

OIL STATES INTERNATIONAL INC

Form S-3

July 08, 2005

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As filed with the Securities and Exchange Commission on July 8, 2005

Registration No. 333-

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Oil States International, Inc.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction
of incorporation or organization)*

76-0476605

*(I.R.S. Employer
Identification No.)*

**Three Allen Center
333 Clay Street, Suite 4620
Houston, Texas 77002
(713) 652-0582**

*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*

**Cindy B. Taylor
Three Allen Center
333 Clay Street, Suite 4620
Houston, Texas 77002
(713) 652-0582**

*(Name, address, including zip code, and telephone number,
including area code, of agent for service)*

Copy to:

**C. Michael Harrington
Vinson & Elkins L.L.P.
First City Tower
1001 Fannin Street, Suite 2300
Houston, Texas 77002-6760
(713) 758-2148**

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement as determined by market conditions and other factors.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
2 ³ / ₈ % Contingent Convertible Senior Notes due 2025	\$175,000,000(1)	100%(3)	\$175,000,000(3)	\$20,598
Common Stock, par value \$.01 per share(4)	5,511,811(5)	N/A	N/A	(4)

(1) Represents the aggregate principal amount of 2³/₈% Contingent Convertible Senior Notes due 2025 that we sold in private placements in June and July 2005.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended.

(3) Exclusive of accrued interest, if any.

(4) The registrant will receive no consideration upon conversion of the notes. Therefore, pursuant to Rule 457(i), no filing fee is required with respect to the shares of common stock registered hereby.

(5) Represents the maximum number of shares of common stock which may be issued upon conversion of the notes registered hereby. In addition to the shares of common stock set forth in the table above, pursuant to Rule 416 under the Securities Act, we are registering an indeterminate number of shares of common stock issuable upon conversion of the notes in connection with a stock split, stock dividend, recapitalization or similar event.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. The Selling Security Holders may not sell these Securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these Securities and it is not soliciting an offer to buy these Securities in any state where the offer or sale is not Permitted.

SUBJECT TO COMPLETION, DATED JULY 8, 2005

PROSPECTUS

\$175,000,000

Oil States International, Inc.

2³/₈% Contingent Convertible Senior Notes due 2025

The securities to be offered and sold using this prospectus are our 2³/₈% Contingent Convertible Senior Notes due 2025, which we issued in private placements in June 2005 and July 2005, and shares of our common stock issuable upon conversion of the notes. These securities will be offered and sold by the selling security holders named in this prospectus or in any supplement to this prospectus. See **Selling Security Holders** beginning on page 16.

The notes bear interest at the rate of 2³/₈% per year, accruing from June 21, 2005. We will pay interest on the notes on January 1 and July 1 of each year, beginning January 1, 2006. The notes will mature on July 1, 2025.

You may convert your notes prior to the maturity date into cash and, if applicable, shares of our common stock in the following circumstances:

prior to July 1, 2023, during any fiscal quarter commencing after the date of original issuance of the notes, if the closing sale price of our common stock for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the fiscal quarter preceding the quarter in which the conversion occurs is more than 120% of the Conversion Price of the notes in effect on that 30th trading day;

on or after July 1, 2023, at all times on or after any date on which the common stock price is more than 120% of the then current conversion price;

if we have called the particular notes for redemption and the redemption has not yet occurred;

during the five consecutive business-day period following any five consecutive trading-day period in which the average of the trading prices for the notes for such five trading-day period was less than 95% of the average of the sale price of our common stock during such five trading-day period multiplied by the then current Conversion Rate; or

upon the occurrence of specified corporate transactions.

You may convert your notes into cash and, if applicable, shares of our common stock at an initial Conversion Price per share of \$31.75 (**Conversion Price**), which represents a Conversion Rate of approximately 31.496 shares of common stock per \$1,000 principal amount of notes (the **Conversion Rate**). Upon conversion of your notes the value (the **Conversion Value**) of the cash and shares of our common stock, if any, you will receive for converting each \$1,000 principal amount of notes will be determined by multiplying the Conversion Rate by the Ten Day Average Stock Price. We will deliver the Conversion Value to you as follows:

an amount in cash (the **Principal Return**) equal to the lesser of (a) the aggregate Conversion Value of the notes to be converted or (b) the aggregate principal amount of the notes to be converted,

if the aggregate Conversion Value of the notes to be converted is greater than the Principal Return, an amount in whole shares (the **Net Shares**), determined as set forth below, equal to such aggregate Conversion Value less the Principal Return (the **Net Share Amount**), and

an amount in cash in lieu of fractional shares of common stock.

