

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: September 21, 2007

Re: **National Oilwell Varco, Inc. (NOV) - 2 for 1 Stock Split ***UPDATE***
ADDITIONAL STRIKE PRICES**

National Oilwell Varco, Inc. (NOV) has declared a 2 for 1 stock split payable to share holders of record on Friday, September 7, 2007. Distribution date for the stock split will be Friday, September 28, 2007. **Ex-distribution date for the stock split will be Monday, October 1, 2007.**

The Options Clearing Corporation (OCC), pursuant to OCC By-Laws, intends to issue on the distribution date (1) additional NOV option contract for each option contract held. Further, on the ex-distribution date each NOV series will have an adjusted exercise (strike) price equal to 1/2 of the exercise (strike) price for each NOV series existing on the business day preceding the ex-distribution date. For example, beginning on Monday, October 1, 2007 an account holding (2) NOV OCT 90 calls (NOV JR) will hold (4) NOV OCT 45 calls (NOV JI). Customers should be advised that (1) contract in the adjusted NOV series will still represent 100 shares of NOV common shares.

POSITION/EXERCISE LIMITS:

Position and exercise limits will change from 250,000 to 500,000 contracts until the expiration date of May 17, 2008

GOOD-TILL-CANCELLED (GTC) ORDERS:

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution or effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

The resulting list of adjusted strike prices and symbols is as follows:

National Oilwell Varco, Inc. (NOV) (Before 10/1/2007) (1 Contract)					National Oilwell Varco, Inc. (NOV) (Beginning 10/1/2007) (2 Contracts)				
			Calls	Puts			Calls	Puts	
NOV	OCT	90	JR	VR	NOV	OCT	45	JI	VI
NOV	OCT	95	JS	VS	NOV	OCT	47 1/2	JS	VS
NOV	OCT	100	JT	VT	NOV	OCT	50	JJ	VJ
NOV	OCT	105	JA	VA	NOV	OCT	52 1/2	JT	VT
NOV	OCT	110	JB	VB	NOV	OCT	55	JK	VK
NOV	OCT	115	JC	VC	NOV	OCT	57 1/2	JY	VY
NOV	OCT	120	JD	VD	NOV	OCT	60	JL	VL
NOV	OCT	125	JE	VE	NOV	OCT	62 1/2	JZ	VZ
NOV	OCT	130	JF	VF	NOV	OCT	65	JM	VM
NOV	OCT	135	JG	VG	NOV	OCT	67 1/2	JU	VU
NOV	OCT	140	JH	VH	NOV	OCT	70	JN	VN
NOV	OCT	145	JY	VY	NOV	OCT	72 1/2	JV	VV
NOV	OCT	150	JZ	VZ	NOV	OCT	75	JO	VO
NOV	OCT	155	JU	VU	NOV	OCT	77 1/2	JW	VW
NOV	OCT	160	JV	VV	NOV	OCT	80	JP	VP
<u>NOV</u>	<u>OCT</u>	<u>165</u>	<u>JW</u>	<u>VW</u>	<u>NOV</u>	<u>OCT</u>	<u>82 1/2</u>	<u>JX</u>	<u>VX</u>
<u>NOV</u>	<u>OCT</u>	<u>170</u>	<u>JX</u>	<u>VX</u>	<u>NOV</u>	<u>OCT</u>	<u>85</u>	<u>JQ</u>	<u>VQ</u>
<u>NON</u>	<u>OCT</u>	<u>175</u>	<u>JO</u>	<u>VO</u>	<u>NON</u>	<u>OCT</u>	<u>87 1/2</u>	<u>JY</u>	<u>VY</u>
<u>NON</u>	<u>OCT</u>	<u>180</u>	<u>JP</u>	<u>VP</u>	<u>NON</u>	<u>OCT</u>	<u>90</u>	<u>JR</u>	<u>VR</u>
<u>NON</u>	<u>OCT</u>	<u>185</u>	<u>JQ</u>	<u>VQ</u>	<u>NON</u>	<u>OCT</u>	<u>92 1/2</u>	<u>JZ</u>	<u>VZ</u>
<u>NON</u>	<u>OCT</u>	<u>190</u>	<u>JR</u>	<u>VR</u>	<u>NON</u>	<u>OCT</u>	<u>95</u>	<u>JS</u>	<u>VS</u>

