



## US Synthetic Considering Challenge to Patent Ruling but Expects it to Have Limited Impact on Financial Results

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THE WOODLANDS, Texas, Oct. 05, 2022 (GLOBE NEWSWIRE) -- US Synthetic Corporation, a subsidiary of ChampionX Corporation ("ChampionX" or the "Company") (Nasdaq: CHX), announced today that it is considering options, including a possible appeal, in response to a U.S. International Trade Commission (ITC) Final Determination that the claims of U.S. Patent No. 10,507,565 ("the '565 patent"), U.S. Patent No. 10,508,502 ("the '502 patent"), and U.S. Patent No. 8,616,306 ("the '306 patent") "are directed to an abstract idea, and, thus, are patent ineligible". The company believes that this determination is based on an inaccurate interpretation of intellectual property law. In addition, this is the only case of which we are aware holding that the claimed properties of a manmade material are patent ineligible as being an "abstract idea". Accordingly, while US Synthetic expects limited impact on its commercial operations or financial results as a result of yesterday's decision, we believe this ITC Determination is unprecedented and improper according to current Federal Circuit case law and intellectual property statutes. US Synthetic business results are reported under the Drilling Technologies segment of ChampionX. US Synthetic estimates the potential annual impact to its revenues from this ruling to be less than 3% of Drilling Technologies revenues.

US Synthetic owns more than 450 issued United States Patents, including the '565 patent; the '502 patent, and the '306 patent, which cover certain polycrystalline diamond materials and compacts. Such polycrystalline diamond materials and compacts are commonly used in energy exploration and production. US Synthetic's patent rights preclude unlicensed third parties – including competitors, suppliers, and others from making, using, selling, importing, or engaging in development activities, such as prototype creation, testing, marketing and qualifying, that fall within the claims of any valid enforceable patent during its lifetime.

"We disagree with this decision and continue to believe in the strength of our intellectual property and the merits of our case against foreign competitors who are disregarding valid U.S. patents," said Rob Galloway, president, US Synthetic Corp. "We intend to evaluate our options to challenge this decision. Regardless of this ruling, US Synthetic is the technology leader in polycrystalline diamond technology and products, and we believe the value we drive for our customers is a key differentiator for us in the marketplace. Our priority is to defend our innovations against infringement – particularly foreign products – for the benefit of our customers and shareholders."

US Synthetic, which is the Drilling Technologies segment of ChampionX, offers innovative, top-quality polycrystalline diamond cutter ("PDC") inserts, bearings, valves, and mining tools to help customers drill the world's most demanding oil exploration and development projects, and for use in other industries. These highly specialized products are developed and produced based on more than 40 years of innovation and intellectual property development in material science applications.

### About ChampionX

ChampionX is a global leader in chemistry solutions, artificial lift systems, and highly engineered equipment and technologies that help companies drill for and produce oil and gas safely, efficiently, and sustainably around the world. ChampionX's expertise, innovative products, and digital technologies provide enhanced oil and gas production, transportation, and real-time emissions monitoring throughout the lifecycle of a well. To learn more about ChampionX, visit our website at [www.championX.com](http://www.championX.com).

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