The number of Net Shares to be paid will be determined by dividing the Net Share Amount by the Ten Day Average Stock Price, rounded down to the nearest whole share. Our common stock is listed on the New York Stock Exchange under the symbol OIS. The last reported closing price of our common stock on July 6, 2005 was \$26.05 per share.

We may redeem all or a portion of your notes for cash on or after July 6, 2012, at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest and additional interest, if any, to, but excluding, the redemption date. You may require us to repurchase all or a portion of your notes for cash on July 1, 2012, 2015 and 2020 for a repurchase price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest and additional interest, if any, to, but excluding, the repurchase date. You may require us to purchase all or a portion of your notes for cash upon the occurrence of a fundamental change at a purchase price equal to 100% of the principal amount of notes, plus accrued and unpaid interest and additional interest, if any, to, but excluding, the repurchase date.

The notes are our general, unsecured obligations and rank equally in right of payment with all our future unsecured, unsubordinated debt and senior in right of payment to any future subordinated indebtedness that we may incur. The notes are effectively subordinated to all of our secured indebtedness and structurally subordinated to any liabilities and other indebtedness of our non-guarantor subsidiaries.

We have entered into a registration rights agreement with the initial purchaser, pursuant to which we agreed to file a shelf registration statement, of which this prospectus is part, with the U.S. Securities and Exchange Commission covering resales of the notes and the common stock issuable upon conversion of the notes. If we fail to comply with certain of our obligations under the registration rights agreement, additional interest will be payable on the notes and the common stock issuable upon conversion of the notes.

There is no established market for the notes. The selling security holders may sell the securities offered by this prospectus from time to time on any exchange on which the securities are listed on terms to be negotiated with buyers. They may also sell the securities in private sales or through dealers or agents. The selling security holders may sell the securities at prevailing market prices or at prices negotiated with buyers. The selling security holders will be responsible for any commissions due to brokers, dealers or agents. We will be responsible for all other offering expenses. We will not receive any of the proceeds from the sale by the selling security holders of the securities offered by this prospectus.

Investing in our securities involves risks. See Risk Factors beginning on page 8.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2005.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. This means the securities described in this prospectus may be offered and sold using this prospectus from time to time as described in the Plan of Distribution. You should carefully read this prospectus and the information described under the heading Where You Can Find More Information and Incorporation by Reference. Under no circumstances should the delivery to you of this prospectus or any offering or sales made pursuant to this prospectus create any implication that the information contained in this prospectus is correct as of any time after the date of this prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We include the following cautionary statement to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any forward-looking statement made by us in this prospectus or in the documents incorporated by reference in this prospectus. The factors identified in this cautionary statement are important factors (but not necessarily all of the important factors) that could cause actual results to differ materially from those expressed in any forward-looking statement made by us, or on our behalf. You can typically identify forward-looking statements by the use of forward-looking words such as may, will, could, project, believe, anticipate, expect, estimate, potential, plan, forecast, and other similar words. All statements other than statements of historical facts contained in this offering memorandum, including statements regarding our future financial position, budgets, capital expenditures, projected costs, plans and objectives of management for future operations and possible future acquisitions, are forward-looking statements. Where any such forward-looking statement includes a statement of the assumptions or bases underlying such forward-looking statement, we caution that, while we believe such assumptions or bases to be reasonable and make them in good faith, assumed facts or bases almost always vary from actual results. The differences between assumed facts or bases and actual results can be material, depending upon the circumstances.

Where, in any forward-looking statement, we, or our management, express an expectation or belief as to the future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

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However, there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished. Taking this into account, the following are identified as important factors that could cause actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, our company:

the level of demand for and supply of oil and gas;

fluctuations in the prices of oil and gas;

the level of drilling activity;

the level of offshore oil and gas developmental activities;

general economic conditions;

our ability to find and retain skilled personnel;

the availability of capital; and

the other factors identified under the captions **Risks Related to Our Business** and **Risks Related to Our Operations** that follow.

You should not unduly rely on these forward-looking statements, which speak only as of the date of this prospectus. We undertake no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this prospectus or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks we describe in the reports we file from time to time with the SEC after the date of this prospectus.

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SUMMARY

The following summary may not contain all the information that may be important to you and is qualified in its entirety by the more detailed information appearing elsewhere or incorporated by reference in this prospectus. You should read the entire prospectus, especially the risks set forth under the heading Risk Factors, as well as the information to which we refer you and the information incorporated by reference, before making an investment decision.