NOV	NOV	50	KJ	WJ	NOV	NOV	25	KE	WE
NOV	NOV	55	KK	WK	NOV	NOV	27 1/2	KA	WA
NOV	NOV	60	KL	WL	NOV	NOV	30	KF	WF
NOV	NOV	65	KM	WM	NOV	NOV	32 1/2	KB	WB
NOV	NOV	70	KN	WN	NOV	NOV	35	KG	WG
NOV	NOV	75	KO	WO	NOV	NOV	37 1/2	KC	WC
NOV	NOV	80	KP	WP	NOV	NOV	40	KH	WH
NOV	NOV	85	KQ	WQ	NOV	NOV	42 1/2	KD	WD
NOV	NOV	90	KR	WR	NOV	NOV	45	KI	WI
NOV	NOV	95	KS	WS	NOV	NOV	47 1/2	KS	WS
NOV	NOV	100	KT	WT	NOV	NOV	50	KJ	WJ
NOV	NOV	105	KA	WA	NOV	NOV	52 1/2	KT	WT
NOV	NOV	110	KB	WB	NOV	NOV	55	KK	WK
NOV	NOV	115	KC	WC	NOV	NOV	57 1/2	KY	WY
NOV	NOV	120	KD	WD	NOV	NOV	60	KL	WL
NOV	NOV	125	KE	WE	NOV	NOV	62 1/2	KZ	WZ
NOV	NOV	130	KF	WF	NOV	NOV	65	KM	WM
NOV	NOV	135	KG	WG	NOV	NOV	67 1/2	KU	WU
NOV	NOV	140	KH	WH	NOV	NOV	70	KN	WN
NOV	NOV	145	KY	WY	NOV	NOV	72 1/2	KV	WV
NOV	NOV	150	KZ	WZ	NOV	NOV	75	KO	WO
NOV	NOV	155	KU	WU	NOV	NOV	77 1/2	KW	WW
NOV	NOV	160	KV	WV	NOV	NOV	80	KP	WP
<u>NOV</u>	<u>NOV</u>	<u>165</u>	<u>KW</u>	<u>WW</u>	<u>NOV</u>	<u>NOV</u>	<u>82 1/2</u>	<u>KX</u>	<u>WX</u>
<u>NOV</u>	<u>NOV</u>	<u>170</u>	<u>KX</u>	<u>WX</u>	<u>NOV</u>	<u>NOV</u>	<u>85</u>	<u>KQ</u>	<u>WQ</u>
<u>NON</u>	<u>NOV</u>	<u>175</u>	<u>KO</u>	<u>XO</u>	<u>NON</u>	<u>NOV</u>	<u>87 1/2</u>	<u>KY</u>	<u>WY</u>
<u>NON</u>	<u>NOV</u>	<u>180</u>	<u>KP</u>	<u>XP</u>	<u>NON</u>	<u>NOV</u>	<u>90</u>	<u>KR</u>	<u>WR</u>
<u>NON</u>	<u>NOV</u>	<u>185</u>	<u>KQ</u>	<u>XQ</u>	<u>NON</u>	<u>NOV</u>	<u>92 1/2</u>	<u>KZ</u>	<u>WZ</u>
