Texas State Senator Tommy Williams; Nelda Blair and Don Norrell of The Woodlands Partnership; Gil Staley of the Economic Development Partnership; and Jim Peppe of the National Association of Manufacturers.

"This expansion represents a \$12 million total investment, which we expect to recoup through increased production and improved efficiency," said Chad Deaton, Baker Hughes chairman, president and chief executive officer. "The increased capacity also will create the need for other positions in engineering, supply chain and quality control."

The Woodlands expansion required purchasing new manufacturing equipment, adding floor space to the plant and extensively reconfiguring the manufacturing production lines. When the expansion is complete, The Woodlands plant will now have the capacity to produce approximately twice the facility's 2009 output.

The Woodlands campus has been home to Baker Hughes' drill bit manufacturing and research and engineering teams for 18 years. "Maintaining our leadership in roller cone bit technology requires a tremendous amount of proprietary expertise in mechanical engineering, metallurgy, computer simulation, laboratory testing, and bit performance analysis. This facility is home to one of only two high-pressure drilling simulators in the world, driving fundamental science and understanding of drilling mechanics. There are about 150 men and women working in engineering and research here," noted Deaton.

"It's important for research and engineering expertise to be close to our manufacturing center, so engineering innovations and improvements can be implemented quickly on the production line. We are applying this philosophy globally across all of our high-end technologies, allowing engineering and manufacturing to work closely to advance product performance for customers and enhance our competitive position," said Deaton.

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About Baker Hughes Baker Hughes provides reservoir consulting, drilling, formation evaluation, completion and production products and services to the worldwide oil and gas industry.

CONTACTS: Media Relations: Kathy Shirley, +1.713.439.8135, [kathy.shirley@bakerhughes.com](mailto:kathy.shirley@bakerhughes.com)

Investor Relations: Gary R. Flaharty, +1.713.439.8039, [gflaharty@bakerhughes.com](mailto:gflaharty@bakerhughes.com)

H. Gene Shiels, +1.713.439.8822, [gene.shiels@bakerhughes.com](mailto:gene.shiels@bakerhughes.com)