When used in this prospectus, the terms Oil States, we, our and us refer to Oil States International, Inc. and our consolidated subsidiaries, unless otherwise specified.

Oil States International, Inc.

We are a leading provider of specialty products and services to oil and gas drilling and production companies throughout the world. We operate in a substantial number of the world's active oil and gas producing regions, including the Gulf of Mexico, U.S. onshore, Canada, West Africa, the Middle East, South America and Southeast Asia. Our customers include many of the major and independent oil and gas companies and other oilfield service companies. We operate in three business segments: offshore products, tubular services and well site services, and have established a leadership position in each.

Offshore Products

Through our offshore products segment, we design and manufacture a number of cost-effective, technologically advanced products for the offshore energy industry. In addition, we have other lower margin products and services such as fabrication, inspection and repair services.

We design, manufacture, fabricate, inspect, assemble, repair, test and market subsea equipment and offshore vessel and rig equipment. Our products are components of equipment used in both shallow and deepwater producing regions for the drilling and production of oil and gas wells on offshore fixed platforms, offshore mobile production units including floating platforms, floating production, storage and offloading vessels, and other marine vessels floating rigs and jack-up rigs. We believe that sales of our equipment for offshore infrastructure development and new rig construction will be important sources of future revenues. Our products and services include:

flexible bearings and connector products;

subsea pipeline products;

marine winches, mooring and lifting systems and rig equipment;

blowout preventor stack assembly, integration, testing and repair services; and

other products and services.

We have facilities in Arlington, Houston and Lampasas, Texas; Houma, Louisiana; Tulsa, Oklahoma; Scotland; Brazil; England; Singapore; and Thailand that support our offshore products segment.

Tubular Services

Through our tubular services segment, we distribute oil country tubular goods (OCTG) and provide associated OCTG finishing and logistics services to the oil and gas industry. Oil country tubular goods consist of casing and production tubing. Through our tubular services segment, we:

distribute a broad range of casing and tubing;

provide threading, remediation, logistical and inventory services; and

offer e-commerce pricing, ordering, tracking and financial reporting capabilities.

We serve a customer base ranging from major oil companies to small independents. Through our key relationships with more than 20 domestic and foreign manufacturers and related service providers and suppliers of OCTG, we deliver tubular products and ancillary services to oil and gas companies, drilling

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contractors and consultants predominantly in the United States. We do not manufacture any of the tubular goods that we distribute. We operate our tubular services segment from a total of nine offices and facilities located near areas of oil and gas exploration and development activity.

A-Z Terminal. Our A-Z Terminal pipe maintenance and storage facility in Crosby, Texas is equipped to provide a full range of tubular services, giving us strong customer service capabilities. Our A-Z Terminal is on 109 acres, is an ISO 9001-certified facility and has more than 1,400 pipe racks and two double-ended thread lines. We have exclusive use of a permanent third-party inspection center within the facility. The facility also includes indoor chrome storage capability and patented pipe cleaning machines.

We offer services at our A-Z Terminal facility typically outsourced by other distributors, including the following: threading, inspection, cleaning, cutting, logistics, rig returns, installation of float equipment and non-destructive testing.

Well Site Services

Our well site services segment provides a broad range of products and services that are used to establish and maintain the flow of oil and gas from a well throughout its lifecycle. Our services include workover services, drilling services, rental equipment, workforce accommodations, catering and logistics services and modular building construction services. We use our fleet of workover and drilling rigs, rental equipment, workforce accommodation facilities and related equipment to service well sites for oil and natural gas companies. Our products and services are used in both onshore and offshore applications through the exploration, development, production and abandonment phases of a well's life. Additionally, our workforce accommodations, catering and logistics services are employed in a variety of mining and related resource applications as well as forest fire fighting.

Workover Services. We provide our workover products and services primarily to customers in the U.S., Venezuela, the Middle East and West Africa, for both onshore and offshore applications. Our workover products and services are used in operations on a producing well to restore or increase production. Workover services are typically used during the development, production and abandonment stages of the well. Our hydraulic workover units are used for workover operations and snubbing operations in pressure situations.

Drilling Services. Our drilling services business is located in Texas, Ohio, Wyoming and Montana and provides drilling services for shallow to medium depths ranging from 2,000 to 10,000 feet. Drilling services are typically used during the exploration and development stages of a field. We have a total of 26 semi-automatic drilling rigs with hydraulic pipe handling booms and lift capacities ranging from 200,000 to 300,000 pounds.