<u>NON</u>	<u>NOV</u>	<u>190</u>	<u>KR</u>	<u>XR</u>	<u>NON</u>	<u>NOV</u>	<u>95</u>	<u>KS</u>	<u>WS</u>
NOV	FEB	70	BN	NN	NOV	FEB	35	BG	NG
NOV	FEB	75	BO	NO	NOV	FEB	37 1/2	BC	NC
NOV	FEB	80	BP	NP	NOV	FEB	40	BH	NH
NOV	FEB	85	BQ	NQ	NOV	FEB	42 1/2	BD	ND
NOV	FEB	90	BR	NR	NOV	FEB	45	BI	NI
NOV	FEB	95	BS	NS	NOV	FEB	47 1/2	BS	NS
NOV	FEB	100	BT	NT	NOV	FEB	50	BJ	NJ
NOV	FEB	105	BA	NA	NOV	FEB	52 1/2	BT	NT
NOV	FEB	110	BB	NB	NOV	FEB	55	BK	NK
NOV	FEB	115	BC	NC	NOV	FEB	57 1/2	BY	NY
NOV	FEB	120	BD	ND	NOV	FEB	60	BL	NL
NOV	FEB	125	BE	NE	NOV	FEB	62 1/2	BZ	NZ
NOV	FEB	130	BF	NF	NOV	FEB	65	BM	NM
NOV	FEB	135	BG	NG	NOV	FEB	67 1/2	BU	NU
NOV	FEB	140	BH	NH	NOV	FEB	70	BN	NN
NOV	FEB	145	BY	NY	NOV	FEB	72 1/2	BV	NV
NOV	FEB	150	BZ	NZ	NOV	FEB	75	BO	NO
NOV	FEB	155	BU	NU	NOV	FEB	77 1/2	BW	NW
NOV	FEB	160	BV	NV	NOV	FEB	80	BP	NP
NOV	FEB	165	BW	NW	NOV	FEB	82 1/2	BX	NX
NOV	FEB	170	BX	NX	NOV	FEB	85	BQ	NQ
<u>NON</u>	<u>FEB</u>	<u>175</u>	<u>BQ</u>	<u>NO</u>	<u>NON</u>	<u>FEB</u>	<u>87 1/2</u>	<u>BY</u>	<u>NY</u>
<u>NON</u>	<u>FEB</u>	<u>180</u>	<u>BP</u>	<u>NP</u>	<u>NON</u>	<u>FEB</u>	<u>90</u>	<u>BR</u>	<u>NR</u>
<u>NON</u>	<u>FEB</u>	<u>185</u>	<u>BQ</u>	<u>NQ</u>	<u>NON</u>	<u>FEB</u>	<u>92 1/2</u>	<u>BZ</u>	<u>NZ</u>
<u>NON</u>	<u>FEB</u>	<u>190</u>	<u>BR</u>	<u>NR</u>	<u>NON</u>	<u>FEB</u>	<u>95</u>	<u>BS</u>	<u>NS</u>