Rental Equipment. Our rental equipment business provides a wide range of products for use in the offshore and onshore oil and gas industry, including:

- wireline and coiled tubing pressure control equipment;

- wellhead isolation equipment and services;

- pipe recovery systems;

- gravel pack operations on well bores; and

- surface control equipment and down-hole tools utilized by coiled tubing operators.

As of May 31, 2005, we provided rental equipment at 47 distribution points in Texas, Louisiana, Oklahoma, Mississippi, New Mexico, Wyoming and Alberta, Canada.

Workforce Accommodations, Catering and Logistics. We are a leading provider of integrated products and services to support workers in remote locations, including workforce accommodations, food services, remote site management services and modular building construction. We provide complete design, manufacture, installation, operation and redeployment logistics services for oil and gas drilling, oil sands mining in the Fort McMurray region of Northern Canada, diamond mining in Northern Canada and other mining ventures throughout the world, pipeline construction, forestry, offshore construction, disaster relief services and support services for military operations on a worldwide basis. Our workforce products and services operations are

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primarily focused in Canada and the Gulf of Mexico although we also have catering and facilities management activities in other international areas. During the peak of our operating season, we typically provide these services in over 200 separate locations throughout the world with separate location populations ranging from 20 to 2,000 persons.

Oil States was originally incorporated in Delaware in 1995 as CE Holdings, Inc. Our principal executive offices are located at Three Allen Center, 333 Clay Street, Suite 4620, Houston, Texas 77002, and our telephone number is (713) 652-0582. We maintain a website located at www.oilstatesintl.com. Information contained or referenced on our website is not incorporated by reference into and does not form a part of this prospectus.

The Offering

This prospectus covers the resale of up to \$175,000,000 aggregate principal amount of the notes and the shares of our common stock issuable upon conversion of the notes. We issued and sold a total of \$125,000,000 aggregate principal amount of the notes on June 21, 2005 in a private placement to RBC Capital Markets Corporation, which we refer to as the initial purchaser, and we issued and sold to the initial purchaser an additional \$50,000,000 aggregate principal amount of the notes in July 2005, upon the initial purchaser's exercise of its option to purchase such notes. The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus contains a more detailed description of the terms of the notes.

Issuer	Oil States International, Inc., a Delaware corporation.
Selling Security Holders	The securities to be offered and sold using this prospectus will be offered and sold by the selling security holders named in this prospectus or in any supplement to this prospectus. See the section entitled Selling Security Holders for more information.
Notes Offered	\$175,000,000 aggregate principal amount of 2 ³ / ₈ % Contingent Convertible Senior Notes due 2025.
Common Stock Offered	Shares of our common stock, par value \$0.01 per share, issuable upon conversion of the notes.
Maturity Date	July 1, 2025, unless earlier converted, redeemed or repurchased.
Interest	The notes bear interest at an annual rate of 2 ³ / ₈ %, accruing from June 21, 2005.
Interest Payment Dates	Interest is payable on January 1 and July 1 of each year, beginning January 1, 2006.
Conversion Rights	Under the circumstances discussed below, you may surrender your notes for conversion, in whole or in part, into cash and, if applicable, shares of our common stock at any time before the close of business on the maturity date, unless your notes have been previously redeemed or repurchased. You may convert your notes only in the following circumstances: <p style="margin-left: 40px;">prior to July 1, 2023, during any fiscal quarter commencing after the date of original issuance of the notes, if the common stock price for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the fiscal quarter preceding the quarter in which the conversion occurs is more than 120% of the Conversion Price in effect on that 30th trading day;</p>

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on or after July 1, 2023, at all times on or after any date on which the common stock price is more than 120% of the conversion price of the notes;

if we have called the particular notes for redemption and the redemption has not yet occurred;

during the five consecutive business-day period following any five consecutive trading-day period in which the average of the trading prices for the notes for such five trading-day period was less than 95% of the average of the sale price of our common stock during such five trading-day period multiplied by the then current Conversion Rate; or

upon the occurrence of specified corporate transactions described under Description of Notes Conversion Rights Conversion Upon Specified Corporate Transactions.

Upon the occurrence of any of the circumstances described above, you may convert your notes into cash and, if applicable, shares of our common stock at an initial Conversion Price per share of \$31.75, which represents a Conversion Rate of approximately 31.496 shares of common stock per \$1,000 principal amount of notes.