<u>NOV</u>	<u>MAY</u>	<u>110</u>	<u>EB</u>	<u>QB</u>	<u>NOV</u>	<u>MAY</u>	<u>55</u>	<u>EK</u>	<u>OK</u>
<u>NOV</u>	<u>MAY</u>	<u>115</u>	<u>EC</u>	<u>QC</u>	<u>NOV</u>	<u>MAY</u>	<u>57 1/2</u>	<u>EY</u>	<u>OY</u>
<u>NOV</u>	<u>MAY</u>	<u>120</u>	<u>ED</u>	<u>QD</u>	<u>NOV</u>	<u>MAY</u>	<u>60</u>	<u>EL</u>	<u>QL</u>
<u>NOV</u>	<u>MAY</u>	<u>125</u>	<u>EE</u>	<u>QE</u>	<u>NOV</u>	<u>MAY</u>	<u>62 1/2</u>	<u>EZ</u>	<u>QZ</u>
<u>NOV</u>	<u>MAY</u>	<u>130</u>	<u>EF</u>	<u>QF</u>	<u>NOV</u>	<u>MAY</u>	<u>65</u>	<u>EM</u>	<u>QM</u>
<u>NOV</u>	<u>MAY</u>	<u>135</u>	<u>EG</u>	<u>QG</u>	<u>NOV</u>	<u>MAY</u>	<u>67 1/2</u>	<u>EU</u>	<u>QU</u>
<u>NOV</u>	<u>MAY</u>	<u>140</u>	<u>EH</u>	<u>QH</u>	<u>NOV</u>	<u>MAY</u>	<u>70</u>	<u>EN</u>	<u>QN</u>
<u>NOV</u>	<u>MAY</u>	<u>145</u>	<u>EY</u>	<u>QY</u>	<u>NOV</u>	<u>MAY</u>	<u>72 1/2</u>	<u>EV</u>	<u>QV</u>
<u>NOV</u>	<u>MAY</u>	<u>150</u>	<u>EZ</u>	<u>QZ</u>	<u>NOV</u>	<u>MAY</u>	<u>75</u>	<u>EO</u>	<u>QO</u>
<u>NOV</u>	<u>MAY</u>	<u>155</u>	<u>EU</u>	<u>QU</u>	<u>NOV</u>	<u>MAY</u>	<u>77 1/2</u>	<u>EW</u>	<u>QW</u>
<u>NOV</u>	<u>MAY</u>	<u>160</u>	<u>EV</u>	<u>QV</u>	<u>NOV</u>	<u>MAY</u>	<u>80</u>	<u>EP</u>	<u>QP</u>
<u>NOV</u>	<u>MAY</u>	<u>165</u>	<u>EW</u>	<u>QW</u>	<u>NOV</u>	<u>MAY</u>	<u>82 1/2</u>	<u>EX</u>	<u>QX</u>
<u>NOV</u>	<u>MAY</u>	<u>170</u>	<u>EX</u>	<u>QX</u>	<u>NOV</u>	<u>MAY</u>	<u>85</u>	<u>EQ</u>	<u>QQ</u>
<u>NON</u>	<u>MAY</u>	<u>175</u>	<u>EO</u>	<u>QO</u>	<u>NON</u>	<u>MAY</u>	<u>87 1/2</u>	<u>EY</u>	<u>OY</u>
<u>NON</u>	<u>MAY</u>	<u>180</u>	<u>EP</u>	<u>QP</u>	<u>NON</u>	<u>MAY</u>	<u>90</u>	<u>ER</u>	<u>OR</u>
<u>NON</u>	<u>MAY</u>	<u>185</u>	<u>EQ</u>	<u>QO</u>	<u>NON</u>	<u>MAY</u>	<u>92 1/2</u>	<u>EZ</u>	<u>QZ</u>
<u>NON</u>	<u>MAY</u>	<u>190</u>	<u>ER</u>	<u>QR</u>	<u>NON</u>	<u>MAY</u>	<u>95</u>	<u>ES</u>	<u>QS</u>
<u>NON</u>	<u>MAY</u>	<u>195</u>	<u>ES</u>	<u>QS</u>	<u>NON</u>	<u>MAY</u>	<u>97 1/2</u>	<u>EU</u>	<u>QU</u>
<u>NON</u>	<u>MAY</u>	<u>200</u>	<u>ET</u>	<u>QT</u>	<u>NON</u>	<u>MAY</u>	<u>100</u>	<u>ET</u>	<u>QT</u>
<u>NON</u>	<u>MAY</u>	<u>210</u>	<u>EB</u>	<u>QB</u>	<u>NON</u>	<u>MAY</u>	<u>105</u>	<u>EA</u>	<u>QA</u>
<u>NON</u>	<u>MAY</u>	<u>220</u>	<u>ED</u>	<u>QD</u>	<u>NON</u>	<u>MAY</u>	<u>110</u>	<u>EB</u>	<u>QB</u>

Any additional NOV series that are added prior to the ex-date will also be adjusted in the manner described above.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.