Once notes are tendered for conversion, the value (the Conversion Value) of the cash and shares of our common stock, if any, you will receive for converting each \$1,000 principal amount of notes will be determined by multiplying the Conversion Rate by the Ten Day Average Stock Price (as defined below). We will deliver the Conversion Value to you as follows: (1) an amount in cash (the Principal Return) equal to the lesser of (a) the aggregate Conversion Value of the notes to be converted or (b) the aggregate principal amount of the notes to be converted, (2) if the aggregate Conversion Value of the notes to be converted is greater than the Principal Return, an amount in whole shares (the Net Shares), determined as set forth below, equal to such aggregate Conversion Value less the Principal Return (the Net Share Amount), and (3) an amount in cash in lieu of any fractional shares of common stock. We will pay the Principal Return and cash in lieu of fractional shares and deliver the Net Shares, if any, as promptly as practicable after determination of the Net Share Amount. The number of Net Shares to be paid will be determined by dividing the Net Share Amount by the Ten Day Average Stock Price, rounded down to the nearest whole share. The Ten Day Average Stock Price will be the average of the daily volume-weighted average price per share of our common stock on the New York Stock Exchange for each of the ten consecutive trading days beginning on the second trading day following the day the notes are tendered for conversion.

The Conversion Price is subject to adjustment in certain circumstances. See Description of Notes Conversion Rights Conversion Price Adjustments.

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If you elect to convert your notes in connection with certain corporate transactions that occur on or prior to July 1, 2012 that constitute a fundamental change, other than a fundamental change relating to the composition of our board of directors, we will decrease the Conversion Price to increase the Conversion Rate by a number of shares of common stock. See Description of Notes Conversion Rights Conversion Upon Specified Corporate Transactions, Adjustment to Conversion Price Upon Certain Fundamental Changes and Conversion After a Public Acquirer Fundamental Change.

See the section entitled Description of Notes Conversion Rights for more information.

Ranking

The notes:

are our senior unsecured obligations;

rank equally in right of payment with all of our existing and future unsubordinated indebtedness; and

will rank senior to any of our future indebtedness that expressly provides that it is subordinated to the notes.

The notes are also effectively subordinated in right of payment to our existing and future secured indebtedness to the extent of such security, and structurally subordinated to any liabilities and other indebtedness of our non-guarantor subsidiaries. The indenture under which the notes are issued generally does not restrict the incurrence of debt by us or any of our subsidiaries.

Covenant Regarding Subsidiary Guarantees

Initially, there were no subsidiary guarantors of the notes. If prior to January 1, 2013 any of our subsidiaries guarantees or issues certain types of debt securities (excluding debt securities under credit facilities) as described under Description of Notes Contingent Subsidiary Guarantees of the Notes, the subsidiary will be required to guarantee the notes on a basis such that the subsidiary's guarantee of the notes stands in substantially the same relative ranking in right of payment to its obligations with respect to such debt securities. Any subsidiary guarantee is subject to release in certain circumstances described under Description of Notes Contingent Subsidiary Guarantees of the Notes and in no event would continue beyond January 1, 2013.

Optional Redemption

We may redeem all or a portion of your notes for cash on or after July 6, 2012, at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest and additional interest, if any, to, but excluding, the redemption date. See the section entitled Description of Notes Optional Redemption of the Notes for more information.

Repurchase of Notes at the Option of the Holder

You may require us to repurchase all or a portion of your notes for cash on July 1, 2012, 2015 and 2020 for a repurchase price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest and additional interest, if any, to, but excluding, the

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Repurchase at Option of Holders Upon a Fundamental Change	<p>repurchase date. See the section entitled "Description of Notes - Repurchase of Notes at the Option of the Holder" for more information.</p> <p>Upon a fundamental change, as defined in "Description of Notes - Repurchase at Option of Holders Upon a Fundamental Change," you may require us to repurchase your notes for cash at a repurchase price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest and additional interest, if any, to, but excluding, the repurchase date. See the section entitled "Description of Notes - Repurchase at Option of Holders Upon a Fundamental Change" for more information.</p>
Sinking Fund	None.
No Proceeds	We will not receive any proceeds from the sale by any selling security holder of the notes or our common stock issuable upon conversion of the notes.
Events of Default	<p>The following are events of default under the indenture for the notes:</p> <ul style="list-style-type: none"> we fail to pay principal of any note, when it becomes due and payable, at the stated maturity, upon acceleration, upon redemption or otherwise; we fail to pay any interest, including any additional interest, if any, on any note when due, which failure continues for 30 days; we fail to provide timely notice of a fundamental change; we fail to perform any other covenant in the indenture, which failure continues for 60 days following notice as provided in the indenture; any indebtedness under any bonds, debentures, notes or other evidences of indebtedness for money borrowed, or any guarantee thereof, by us or any of our subsidiaries, in an aggregate principal amount in excess of \$10 million is not paid when due either at its stated maturity or upon acceleration thereof, and such indebtedness is not discharged, or such acceleration is not rescinded or annulled, within a period of 30 days after notice as provided in the indenture; and certain events of bankruptcy, insolvency or reorganization involving us or any of our significant subsidiaries. <p>See the section entitled "Description of Notes - Events of Default" for more information.</p>
Registration Rights	<p>Under a registration rights agreement that we entered into with the initial purchaser in connection with the initial placement of the notes, we have filed a shelf registration statement, of which this prospectus is a part, with the SEC. If we fail to comply with certain of our obligations under the registration rights agreement, additional interest will be payable on the notes and the common stock issuable upon conversion of the notes. See the section entitled "Description of Notes - Registration Rights" for more information.</p>

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U.S. Federal Income Tax Considerations	<p>A U.S. holder generally will recognize capital gain or loss if the holder disposes of a note in a sale, exchange, redemption or other disposition (other than conversion of a note into cash and shares of our common stock). The U.S. holder's gain or loss will equal the difference between the proceeds received by the holder (other than amounts attributable to accrued but unpaid interest) and the holder's adjusted tax basis in the note. The proceeds received by the U.S. holder will include the amount of any cash and the fair market value of any other property received for the note. The U.S. holder's tax basis in the note will generally equal the amount the holder paid for the note.</p> <p>Upon conversion of a note into cash and shares of our common stock, a U.S. holder generally will not be permitted to recognize loss, but will be required to recognize capital gain in an amount equal to the lesser of the gain realized and the cash received (other than cash in lieu of a fractional share of common stock and any cash attributable to accrued interest), subject to the discussion under Material U.S. Federal Income Tax Considerations - U.S. Holders - Constructive Distributions regarding the possibility that the adjustment to the Conversion Rate of a note converted in connection with a fundamental change may be treated as a taxable stock distribution.</p> <p>See the section entitled Material U.S. Federal Income Tax Considerations for more information.</p>
Trustee, Paying Agent and Conversion Agent	Wells Fargo Bank, National Association.
Book-Entry Form	The notes were issued in book-entry form and are represented by a global certificate deposited on behalf of The Depository Trust Company (DTC) and registered in the name of a nominee of DTC. Any notes sold pursuant to this prospectus will be represented by another such global certificate. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities except in limited circumstances.
Trading Symbol for Our Common Stock	Our common stock is listed on the New York Stock Exchange under the trading symbol OIS. The notes will not be listed on any securities exchange or included in any automated quotation system.
Governing Law	The indenture, the notes and the registration rights agreement are governed by the laws of the State of New York.
Risk Factors	You should carefully consider the information set forth in the section of this prospectus entitled Risk Factors as well as the other information included in or incorporated by reference into this prospectus before deciding whether to invest in the notes or the underlying common stock.

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RISK FACTORS

An investment in the notes or underlying common stock involves a high degree of risk. You should carefully consider the risks described below, together with the other information contained or incorporated by reference in this prospectus, when making a decision to invest in these securities.

Risks Related to our Business

Decreased oil and gas industry expenditure levels will adversely affect our results of operations.

We depend upon the oil and gas industry and its ability and willingness to make expenditures to explore for, develop and produce oil and gas. If these expenditures decline, our business will suffer. The industry's willingness to explore, develop and produce depends largely upon the availability of attractive drilling prospects and the prevailing view of future product prices. Many factors affect the supply and demand for oil and gas and therefore influence product prices, including:

the level of production;

the levels of oil and gas inventories;

the expected cost of developing new reserves;

the actual cost of finding and producing oil and gas;

the availability of attractive oil and gas field prospects which may be affected by governmental actions or environmental activists which may restrict drilling;

the availability of transportation infrastructure and refining capacity;

depletion rates;

the level of drilling activity;

worldwide economic activity including growth in underdeveloped countries;

national government political requirements, including the ability of the Organization of Petroleum Exporting Companies (OPEC) to set and maintain production levels and prices for oil;

the impact of armed hostilities involving one or more oil producing nations;

the cost of developing alternate energy sources;

environmental regulation; and

tax policies.

Extended periods of low oil prices or unsuccessful exploration results may decrease deepwater exploration and production activity and adversely affect our business.

Our offshore products segment depends on exploration and production expenditures in deepwater areas. Because deepwater projects are more capital intensive and take longer to generate first production than shallow water and onshore projects, the economic analyses conducted by exploration and production companies typically assume lower prices for production from such projects to determine economic viability over the long term. If oil prices remain near or below those levels used to determine economic viability for an extended period of time, deepwater activity and our business will be adversely affected.

Because the oil and gas industry is cyclical, our operating results may fluctuate.

Oil prices have been and are expected to remain volatile. This volatility causes oil and gas companies and drilling contractors to change their strategies and expenditure levels. We have experienced in the past, and we may experience in the future, significant fluctuations in operating results based on these changes.

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Disruptions in the political and economic conditions of the foreign countries in which we operate could adversely affect our business.

We have operations in various international areas, including parts of Africa, South America and the Middle East. Our operations in these areas increase our exposure to risks of war, terrorist attacks, local economic conditions, political disruption, civil disturbance and governmental policies that may:

disrupt our operations;

restrict the movement of funds or limit repatriation of profits;

lead to U.S. government or international sanctions; and

limit access to markets for periods of time.

We might be unable to employ a sufficient number of technical personnel.

Many of the products that we sell, especially in our offshore products segment, are complex and highly engineered and often must perform in harsh conditions. We believe that our success depends upon our ability to employ and retain technical personnel with the ability to design, utilize and enhance these products. In addition, our ability to expand our operations depends in part on our ability to increase our skilled labor force. The demand for skilled workers is high, and the supply is limited. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay or both. If either of these events were to occur, our cost structure could increase and our growth potential could be impaired.

The level and pricing of tubular goods imported into the United States could decrease demand for our tubular goods inventory and adversely impact our results of operations. Also, if steel mills were to sell a substantial amount of goods directly to customers in the United States, our results of operations could be adversely impacted.

U.S. law currently restricts imports of low-cost tubular goods from a number of foreign countries into the U.S. tubular goods market, resulting in higher prices for tubular goods. If these restrictions were to be lifted or if the level of imported low-cost tubular goods were to otherwise increase, our tubular services segment could be adversely affected to the extent that we then have higher-cost tubular goods in inventory. If prices were to decrease significantly, we might not be able to profitably sell our inventory of tubular goods. In addition, significant price decreases could result in a longer holding period for some of our inventory, which could also have a material adverse effect on our tubular services segment.

We do not manufacture any of the tubular goods that we distribute. Historically, users of tubular goods in the United States, in contrast to outside the United States, have purchased tubular goods from a distributor. If customers were to purchase tubular goods directly from steel mills, our results of operations could be adversely impacted.

We are subject to extensive and costly environmental laws and regulations that may require us to take actions that will adversely affect our results of operations.

Our hydraulic well control and drilling operations and our offshore products business are significantly affected by stringent and complex foreign, federal, state and local laws and regulations governing the discharge of substances into the environment or otherwise relating to environmental protection. We could be exposed to liability for cleanup costs, natural resource damages and other damages as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, prior operators or other third parties. Environmental laws and regulations have changed in the past, and they are likely to change in the future. If existing regulatory requirements or enforcement policies change, we may be required to make significant unanticipated capital and operating expenditures.

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Any failure by us to comply with applicable environmental laws and regulations may result in governmental authorities taking actions against our business that could adversely impact our operations and financial condition, including the:

issuance of administrative, civil and criminal penalties;

denial or revocation of permits or other authorizations;

reduction or cessation in operations; and

performance of site investigatory, remedial or other corrective actions.

We may not have adequate insurance for potential liabilities.

Our operations are subject to many hazards. We face the following risks under 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 or terrorist attacks;

the dollar amount of any liabilities may exceed our policy limits; and

we may incur losses from interruption of our business that exceed our insurance coverage.

Even a partially uninsured claim, if successful and of significant size, could have a material adverse effect on our results of operations or consolidated financial position.

We are subject to litigation risks that may not be covered by insurance.

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. 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.

We might be unable to compete successfully with other companies in our industry.

We sell our products and services in competitive markets. In some of our business segments, we compete with the oil and gas industry's largest oilfield services providers. These companies have greater financial resources than we do. In addition, our business, particularly our tubular services business, may face competition from business-to-business internet auction activities. Our business will be adversely affected to the extent that these providers are successful in reducing purchases of our products and services.

Risks Related to Our Operations

We are susceptible to seasonal earnings volatility due to adverse weather conditions in our regions of operations.

Our operations are directly affected by seasonal differences in weather in the areas in which we operate, most notably in Canada and the Gulf of Mexico. Our Canadian work force accommodations, catering and logistics operations are significantly focused on the winter months when the winter freeze in remote regions permits exploration and production activity to occur. The spring thaw in these frontier regions restricts operations in the spring months and, as a result, adversely affects our operations and sales of products and services in the second and third quarters. Our operations in the Gulf of Mexico are also affected by weather patterns. Weather conditions in the Gulf Coast region generally result in higher drilling activity in the spring,

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summer and fall months with the lowest activity in the winter months. In addition, summer and fall 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, full year results are not likely to be a direct multiple of any particular quarter or combination of quarters.

We might be unable to protect our intellectual property rights.

We rely on a variety of intellectual property rights that we use in our offshore products and well site services segments, particularly our patents relating to our FlexJoint® technology. We may not be able to successfully preserve these intellectual property rights in the future and these rights could be invalidated, circumvented or challenged. 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. The failure of our company to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could adversely affect our competitive position.

If we do not develop new competitive technologies and products, our business and revenues may be adversely affected.

The market for our offshore products is characterized by continual technological developments to provide better performance in increasingly greater depths and harsher conditions. If we are not able to design, develop and produce commercially competitive products in a timely manner in response to changes in technology, our business and revenues will be adversely affected.

Loss of key members of our management could adversely affect our business.

We depend on the continued employment and performance of Douglas E. Swanson and other key members of management. If any of our key managers resign or become unable to continue in their present roles and are not adequately replaced, our business operations could be materially adversely affected. We do not maintain key man life insurance for any of our officers.

If we have to write off a significant amount of goodwill, our earnings will be negatively affected.

As of May 31, 2005, goodwill represented approximately 29.1% of our total assets. We have recorded goodwill because we paid more for some of our businesses than the fair market value of the tangible and separately measurable intangible net assets of those businesses. Current accounting standards, which were effective January 1, 2002, require a periodic review of goodwill for impairment in value and a non-cash charge against earnings with a corresponding decrease in stockholders' equity if circumstances indicate that the carrying amount will not be recoverable. See Note 2 to our Unaudited Condensed Consolidated Financial Statements included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, which is incorporated by reference in this prospectus.

If we were to lose a significant supplier of our tubular goods, we could be adversely affected.

During 2004, we purchased from a single supplier approximately 50% of the tubular goods we distributed and from three suppliers approximately 69% of such tubular goods. We do not have contracts with any of these suppliers. If we were to lose any of these suppliers or if production at one or more of the suppliers were interrupted, our tubular services segment and our overall business, financial condition and results of operations could be adversely affected. If the extent of the loss or interruption were sufficiently large, the impact on us would be material.

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Risks Related to our Relationship with SCF

L.E. Simmons, through SCF, exerts significant influence on the outcome of stockholder voting and may exercise this voting power in a manner adverse to our stockholders.

SCF-III, L.P. and SCF-IV, L.P., private equity funds that focus on investments in the energy industry (collectively, SCF), together held approximately 13.2% of the outstanding common stock of our company as of June 22, 2005. L.E. Simmons, the chairman of our board of directors, is the sole owner of L.E. Simmons & Associates, Incorporated, the ultimate general partner of SCF. Accordingly, Mr. Simmons, through his ownership of the ultimate general partner of SCF, is in a position to exert significant influence on the outcome of matters requiring a stockholder vote, including the election of directors, adoption of amendments to our certificate of incorporation or bylaws or approval of transactions involving a change of control. The interests of Mr. Simmons may differ from those of our stockholders, and SCF may vote its common stock in a manner that may adversely affect our stockholders.

SCF's ownership interest and provisions contained in our certificate of incorporation and bylaws could discourage a takeover attempt, which may reduce or eliminate the likelihood of a change of control transaction and, therefore, the ability of our stockholders to sell their shares for a premium.

In addition to SCF's position of significant influence, provisions contained in our certificate of incorporation and bylaws, such as a classified board, limitations on the removal of directors, on stockholder proposals at meetings of stockholders and on stockholder action by written consent and the inability of stockholders to call special meetings, could make it more difficult for a third party to acquire control of our company. Our certificate of incorporation also authorizes our board of directors to issue preferred stock without stockholder approval. If our board of directors elects to issue preferred stock, it could increase the difficulty for a third party to acquire us, which may reduce or eliminate our stockholders' ability to sell their shares of common stock at a premium.

Two of our directors may have conflicts of interest because they are also directors or officers of SCF. The resolution of these conflicts of interest may not be in our or our stockholders' best interests.

Two of our directors, L.E. Simmons and Andrew L. Waite, are also current directors or officers of L.E. Simmons & Associates, Incorporated, the ultimate general partne